

Commissioning Toolkit for the Procurement of Consultancy and Professional Services

APPENDIX

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Project Initiation Document Template

(Only complete the sections that are relevant to the project and
will contribute to the management and control)

File Location

Document11

Change History

| Ver | Date | Author | RFCs | Description | QR |
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Project Initiation Document

Purpose

To define the project, to form the basis for its management and the assessment of overall success.

There are two primary uses of the document:

- To ensure that the project has a sound basis before asking the Project Board to make any major commitment to the project
- To act as a base document against which the Project Board and Project Manager can assess progress, change management issues, and ongoing viability questions.

Quality criteria

- Does the document correctly represent the project?
- Does it show a viable, achievable project that is in line with corporate strategy, or overall programme needs?
- Is the project organisation structure complete, with names and titles?
- Have all the roles been considered?
- Does it clearly show a control, reporting and direction regime that is implementable, and appropriate to the scale, business risk and business importance of the project?
- Is the project organisation structure backed up by agreed and signed job descriptions?
- Are the relationships and lines of authority clear?
- Does the project organisation structure need to say to whom the Project Board reports?
- Do the controls cover the needs of the Project Board, Project Manager and Team Managers?
- Do the controls satisfy any delegated assurance requirements?
- Is it clear who will administer each control?

This is your most important document. It contains many of the PRINCE2 products (deliverables). For a large project requiring very detailed planning, consider splitting the PID up into separate documents.

For a project that can be completed in a single stage, the project plan section of the PID should be detailed enough to act as a stage plan for the whole project.

For a project that is split over more than one stage, the PID will contain the high-level project plan for the entire project. A separate, detailed stage plan must be created for the stage following initiation.

The PID is continually updated throughout the project. Dynamic elements are the Initial Business Case, Initial Project Plan and Initial Risk Log sections. The other sections are stable and will not normally require updating after the first version has been agreed and issued.

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Background

Give any useful background information. Identify the sponsor and the source of the undertaking together with any previous reports and documentation that might impact on the project.

If a project brief has been produced, incorporate the background from the project brief and add any further relevant decisions or events.

Many new people will be involved in the project since the project brief was agreed. This section will help the newcomer understand the context in which the project has evolved.

Project Definition

Project Objectives

Define what will be achieved by the project, expressed in measurable terms. It is helpful to identify separate objectives for the project itself (such as what the project has to deliver) and the project outcome (how the business will change by using this product).

Use the objectives from the project brief, if produced. Remember, though, that these may have been refined since first produced.

Project Products

Describe the key products. These are the ones that your customers will be expecting in order to define successful completion. Do not include any interim products unless of particular importance to the customer.

This should be a 'firming up' of the outline project deliverables in the project brief, if produced. But keep it high-level – a bullet list should suffice as the products are described in detail in their product descriptions.

Note that all the products will be included in the plan.

Project Approach

Project Approach

Purpose

To define the type of solution to be developed by the project and/or the method of delivering that solution. It should also identify any environment into which the solution must fit.

Quality criteria

- It must conform to the strategy that relates to the product's operational environment.
- It must be achievable within all known time and cost constraints for the project.

It must be achievable with known technology

Provide a short description, in general terms, of how the project will achieve its objectives. Use the project approach section in the project brief, if produced. The approach chosen will be fully expanded in the initial project plan but it is useful to give a picture here to provide context.

Project Scope

Give a textual description of the key business or technical areas, functions and processes to be addressed during the project – what is 'in' and what is 'out'. This is not a list of what will be done – it shows what will be affected. A scoping (or context) diagram can be helpful.

Sometimes you may have to specify areas or pieces of work that are out of scope; especially where there is a reasonable expectation that the work will naturally form part of the project.

Be careful if your project comprises part of a bigger project – define exactly what your part includes.

Remember that if something is within scope then you must have the resources to deal with it and you, the project manager, must handle any issues arising from it. If this is not the case then maybe the item should be considered a dependency.

This section is a refined version of the scope in the project brief, if produced.

Constraints

Mention any constraints that apply to the project. For example:

- Dependencies on other projects.
- Resource levels.
- Budgetary limits.
- Level of disruption to the business.
- Deadlines, for example launch dates or statutory requirements.

Interfaces

Show how the project will interface with other projects or business areas. For example, two projects may be competing for specific testing resources. Or, the project may need to co-ordinate with the sales department. Or, the project may need to interface with a broader programme of initiatives.

You may need to include in this section specific technical (system) interfaces if they are particularly important for your project.

Assumptions

Mention any assumptions made for the project. These are realistic expectations about what will be in place or will happen that you want to highlight to check their validity. Ensure there is a corresponding entry in the risk log.

Project Organisation Structure

List the names and job descriptions of those identified so far as participating in the project. This will probably be just the project board, the project manager, specialist assurance roles and perhaps specialist technicians. Include external company representation.

Use the table below as a guide or replace it with one appropriate for this project. A person may have more than one role. However, a project manager may not have a project board role or the project assurance role.

The project board is accountable for the success of the project.

The Executive has to ensure that the project is value for money, balancing the demands of business, user and supplier.

The senior user role represents the interests of all those who will use the final product(s) of the project.

The senior supplier role represents the interests of those designing, developing, procuring and implementing the project products.

The project board is accountable for the quality of the project. However, the project board members may not have the time (or the expertise) to perform their quality assurance responsibilities. In this case, some or all of the project board may delegate their quality assurance responsibilities to a project assurance role.

Optionally project support may be offered to the project manager – often taking the form of administrative help, support in the use of specialist project management tools and performing configuration librarian duties.

The project manager has the authority to run the project on a day-to-day basis within the constraints laid down by the project board.

Optionally, the project manager may delegate authority and responsibility for the planning and production of certain products to a team manager.

Refer to project management team role definitions in the PRINCE2 manual for details of the specific responsibilities attached to these and other possible roles.

| Role | Name |
|---------------------------------|------|
| Project Board - Executive | |
| Project Board - Senior User | |
| Project Board - Senior Supplier | |
| Project Assurance | |
| Project Support | |
| Project Manager | |
| Configuration Librarian | |

Communication Plan

Communication Plan

Purpose

To define all parties with an interest in the project and the means and frequency of communication between

them and the project.

Quality criteria

- Have all the listed derivation sources been checked?
- Have all stakeholders been identified and their communication requirements defined?
- Is there agreement from all interested parties about the content, frequency and method?
- Has a common standard been considered?
- Has time to carry out the identified communications been allowed for in Stage Plans?

Define the key communications that must occur, and with whom, throughout the project. This excludes project management communications such as regular reports to the project board as they are contained elsewhere within the PID. This plan considers all the stakeholders who will need to be informed or to feed back to the project.

Having considered this plan, ensure that the products (such as newsletters or regular memos) are included in the main plan and have responsibility assigned. Do not underestimate the time needed to communicate effectively. Liaise with the project board about the major communications to those outside the project, as it is their area of responsibility.

Use the table below.

Stakeholder

Include users, audit functions, quality assurance, finance, marketing and sales - any person or area in the company (or external) that will be interested in the progress and completion of the project.

Nature of Communication

What sort of information will need to be provided? This may be a very general statement at this point, but will be very specific if relating to a milestone or major delivery. For example, progress update or request input.

Medium

Describe the basic medium – email, bulletin, memo, etc. For a regular, formal communication such as a bulletin, or external communication, such as a press release, you will need a product description as well. Consider if this is a key product, particularly if the project includes a major business process change.

Frequency

State how often each type of communication will take place. This must be incorporated in the full project plan.

Schedule

State when the communication needs to occur, or start and/or complete. Add to the plan.

| Stakeholder | Nature of Communication | Medium | Frequency | Schedule |
|-------------|-------------------------|--------|-----------|----------|
| | | | | |

Project Quality Plan

Project Quality Plan

Purpose

The Project Quality Plan is part of the Project Initiation Document.

The purpose is to define the quality techniques and standards to be applied, and the various responsibilities for achieving the required quality levels, during the project.

A.28.4 Quality criteria

- Does the plan clearly define ways in which the customer's quality expectations will be met?
- Are the defined ways sufficient to achieve the required quality?

- Are responsibilities for quality defined up to a level that is independent of the project and Project Manager?
- Does the plan conform to the corporate quality policy?

Explain how the project will meet its quality objectives, including acceptance criteria for the project, customer's quality issues (from the project brief) and for the products. This includes the management systems that will ensure quality is built in, and the testing.

For a large or particularly complex project, consider creating a separate document for the quality plan to ensure you give it due consideration. If a separate project quality plan is produced, either summarise the contents here or give a reference.

The way you complete the quality plan will depend on your existing working practices: how well established they are; how well they will meet the needs of your project.

Do not use the quality plan for documenting a quality management system!

Consider the needs of your project – if your project is unusual or high risk then you may need to document your approach to quality quite carefully. Otherwise, if you're generally satisfied with your department's working practices then you may find that you do not have to write down very much in the quality plan.

Project Controls

State how management control is to be exercised. Define the reporting and monitoring mechanisms that will be used during the project, including the exception process. At a minimum this will include the regularity of checkpoint and highlight reports, project board meetings, and team meetings.

Initial Business Case

Business Case

Purpose

To document the justification for the undertaking of a project based on the estimated cost of development and implementation against the risks and the anticipated business benefits and savings to be gained. The total business change must be considered, which may be much wider than just the project development cost.

The Business Case is used to say why the forecast effort and time will be worth the expenditure. The Project Board will monitor the ongoing viability of the project against the Business Case.

Quality criteria

- Can the benefits be justified?
- Are the Project Plan and Business Case aligned?
- Are the reasons for the project consistent with corporate or programme strategy?

Explain why the project is being undertaken. Define the benefits that will follow from the project and the costs of doing it.

There may be no business benefits if the change is regulatory – other than compliance – but there will be costs.

Consider creating a separate document for the business case in the following circumstances:

- Your organisation has its own separate standards for business cases and requires a separate document.
- Your organisation reviews and signs off the business case independently of the PID (usually before the PID!) and so it cannot be included in this document.
- Your project is particularly large, complex, or costly so you need to include and explore the issues in more

detail.

If you create a separate document, make reference to it here.

Reasons

Explain the reasons for undertaking the project. For example:

- Business change.
- Technological change.
- Regulatory or statutory change.
- Improvement programme.
- Corporate strategy.

This will be a descriptive paragraph. Avoid rewriting the background.

Options

Provide a brief description of the different options that have been considered for the project. The chosen option should be indicated, with a summary of the reasons for the choice.

Benefits

Financial

Give details of the financial benefits of the project in monetary terms. These figures must be used in the investment appraisal. For example:

- Improved cash flow.
- Reduced stock levels.
- Regulatory compliance.

Explain how the value of the benefits will be measured.

Non-Financial

Describe any other benefits of the project. For example:

- Improved company image.
- Improved staff morale.
- Improved customer response times.

Explain how the non-monetary value of the benefits is to be measured. For example:

- Customer satisfaction survey.
- Reduced staff turnover.

Risks

Provide a summary of the key business risks to the project. Refer to the Risk Log for more detail if necessary.

Cost and Timescale

Give an indication of when the costs are likely to be incurred (such as spread evenly over the project, when a capital purchase needs to be made, or when temporary resources will be brought in). Make sure that this is in step with the costs you've given in the project plan.

Investment Appraisal

Provide a cost benefit analysis of the project to indicate the estimated return on investment. Summarise the costs against the benefits, and point out where the break-even point is (that is, where the benefits returned equals the spend). If the analysis is done on a separate document (for example a standard spreadsheet), give a reference here.

Benefits Realisation Plan

It is most likely that the benefits in the business case will not be realised until well after the end of the project. State here how the benefits will be monitored and realised. A named individual needs to have responsibility for ensuring that the benefit is realised: this is usually the project executive but may also be the senior user or the change manager in a programme.

| Benefit | Due | Monitored By | Action Required | Owner |
|---------|-----|--------------|-----------------|-------|
| | | | | |
| | | | | |

Initial Project Plan

Project Plan

Purpose

The Project Plan is a mandatory plan that provides a statement of how and when a project's objectives are to be achieved, by showing the major products, activities and resources required on the project.

It provides the Business Case with planned project costs, and it identifies the management stages and other major control points.

It is used by the Project Board as a Baseline against which to monitor project progress and cost stage by stage.

Quality criteria

- Is the plan achievable?
- Does it support the rest of the Project Initiation Document?

In this section you need to show to the project board how the project will be achieved.

If the project is particularly large or complex, consider creating a separate document for the plan to allow the right level of detail. If you do so, make reference to it here and summarise the contents.

The plan should reflect the approach stated in the project mandate or project brief.

If your plan requires the project to be split over more than one stage then make sure that you produce a stage plan for the forthcoming stage as well as the project.

If your project is to be completed within a single stage, then your project plan must be sufficiently detailed to enable day to day management control and tracking.

Remember that you will need to show for each of the products referred to in the PID, how and when the activities of the project will occur to produce them.

Plan Description

Give a textual description of the plan and its stages. Give estimated start and end dates for each stage. Show how the stages relate to each other. Describe the main objective for each stage, and the key deliverables.

Project Pre-Requisites and External Dependencies

Document what should be in place at project initiation and which must remain in place for the project to succeed. Explain why.

Record any dependencies that exist between this project and any other work underway. Include both resources (list when they are expected to become available) and external products. External dependencies are those that you have little or no control over.

Planning Assumptions

Explain the assumptions made during the planning. Give reasons for each assumption. For example:

- Availability of staff.

- Estimates based on a resource fully available to the project.
- Time allowed for reviewing a product is n days after delivery.

However, do not include standard, agreed planning assumptions unless they need to be brought to the attention of the project board.

The Project Plan

Gantt Chart

Use a Gantt chart to graphically represent the project, including the stages. This should be at summary level. Make sure that you show when the major products (listed in section 0) are delivered. Copy and paste from your project management tool into this document.

Milestone Table

List the milestones. The project board will be using these to monitor progress so should be significant and represent a change in the status of the project. About one per month, averaged over the project. Note the stage to which they belong. Use the table below or adapt as required.

| Milestone | Due Date | Stage |
|-----------|----------|-------|
| | | |

Product Breakdown Structure

Product Breakdown Structure

Purpose

To show all products to be developed and quality controlled. To understand the content and function of all products to be developed.

Quality criteria

- Are all external products and project products clearly identified and distinguished?
- Is the PBS consistent with the Product Checklist?
- Are genuine super-products (ie non-bottom level but requiring a separate product description) distinguished from convenient product groupings (memory joggers)?
- Are management and specialist products identified and distinguished?
- Can Product Descriptions for the bottom-level products be written without further decomposition?
- Have enough bottom-level products been identified to meet management control requirements?
- Will all the products identified fulfil the business need?
- Have all quality products been identified that meet the needs of the customer, audit and quality assurance

as described in the Project Quality Plan?

- Is the numbering of each product unique and consistent with the level of the product in the hierarchy?
- Has responsibility for the monitoring of the quality of external products been clearly identified?

Provide a diagrammatic representation of the hierarchy of products and their constituent products with the final product(s) at the top. It includes management, specialist (technical) and quality products of the project.

Product Flow Diagram

Product Flow Diagram

Purpose

To show the required sequence of delivery of a plan's products and identify dependencies between those products, including any external products.

A.21.4 Quality criteria

- Are all external products identified and the dependencies understood?
- Are all bottom-level products in the PBS identified on the diagram?
- Are all 'super-products' identified on the PBS shown on the Product Flow Diagram (PFD)?
- Are all products identified in the PFD identified as products in the PBS?
- Are there any products without dependencies?
- Have dependencies been identified at a level suitable to that of the plan of which the PFD is a part?
- Are the dependencies consistent with the derivation fields (from Product Description) of all the products?

Draw a diagram of how products are derived from others. It shows interdependency and sequence.

Product Descriptions

Give definitive descriptions, with quality criteria, of all the key products the project will produce (these are the products listed in section 0). Product descriptions are not required for products that have a standard, for example management products such as end project report.

These product descriptions should reflect the acceptance criteria (in project brief) and the quality expectations (in the project mandate and project brief).

You may prefer to put the product descriptions into separate documents. If you do so, make reference to the documents here.

Resources

Show the resource requirements, by type over time for each stage – or at least for the next stage and a figure for the whole project.

Only use this table if you are going to track at this level. Remember, in order to track at this level, you will have to get the project team members to use timesheets.

Include the standard chargeout rates for staff in planning assumptions.

| Resource | Effort and Cost | | | | | | | | | | | |
|--------------------|-----------------|------|--------|------|---------|------|--------|------|---------|------|--------|------|
| | Stage 1 | | | | Stage 2 | | | | Stage 3 | | | |
| | Plan | | Actual | | Plan | | Actual | | Plan | | Actual | |
| | Days | £000 | Days | £000 | Days | £000 | Days | £000 | Days | £000 | Days | £000 |
| Project Management | | | | | | | | | | | | |
| Users | | | | | | | | | | | | |
| Analysts | | | | | | | | | | | | |
| | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | |

Financial Budget

Provide a chart or table showing the planned cumulative costs over time with the actual cumulative costs. If you use a separate spreadsheet make reference to it here.

If appropriate, make sure that you include the cost of internal resources as well as external resources.

The costs given here should correspond to the costs you've given in the business case.

Quality Responsibilities

All participants in a project have some responsibility for quality, but some will have special accountability depending on the nature of the products. Identify the key personnel responsible for quality matters. Named individuals may not be required, but give names of department such as compliance department, security officer, IT quality manager.

If customising or adding quality responsibilities to roles for this project, include in the role descriptions in an appendix, or make reference to them here.

Key Product Quality and Acceptance Criteria

Highlight the key product quality criteria. This includes both the key quality criteria for products that will affect acceptance, as well as the key products and their quality criteria.

Show how the key products will be developed in such a way as to satisfy the acceptance criteria in the project brief, and quality issues in the project mandate and project brief. Assign these requirements to the individual products. For example, an acceptance criteria that requires 'easy to amend' tax rates for a transaction, may

have 'User maintainable tables for tax rates' as one of the transaction's quality criteria.

You will need to state what the acceptance criteria are here if not clear in the project mandate or project brief, or they have been developed since written.

Note that the full list of quality criteria for each product will be in their related product descriptions.

Tolerances

Describe here how much leeway you have before you need to invoke the exception process (that is, the project is moving so far out of plan as to need project board action or approval before proceeding). This may be a financial trigger (for example, a tolerance of 5% of total budget) or time (for example, a tolerance of ten elapsed days), a resource tolerance (for example, 10% of initial estimate) or a quality tolerance (for example, number of error-free days of parallel running). Compromise on quality is to be avoided but may be necessary where time or cost is the overriding concern.

Standards

List the technical/specialist standards and quality management standards that must be complied with and reflected in the products. This will include both customer and supplier standards where appropriate.

List here any new standards that need to be developed to support your project. These will be shown on your product flow diagram and reflected in the stage plan, and may need to be covered by quality responsibilities.

Quality Control and Audit Processes

Management

Define the quality management system requirements for quality control and project audit trail of the management products. The main quality control technique for the management products is the quality review.

Technical

Define the quality management system requirements for quality control and audit trail of the technical work. This will include the level of testing and the types of testing to be conducted, unless they are to be documented in a separate test strategy. Standard testing activities will include walkthroughs and peer reviews.

Change Management Procedures

State how changes to the project or its products will be managed – through the PRINCE2 project issues procedures or an existing internal process. State who can authorise changes and who will manage the change budget. Relate this to your quality management system and quality procedures.

Configuration Management Plan

Configuration Management Plan

Purpose

To identify how and by whom the project's products will be controlled and protected.

Quality criteria

- Responsibilities are clear and understood by both customer and supplier
- The key identifier for project products is defined
- The method and circumstances of version control are clear
- The plan provides the Project Manager with all the product information required

State how configuration management will be handled for the project's products. It must include what products will be configuration managed, how they will be controlled, how the status of the products will be reported, and how they will be verified as being correct.

Refer to interfaces to other configuration management systems. In particular, if the project involves amendments to existing code, refer to the configuration management system that controls the code and documentation of the affected systems (usually the production configuration management). Take care also to document how your configuration management system will interface with any third party's.

Identify the person who will take the role of configuration librarian in the project organisation section.

Tools

A statement of any software tools (or other aids) which will be used to help control quality, filing and configuration management on the project. Only include if you will be using different tools to the standard ones.

Initial Risk Log

Copy the entries from the risk log (you may want to limit these to the key ones for a large or high risk project). Say how you intend to handle them should they materialise.

Explain also how you intend to deal with the consequences of any risks that materialise that is, your contingency plans).

Risk Log Template

Project Name:

Date:

[illegible]

Project Issue Template

| | | | |
|-----------------------------|--|---------------------------|--------------------------------|
| Project Name: | | | |
| Issue Log No. | | Date Raised: | |
| Originator: | | Status: | Raised/In Hand/Closed/Rejected |
| Type of Issue: | Request for Change/Off-Specification/Question/Statement of Concern | | |
| Summary of Issue: | | | |
| Impact on Project: | | | |
| Severity Assessment: | Very High/High/Medium/Low/Cosmetic | | |
| Action Due: | | | |
| Date Due: | | Action Owner: | |
| Action Taken: | | | |
| Date Closed: | | Closing Authority: | |
| | | Sign: | |

Issue Log Template

Project Name:

Date:

[illegible]

Business Case Template

(Only complete the sections that are relevant to the project and will contribute to the management and control)

File Location

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Change History

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Business Case

Purpose

To document the justification for the undertaking of a project/assignment based on the estimated cost of development and implementation against the risks and the anticipated business benefits and savings to be gained. The total business change must be considered, which may be much wider than just the project development cost.

The Business Case is used to say why the forecast effort and time will be worth the expenditure. The Project Board will monitor the ongoing viability of the project/assignment against the Business Case.

Quality criteria

- Can the benefits be justified?
- Are the Project Plan and Business Case aligned?
- Are the reasons for the project consistent with organisation business and/or programme strategy?

The Business Case describes the reasons and justification for undertaking the project/assignment and is therefore the most important set of project information. It drives project decisions and is continually used to check the project/assignment's progress against business objectives.

The Business Case is developed at the start of the project/assignment and is maintained throughout the project.

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1 RATIONALE

1.1 Background

Give any useful background information. Identify the sponsor and the source of the assignment, together with any previous reports and documentation that might impact on the assignment. This section will help with the understanding of the context in which the assignment has evolved.

1.2 Strategic Fit

Explain the reasons for undertaking the assignment and how it fits with the strategic objectives of the organisation. For example:

- Business change.
- Technological change.
- Regulatory or statutory change.
- Improvement programme.
- Corporate strategy.

Questions to be addressed in this section:

- How well does the proposed way of meeting the requirement support the organisation's objectives and current priorities?
- If it is a poor fit, can the scope be changed?
- Is the project needed at all?
- Have the stakeholders made a commitment to the project?

This will be a descriptive section. Avoid rewriting the background.

1.3 Stakeholders

Identify the people for whom the work will be done – the customer (who gets the overall benefit), user (who will actually use the products) and any known interested parties (for example, regulatory bodies).

1.4 Constraints

Summarise the main constraints, such as the willingness of senior management to absorb fundamental business change, the affordability of proposals, existing contractual commitments, restrictions on time, resources, impacts or ways of executing the project, and/or the eventual outcome.

1.5 Interfaces & Dependencies

Outline the internal and external factors upon which the successful delivery of this project are dependent, such as other projects and programmes already underway. List any projects, products or processes with which this proposed project and its products may have to fit.

2 OPTIONS APPRAISAL

Provide a description of the different options that have been considered to meet the business need. This should include a cost/benefit analysis for each option [at least 3 options should be considered]. The chosen option should be indicated, with a summary of the reasons for the choice.

Questions to be addressed in this section:

- Has a wide range of options been explored?
- Have innovative approaches been considered and/or collaboration with others?
- If not, why not?
- Has the optimum balance of cost, benefit and risk been identified? If not, what trade-offs need to be made e.g. foregoing some of the benefits in order to keep costs within budget; taking carefully considered risks to achieve more substantial benefits?

2.1 Benefits

2.1.1 Financial

Give details of the financial benefits of the project/assignment in monetary terms. These figures must be used in the investment appraisal. For example:

- Improved revenue flow.
- Reduced stock levels.
- Regulatory compliance.

Explain how the value of the benefits will be measured.

2.1.2 Non-Financial

Describe any other benefits of the project/assignment. For example:

- Improved service delivery.
- Improved staff morale.
- Improved customer response times.

Explain how the non-monetary value of the benefits is to be measured. For example:

- Customer satisfaction survey.
- Reduced staff turnover.

3 COSTS & INVESTMENT

3.1 Investment Appraisal

Provide a cost benefit analysis of the project/assignment to indicate the estimated return on investment. Summarise the costs against the benefits, and point out where the break-even point is (that is, where the benefits returned equals the spend).

Questions to be addressed in this section:

- Can value for money be achieved from the proposed sources and approach?
- If not can the project/assignment be made attractive to a wider audience (ie. partners)

3.2 Affordability & Timescales

Give a statement of available funding and broad estimates of projected whole-life cost of project, including departmental costs (where applicable).

Give an indication of when the costs are likely to be incurred (such as spread evenly over the project, when a capital purchase needs to be made. Make sure that this is in step with the costs you've given in the project plan

Questions to be addressed in this section:

- Can the required budget be obtained to deliver the whole project?
- If not, can the scope be reduced or delivered over a longer period?
- Could funding be sought from other sources?

4 ACHIEVABILITY

Identify the skills and experience required to delivery the desired outcomes. Include an outline contingency plan to address any failure to deliver. Outline the proposed procurement strategy/approach and sourcing options.

Questions to be addressed in this section:

- Can this project be achieved with the organisation's current capability and capacity?
- If not, how can the required capability be acquired?
- Can the risks be managed – e.g. scale, complexity, uncertainty?
- Does the scope or timescale need to change?

4.1 Outline Plan

State here, at a very high level, provisional project timeframe to achieve the desired outcomes, with key milestones and major dependencies.

4.2 Risks

Provide a summary of the key risks to the project/assignment and an outline plan for managing them.

4.3 Authority & Responsibility

Identify the governance structure with the key roles and responsibilities and named individuals.

5 BENEFITS REALISATION PLAN

It is most likely that the benefits in the business case will not be realised until well after the end of the project/assignment. State here how the benefits will be monitored and realised. A named individual needs to have responsibility for ensuring that the benefit is realised: this is usually the Senior Responsible Owner but may also be the business change manager in a programme.

A benefits realisation plan may not be required if the project/assignment is part of a managed programme.

| Benefit | Due | Monitored By | Action Required | Owner |
|---------|-----|--------------|-----------------|-------|
| | | | | |
| | | | | |

Determine the Need

Determining the need to engage a consultant.

Action to select and engage a consultant should be started only when there is clarity concerning:

- the unavailability of appropriate staff or other critical resources in-house, or it is more expensive to do the work in-house.
- the unavailability or inappropriateness of other possible avenues.
- the contribution the consultancy will make to corporate, government or your own aims and objectives.
- particular problem or issue which are a speciality of the consultancy.
- the work and output expected from the consultant, and the benefits expected.
- the cost.

***NB.** The costs involved in specification preparation, briefing, tender evaluation, engagement, assisting and supervising the consultants should be estimated in monetary value and or in time terms (such as person days / hours) and identified separately in the statement of estimated costs. Calculation of such costs enables a realistic appreciation of likely project costs for comparison against the expected benefits.*

The use of consultants does not remove the individual of their responsibility for the successful outcomes of the project. Consultants do not provide risk avoidance if projects are not successful. Effective oversight management of the consultant and the project is essential.

In the main, consultants should be used to:

- provide validation or challenge internal work.
- fill a gap where skills and expertise are not available in house.
- provide the necessary input and validation for high value or high-risk projects.
- bring an external perspective where such a perspective adds value.
- transfer appropriate skills and knowledge related to the delivery of the assignment to support the building of capacity within the organisation

Key Readiness Questions

Key Readiness Questions

To assess whether the right systems are in place and your readiness to proceed complete this questionnaire.

Answer **Yes** or **No** to each question. Evaluate your score on the last page.

| 1 | To find out if your department's need for external professional services have been clearly identified and specified. | Yes | No |
|---|---|-----|----|
| | Has the need for professional services been rigorously assessed and checked that it cannot be properly met internally? | | |
| | Has the need been clearly defined? | | |
| | Are you able to brief all those who will be invited to tender about what the work will involve? | | |
| | Are you able to provide the department and the consultant with clear and detailed information on the outcomes required? | | |
| | Is payment of the consultant based on achievement and or delivery against Key Performance Indicators, milestones or outcomes? | | |

| 2 | To find out if your department's approach to negotiations is astute and robust. | Yes | No |
|---|--|-----|----|
| | Are discounts negotiated for high-volume work or where there are opportunities to carry out repeat work? | | |
| | Will the department question whether and how much travel and subsistence costs are to be reimbursed? | | |
| | Is a plan in place that will ensure that the consultant is providing a cost-effective service (for example, changing the mix and cost of the staff who they allocate to perform specific tasks)? | | |
| | Is your department able to oversee that cost-effective staffing happens in reality? | | |
| | Is the trade-off between cost, time and quality reviewed (for example where work is not time critical taking a little longer to complete so as to improve quality)? | | |
| | Has the ownership of intellectual property rights been considered and negotiated? | | |
| | Has your organisation's professional procurement staff been involved in the negotiations with all possible suppliers? | | |

| 3 | To check if the opportunities for internal and external collaboration with other departments has been explored fully. | Yes | No |
|---|--|-----|----|
| | Does the department regularly identify and review their likely requirement to purchase professional services over the coming six months to a year (such as posting vacancies on the Knowledge Centre or by visiting the Centre of Excellence Knowledge Centre)? | | |
| | Is information on what professional assistance and advice has been commissioned readily available throughout the department on its Intranet and is it easily accessible (such as posted on the KC)? | | |
| | Are staff aware of the possibilities and the opportunities for joint purchasing of similar services between boroughs and departments or of the pooling of information to get better deals (by posting work specifications on the KC, or visiting the site for information.)? | | |
| | Has the department questioned the justification for repeat business when the results and advice arising from earlier assignments are available (posted on the KC) within the organisation, another department or with another borough? | | |

| 4 | To check if the department has management information on suppliers' and the departments' performance. | Yes | No |
|---|--|-----|----|
| | Is the information which is needed to assess suppliers' performance determined at the beginning of the assignment? | | |
| | Are regular evaluations of the suppliers' and the department's performance undertaken once an assignment has started, and are these posted on the KC? | | |
| | Has the department considered linking suppliers' remuneration to achieved performance where this is cost-effective (while ensuring that reliable and unbiased data is available to demonstrate performance)? | | |
| | Are the lessons learned from evaluations disseminated within the department, to other departments and boroughs and implemented by staff (such as by posting the details on the KC)? | | |

| 5 | To check if the department using the most appropriate and cost-effective form of procurement | Yes | No |
|---|--|-----|----|
| | Is the form of procurement appropriate to the department's business needs, taking account of the intended outcomes and the volume, value and urgency of the requirement? | | |
| | Have the internal processing costs been taken into account in determining the appropriate form of procurement? | | |
| | Do the forms of procurement selected provide sufficient competition and comply with European Communities' Regulations? | | |

| 6 | To check if the department is disseminating good practice and guidance to those responsible for procurement. | Yes | No |
|---|--|-----|----|
| | Are staff aware of good practice and the tangible benefits it can achieve (do they check the Knowledge Centre regularly)? | | |
| | Has the department considered appointing 'champions' - senior managers who will promote improvements in procurement practice and liaise with key suppliers? | | |
| | Does the department access an electronic database of good practice which includes practical examples to which staff can refer? | | |
| | Does the department monitor its compliance with good practice and investigate when this does not happen? | | |
| | Does the department maximise the opportunities offered by government wide arrangements e.g. OGC, to achieve value for money from expenditure on professional services? | | |
| | Has the department taken appropriate steps to ensure that its agencies and suppliers are implementing good practice and guidance? | | |

KEY

| | |
|------------------------|--|
| All Yes answers | You are ready to recruit, however a quick read of this Toolkit may provide additional information that will reinforce your existing good practice. |
| If No answers | Look at each of your NO answers and decide what it is that you need to do differently. This Toolkit can help. |

Engaging a Consultant

General Guidance

Consultancy Engagement

General Guidance

The Institute of Management Consultancy has developed guidance in the form of "Ten Golden Rules" to inform those wishing to engage consultants. Additional information has been added to enhance guidance and while not prescriptive, will guide you towards making an informed decision and thus to the successful completion of your project/assignment.

Specification

Clearly define the objectives that you hope to achieve.

- Ensure there is an authorised business case that takes account of the whole life cycle spend and identifies sources of funding.
- Describe the job that you want done and specify the things that you expect to see from the project.
- Understand precisely how your business will benefit from the work.
- Decide on the timescale, scope and any constraints on the project.
- Clarify your own role, which key staff will be involved, and how their time will be made available.

Consult with others in your organisation to agree those objectives.

- Consult with appropriate fellow directors and managers on the nature of the problem.
- Engage your procurement team to advice on procurement process and meeting the need.
- Jointly define your specific needs for the expertise you want – i.e. is it a systems, human or skills solution that you need?
- You may require frequent or irregular "hand holding" discussions and or counselling sessions with a management consultant rather than a defined project. When selecting this style of assistance - make sure that you have a written fee quote and agree the terms of reference.

Commission

Short-list no more than three consultants, and ask them to provide written proposals.

- Make sure you only ask consultants to quote for work that they are qualified to carry out.
- Ask potential consultants to send you basic information about themselves and to meet with you to talk about your needs - without charge.

-
- Invite the consultancies to submit written proposals, which should include:
 - their understanding of the problem.
 - the brief.
 - names and CVs of the consultant(s) who will do the work.
 - experience of the firm.
 - names and contact details of references.
 - other support provided by the firm.
 - work plan and timeshare - Reports and/or systems that will be supplied to you.
 - fees, expenses and schedules of payment.
 - the inputs required from you.

Brief the consultants properly.

- Prepare a concise brief which clearly defines the objectives, scope, timescale, reporting procedure and constraints of the project and agree it with others in your organisation that will have an influence on the outcome of the project.
- Remember that the cheapest quote will not necessarily give the best value for money and your preferred consultant(s) fees may be negotiable.
- If appropriate link fees to performance and targets.

See the individual consultant who will do the job and make sure that the 'chemistry' is right.

- Successful consultancy requires goodwill in human communications. Meet the consultant(s) who will be doing the job and brief them well, using the written brief and any background information you or they think necessary.
- Talk through your chosen proposal with the consultant before making a final decision, ensure that you have all your concerns answered. If you are not happy with any aspects of the proposal do not feel pressured into accepting them. Continue discussions with the consultant until full agreement on the proposal can be reached.
- Select the firm or individual that you feel has the best qualifications and experience and who you feel you can work with comfortably.

Ask for references from the chosen consultant(s) and follow them up.

- Ask the firm or individual chosen for names or written references from former clients in order to verify the consultants' suitability for the assignment.
- Ask for references from clients for whom they had delivered similar projects.
- Agree what you will do in the event of having an unsatisfactory reference check back.

Review and agree a written contract before the assignment starts.

- Send this with the specification and make it clear that this forms the basis of the agreement.

Deliver

Be involved and in touch during the assignment.

- Using consultants effectively demands a commitment of time as well as money by the organisation.
- Remember that you must keep in touch with the progress of the assignment if you are to get the most from it. Consultants are likely to be cost-effective when working to an agreed programme and timescale. Make sure that there are regular progress meetings and that the consultant keeps you fully briefed on progress against the programme.
- If you don't understand the system they are using, ensure that they explain it to you in words that you can understand. If you and your team develop project management skills in the process this effectively becomes part of the skills transfer that is so much an additional value when you "get the consultants in". If you cannot understand their system, use your own, whatever you do, stay in control.
- To implement the recommendations it is often most cost effective to involve the consultant(s) together with your management.
- If you and your staff need to provide input, make sure that you do it within the agreed timescale. Extra costs may be incurred if you hold up the progress of the assignment. Consultancy requires an investment not only in fees but also in client time.
- Assignments are usually most effective when the work is done on the client's premises. Make sure you can provide suitable office space and administrative support for the consultants.
- Involve your staff in the assignment as early as possible to ensure that they "own" the recommendations and will have an interest in the results. How you manage the consultant will impact on how your team perceive, and thus how they embed, the results of the project.
- Assignments are often most effective when run by a joint team of consultants and staff and when the contents of the consultant's report are agreed with the staff at a progress meeting.

Ensure that the consultant does not save surprises for the final report.

- The consultant's report is often their most tangible 'deliverable'; but it must be in a format which is beneficial to you. If necessary, ask the consultant to produce a draft report so that you can discuss their findings and

recommendations with some of your colleagues before the final report is produced.

- If a report isn't what you want from your consultant, make sure that you specify this in the post project discussions that it is clearly shown in the terms and conditions, and in the setting of outcomes, key performance indicators and milestones.
- The final report should contain no surprises. If there are confidential or contentious issues, ask for these to be put into a private letter rather than in the report itself. Make sure the report is written in a way you and your staff can understand and use it. Tell the consultant if you are not happy with it.
- Ask the consultant to make a presentation to you and your colleagues, if this will help discussion on its conclusions.
- You should note, however, that some assignments will not result in a written report. If this is the case, make sure you understand what the deliverable will be before the assignment starts.

Implement the recommendations and involve your management as well as the consultant.

- Using your management team to implement recommendations will provide a cost effective approach that will enable staff and managers to embed change.
- If you need the management consultant to help with the implementation get a written fee quotation and proposal for any implementation work, even if it follows directly from an assignment. However, avoid the pitfalls that allow the consultant to shape the deliverables in such a way that they (the consultant) become the obvious person to help the organisation embed the outcomes.

Review

Review with all parties' their performance in the delivery of the project/assignment.

- Use the targets and milestone to inform this process
- Record lessons learnt and share this with all parties

Set the date for a post project/assignment review.

- Ensure that the benefits realisation plan is in place and being monitored

Specification Framework

(Only complete the sections that are relevant to the project and will contribute to the management and control)

Specification Framework

[Source: OGC Successful Delivery Toolkit™]

Introduction

This section gives suppliers an introduction to the department and explains the purpose of the Specification. Things to include are:

- an introduction to customer organisation;
- an introduction to the specification, its purpose and composition;
- disclaimers, caveats etc.

Scope

This section sets out the broad scope of the procurement, it covers:

- what is included;
- what is excluded;
- what is optional: extensions for which proposals will be considered;
- treatment of assets, and staff where TUPE transfers are anticipated

Background to the requirement

This section provides background information to help suppliers see the requirements in context. Subjects to cover can include:

- an overview of the business of the organisation including an outline of the business strategy and the role of this procurement in it;
- an overview of business objectives relevant to procurement;
- the objectives of the procurement;
- history relevant to procurement - recent developments;
- description of the business activities in the area affected by procurement for example:
 - business functions and processes
 - organisation and staffing: roles and responsibilities
 - Stakeholders
 - information flows
 - current service support
 - quantitative aspects of current operations;
- future developments relevant to procurement;
- policies, standards;
- objectives of PFI for procurement (where relevant).

The Requirements

This section sets out the detailed requirements the supplier is to meet. Try to keep background and supporting material separate from requirements, and ideally in the previous section to make the requirements easy to find. Requirements are often classified as:

-
- 'Mandatory' – essential requirements that suppliers must meet
 - 'Desirable' – requirements that whilst bringing benefits are not essential
 - 'Information' – requirements that request information from the supplier typically for evaluation purposes, but which are not transferred to the contract.

Ensure mandatory requirements really are essential, because suppliers can be rejected for failing to meet them. Mandatory requirements can be paired with desirable ones: the mandatory requirement sets out the basic requirement, the desirable expands on it, or specifies higher performance. If using desirable requirements consider how these will be evaluated. In some cases meeting desirable requirements is a quality issue and would be handled by the scoring system used in qualitative evaluation. In other cases, if a desirable requirement is not met the organisation will need to provide the function itself, or obtain it from a third party. The cost of obtaining the function should therefore be determined and included in the financial evaluation. The section is usually subdivided to cover different sorts of requirements.

Functional Requirements

This section defines the task or desired result usually by focusing on what is to be achieved, not by describing the way it is to be achieved. This challenges suppliers to use their skills and develop smart, creative solutions. There are some cases however where it may be appropriate to specify particular types of equipment, provide drawings or in the case of clothing or textiles, sealed patterns, but this should as far as possible be avoided. Specifying requirements in terms of outputs or functions gives potential suppliers the opportunity to propose innovative solutions (or simply be more creative in their proposals), and also means the responsibility for ensuring the solution meets the requirement rests with the supplier rather than the customer. Use a heading structure that subdivides the requirement into logical areas that map onto the evaluation model.

Performance Requirements

Specifies the performance required of the solution by setting out details of inputs and outputs. Example performance measures are:

- throughput – the volume of inputs that can be handled within a specified time;
- accuracy – the number of outputs that are error free (usually expressed as a percentage);
- availability – the time the solution is able to be used as a percentage of the time is supposed to be able to be used.

Some performance measures are easily defined by reference to existing operations, SLAs etc. Where this is not the case they need to be defined with users and can be informed by benchmarking information. It is important to set performance measures at the right level:

-
- too high and they can be costly: the cost of meeting the higher performance level can be higher than the additional benefit obtained;
 - too low and users' expectations will not be met, and there may be a detrimental effect on the business.

For procurements following the negotiated route it can be beneficial to explore performance measures and the cost of different levels of service with suppliers. In this case the requirements in the specification should be indicative rather than fixed.

Other Requirements

- Security
- Describe any specific security requirements appropriate to the requirement.
- Standards
Set out any standards relating to the goods or services being procured, for example health and safety, electrical etc. However take care when requiring conformance to standards, as the European Commission believes that organisations should consider any proposal that provides technical equivalence to, if not conformity with, the standard. As a rule of thumb, contracting authorities must therefore:
 - specify by reference to national standards which implement European standards, or other European specifications, where relevant; and
 - consider offers which purport to offer equivalent functionality or performance even though they do not conform to the standard in question. The burden of proving technical equivalence in this case will fall on the supplier.
- Training

Constraints

Include here any requirements that may constrain the supplier's solution. Examples include:

- timing considerations (e.g. cannot start before, or must be complete by);
- needing to interwork with other suppliers;
- needing to interface with other organisations' IT systems.

Implementation Requirements

This section covers requirements for the period between awarding the contract and the entry of the goods or services into use, and includes acceptance.

In complex procurements it can be useful to request information on methodologies and processes the supplier will use in implementing its solution such as:

- project management
- risk and issue management

-
- in IT projects, application development

Contract/service management Requirements

Any requirements covering contract/service management, for example:

- management information
- change management

Procurement and contractual requirements

These requirements are different to others in that they relate to the procurement process, not the resulting contract with the successful supplier.

Things to consider include:

- expected nature of contracts - proposed terms and conditions;
- opportunities for suggesting different contract scopes;
- proposed arrangements for management of service contracts;
- roles and responsibilities.

Procurement procedures

This section provides the suppliers with information on the remainder of the procurement process. Areas to cover include:

- Procurement timetable – whilst every effort should be made to present an accurate, achievable timetable and subsequently follow it, events may cause deviation from it. The organisation should therefore make it clear that the timetable is not binding and may be changed if circumstances so dictate. Suppliers should be notified as soon as practicable of any changes as they can impact on their costs.
- Evaluation criteria and process. This should be consistent with the evaluation strategy and with information on evaluation criteria set out in the OJEU notice.
- Contact(s) for further information. This may be a single contact point, or there may be one for procurement and contractual matters and another for queries relating to the detail of the requirement. Ensure these are staffed so that suppliers get a timely response to queries.

Format and content of responses

This section sets out how suppliers are to respond to the Specification. It is important to be clear on what is required to:

- help suppliers new to the government market to understand what they have to do;
- minimise queries from suppliers;
- facilitate the evaluation process by ensuring responses map onto the evaluation model.

The ITT or request for proposal documentation will also provide information for suppliers which does not need to be duplicated here.

A typical layout for a proposal is shown below:

Management Summary describing the scope covered and giving a resume of the proposal, highlighting the benefits of the proposed solution, and a summary of total costs.

Understanding of requirements concisely setting out the supplier's view of the requirement, and the overall aims of the procurement gained from the specification and any involvement in the procurement to date.

Response to requirements – sets out the response to each of the requirements in the requirements section of the specification. Suppliers should be told to:

- respond to requirements individually in full, explaining how they are met (not simply stating 'met');
- use same headings and paragraph numbering as the specification to aid evaluation
- Costs – set out how the supplier is to present cost information.
- Further information - Any other information that suppliers wish to add.

Annexes

- Supporting information that can include:
- details of business activities
- business facts and figures
- organisational details
- details of current services, technical environment.

Specification Checklists

Specification Checklists

[Source: OGC Successful Delivery Toolkit™]

Drafting checklist

- use simple language, avoid using jargon;
- define terms, symbols and acronyms;
- do not expect the specification to be read by experts; write it so that a layman will understand;
- use a logical structure;
- be as concise as possible, but keep the meaning clear;
- plan and analyse your needs;
- arrange the components of the requirement into a logical form matching the evaluation model; a good way of doing this is to set out a skeleton structure with the main headings and then add in sub-headings as necessary;
- do not embed requirements in background information – suppliers may miss them – keep requirements in their own sections;
- list the most important elements of the requirement first and work through to the least important; and
- discuss the requirement with colleagues, other users and procurement staff. During this process you may also identify other topics you need to include.

Review Checklist

A good specification should:

- state the requirement specification completely, clearly, concisely, logically and unambiguously;
 - focus on outputs not how they are to be met;
 - contain enough information for potential suppliers to decide and cost the goods or services they will offer, or in the case of negotiated route arrive at realistic budgetary costs;
 - permit offered goods or services to be evaluated against defined criteria by examination, trial, test or documentation;
 - state the criteria for acceptance by examination, trial, test or documentation;
 - contain only the essential features or characteristics of the requirement;
 - provide equal opportunity for all potential suppliers to offer a product or service which satisfies the needs of the user and which may incorporate alternative technical solutions; and comply with any legal obligations e.g. under UK law, EC Directive on Government procurement.
-

A good specification should not:

- over-specify requirements
- contain features that directly or indirectly discriminate in favour of, or against, any supplier, product, process or source. Discrimination on grounds of nationality is illegal in the EC, contrary to the GATT Agreement, where applicable, and may not achieve value for money

Effective Negotiation

Effective Negotiation

Issues to consider

'Negotiation is the back-and-forth communication designed to reach an agreement when you and the other side have some interest that are shared and others that are opposed'

'Getting to Yes' R. Fisher & W. Ury

Effective negotiation is a key skill that will need to be employed through any procurement process. These skills will generally be called upon during the commissioning process but if circumstances change during the lifecycle of the assignment some renegotiation may be required.

A number of areas will need to be negotiated during the commissioning process. To a degree these will be determined by the delivery approach and outputs of the assignment. An individual should ensure that they are appropriately prepared by gaining a good understanding and knowledge of the service requirement, the current supplier market and the individual suppliers.

One area of negotiation that will be common is the total cost of the assignment. Consultancy and professional service provider cost assignments depending on a number of factors. These will include:

- service area
- commissioning organisation
- level of skill & experience required
- numbers of individuals required to complete assignment
- duration of time to complete assignment
- materials that will need to be developed
- previously developed materials that can be employed
- equipment required
- expenses and travel required
- support & administration

With all these factors to consider there should be opportunities to negotiate the delivery cost to ensure that the assignment provides value for money. If it helps your understanding ask for a detailed break down of the cost and ensure you are clear what you are buying and that it is what you require.

The table below gives an illustration of consultancy roles against the typical experience of these individuals. This will help with understanding the level of skill you are buying and whether this is appropriate for the delivery of the assignment.

Consultancy roles against experience

| Typical Title | Typical Role | Typical Experience |
|---|---|---|
| Senior Partner Vice-President Executive Director | Leadership and interface with executive board | Minimum of 7 yrs and 20 project managements in strategic/management consulting; subject matter expert (SME) in field; post graduate degree |
| Partner Principal, Director Executive Consultant | Leadership and interface with senior management | Minimum of 5 yrs and 10 project managements in strategic/management consulting or blue chip executive experience; subject matter expert (SME) in field; major university graduate degree. |
| Senior Manager Managing Consultant Principal Consultant Associate Director | Stream leadership and content expertise, process and strategy consultancy | Minimum of 3 yrs and 5 project stream leaderships or senior blue chip senior management experience; functional and sector know-how |
| Senior Consultant Manager Project Manager | Stream management and content expertise in support roles | Minimum of three years consulting or six years industry experience in relevant areas, including management. |
| Consultant | Support work on process and organisational design; leads workshops and events | Minimum of one years consulting experience or four years industry experience in relevant areas; business diploma or degree; |
| Analyst | Assists facilitation; writes reports; collects and collates data | Business diploma or degree |
| Administrative Support | Transcribes notes; prepares PowerPoint demos | Office IT skills |

Effective Negotiation

Practical guidance & skills

The Skilled Negotiator

- Gets Wise Agreements
 - Meets the legitimate interests of both sides to the extent possible
 - Resolves conflicting interests fairly
 - Is durable
 - takes 'community interest' in to account
- Gets Effective Implementation
- Builds and develops relationships

.....through negotiation towards joint problem solving

Don't Bargain Over Positions

Positional Bargaining

- Damages relationships
- Destroys credibility
- Is inefficient
- Produces unwise agreements

Therefore:

Focus on reconciling interests, not positions

- Represent your needs
- Investigate the needs
- Hold back solutions until there is a clear basis for a mutually acceptable proposal

Principled Negotiation

- Focus on interests, not position
- Separate the people from the problem
- Invent options for mutual gain
- Insist on objective criteria

Remember:

- Being nice is not enough
 - Being tough is not enough
 - Being logical is not enough
-

| Problem Position Bargaining: Which game should you play? | | Solution Change the game negotiate on the merits |
|--|---|--|
| SOFT | HARD | PRINCIPLED |
| Participants are friends | Participants are adversaries | Participants are problem-solvers |
| The goal is agreement | The goal is victory | The goal is a wise outcome reached efficiently and amicably |
| Make concessions to cultivate the relationship | Demand concessions as a condition of the relationship | Separate the people from the problem |
| Be soft on the people and the problem | Be hard on the people and the problem | Be sensitive to the people, resolute with the problem |
| Trust others | Distrust others | Be wholly trustworthy and trust wisely. Build trust through what you do |
| Change your position easily | Dig in to your position | Focus on interests, not positions |
| Make offers | Make treats | Explore interests |
| Disclose your bottom line | Mislead as to your bottom line | Know your best alternative to a negotiated agreement |
| Accept one-sided losses to reach agreement | Demand one-sided gains as the price of agreement | Invent options for mutual gain |
| Search for the single answer: the one they will accept | Search for the single answer: the one you will accept | Develop multiple options to choose from; decide later |
| Insist on agreement | Insist on your position | Insist on objective criteria |
| Try to avoid a contest of will | Try to win a contest of will | Try to reach a result based on standards independent of will |
| Yield your position | Apply pressure | Reason and be open to reasons. Yield to principle not pressure |

Relationship Planning

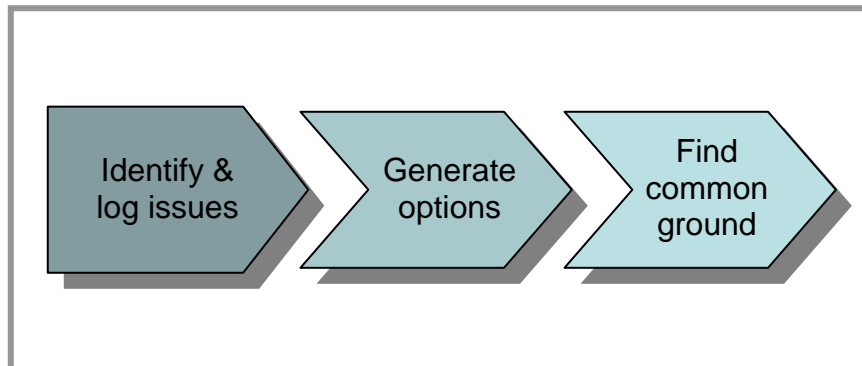
Put yourself in their shoes

As useful as looking for objective reality can be, it is ultimately the reality as each side sees it that constitutes the problem in a negotiation and opens the way to a solution.

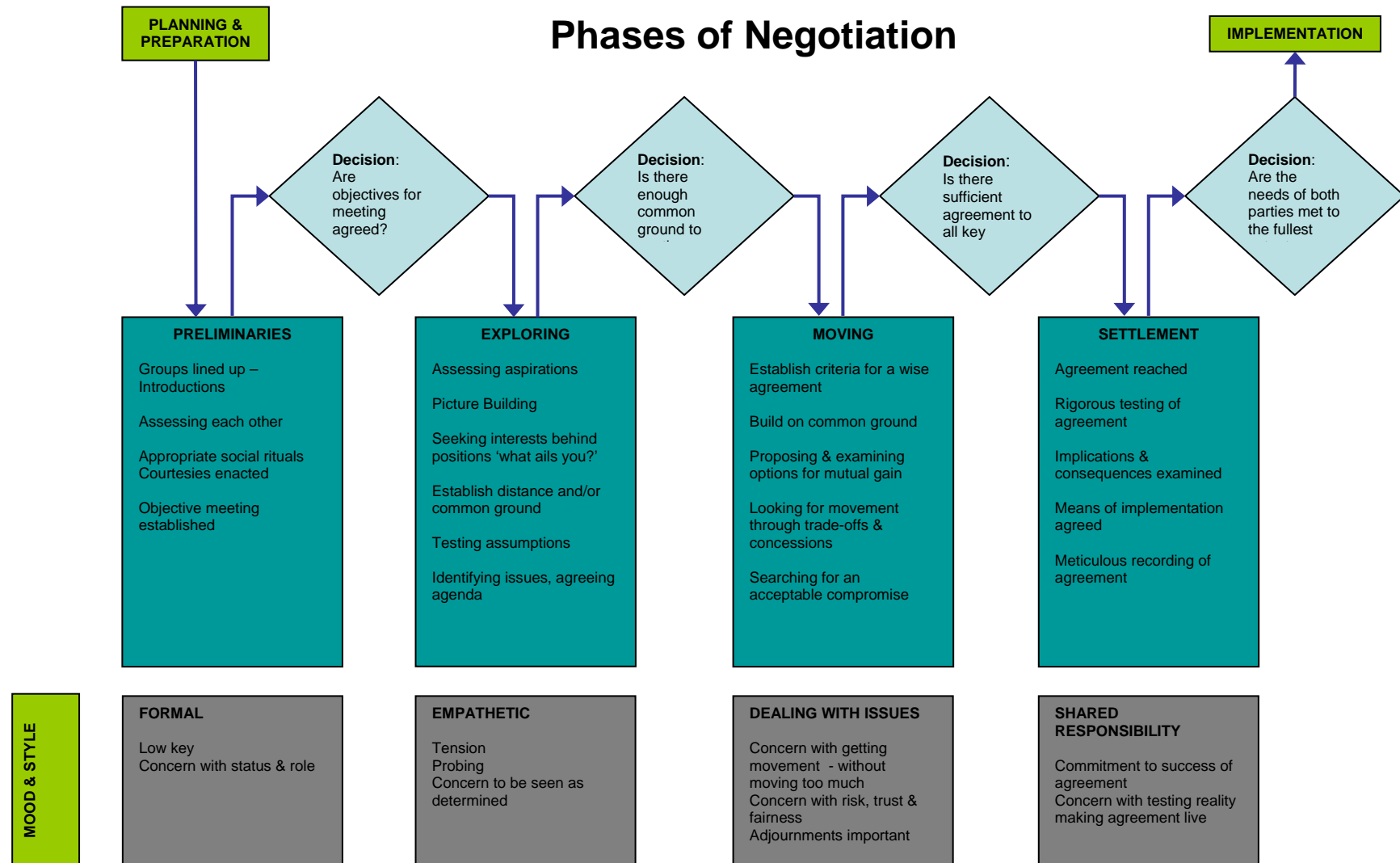
The ability to see the solution as the other side sees it, as difficult as it may be, is one of the most important skills a negotiator can possess. It is not enough to know that they see things differently. If you want to influence them, you also need to understand empathetically the power of their view and to feel the emotional force with which they believe in it. It is not enough to study them like beetles under a microscope; you need to know what it feels like to be a beetle.

Understanding their point of view is not the same as agreeing with it. It is true that a better understanding of their thinking may lead you to revise your own views about the merits of the situation. But that is not the cost of understanding their point of view, it is the benefit. It allows you to reduce the area of conflict, and it helps you advance your newly enlightened self-interest.

Issues Planning Procedure



Phases of Negotiation



The skilled negotiator avoids

1. Irritators

- Avoids making unfavourable comments about the other party
- Avoids words or phrases which carry positive value judgements about their proposals or arguments

Use of irritators per hour face-to-face speaking time:

- Skilled negotiator 2.3
- Average negotiator 10.8

2. Defend/Attack Spirals

- Behaviour seldom used, and spirals avoided by not giving warning, attacking hard and quickly moving on.

Percentage of negotiators comments classified as Defence/Attack:

- Skilled negotiator 1.9
- Average negotiator 6.3

3. Argument Dilution

- Presents only the strongest argument
- Avoids clouding the key issues with weak supporting points

Average number of reasons given by negotiators to back each argument:

- Skilled negotiator 1.8
- Average negotiator 3.0

4. Labelling Disagreement

- Does not preface disagreements with "I disagree, I refute that...." etc.
- Avoids direct contradiction unless on a point of principle.

The skilled negotiator uses

5. Testing Understanding & Summarising

- Links behaviours used significantly more by skilled negotiator
- Ways of demonstrating concern for implementation

Percentage of all negotiators behaviour:

- Skilled negotiator 17.2
- Average negotiator 8.3

6. Asking Questions

- One of the main reasons for negotiating success
- Asks over twice as many questions as average counterpart.

Questions as a percentage of all negotiators behaviour:

-
- Skilled negotiator 21.3
 - Average negotiator 9.6

7. Feelings Commentary

- Not reluctant to give internal information
- Uses expression of feelings to reflect back to other party the impact of their behaviour
- Not afraid to appeal for help

Giving internal information as a percentage of all negotiators behaviour:

- Skilled negotiator 12.1
- Average negotiator 7.8

8. Behaviour Labelling

- Gets attention by prefacing contributions ie. "I have a suggestion," "Can I check my understanding?"

Percentage of all negotiators behaviour immediately proceeded by a behaviour label:

- Skilled negotiator 6.4
- Average negotiator 1.2

Listening: Key to Communication

Why is listening important?

Listening is the key skill which enables us to understand each other. Unlike speaking, in most educational systems, we are never taught to listen. It is often assumed that if we are fortunate enough to have two ears that work well, we listen well. This is not necessary so.

Listening is an essential ingredient in a wide range of work activities: understanding and solving problems, dealing with enquiries, responding to customer needs, attending meetings, staff supervision and development, team work, conflict resolution, effective negotiation, delegation, building co-operative alliances, and managing and implementing change. The list could go on. The consequences of Non-Listening

| On the: | Speaker | Non-Listener | Organisation |
|---------|-------------|---------------|-----------------|
| | Undervalued | Lose respect | Low |
| | Demotivated | Look foolish | commitment |
| | Irritated | Get avoided | Poor |
| | Frustrated | Lost | performance |
| | Repetition | Opportunities | Waste resources |
| | Anger | Waste time | More mistakes |
| | | Considered | Higher Costs |
| | | Rude | Reduced Quality |

The

consequences of poor listening are severe and dramatic. Not listening includes half-listening; reading, writing or thinking about other things while someone is speaking to us.

Note: Active listening is only possible for short periods of time. In fact, we spend much of our time cutting out noises and distractions. However, it is critical to know when to listen, and to have the skill and motivation to do it.

Making Listening Visible

In order for speakers to feel valued, motivated, worthwhile and encouraged, they need to know that they are being listened to. Therefore it is important to avoid doing things like doodling and tidying.

Instead:

- Give the speaker your full attention – even if it is only for long enough to say that you are unable to listen at the moment and to arrange another time to talk
- Keep eye contact with the speaker – whilst being sure to avoid staring
- Sit or stand reasonably still – fidgeting indicates impatience, doing other activities indicates disinterest
- Summarise and reflect back what you have heard periodically – this helps both you and the speaker to keep track of what's being said. Do not change subjects!
- Allow silence – to help you communicate patience and to enable the speaker to draw more out of themselves

Remember: The thing that will most indicate that you are listening is giving your full, relaxed attention and concentration to the speaker. Concern about details of body language, for example, may interfere with your listening.

Creating the Right Environment

- Find a quiet space – wherever possible ensure an atmosphere of privacy.
 - Eliminate distractions – divert phone calls, put up “do not disturb” notice, put your work aside.
 - Eliminate barriers – come out from behind the desk, be at the same level, use understandable language.
 - Create the right ‘inner’ environment by clearing your mind, so as to make a space for what the speaker has to say.
-

Pre-Tender
Contractor Information &
Business Questionnaire
Short Form

Schedule 1 – Tenderer Information

| | | |
|-----|--|---|
| 1. | Please give the name main address and contact details for correspondence of the organisation applying | |
| (a) | <div style="margin-bottom: 5px;">Name:</div> <div style="margin-bottom: 5px;">Position:</div> <div style="margin-bottom: 5px;">Company:</div> <div style="margin-bottom: 5px;">Address:</div> <div style="margin-bottom: 5px;">Telephone:</div> <div style="margin-bottom: 5px;">Facsimile:</div> <div style="margin-bottom: 5px;">E-mail:</div> | |
| (b) | <ul style="list-style-type: none"> If the site detailed in 1(a) above would not be the branch or office with responsibility for the day-to-day operation of <ADD ORGANISATION>. account please detail the alternative address | |
| | <div style="margin-bottom: 5px;">Name:</div> <div style="margin-bottom: 5px;">Position:</div> <div style="margin-bottom: 5px;">Company:</div> <div style="margin-bottom: 5px;">Address:</div> <div style="margin-bottom: 5px;">Telephone:</div> <div style="margin-bottom: 5px;">Facsimile:</div> <div style="margin-bottom: 5px;">E-mail:</div> | |
| 2. | Type of Company (e.g. sole trader, partnership etc) | |
| | | |
| 3. | Company Registration Number (where appropriate) | |
| 4. | If your organisation is part of a group, or has a parent or holding company please provide details below | |
| 5. | Amount of Public Liability Insurance held (Please submit evidence with quotation) | £ |
| 6. | Amount of Employers Liability Insurance held (Please submit evidence with quotation) | £ |

| | |
|-----|--|
| 7. | <p>Please give the name of a person authorised to respond to financial queries on behalf of the organisation:</p> <p>Name:</p> <p>Position:</p> <p>Company:</p> <p>Address:</p> <p>Telephone:</p> <p>Facsimile:</p> <p>E-mail:</p> |
| 8. | <p>Please enclose copies of the organisation's audited accounts and annual reports covering the last three years (please note that this may only require two sets of accounts), to include:</p> <ul style="list-style-type: none"> - Balance sheet - Trading account - Profit and Loss account - Cash flow statement - Full notes to the accounts - Directors' report - Auditors' report <p><u>Please note the information requested above must relate to the organisation submitting the quotation as shown in 1 (a)</u></p> <p>The City of London recognises that some organisations may not be in a position to provide three years of accounts. Should your organisation be in such a position please contact the relevant City of London officer responsible for the project to discuss an alternative as evidence of your financial situation.</p> |
| 9. | <p>If the most recent set of accounts the organisation is submitting are for a year ended more than ten months ago, is the organisation able to confirm that it is still trading as described in these accounts?</p> <p style="text-align: center;">YES NO</p> |
| 10. | <p>If the answer to 12 above is Yes, please enclose a statement of turnover since the most recent set of published accounts.</p> |

| | |
|-----|--|
| 11. | <p>If any of the following circumstances apply to your organisation please provide details below and indicate how the potential conflict of interest would be managed:</p> <ul style="list-style-type: none"> • Partners, Directors or Senior Staff have been employed by <ADD ORGANISATION>. • Partners, Directors or Senior Staff have relative(s) employed by <ADD ORGANISATION> as a senior officer or who serve <ADD ORGANISATION> as an elected Governor of the Board • Partners, Directors or Senior Staff have involvement in another organisation which provides services to <ADD ORGANISATION>. • Work currently being undertaken or proposed to be undertaken by the organisation or the group to which it belongs could give rise to a conflict of interest. <p>.....</p> <p>.....</p> |
| 12. | <p>How many years has your company been providing (please complete) services?</p> <p>.....</p> |
| 13. | <p>If you intend to subcontract any aspects of the proposed contract please provide details:</p> <p>.....</p> <p>.....</p> |
| 14. | <p>What level of training and qualification do your (please complete) have? Please attach details.</p> |
| 15. | <p>Please provide a brief synopsis of any related products or services offered by your organisation</p> <p>.....</p> <p>.....</p> |

| | |
|-----|---|
| 16. | <p>Please provide detail of any quality management systems operated by your organisation, and how these would be applied to this contract:</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> |
| 17. | <p>Please provide, on a separate sheet, contact details for the last (X please complete) consultation projects of similar nature you have carried out in the past two years as follows:</p> <ul style="list-style-type: none"> • Organisation: • Contact Name: • Contact Details: • Brief description of consultation project: <ul style="list-style-type: none"> • We may contact your previous clients to evaluate the quality of services provided. Please provide a signed letter on the organisation's headed paper authorising <ADD ORGANISATION> to seek references from any of the clients named above. |
| 18. | <p>Please provide standard product brochures and/or fact sheets explaining the services that you are proposing to offer to satisfy this contract. The requirement will include:</p> <ul style="list-style-type: none"> • (Please Complete) • XXXX • XXXX • XXXX |

Schedule 2 – Equal Opportunities

The City of London is committed to providing services of the highest standard within the resources available for all existing and potential users of our services.

The promotion of equality of opportunity is one of <ADD ORGANISATION> core values, and tackling social exclusion one of our key aims. We believe that the best way to provide high quality, best value services is to ensure that these core values and key aims are reflected in all the things we do. That is why we ask you to complete the following questions concerning equal opportunities.

| | |
|----|--|
| 1. | Does your company have an Equal Opportunities Policy or similar statement? Yes/No If yes please attach a copy |
| 2. | <p>In the last 3 years has your company been the subject of any court or employment tribunal proceedings in relation to: -</p> <ul style="list-style-type: none">• Unlawful discrimination on the grounds of sex or marital status;• Unlawful discrimination on the grounds of race, nationality or ethnicity;• Unlawful discrimination on the grounds of disability;• Unlawful discrimination on the grounds of sexual orientation;• Unlawful discrimination on the grounds of religion;• Unlawful discrimination on any other grounds. <p>Yes/No</p> <p>If yes, please give details of each incident including both the findings and any subsequent action taken by your company.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> |
| 3. | <p>Does your company have procedures in place to ensure that you are observing as far as possible the relevant Codes of Practice with regard to employment and:</p> <ul style="list-style-type: none">• Equal Pay• Sex Equality• Race Equality• Disabled Persons <p>Yes/No</p> |

Schedule 3 – Health & Safety

Please answer the following questions with reference to the management of Health and Safety within the organisation. In addition, please attach the organisation's current Health and Safety policy, including details of responsibility for its implementation throughout the organisation. The successful Applicant will be expected to comply with the Health and Safety at Work Act 1974 and all other relevant Health and Safety legislation and to operate within the City of London's policy, a copy of which is attached as an appendix to this section.

| | |
|------|--|
| 1. | Please give the name and position within the organisation of the person with overall responsibility for the organisation's Health and Safety policies. |
| 2. | Please give the name(s) and qualifications of the competent persons or consultancy advising the organisation on Health and Safety. |
| 3.a) | Has the organisation ever been prosecuted in a court of law for any breach of health and safety law? YES/NO |
| 3.b) | Has the organisation ever been issued with an improvement or prohibition notice by the Enforcing Authorities? YES/NO |
| 3.c) | Are there any impending actions by the Enforcement Authorities currently imposed on the organisation? YES/NO |
| 3.d) | If the answers to any of the questions (a) to (c) above is Yes, please give details below: |
| 4. | Please give details of how Health and Safety training is implemented for employees of the organisation, from Senior Management downwards. Enclose copies of any safety booklets/manuals/codes of safe working practice given to employees of the organisation, or to sub-contractors working on the organisation's behalf. |

| | |
|----|--|
| 5. | <p>Please give full details of safety monitoring and auditing procedures within the organisation, with an example of a recent safety inspection or audit.</p> <p>.....</p> <p>.....</p> <p>.....</p> |
| 6. | <p>Please state the methods used to carry out risk assessments within the organisation under the requirements of the Management of Health and Safety at Work Regulations 1999. Please enclose an example of such an assessment.</p> <p>.....</p> <p>.....</p> <p>.....</p> |
| 7. | <p>Please state the number of accidents occurring within the organisation during the last 12 months, with details of all accidents involving over 3 days absence, notifiable to the relevant authority under the Reporting of Incidents, Disease and Dangerous Occurrences Regulations 1995.</p> <p>.....</p> <p>.....</p> <p>.....</p> |
| 8. | <p>In addition to Question 6 you are required to provide samples of risk assessments which your organisation has conducted in compliance with the following statutory regulations.</p> <p style="text-align: center;">Control of Substances Hazardous to Health Regulations 2002 Health and Safety (Manual Handling Operations) Regulations 1992. Provision and Use of Work Equipment Regulations 1998. Electricity at Work Regulations 1989</p> |
| 9. | <p>Please give any further information regarding Health and Safety, which the organisation would consider relevant in support of this questionnaire, in particular how does the organisation appraise the competence of any sub-contractor it engages to undertake work on its behalf?</p> <p>.....</p> <p>.....</p> <p>.....</p> |

Freedom of Information Schedule

Please state in writing what information, if any, relating to the information provided in <ADD ORGANISATION> Business Questionnaire that you wish to reserve in accordance with the provisions of the Freedom of Information Act 2000. **NB:** information relating to contract records and/or administration, overall value performance, or completion may not be reserved by you.

Information which may be reserved includes: -

Trade secrets

Commercial interest

Obligation of confidentiality due to the nature of the information, or the circumstances under which it is imparted

Personal data relating to an individual

Unit Prices or detailed pricing information

Please state the section of the Freedom of Information Act 2000 under which you wish to reserve the information.

Please state the reasons for the reservation.

Please state how long you wish the reservation to last, e.g. the number of years.

NB: it is tenderers' responsibility to obtain independent legal advice on the provisions of the Act; the City of London is not offering advice in regard to the Act and nor are its officers responsible or authorised to provide any such advice.

* delete as appropriate

Equal Opportunities

EQUAL OPPORTUNITIES

NB: Non UK-based organisations should attempt to answer each of the following questions substituting, where relevant, the appropriate legislation/codes of practice etc., which are applicable within their domestic jurisdiction.

| | | | |
|-----------|---|------------|-----------|
| E1 | Does the organisation comply with the Sex Discrimination Act 1975 and the Equal Pay Act 1970? | YES | NO |
|-----------|---|------------|-----------|

| | | | |
|-----|---|-----|----|
| E1a | In the last three years has any finding of unlawful discrimination under either the Sex Discrimination Act 1975 or the Equal Pay Act 1970 been made against the organisation by any court or employment tribunal? | YES | NO |
| | If so, please give details, including those [if any] steps taken as a consequence of the findings. | | |
| | | | |

| | | | |
|-----------|--|------------|-----------|
| E2 | Does the organisation undertake to comply with the Disability Discrimination Act 1995? | YES | NO |
|-----------|--|------------|-----------|

| | | | |
|-----|---|-----|----|
| E2a | In the last three years, has any finding of unlawful discrimination under the Disability Discrimination Act 1995, been made against the organisation by any court or employment tribunal? | YES | NO |
| | If so, please give details, including those [if any] steps taken as a consequence of findings | | |
| | | | |

| | | | |
|-----------|---|------------|-----------|
| E3 | Is it the organisation's policy as an employer to comply with its statutory obligations under the Race Relations (Amendment) Act 2000 | YES | NO |
|-----------|---|------------|-----------|

| | | | |
|------------|---|------------|-----------|
| E3a | Is it the organisation's practice not to treat one group of people less favourably than others because of their colour, race, nationality or ethnic origin in relation to decisions to recruit, train or promote employees? | YES | NO |
|------------|---|------------|-----------|

| | | | |
|-----------|--|------------|-----------|
| E4 | In the last three years, has any finding of unlawful racial discrimination been made against the organisation by any court or industrial tribunal? | YES | NO |
| | If so, please give details. | | |
| | | | |

| | | | |
|-----------|---|------------|-----------|
| E5 | In the last three years, has the organisation been the subject of formal investigations by the Commission of Racial Equality on grounds of alleged unlawful discrimination? | YES | NO |
| | If so, please give details | | |
| | | | |

| | |
|-----------|---|
| E6 | In the event of the answer(s) to either or both of questions (E4) or (E5) above being Yes, what steps did the organisation take in consequence of the finding(s)? |
| | |

| | |
|-----------|--|
| E7 | Please supply a policy statement setting out your organisation's understanding of and approach to obligations under the Race Relations (Amendment) Act 2000. |
|-----------|--|

| | |
|--|--|
| | Is the organisation's policy on race relations set out |
|--|--|

| | | | |
|---|--|-----|----|
| E8 | a) in instructions to those concerned with recruitment, training and promotion? | YES | NO |
| | b) in documents available to employees, recognised trade unions or other representative groups of employees? | YES | NO |
| | c) in recruitment advertisements or other literature? | YES | NO |
| Please supply relevant examples of the instructions, documents, recruitment advertisements or other literature. | | | |

| | | | |
|--|---|-----|----|
| E9 | Does the organisation have policy statements, procedures, codes of practice etc. in place to ensure that as far as possible the Commission of Racial Equality's Code of Practice for Employment, as approved by Parliament in 1983 are observed | YES | NO |
| | If so, please give details below | | |
| <div style="border: 1px solid black; height: 100px; width: 100%;"></div> | | | |

Health & Safety

HEALTH AND SAFETY

Please answer the following questions with reference to the management of Health and Safety within the organisation. In addition, please attach the organisation's current Health and Safety policy.

The successful tenderer will be expected to comply with the Health and Safety at Work Act 1974 and all other relevant Health and Safety legislation.

Note: All examples should relate to the provision of similar services to the ones being tendered for.

| | | | |
|--|--|------------|-----------|
| H&S1 | Please give the name and position within the organisation of the person with overall responsibility for the organisation's Health and Safety policy. | | |
| | | | |
| H&S2 | Please give the name(s) and qualifications of the competent persons or consultancy advising the organisation on Health and Safety, where applicable. | | |
| | | | |
| H&S3 | a) Has the organisation had to defend any claims against it under H&S Regulations in the last five years? | YES | NO |
| | b) Has the organisation ever been prosecuted in a court of law for any breach of Health and Safety Regulations? | YES | NO |
| | c) Has the organisation ever been issued with an improvement or prohibition notice by the H&S Executive? | YES | NO |
| | d) Has the organisation been made aware of any impending actions by the H&S Executive currently imposed on the organisation? | YES | NO |
| If the answers to any of the questions (a) to (c) above is Yes, please give details below: | | | |
| | | | |

H&S4.

Please give details of how Health and Safety training is implemented for employees of the organisation, from Senior Management downwards. Enclose copies of any safety booklets/manuals/codes of safe working practice given by the organisation and or sub-contractors to employees. Evidence how this is updated and embedded into the day to day routine.

H&S5.

Please give full details of safety monitoring and auditing procedures within the organisation, with an example of a recent safety inspection or audit.

H&S6.

Please state the methods used to carry out risk assessments within the organisation under the requirements of the Management of Health and Safety at Work Regulations 1999. Please enclose an example of such an assessment.

H&S7.

Please state the number of accidents occurring within the organisation during the last three years, with details of all accidents involving over 3 days absence, notifiable to the relevant authority under the Reporting of Incidents, Disease and Dangerous Occurrences Regulations 1995.

H&S8.

In addition to H&S6 you are required to provide samples of risk assessments which your organisation has conducted in compliance

| | |
|--|---|
| | with the statutory regulations that relate to the specific project that you are tendering for. ie. |
|--|---|

| | |
|--|--------------------------------|
| | Noise at Work Regulations 1989 |
|--|--------------------------------|

| | |
|--|--|
| | Control of Substances Hazardous to Health Regulations 2002 |
|--|--|

| | |
|--|---|
| | Health and safety (Display Screen) Regulations 1992 |
|--|---|

| | |
|--|--|
| | Health and Safety (Manual Handling Operations) Regulations 1992. |
|--|--|

| | |
|--|--------------------------------------|
| | Electricity at Work Regulations 1989 |
|--|--------------------------------------|

| | |
|------------------|--|
| H&S9. | |
|------------------|--|

| |
|---|
| Please give any further information regarding health and safety, which the organisation would consider relevant in support of this questionnaire, in particular how does the organisation appraise the competence of any sub-contractor it engages to undertake work on its behalf? |
|---|

Model Consultancy Terms & Conditions

**CONSULTANCY AGREEMENT BETWEEN THE LONDON BOROUGH OF [XXXXXXX]
AND [NAME OF CONSULTANT]**

THIS AGREEMENT is made the day of 200[●]

BETWEEN:

(1) The Mayor and Burgesses of the London Borough of [XXXXXXX] of [ADDRESS] ("the Council"); and

[(2) [NAME OF CONSULTANT HOLDING COMPANY] (a company registered in England and Wales under number [COMPANY NUMBER] whose [registered office] [principal office for the purpose of this Agreement] is at [ADDRESS] ("the Consultant").] [OR]

[(3) [NAME OF BUSINESS CONSULTANT] of [ADDRESS] ("the Consultant").]

1) Definitions and interpretation

a) In this Agreement the following words shall have the following meanings:-

| | |
|-------------|---|
| "Agreement" | means the agreement between the Council and the Consultant to which these conditions, as referenced therein, shall apply and for the avoidance of doubt shall include any variations subsequently agreed by the parties in writing. |
|-------------|---|

| | |
|---------------------|--|
| "Commencement Date" | means [the date of this Agreement] OR [INSERT DATE]. |
|---------------------|--|

| | |
|----------------------------|---|
| "Confidential Information" | means all information which is obtained by the Consultant from the Council pursuant to this Agreement |
|----------------------------|---|

| | |
|---|--|
| "Consultant's Authorised Representative" | means [the person appointed by the Consultant to act on its behalf for the purpose of managing this Agreement] [OR] [INSERT NAME of AUTHORISED REPRESENTATIVE] |
|---|--|

| | |
|--|--|
| "Council's Authorised Representative" | means [the person appointed by the Council to act on its behalf for the purpose of managing this Agreement] [OR] [INSERT NAME OF AUTHORISED REPRESENTATIVE]. |
|--|--|

| | |
|-----------------|--|
| “Expiry Date” | means [INSERT DATE] subject to such extension as may be awarded in accordance with these conditions. |
| “Rates/Fees” | means the financial remuneration for the Services as detailed in Schedule 2 to this Agreement. |
| “Services” | means the services to be supplied by the Consultant as described in Schedule 1. |
| “Specification” | means the description, standards, methods and techniques to be used in executing the Services as specified in Schedule 3 |
| “Tender” | means the Consultant's tender dated [.....] attached as Schedule 4. |
| [“Term” | means [NUMBER] of years starting on the Commencement Date.] |
| “Working Day” | means Monday to Friday excluding bank holidays. |

- b) Where appropriate, the singular includes the plural and vice versa. Words importing one gender include all other genders.
- c) Persons includes companies and all other legal entities.
- d) Unless otherwise stated, any reference to a provision of any legislation is a reference to that provision as amended, extended or re-enacted by any subsequent legislation.
- e) The headings in this Agreement are for convenience only and will not affect its interpretation.
- f) Reference to a clause or schedule is to the corresponding clause or schedule in this Agreement unless stated to the contrary. The schedules to this Agreement are an integral part of this Agreement and any reference to this Agreement includes a reference to the schedules.
- g) Words and expressions defined in this Agreement, unless the context otherwise requires, have the meanings ascribed to them in this Agreement.

2) Appointment and length of appointment

-
- a) The Council hereby appoints the Consultant to provide the Services from the Commencement Date [[to the Expiry Date] [OR] [and the Consultant's appointment shall continue from that date for the Term]].
 - b) [On each anniversary of the Commencement Date the Term shall be extended by [one year] unless at any time either party gives notice to the other then the Term shall not be extended.]

3) Consultant's Obligations

- a) The Consultant shall provide the Services:
 - (i) with reasonable care and skill;
 - (ii) in accordance with the Specification;
 - (iii) in accordance with all written instructions of the Council's Authorised Representative;
 - (iv) with due regard to all relevant health and safety legislation and code of practice;
 - (v) so as to serve and promote the interests of the Council.
 - b) The Consultant will act upon all written instructions issued by the Council's Authorised Representative as soon as reasonably practicable, including but not limited to any variation in relation to an addition, modification, deferment, omission, reduction from or substitution of any of the Services.
 - c) The Consultant will ensure that the Services are carried out by appropriately qualified personnel who are acceptable to the Council's Authorised Representative and will replace immediately any person who the Council's Authorised Representative reasonably requires replacing.
 - d) No provision of this Agreement will operate to exclude or restrict the consultant's liability under statute or common law for any goods that the Consultant supplies, or has supplied, for use on, or incorporation in to the Services.
 - e) Any sub-consultants directly appointed by the Consultant will be under the direct control and supervision of the Consultant at all times and the Consultant will be and remain liable under the Agreement for all work sub-contracted by him and for acts defaults or neglects of any sub-contractor his agents and servants.
 - f) The Consultant will keep the Council's Authorised Representative fully and promptly informed in writing of all matters in relation to the Services which may have programme, cost or contractual implications.
 - g) The Council and Consultant agree and acknowledge that the Council has relied on, and will be relying on, the Consultant's expertise in
-

carrying out the Services and also on the accuracy of all statements made and advice given by the Consultant in connection with the Services.

- h) The Consultant shall comply at its own expense with any statutory requirements and industry standards.
- i) The Council will provide the Consultant with all the facilities, resources, information and access to the Council's premises that are reasonably necessary to carry out the Services.
- l) The Consultant's Authorised Representative shall be empowered to act on behalf of Consultant and shall be available for consultation with the Council's Authorised Representative at all reasonable times.

4) Price and Payment **[DELETE AS APPROPRIATE]**

- a) In consideration of the Consultant carrying out the Services, the Council will pay to the Consultant fees upon the basis agreed and contained in Schedule 2 together with any correctly charged V.A.T. that is applicable.
- b) In order for the invoice to be valid, it will have to be certified correct by the Council's Authorised Representative upon receipt in line with the payment profile detailed at Schedule 2.
- c) The Council will pay the Consultant for each contractually correct invoice within the thirty (30) days following receipt).
- d) In the event of the Council's Authorised Representative disputing any invoices, the Council will have liability to pay only the undisputed invoices until such a time as the dispute is resolved.

[Guidance: In the case of a construction related consultancy (e.g. the appointment of an architect, designer, engineer, etc.), the Housing Grants, Construction and Regeneration Act 1996 will apply. The following clauses are suggested in alternative to the previous ones, in order to comply with the provisions of the mentioned Act.]

- a) *In consideration of the Consultant carrying out the Services, the Council will pay to the Consultants fees upon the basis agreed and contained in Schedule 2 together with any correctly charged V.A.T. that is applicable.*
 - b) *Payment for the Services will unless otherwise agreed in writing be made by the Council within thirty (30) days of receipt of a valid invoice and fee account (accompanied by any supporting evidence as may be reasonably requested by the Council's Authorised Representative) following completion of the Services, For the purposes of this Agreement,*
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the "due date" is the date a valid invoice is received, while the "final date for payment," is the 30th day after receipt of a valid invoice. Where stage payments are to be made by the Council to the Consultant, these payments shall be made at the intervals, or on the dates set out in Schedule 2 (A).

- c) *Without waiver, or limitation, of any rights or remedies the Council will be entitled to withhold deduct or set-off from any amounts due or owing by the Council to the Consultant in connection with this Agreement any losses, costs or damages arising from the Consultant's breach of this Agreement, or any other agreement, subject, always to the Council giving the Consultant not later than five (5) days before the final date for payment of the amount due a written notice which will specify any amount proposed to be withheld, deducted or set-off, the ground or grounds for such withholding and/or deduction and the amount of the withholding and/or deduction attributable to each ground.*

[Guidance: Please note that according to s.112 of the Housing Grants, Construction and Regeneration Act 1996, the Consultant has the right to suspend its performance if a sum due under the Agreement is not paid in full by the final date and no effective notice to withhold payments has been served. This right is subject to the service of a seven days' notice of the intention to suspend performance.]

- d) *The Council acknowledges that it will not have the right to withhold, deduct and/or set-off any amounts due, or owing, to the Council against any sums that the Council has been ordered to pay by an Adjudicator appointed under this Agreement (or any other agreement) between the parties.*
- e) *The consideration payable to the Consultant will be subject to audit by the Council and the Consultant will upon request make available all accounts records and other documents reasonably required for such purpose.*

5) Expenses

- a) The Consultant will only be entitled to be reimbursed for reasonably incurred expenses that have been submitted to, and approved by, the Council's Authorised Representative. Approved expenses will be reimbursed thirty (30) days from receipt by the Council of a valid VAT invoice in respect of such expenses.
- b) Supporting evidence must be provided with expense claims and the Council reserves the right not to pay the approved incurred expenses if relevant supporting evidence is not provided.
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6) Termination

- a) If at any [stage during the term of this Agreement] [OR] [time after [INSERT NUMBER] calendar months after the Commencement Date] either party considers that the continuance of this Agreement is not in their best interests they may terminate this Agreement by giving the other party [INSERT STATED PERIOD ALLOWED] notice in writing.
 - b) The Council's Authorised Representative may by notice in writing to the Consultant terminate this Agreement with immediate effect without liability for compensation or damages, in the following occurrences:
 - (i) if the Consultant refuses or neglects to execute the Services or any part of them, or commits any breach of any obligation imposed upon him by this Agreement, or refuses or neglects within a reasonable time to comply with any instructions given to him by the Council's Authorised Representative; or
 - (ii) in the event of any substantial change in legal status, or of circumstances occurring which will materially affect the contractual relationship between the parties, or the rights of the Council to sue, or otherwise recover monies due, or enforce any other right arising under this Agreement; or
 - (iii) if at any time progress on any part of the Services appears to the Council's Authorised Representative to be unnecessarily delayed by any cause within the reasonable control of the Consultant and such delay and the cause thereof if capable of remedy will not be remedied within seven days (7) after an instruction in writing requiring the same is given to the Consultant by the Council's Authorised Representative.
 - (iv) if the Consultant through death or incapacity or being a firm owing to its dissolution is unable to provide the Services hereby agreed.
 - (v) if the Consultant refuses or neglects to comply with the Council's Equal Opportunities Policy or commits any breach of any obligation imposed on it by such Policy or refuses or neglects within a reasonable time to comply with any instructions given to it by the Council in regard to such Policy.
 - (vi) if the Consultant fails to maintain its professional indemnity insurance or such insurance becomes unavailable during the provision of the Services.
 - (vii) if the Consultant, being an individual or a partnership, has a petition for bankruptcy presented to the courts becomes bankrupt, or makes a composition, or arrangement with his creditors, or has a
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proposal in respect of himself or his firm for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986 as amended by the Enterprise Act 2002, or where an application for bankruptcy is made against any individual partner of the firm, or where the partnership has a provisional liquidator receiver or manager of its business duly appointed, or where the partnership is dissolved save for the purposes of bona fide reconstruction on terms acceptable to the Council, or where a substantial change in the partners occurs; or

(viii) if the Consultant, being a company, has a proposal for a voluntary arrangement for a composition of debts or scheme of arrangement approved in accordance with the Insolvency Act 1986, or has an application made under the Insolvency Act 1986 to the Court for the appointment of an administrator, or has a petition for a winding-up order made or except for the purposes of reconstruction) a resolution for voluntary winding-up passed, or professional liquidator, or a receiver or manager of its business or undertaking duly appointed, or has an administrative receiver, as defined in the Insolvency Act 1986, appointed or possession taken by or on behalf of the holders of any debentures secured by a floating charge or has a lien enforced or arrestment order made against it or served on any of its debtors on behalf of any of its creditors or commits any act of insolvency as defined in the Insolvency Act 1986.

- c) The Council reserves the right under this Agreement to seek recourse against the Consultant in the event of professional negligence or wilful misconduct in the Consultant's performance of the Services.
- d) In the event of the Council terminating the Agreement in accordance with clause 6)a) the Consultant will be entitled to payment for work completed with a percentage of the fee apportioned in relation to work in progress.

7) Conflict of Interest

The Consultant may without the prior written consent of the Council's Authorised Representative undertake other consultancy assignments which do not conflict with its obligations under this Agreement.

8) Confidentiality

- a) The Consultant shall not either during the term of this Agreement or at any time after its termination disclose the Confidential Information to any person [(except the Consultant's employees and then only insofar as it is necessary for the proper performance of the Consultant's duties)] not authorised by the Council's Authorised Representative to
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receive it and shall not utilise any Confidential Information to the detriment or prejudice of the Council.

- b) All correspondence, documents, data and other property or information coming into the Consultant's possession as a result of its work under this Agreement shall be regarded as the Council's property. On termination hereof the Consultant shall make arrangements to deliver to the Council's Authorised Representative all such correspondence, documents, data and other property and information remaining in its possession or under its control as soon as practicable and will certify that all such items have been so delivered and that no such items remain in its possession.
- c) The obligation in sub-clauses 8)a) and b) above shall not apply to:
 - i) any information in the Consultant's possession which comes into the public domain other than by breach of this Agreement;
 - ii) any information which was in the public domain at the time of the communication to the Consultant; or
 - iii) any information which was in the Consultant's possession, required by law to be disclosed, or known prior to disclosure by The Council.

9) Announcements

The Consultant shall not publish any literature, deliver any lecture, or make any communication to the press relating to the business of the Council or on any matter with which the Council may be concerned unless it has previously and on each occasion obtained the prior permission of the Council's Authorised Representative. The copyright in any publication or report by the Consultant relating to the business of the Council or to any matter with which the Council may be concerned shall belong to the Council absolutely and beneficially, unless otherwise agreed in writing in any particular case.

10) Risk and Insurance **[AMEND AS APPROPRIATE]**

- a) The Consultant will be liable for, and will indemnify the Council and insure against, any expense, liability, loss, claim or proceedings whatsoever arising under any statute or at common law in respect of personal injury to or the death of any person whomsoever arising out of or in the course of or caused by the carrying out of the Services, except to the extent that the same is due to any act or neglect of the Council or of any person for whom the Council is responsible.
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- b) Without prejudice to any other rights or remedies which the Council may possess, the Consultant warrants that it will have and keep in force professional indemnity insurance and public liability insurance and if applicable employer's liability insurance to cover any claim made against them by the Council in relation to their Services including (but not limited to) any loss arising out of the breach of Clause 3. The Consultant shall produce to the Council's Authorised Representative premium renewal receipts relative to such policies of insurance or other suitable proof of cover upon request.

[Guidance: advice should be sought in each case as to the appropriate insurance cover].

- c) *The insurance required in Clause 10.b will be for a sum of not less than [check the level required] each and every claim in respect of Professional Indemnity insurance and [check the level required] in respect of Public Liability insurance and [£5,000,000 (five million pounds); this is the statutory minimum; check if a higher cover is required] in respect of Employer's Liability Insurance.*

11) Intellectual Property

[DELETE AS APPROPRIATE]

- a) If at any time during this Agreement the Consultant shall invent, design, discover or devise either by itself, or by any of its employees or jointly with any employee of or person working for the Council any invention, improvement, discovery or design which results from work carried out by the Consultant pursuant to the Services then all such inventions, improvements, discoveries and designs shall belong to the Council absolutely and beneficially. The Consultant shall communicate to the Council's Authorised Representative full particulars of any such invention, improvement, discovery or design and the Council's Authorised Representative will then decide whether and where letters patent or other intellectual property protection shall be applied for either in the name of the Consultant or in the name of the Council or its nominee or in their joint names in accordance with the law and practice applicable thereto and as required by the Council's Authorised Representative in any case at the Council's expense.
- b) The Consultant will apply for letters, patent or other intellectual property protection (including but not limited to copyright, trademark or design registration) in respect of any items referred to in sub-clause 11)a) if so requested by the Council's Authorised Representative in any part of the world both during the term of this Agreement and thereafter, including the execution of all necessary documents to procure the grant of such letters, patent or other protection and the maintenance thereof and, should such letters patent or other protection be granted in the first place in the name of the Consultant, the assignment thereof to the
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Council absolutely or as the Council's Authorised Representative may direct.

- c) Upon completion of the Services or termination of the Consultant's engagement under Clause 6 all of the documents in any way prepared or used by the Consultant in connection with the Services will immediately be delivered to and become the property of the Council in all respects and the Consultant assigns full copyright and future copyright in the such documents to the Council.

[Guidance: When the consultant is an architect it will usually be difficult for the council to obtain copyright of any work; therefore, an alternative clause 11c is suggested to deal with such circumstances]

- c) Upon completion of the Services or termination of Consultant's engagement under Clause 6 all of the documents advertising materials reports and information in any way prepared or used by the Consultant in connection with the Services will immediately be delivered to the Council and the Consultant grants to the Council an irrevocable, exclusive and royalty-free licence for the use them in connection with the purposes set out in the Agreement.*

12) Licensing

- a) The Consultant agrees to arrange on behalf of the Council, licences for use by the Council, at the expense of the Consultant, of any items provided by the Consultant or on its behalf in performance of the Services and which remain the intellectual property of third parties.
- b) The Consultant shall indemnify the Council against all claims and expenses for infringement of any patent, registered design, copyright, trademark, methodologies, computer programs or other intellectual property relating to or arising from the performance of the Services.

13) Notices

Any notice required to be given under this Agreement may be given by being personally delivered at or sent by pre-paid first class post to the address of the relevant party as given in this Agreement or such other address as shall be notified in writing to the other party in accordance with this clause, or by email to the email address provided or by fax if appropriate. In the case of personal delivery, delivery shall be deemed to be the day of such delivery, and in the case of post delivery shall be deemed to have been effected two Working Days after the date of posting.

14) Sub Agreements

The Consultant shall not, without the prior written consent of the Council's Authorised Representative enter into any sub-agreement for the performance of any part of this Agreement.

15) Assignment

The Consultant shall not assign or otherwise transfer this Agreement or any of its rights or obligations hereunder, whether in whole or in part, without the prior written consent of the Council's Authorised Representative.

16) Third Party Rights

Notwithstanding any other provision herein contained, nothing in this Agreement confers or purports to confer any rights to enforce any of its terms pursuant to the Contracts (Rights of Third Parties) Act 1999 on any person who is not a party to this Agreement.

17) Tax Requirements

The Consultant shall bear exclusive responsibility for discharging all income tax and social security contribution liabilities arising out of or incidental to its performance of the Services under this Agreement. In the event that the Council is held liable for any such payments then the Consultant shall compensate the Council in full on demand for any liability which it suffers in connection with them.

18) Status of the Consultant **[DELETE AS APPROPRIATE]**

[Guidance: Insert where Consultant is an individual; delete where the Consultant is a limited company, a partnership or a limited liability partnership]

- a) During the term of this Agreement the Consultant shall be an independent contractor and not the servant of the Council.
- b) In such capacity the Consultant shall bear exclusive responsibility for the payment of his national insurance contributions as a self-employed person and for discharge of any income tax and VAT liability arising out of remuneration for his work performed by him under this Agreement.

19) Force Majeure

- a) Notwithstanding any other provision of these conditions neither party shall be liable for any failure or delay in the performance of this Agreement caused by means beyond their reasonable control including without limitation, strikes (except by the Consultants staff), lock outs, labour disputes, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order,
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rule, regulation or direction or any overriding emergency procedures, fire, flood and storm.

- b) If the Consultant is unable to perform the Services and obligations under this Agreement as a direct result of a force majeure event, that party shall give to the other written notice of the inability stating the reason in question within two (2) days of the inability arising. The operation of this Agreement shall be suspended during the period (and only during the period) in which the reason continues save in respect of confidentiality. Forthwith upon the reason ceasing to exist the party relying on it shall give written notice to the other of this fact whereupon this Agreement shall continue in operation. If the reason continues for a period of tens (10) days, the party not claiming relief under this clause 19) may terminate this Agreement forthwith upon giving written notice of such termination to the other party.

20) Disputes

[ADD OR DELETE AS APPROPRIATE]

- a) If any dispute arises out of this Agreement which cannot be amicably settled between the parties then the parties may attempt to settle such dispute by mediation in accordance with the Centre for Effective Dispute Resolution ("CEDR") Model Mediation Procedure ("the Model Procedure") as published by CEDR from time to time. For the avoidance of doubt neither party will commence any court proceedings/litigation in relation to any dispute arising out of this Agreement until they have attempted to settle it by mediation and that mediation has terminated.

[Guidance: In the case of a construction related consultancy (e.g. the appointment of an architect, designer, engineer, etc.), the Housing Grants, Construction and Regeneration Act 1996 will apply. The following clause b) is suggested in addition to the previous in order to comply with the provisions of the mentioned Act. Please note that clause c) is applicable even if clause b) does not apply.]

- b) *Notwithstanding sub-clause 20.a and in the event that the provisions of the Housing Grants Construction and Regeneration Act 1996 will apply to any element of the Services (in which case the parties shall have the right to go to adjudication at any time) then the relevant Adjudication Rules which will apply will be those set out in the Scheme of Construction Contracts ("the Scheme") issued in accordance with the Scheme for Construction Contracts (England and Wales) Regulations 1998, subject to the following alterations/clarifications:*

- 1. In the event of failure by the parties to agree upon the choice of Adjudicator then the Adjudicator will be nominated upon the application of either party by the Chief Executive (or if he is unable to*
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act by any of his nominated representatives) for the time being of the CEDR;

II. the Applicant will subject to any contrary decision by the Adjudicator bear the costs of the adjudication;

III. the Adjudicator will give his decision and reasons in writing and may award costs as part of the decision and will have power to seek expert or further professional advice if necessary;

IV. the Adjudicator's decision should be binding on both parties but not final until it is replaced either by an agreement between the parties or a decision of the English Courts;

- c) For the avoidance of doubt, the Consultant shall continue to perform its obligations under this Agreement during any dispute resolutions procedure referred to in this clause and invoked by either party.

21) Cost

Each of the parties shall pay any costs and expenses incurred by it in connection with this Agreement.

22) Variation

Any amendment to this Agreement shall only be valid if made in writing and signed by the parties hereto.

23) Severance

If any provision of this Agreement shall be declared invalid, unenforceable or illegal by the Courts of any jurisdiction to which it is subject such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Agreement.

24) Right of Audit

- a) The Consultant shall at all reasonable times (including following termination for whatsoever reason of this Contract) afford to or procure for any auditor (including any auditor carrying out functions under the Audit Commission Act 1998 or the 1999 Act) conducting an internal audit or an external audit, inspection or an audit of Best Value Performance Plans to or for the Council's Authorised Representative (or its nominee), internal investigation, ombudsman inquiry or legal enquiry:
- i) permission to copy and remove any copies of; and
 - ii) permission to remove the originals of any books, records, information and data in the possession or control of the Consultant which in any way relate to or are or have been used in connection with the performance of the Equipment and the Services including
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(but without limitation) Council Data and information stored on a computer system operated by the Consultant.

iii) any information reasonably requested.

b) The Consultant shall afford access to audit inspection of the Consultant's documentation and systems as and when necessary.

25) Entire Agreement

a) This Agreement embodies the entire understanding of the parties in respect of the matters contained or referred to in it and is the only subsisting Agreement between the Council and the Consultant relating to the Services.

b) There are no promises terms conditions or obligations oral or written express or implied other than those contained in this Agreement.

c) This Agreement does not create a partnership.

26) Waiver

The failure of a party hereto to exercise or enforce any right conferred upon it under this Agreement shall not be deemed to be a waiver of any such right or operate so as to bar the enforcement thereof at any time.

27) Health and Safety

[Guidance: The Council will need to supply the Consultant with a copy of the Council's up to date rules regarding health and safety prior to contract signature for this clause to have effect.

If the Council is to spend significant periods (i.e. more than incidental to audits, etc) of time at the Consultant's premises, then the Consultant should provide a copy of its equivalent policies to the Council. Council employees may then be required to comply with this policy.]

a) The Consultant acknowledges that it has been supplied with a copy of the Council's rules regarding health and safety. The Consultant agrees to comply with these rules, and any additional rules made known to the Consultant from time to time by the Council together with all applicable statutory rules and regulations regarding these matters. The Council will be responsible for procuring that its employees and agents also comply with these rules and regulations.

b) Either party shall notify the other as soon as practicable of any health and safety hazards of which it becomes aware.

28) Data Protection Act 1998

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- a) The Council is registered to process personal data under the Data Protection Act 1998. The Consultant acknowledges this, and will if necessary on processing such personal data comply in all respects with the Data Protection Act 1998 and do nothing to cause the Council to fail in its obligations under the same.
 - b) The Consultant will where appropriate only process or be granted access to personal data in accordance with the applicable data protection laws in the United Kingdom and the terms of the Agreement and for the purposes of performing its obligations and/or exercising its rights under the Agreement.
 - c) The Consultant has in place and undertakes to maintain until the Council's Authorised Representative certifies completion of the whole of the Services appropriate technical and organisational measures against the accidental, unauthorised or unlawful processing, destruction, loss, damage, or disclosure of personal data and adequate security programmes and procedures to ensure that unauthorised persons do not have access to the personal data or to any equipment used to process personal data.
 - d) The provisions of this clause 28 will continue in perpetuity.
 - e) The Consultant is to ensure that its sub-consultants or consultants are bound by the requirements of this clause 28.

29) Ethics and Anti-Corruption

- a) The Consultant warrants to the Council that all financial statements and invoices rendered to the Council, under this Agreement, properly reflect the fact that of all activities and transactions made or undertaken by the Consultant in providing the Services may be relied upon as being complete and accurate in any further recording or reporting by the Council.
- b) The Consultant must not offer to any person any gift to persuade or reward them for doing or not doing anything relating to the award of this Contract or any other contract with the Council. Nor must the Consultant offer any gift to any person to persuade or reward them for special treatment to the Consultant once this Contract has been awarded.
- c) If the Consultant does offer any gift or reward or commit any offence under the Prevention of Corruption Acts 1889 to 1916 or Sub-Section (2) of Section 17 of the Local Government Act 1972, the Council will have the right to determine this Contract and recover from the Consultant any losses arising from the termination.

30) Freedom of Information Act 2000

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- a) The Consultant is to comply with all requests for information it receives from the Council in relation to the Services and to the Agreement in a timely and efficient manner.
 - b) The Consultant in executing the Services may request that certain information arising out of the execution of the Services be classified as reserved information under the Freedom of Information Act 2000 ("FoIA") and therefore not required to be disclosed by the Council to third parties.
 - c) Information that is agreed between the parties to be reserved information will be contained in a separate schedule to the Agreement. Such schedule will list the class or category of information or the information itself and will specify which exemptions under the FoIA apply to each specified class category or specific information. In each case such schedule will indicate when it is likely that the information can be made available under the FoIA or if the information is unlikely ever to be made so available that this is the case. Where such information is exempt under the rules governing commercial matters (s. 43 (2) FoIA) then unless special circumstances apply it will not be withheld under the FoIA for more than seven (7) years after certification by the Council's Authorised Representative of completion of the whole of the Services.
 - d) Information relating to the overall value performance or completion of the Agreement, or to Agreement records and administration, will not be accepted as reserved information, but the Council may withhold access to such information under the FoIA in appropriate cases. The decision as to whether to withhold information will be for the Council alone to determine. The Council will have no obligation to consult the Consultant.
 - e) The Consultant may designate Fees or Rates where applicable as reserved information.
 - f) The Council will make information available under the FoIA from five (5) years after signature of the Agreement in the absence of specific agreement to the contrary. In the event that the Council receives a request for such information before the expiry of the five (5) year period, which it considers it may be appropriate to provide, it will wherever possible notify the Consultant and take account of any representations made by the Consultant within five (5) Working Days of receipt of the notice by the Consultant.
 - g) Other than as set out above the Council will have no obligation to consult the Consultant where any request for information whether under the FoIA or otherwise touches or concerns the Agreement.
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- h) Should it subsequently transpire that any information has been incorrectly classified as reserved information by the Consultant or any competent authority orders the information to be released the Consultant will deliver such information to the Council immediately and reimburse all the costs incurred by the Council as a result of the Consultant seeking to classify the information as reserved information.

31) Equal Opportunities

- a) The Consultant will not unlawfully discriminate within the meaning and scope of the Race Relations Act 1976, the Sex Discrimination Act 1975, the Disability Discrimination Act 1995, the Equal Pay Act 1970 or any statutory instrument, byelaw or legislation of the European Communities relating to equal opportunities which may be in force or come into force until certification of completion of the whole of the Services by the Council's Authorised Representative including the Employment Equality (Sexual Orientation) Regulations 2003 and the Employment Equality (Religion or Belief) Regulations 2003.
- b) Without prejudice to the generality of sub-clause 31.a, the Consultant is to comply with the Council's Equal Opportunities Policy, a copy of which has been provided to the Consultant by the Council.
- c) The Consultant shall take all necessary steps to secure the observance of the provisions of sub-clauses 31.a and b above by all its employees, servants, agents or sub-consultants employed in the execution of this Agreement.
- d) The Consultant shall respond to any request from the Council for information on approved questions, as that term is defined in the Local Government Act 1988.

32) Precedence of contract documents

This Agreement comprises these terms and conditions, the Specification and the Tender. In the event of conflict these documents will be construed in the following order of precedence, the first having the highest precedence:

- i) These conditions;
- ii) The Specification;
- iii) The Tender.

32) Proper law and Jurisdiction

This Agreement shall be governed by English law and the parties hereby submit to the exclusive jurisdiction of the English Courts for such purpose except for enforcement proceedings where the English courts shall have non-exclusive jurisdiction

This Agreement has been entered into on the date stated at the beginning of it.

For and on behalf of The London Borough of _____

Name:

.....

Title:

.....

Signed:

.....

Date:

.....

For and on behalf of _____

Name:

.....

Title:

.....

Signed:

.....

Date:

.....

Schedule 1

Services Required:

The Services will include but not be limited to:

Schedule 2

Rates and Fees

| | |
|---|------------|
| £ | per hour? |
| £ | per day? |
| £ | Fixed fee? |

The above payment profile excludes VAT and reasonable expenses that shall be submitted in addition as described in clause 5) above.

Schedule 2 (A)

Intervals (please state)
or
Dates (please state)

Schedule 3

Actual specification

Schedule 4

Tender

Tender Questions

Pick and Mix The Technical Questions.

Below are a range of questions for you to ask your consultants.

- Their understanding of the problem;
- Their understanding of the objectives of the consultancy;
- Their proposals for carrying out the assignment to ensure that the objectives are met;
- Are there any constraints, which they feel, may make achievement difficult;
- The proposed start date;
- Their proposals for ensuring that key dates (milestones) and deliverables are met/produced;
- Their flexibility if a change of course is thought desirable;
- The individuals who they will assign to the task;
- Their experience, background and qualifications corporate and individual;
- How long do they need to prepare a tender;
- The need to sub-contract;
- The support facilities and back-up resources available to the consultants;
- The need for any internal (from you) support or resources;
- If the work leads to further procurement, can they confirm their independence from suppliers;
- The method proposed to achieve transfer of skills between the Consultants and the employing workforce;
- Will any information supplied to the Consultant to enable the Specification to be met at any time cause a potential conflict of interest within their organisation?
- Details of how they propose to ensure the integrity of the information and systems should such a conflict arise. Inform them that their response will be used to assist in preparing an appropriate code of practice, should this be required.
- Their understanding and compliance with relevant Policies and Procedures (e.g. health and safety diversity and equality, sustainable development, Investors in People). Seek examples of their application of these policies in practice elsewhere.

Pick and Mix The Commercial Questions.

Below are a range of questions for you to ask your consultants.

- Details, address, contact nos., VAT no., turnover etc;
- Their acceptance of the Standard Conditions of Contract for Consultancy Services without qualification, or where qualified, the reasons for such qualification;
- Any conditions which they are unwilling to accept, and the reasons;
- The total cost of the consultancy
 - state number of days;
 - state number of consultants;
- A break down of the total cost for each stage of the consultancy. (The Project Sponsor must define the stages to enable like for like evaluation);
- The daily rate for each senior partner and other consultants;
- State normal working day (i.e. hours worked);
- Any additional expenses that will be charged (travel and subsistence etc);
- Proposals for alternative costing arrangement that provide better value for money (e.g. payment linked to milestones).

The most common fee charging basis is the “daily rate”. This is a fee charged by grade of consultant for a day’s work on the project. It is important to define what is meant by a “consultancy day”. Usually this will be an eight-hour day; the documentation will need to be specific.

In circumstances where the outcome is uncertain, it is advisable to negotiate “fee caps” to control and manage costs. This will set an automatic agreed ceiling on the charges.

Where the requirement for advice is known and capable of being quantified in advance a fixed-price charge will probably be more appropriate. Under this arrangement the consultant is paid an agreed sum at the end of the project, or a proportion of the total agreed sum as key stages of the project are completed.

Volume discounts may be available depending on the size of your project.

Under no circumstances should any payments be made in advance of work completed by the consultant.

Quality/Price Evaluation Mechanism

Quality/Price Evaluation Mechanism

The final decision as to which consultant offers the best value for money will be determined by:

- the size and scope of the commission;
- the complexity of the commission;
- quality considerations of tenderers, such as qualified expertise, experience and track record etc.;
- the prices offered by tenderers.

In coming to a final decision it is worth bearing in mind that the consultancy is worthy of their hire. Best practice private sector clients and local authorities have all learnt to their cost that the cheapest bid does not necessarily result in overall long term best value for money. Cut price tenders usually result in cut price inputs, where more work is carried out by less experienced professionals and the local authority suffers as a result of a less attentive service provider.

It is therefore important to consider both quality and price during the evaluation. The term best value for money means selecting a consultant who offers the optimum combination of quality and price. Hence, these factors should be considered in the final choice of consultant.

A very useful approach to tender evaluation is to use a quality/price mechanism which is based on a numerical scoring and weighting system. The advantages of this are that:

- it formalises what can be a very subjective evaluation process;
- it requires forethought as to what are the most important criteria for selection;
- it can be transparent;
- it can be audited.

The quality/price mechanism should be decided upon at the outset of consultant procurement and development of the specification. The evaluation board should be appointed at this stage for this purpose. If the specification continues to be developed it may be necessary to change some of the evaluation criteria and or their weightings, but the mechanism should be finalised before the tender process commences.

The finalisation of the quality/price mechanism involves deciding upon the following:

- the quality criteria which will be used; see 'Illustrative Examples of Selection/Award mechanism' included in this section;
- the weighting which should be attached to each of the chosen criteria, totalling 100;
- the quality price ratio; in other words the relative importance of quality and price.

The weighting of quality against price will be influenced by the complexity of the project and the degree of creativity or flexibility that is required in its execution. For example the more complex the project, the harder the project will be to manage and control; the more unusual the project the harder it will be to make predications about resource levels and the more skill that will be required of the consultant. Experience, professional competence, management skill and management systems will take on a far more significant level of importance for complex projects. For the quality/price mechanisms to reflect this shift in balance, more weight should be given to quality criteria than to price.

Indicative quality/price ratios for consultant services are as follows:

| Type of project | Indicative quality/price ratio |
|--------------------------|---------------------------------------|
| Feasibility studies | 80/20 to 90/10 |
| Innovative projects | 70/30 to 85/15 |
| Complex projects | 60/40 to 80/20 |
| Straightforward projects | 30/70 to 60/40 |
| Repeat projects | 10/90 to 30/70 |

Key Points

- The final selection should be based both on quality and price.
- The numerical/price mechanism is a useful decision support tool but there may be good reasons why the final choice may nevertheless require some subjective judgement.
- Any decision as to the final choice of consultant must be justifiable on the basis that the consultant offers overall long-term best value for money.

Selecting a Consultant

Selecting a Consultant.

Proposals should be assessed in an objective, transparent and consistent manner against pre-determined criteria. This should be done by individuals with relevant skills and knowledge appropriate to the nature, value and importance of the assignment and who are free of any conflict of interest which might undermine the objectivity of the assessment.

To help ensure that fairness and impartiality are seen to have been strong features of the assessment, it may in some circumstances be appropriate to provide an external impartial adviser.

Record of the evaluation

The evaluation of proposals should be documented. The extent of documentation will vary with the complexity and value of the project but should cover:

- a summary of all the proposals received.
- the validation for the recommendation of a specific proposal, based on the selection criteria, including statements confirming that the proposal conforms with the specification.
- confirmation that the proposal is acceptable in terms of conditions and limitations.
- the tenderer has the resource and ability to successfully undertake the assignment.
- the performance of the tenderer has been checked with referees and found to have been satisfactory on similar assignments.
- the costs are realistic and stands up to market values. The provision for the identification and approval of any additional or unseen costs are identified.

The person approving the selected proposal should be an appropriate senior level. The individuals who analyse the proposals, prepares the above documentation and makes the selection should not be the person who approves that selection. All documentation including the proposals received must be kept for record and audit purposes. Your procurement manager will guide you through this process.

The local authorities Standing Orders and Financial Regulations should always be followed.

Selection Evaluation Model

| ILLUSTRATIVE EXAMPLE OF SELECTION MECHANISM | | | | | |
|---|-------------------------------|--|-----------------------|-------------------|----------------------|
| Project title | <i>A construction project</i> | Assessor(s) | | | |
| | | Assessor A; Assessor B | | | |
| Organisation | <i>Organisation A</i> | Overall Quality Threshold | 50 | | |
| PERSONAL POSITION | | | | | |
| Selection criteria | | Quality Threshold (QT) | | QT reached? | |
| <i>Bankruptcy, convictions, misconduct, taxes, etc</i> | | <i>Minimum standards of department</i> | | yes | |
| ECONOMIC STANDING | | | | | |
| Selection criteria | | Quality Threshold | | QT reached? | |
| <i>Profit and loss for last two years</i> | | ? | | yes | |
| <i>Public liability insurance</i> | | £? | | yes | |
| TECHNICAL CAPACITY (and for consultants, ABILITY) | | | | | |
| Selection criteria | Quality Threshold | QT reached | Criteria weight (A) % | Score awarded (B) | Weighted score (AxB) |
| <i>Technical suitability for project</i> | ? | yes | 23 | 80 | 18.4 |
| <i>Past performance on risk management</i> | ? | yes | 7 | 5 | 3.5 |
| <i>Past performance on partnering</i> | ? | yes | 17 | 35 | 6.0 |
| <i>Resources relevant to project</i> | ? | yes | 14 | 65 | 9.1 |
| <i>Specialist design experience relevant to project</i> | ? | yes | 26 | 85 | 22.1 |
| <i>Quality assurance</i> | ? | yes | 13 | 40 | 5.2 |
| Total weighting | | | 100 | Total | 64 |
| Is total score greater than Overall Quality Threshold? | | | | | yes |
| Comments: | | | | | |
| Signed by assessor(s) | | | Date | | |
| <i>Assessor A</i> | | | <i>xx/xx/xx</i> | | |
| <i>Assessor B</i> | | | | | |

Note: Items in italics are shown solely to demonstrate the system. They will vary according to the project and department.

Award Evaluation Model

| ILLUSTRATIVE EXAMPLE OF AWARD MECHANISM | | | | | | | | | | | | |
|---|--------------------------------|-------------------|----------------|-------|--------------------------------|----------------|-------|-------------------|----------------|-------|----------------|--|
| Project title | A construction project | | | | Members of Tender Board | | | | | | | |
| Project quality weighting | | 60 | | | Board member 1; Board member 2 | | | | | | | |
| Project price weighting | | 40 | | | Overall Quality Threshold | | | | | | 55 | |
| QUALITY SCORES | | | | | | | | | | | | |
| Quality criteria | Quality Threshold (individual) | Criteria weight % | Organisation A | | | Organisation B | | | Organisation C | | | |
| | | | QT reached | score | weighted score | QT reached | score | weighted score | QT reached | score | weighted score | |
| Innovative | N/A | 9 | yes | 50 | 4.5 | yes | 40 | 3.6 | yes | 60 | 5.4 | |
| Partnering | ? | 7 | yes | 40 | 2.8 | yes | 60 | 4.2 | yes | 75 | 5.3 | |
| Risk management | ? | 11 | yes | 45 | 5.0 | yes | 30 | 3.3 | yes | 60 | 6.6 | |
| Project organisation | ? | 5 | yes | 35 | 1.8 | yes | 70 | 3.5 | yes | 50 | 2.5 | |
| Aesthetic character | Spec | 5 | yes | 50 | 2.5 | yes | 85 | 4.3 | yes | 65 | 3.3 | |
| Programme | ? | 12 | yes | 45 | 5.4 | yes | 50 | 6.0 | yes | 60 | 7.2 | |
| Functionality | Spec | 22 | yes | 65 | 14.3 | yes | 70 | 15.4 | yes | 90 | 19.8 | |
| Qualifications | ? | 5 | yes | 60 | 3.0 | yes | 55 | 2.8 | yes | 95 | 4.8 | |
| Approach to CDM | ? | 9 | yes | 80 | 7.2 | yes | 50 | 4.5 | yes | 90 | 8.1 | |
| Maintainability | ? | 15 | yes | 60 | 9.0 | yes | 70 | 10.5 | yes | 70 | 10.5 | |
| Totals | | 100 | 55.5 | | | 58.1 | | | 73.5 | | | |
| Is overall quality threshold reached? | | | | | yes | | | | yes | | | |
| PRICE SCORES | | | | | | | | | | | | |
| Tender price (£) | | 1,835,673 | | | 2,467,390 | | | 2,134,532 | | | | |
| Price score (mean £2,145,865) | | 64.5 | | | 35 | | | 50.5 | | | | |
| OVERALL SCORES | | | | | | | | | | | | |
| Quality weighting x quality score | | 60% x 55.5 = 33.3 | | | 60% x 58.1 = 34.9 | | | 60% x 73.5 = 44.1 | | | | |
| Project price weighting x price score | | 40% x 64.5 = 25.8 | | | 40% x 35.0 = 14.0 | | | 40% x 50.5 = 20.2 | | | | |
| Overall score | | 59 | | | 49 | | | 64 | | | | |
| Order of tenderers | | 2 | | | 3 | | | 1 | | | | |
| Comments: | | | | | | | | | | | | |
| Signed by members of Tender Board | | | | | Date | | | | | | | |
| Board member 1 | | | | | xx/xx/xx | | | | | | | |
| Board member 2 | | | | | | | | | | | | |

Note: Items in italics are shown solely to demonstrate the system. They will vary according to the project and department.

Managing Contracts & Performance Checklist

Managing Contracts and Performance Checklist

[Source: OGC Successful Delivery Toolkit™]

Key for assessment: **N** = Not at all; **P** = Partially; **L** = Largely; **F** = Fully

Levels of activity: **0** - Awareness; **1** - Planning approach; **2** - Resource capability; **3** - Deployment activity; **4** - Deliverables; **5** - Process management; **6** - Validation/outcome

| Contributory factor | Question | Level | Extent (NPLF) | General comments, problems, issues and limiting factors. |
|---------------------------------------|---|-------|---------------|--|
| 1. Establish contracts | a. Is there sufficient emphasis on establishing the contractual needs during procurement? | 3 | | |
| | b. Is there sufficient consideration given to ensuring that contracts provide the necessary flexibility to adapt to change? | 3 | | |
| | c. Is there a clear understanding of how the contract will contribute to the achievement of business objectives? | 1 | | |
| 2. Service provider evaluation | a. Does the business retain sufficient expertise to fully evaluate the service offerings? | 2 | | |
| | b. To what extent are business continuity requirements reviewed in the context of service contracts? | 3 | | |
| | c. Do your service providers have an excellent track record for problem resolution? | 2 | | |

| Contributory factor | Question | Level | Extent (NPLF) | General comments, problems, issues and limiting factors. |
|-------------------------------------|---|-------|---------------|--|
| 3. Manage contracts | a. Are the processes for managing the contract defined before the contract is awarded? | 5 | | |
| | b. Do you have access to the necessary expertise to assure that the technical direction is aligned with your business strategy? | 2 | | |
| | c. To what extent is contract management and integral part of your 'Intelligent' customer role? | 3 | | |
| 4. Performance measures | a. To what extent have you established a full range of performance measures that provide demonstrable evidence of success? | 6 | | |
| | b. Do you have an existing base-line on which to track delivery or capability improvement? | 3 | | |
| | c. Are the performance measures specified in the contract? | 4 | | |
| 5. Service / contract review | a. Are service reviews part of a hierarchy of reviews which includes management reviews and strategic reviews? | 3 | | |
| | b. Are there SLAs in place for each service and are these reviewed regularly? | 4 | | |
| | c. Are business outcomes evaluated during the contract period? | 3 | | |

Performance Management

Performance Management

What is performance management?

Performance management is the activity of tracking performance against targets and outcomes identified in your specification. This will enable the identification of opportunities for improvement and to ensure the successful delivery of an project/assignment. The focus of performance management is the future – what do you need to be able to do and how can you do things better? Managing performance is about managing for results. Performance-based management at any level in the organisation should demonstrate that:

- you know what you are aiming for
- you know what you have to do to meet your objectives
- you know how to measure progress towards your objectives
- you can detect performance problems and remedy them.

Why is it important?

Performance management will underpin the successful delivery of the desired outcomes of the project/assignment and the delivery of efficiency gains and value for money.

Effective performance depends on the management of activities at all levels in the project/assignment. This will include the performance management of supplier and local authority resources engaged on the delivery.

Key to a successful outcome is the need to understand how to define and measure performance as part of the delivery of a project/assignment.

Critical factors for success

- Focusing on outcomes that meet the project/assignments objectives, rather than outputs
- Performance management should be an integrated part of the project/assignment lifecycle
- Using a mix of short and long term measures, and selecting measures that link cause and effect
- Measuring effectiveness (doing the right things) and efficiency (doing things right) in parallel
- Relating supplier/individual reward and remuneration with achievement of outcomes.

Who is involved?

The project/assignment manager along with the Project Board is responsible for setting targets and monitoring performance against those targets. To support this a framework and mechanism to record and track progress will need to be developed.

This will ensure that problems and issue can be identified early and mitigating action identified.

Effective performance management

The effective performance of your project/assignment depends on the management of activities at all levels. Measures should include those stated in the business case. Benefits management would help to determine if these are achieved

Although performance measures and indicators will be different at each level, they will need to be:

- directional - to confirm that you are on track to reach the goals,
- quantitative - to show what has been achieved and how much more is to be done
- worthwhile - adding more value to the project/assignment than they cost to collect and use

Value for money

You must be able to demonstrate that you have achieved value for money in your project/assignment. Value for money is taken to cover three measures of performance:

- economy - minimising the cost of resources used for an activity, having regard to appropriate quality
- efficiency - the relationship between outputs, in terms of goods, services or other results and the resources used to produce them
- effectiveness - the extent to which objectives have been achieved, and the relationship between the intended impacts and actual impacts of an activity.

Measures and metrics

You should use these evaluation criteria for measures and metrics:

- are you measuring the right thing?
- do you have the right measures?
- are the measures used in the right ways?
- do you determine the quality of a particular performance metric using the SMART test (Specific, Measurable, Attainable, Relevant, Timely)?

The procedures and measures used in performance management will depend, among other factors, on the type of process which is being measured. A process is assumed to be made up of a number of activities which transform inputs into outputs and contribute to the realisation of outcomes.