**Draft v3 - published 06.04.23 –– change to 2.6 only.**

## PSP 4 FRAMEWORK INFORMATION – ANNEX C:

## QUOTATION PROCEDURE

1. **General – Both Lots**

1.1 The following process shall be followed prior to any Order being made, unless otherwise agreed between the *Client* and the *Supplier*.

1.2 Where a Mini-Competition call off option is used, the *Client* shall include the relevant information in their Mini-Competition Invitation, with the *Supplier’s* quotation forming their Mini-Tender response.

1.3 The *Client* shall instruct the selected *Supplier* to submit a quotation for the proposed Order. The *Client* will provide the additional Contract Data Part 1 information needed, including:

* The selected NEC4 contract form and Main Option being used;
* A detailed description of the *service* which the *Client* requires to be carried out under the Order;
* Where the staff are to be located (i.e. in the *Supplier’s* offices, home-based or co-located in the *Client’s* offices*);*
* The time and date for return of the quotation;
* The address for return of the quotation;
* The proposed *starting date* and *completion date* for the Order, and if required the proposed duration;
* Individual requirements of the *Client’s* in-houseprocurement rules including, for Lot 1, any requirement for a parent company guarantee and its wording and limitation of liability.

1.4 The *Supplier* will submit their quotation for the proposed Order to the *Client* in the time as detailed by the *Client.*

1.5 The *Supplier* should be aware that the above process does not indicate any commitment to the *Supplier* or that the Order will be executed.

1.6 A quotation for a proposed Order comprises:

* The proposed total of the Prices for the Order
* A description of how the Prices have been arrived at, clearly showing how they are based on the *quotation information,* including the MHA+ PSP4 Consultant Rates
* Any additional Contract Data Part 2 required for the Order;
* A list of the Subcontractors or Sub-Suppliers proposed to aid in the delivery of the Order.
* For Lot 1 - Quality Plan showing specific procedures required for carrying out the Order;

1.7 On receiving a quotation, the *Client* will inform the *Supplier* of one of the following decisions:

* An instruction to submit a revised quotation,
* Notification that an Order is to be issued,
* A notification that the proposed Order will not be carried out.

1.8 If the quotation is to be revised, the *Client* advises the *Supplier* of the reasons for not accepting the quotation and if requested, the *Supplier* submits a revised quotation within the timescale stipulated by the *Client.*

1.9 The *Supplier* shall not carry out any work until the Order has been signed by both Parties. Any work undertaken prior to this is done at the *Suppliers* risk.

* 1. The prices submitted in the Framework *quotation information* represent the maximum Prices that can be applied by the *Supplier* on any Order (prior to the addition of indexation to MHA+ PSP4 Consultancy Rates as applicable). The Supplier may propose to offer a discount against these prices on any specific quotation or Order.
1. Lot Specific Processes

In addition to the general process set out at section 1 above, the following Lot specific processes shall apply.

Lot 1 Specific Quotation Procedure:

2.1 The *Client’s* Contract Data Part 1 shall indicate:

* whether NEC4 PSC or PSSC is being used,
* if PSC is selected, the contract Option (A, C or E) selected
* if PSSC is selected, the payment option being used, as per 2.10.

The Main Options to be used on Lot 1 are as follows:

* + - NEC4 PSC Option A
		- NEC4 PSC Option C
		- NEC4 PSC Option E
		- NEC4 PSSC Time Charge
		- NEC4 PSSC Priced (fixed)
		- NEC4 PSSC Priced (re-measure)

PSC Quotations (Lot 1)

2.2 Where the PSC contract is being used, the *Supplier* prepares their assessment of the total of the Prices for the Orderin accordance with the contract Option selected, as summarised below:

## PSC Option A Priced contract with Activity Schedule.

2.3 This Option will typically be used for clearly defined Orders. The *Supplier* provides a quotation to provide the service required under the Order in the form of a priced activity schedule. The Prices in the schedule shall be based on the PSC Schedule of Cost Components. The MHA+ requires the *Supplier* to provide a detailed build up to the lump sum for each activity. The *Supplier* is required to link the build up of activity prices to the MHA+ PSP4 Consultant Rates used for PSSC Contracts.

## PSC Option C Target Contract

2.4 The *Supplier* provides a quotation consisting of a schedule of activities in the same manner as Option A. However, the total of the lump sums for the activities are added together to become the Prices. The *Supplier* will be reimbursed Defined Costs in addition to the Fee and a pain/gain mechanism will apply at the final assessment as included in the Order.

## PSC Option E Time based contract

2.5 This option will typically be used where the extent of the *service* required is unclear. The *Supplier* provides an estimate of the cost of the *service* as defined in the proposed Order, based on the estimated number of hours to be worked multiplied by the forecast Defined Cost of their staff. The *Supplier* will be reimbursed Defined Costs in addition to the Fee for their *service*.

Compensation Events for PSC Contracts

2.6 Quotations for Compensation Events shall align with the specific pricing approach used in the Order, as follows:

* forecast Defined Cost plus Fee for PSC Option A
* forecast Defined Cost for PSC Option C & E plus the Fee*.*

Post Order Completion

2.7 On Completion of a *service* delivered by using PSC, the *Supplier* provides to the *Client* a report which summarises and explains the differences between the total of the Prices for the Order and the final Price for Services Provided to Date for the Order. The report is to include the reasons for such differences and the differences between the Accepted Programme and the actual timing and completion of the Order and the reasons for such differences.

2.8 If the report shows that the *Supplier’s* quotation (including the programme) for the Order has been incorrectly assessed, the *Supplier* reports to the *Client* any changes which he proposes to make to his staff and the procedures in his Quality Plan to ensure that future quotations for future proposed Orders are correctly assessed. The report is considered by the *Client* as part of its review process. The *Supplier* will be required to inform the Framework Client of all such instances as part of the Management Information to be provided

## PSSC Quotations (Lot 1)

2.9 This option will typically be used for low complexity services of a value up to £250,000.00.

2.10 The *Supplier* prepares their assessment of the total of the Prices for the Order in accordance with the requirements of the *Client*, utilising one of the following payment options:

* + 1. The *service* is to be carried out on a time charge basis and the *Supplier’s* MHA+ PSP4 Consultancy Rates for its own people and people provided by a subcontractor apply.

* + 1. The *service* is to be carried out on a priced basis.

 The *Supplier* is paid an amount for the item, which is not adjusted if the quantity of work in the item changes.  The *Supplier* enters the amount for each item in the Price column and enters the total of the amounts as the total of the Prices.

* + 1. The *service* is to be carried out on a re-measure basis.

 The *Supplier* is paid according to the rate stated in the quotation for an item multiplied by the quantity completed.  The *Supplier* inserts the rate for each item in the quotation.  The entries for the item number and description, unit and expected quantity are entered by the *Client* / *Supplier*.

Compensation Events for PSSC Orders

2.11 Quotations for Compensation Events will be based upon the MHA+ PSP4 Consultancy Rates in the tender prices detailed in the *quotation information*.

2.12 For priced and re-measure Orders, the Fee to be added to Compensation Event quotations and assessments shall be 0%.

3. Lot 2 Specific Quotation Procedure:

3.1A The *service* is to be carried out on a time charge basis and the *Supplier’s* MHA+ PSP4 Consultancy Rates for its own people and people provided by a subcontractor apply.

3.1B The Supplier provides a quotation based on the number of hours specified by the *Client* for the people specified and MHA+ PSP4 Consultancy Rates *s*ubmitted in the *quotation information,* factoring any inflationary adjustments required and any discounts to be offered as per 1.10.

3.2 The Supplier provides with that quotation a CV for each individual proposed to demonstrate their capability and the appropriateness of the MHA+ PSP4 Consultancy Ratesbeing applied.

**Lot 2 Direct award:**

3.3 Where a direct award process is used, the relevant direct award *Supplier* shall have 7 calendar days in which to provide the *Client* with an acceptable candidate. The *Client* shall have the sole discretion as to whether this condition has been met.

3.4 Where an acceptable candidate has not been provided to the *Client* within the 7 calendar days, the *Client* may, on the next working day following, provide the details of the requirement to the alternative framework *Supplier*, who shall be able to provide a quotation for the requirement.

3.5 At the point at which the alternative *Supplier* is invited to provide a quotation, the process shall follow the Lot 2 mini-competition process, with the evaluation weightings defaulting to 50% Quality / 50% Price and a period set aside for the mini-competition specified by the *Client*.

Compensation Events for PSSC Orders

3.6 Quotations for Compensation Events will be based upon the MHA+ PSP4 Consultancy Rates in the tender prices detailed in the *quotation information*