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**Soft Market Test for**

E-tendering solution for East Midlands User Group

**PAN3083**

Return Date**: on or before**

**11 April 2024 by 12:00 noon**

**Via email**

This is not a call for competition.

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# Introduction

Leicester City Council (‘the Council”) on behalf of public sector buyers listed below, and herein referred to as East Midlands User Group, would like to carry out soft market test in relation to its e-tendering solution. Further background can be found at [2. Background.](#_Background)

For the purpose of this exercise, the East Midland User Group includes the following public sector buyers located in the East Midlands region:

1. Derby City Council
2. Derbyshire County Council
3. ESPO
4. Leicester City Council
5. Leicestershire County Council
6. Lincolnshire County Council
7. Nottingham City Council
8. Nottinghamshire County Council
9. North Northamptonshire Council
10. Welland Procurement Unit (at Melton Borough Council)
11. West Northamptonshire

If following the review of the background information provided, you consider this future opportunity of interest, then we would like to hear from you.

Please note that following the market engagement exercise, the above listed, may or may not decide to proceed to carry out a join procurement. Alternatively, all or any listed, may elect to make their own arrangements in respect of this requirement.

## Submitting your response

To participate in this soft market test, please complete the questionnaire found at [3. Questionnaire](#_Questionnaire).

Return Date (deadline) is **11 April 2024 at 12:00 noon**

Given the nature of the requirement, e-tendering portal is not used for the purpose of submission. **Please return your completed questionnaire via email to** [procurement@leicester.gov.uk](mailto:procurement@leicester.gov.uk) by 12 noon on the **Return Date**.

To ensure your response can be clearly identified, please include the subject line: **PAN3083 E-Tendering Solution Market Test Response**

## Queries

Any queries in relation to this exercise, should be submitted to [izabela.skowronek@leicester.gov.uk](mailto:izabela.skowronek@leicester.gov.uk) cc [procurement@leicester.gov.uk](mailto:procurement@leicester.gov.uk)

Deadline for queries is 20th March 2024.

## Freedom of Information and Confidentiality

All responses received will be treated confidentially and other than high level overview of responses received, not shared widely. The responses will be considered by relevant employees of the Council and consultants supporting the Council in relation to this project.

Notwithstanding that, be aware that we are subject to the disclosure requirements of the Freedom of Information Act 2000 (FoIA) and information held is potentially liable to disclosure under the Act.  For this reason, it is advised that any information you consider to be commercially sensitive and confidential is labelled as such in your response.  In the event that a request is subsequently made for disclosure under the FoIA, any information considered commercially sensitive, and which may prejudice the commercial interests of the provider, is likely not to be disclosed in accordance with Section 43 of the FoIA.

## Participation in this SMT

Interested parties will not be prejudiced by any response or failure to respond to this soft market testing exercise and a response to this does not guarantee any invitation to participate in any future procurement process that the Council may conduct.

This is not a call for competition to procure any services for the council and are not bound to accept any proposals offered. The Council will not be liable for any costs, fees or expenses incurred by any party participating in the soft market testing. This exercise, and participation in it, does not imply, signify, or constitute a contractual arrangement of any kind with any party.

## Future Procurement

Any future procurement or procurement(s) will be carried out in full adherence to Public Contracts Regulations 2015 or Procurement Act 2023 and/or any other applicable law and regulations, including Council’s own Contract Procedure Rules.

At the time of issue of this SMT, the Council’s procurement strategy in respect of this project has not yet been finalised.

# Background

East Midlands User Group members (except West Northamptonshire and North Northamptonshire Council) are currently covered by the same agreement with Proactis. The website address for the e-tendering portal is <https://www.eastmidstenders.org/>

This is due to be re-procured with the new contract starting in 2025.

East Midlands User Group members are currently considering their procurement options, including joint procurement.

West Northamptonshire and North Northamptonshire Council are not part of the above contract, however, expressed interest in potentially joining the new agreement as their respective arrangements come to an end. That would therefore mean a later start date to the remainder of the Group.

Leicester City Council have previously issued a pre-market engagement in relation to this requirement (June 2020). However, East Midlands User Group would like to explore available options again. This is due to a number of legislative and other changes since (e.g. pandemic).

Table 1: Number of users and exercise volume per annum (as of January 2024)

|  |  |  |
| --- | --- | --- |
|  | **Approximate number of users** | **Approximate number of procurement exercises issued per annum** |
| Derby City Council | 230 | 90 |
| Derbyshire County Council | 100 | 170 |
| ESPO | 60 | 50 |
| Leicester City Council | 50 | 930 |
| Leicestershire County Council | 200 | 600 |
| Lincolnshire County Council | 200 | 150 |
| Nottingham City Council | 155 | 560 |
| Nottinghamshire County Council | 200 | 800 including further comps, framework call offs and DPSs |
| North Northamptonshire Council (NNC) and Northamptonshire Children's Trust (NCT) | 14 | 100 |
| Welland Procurement Unit Melton Borough Council | 9 | Difficult to estimate as our licence is used for procurements across 3 - 4 authorities. |
| West Northamptonshire | 180 | 140 but additionally hundreds of further comps from DPSs |

The above is based on last year’s data and may change; upwards e.g. due to new transparency requirements Group members may require additional users; or downwards, e.g. due to financial pressures.

## Functionality of the system

As surveyed in January 2024, East Midlands User Group would like to see the following functionality within the e-tendering solution:

Table 2: System functionality

|  |  |  |
| --- | --- | --- |
|  | Number of members who require this (out of 11) | Comments |
| Advertising, including all notices required by law | all | Interface with Contracts Finder and Find a Tender Service (or replacement Central Digital Platform) for all types of notices. |
| Tender management, including communications with bidders and secure receipt | all | Full audit trail required. |
| Online Evaluation | 10 |  |
| Contracts Register | 9 | Note potential changes with implementation of Central Digital Platform. |
| Supplier Relationship management | 3 |  |
| Contract Management | 9 | Not currently utilised by the group. Considered nice to have. Module may also be available via member’s finance system and therefore not required here. |
| Integration with finance system | 8 | Not currently utilised by the group. Particularly important to members using Oracle Fusion. |
| Framework/DPS/Dynamic Market | n/a | Shared across the Group  Ability for 3rd parties to access and run competitions |

In addition to the above listed, there is interest in procurement pipeline planning and management. This and other requirements might be affected by the introduction of central Digital Platform and its functionality.

Reporting is also required by some members. This may include reporting on activity and other enhanced reports.

ESPO, being a professional buying organisation, would like to be able to host frameworks and DPSs (or Dynamic Markets) with the option for nationally based users to carry out call-offs/awards (3rd party access).

## Customer service, developments and fixes

They system will be critical to the delivery of the Group’s day to day procurement activity, therefore it should be fully compliant with the applicable law, with necessary enhancements being implemented timely. Any downtime for maintenance should be kept to a minimum and occur outside regular business hours.

The system must be user friendly, with support provided both for the buyers as well as suppliers (bidders).

Individual member(s) within the group requires would like to be able to request new developments to meet their individual business needs (without necessitating a global change across the group).

Where significant developments are taking place, e.g. due to change in law, appropriate engagement and project planning in advance would be expected, e.g. representatives of the Group to be involved in relevant meetings.

## Pricing Transparency and affordability

The Group requires pricing to be clear and transparent, with no hidden charges. The pricing mechanism for any additions and developments should be provided in advance.

We understand that some members of the group may require additional modules that are not required by others. We expect this to be priced accordingly (unless the module is free of charge).

Where changes are necessitated due to changes in the law, we do not expect this to be chargeable separately as the software would no longer be fit for purpose if not compliant.

## Compliance

The solution must fully comply with Procurement Act 2023, Health Care Services (Provider Selection Regime) Regulations 2023, data protection regulations and any other applicable law, regulations and best practice. East Midlands User Group recognises that some aspects of the new public procurement regime remain to be fully developed (e.g. Central Digital Platform), at the same time the new Act has received Royal Assent in October 2023 and is expected to be in force from October 2024.

The e-tendering solution required must be fully compliant with the above and the supplier must be able to demonstrate ability to adapt, often at pace, to ensure timely implementation of the necessary changes.

## Integration with finance system

Some members of the Group are looking for the possibility to integrate procurement award data with their finance system because of the need to avoid double-handling of data.

At least two Councils currently use Oracle Fusion. They rely on Contract Procurement Agreements (CPA) which are created within the system to allow for raising Purchase Orders (each PO must be matched against a CPA). CPA are created from information obtained in the procurement exercise such as the procurement project title, the successful supplier, awarded value, and the start and end dates of the contract.

Currently, the process is of CPA creation is manual. If possible, we would like to explore the possibility of creating a link between the e-procurement solution and the finance system, so that the data transfers automatically, including any amendments.

# Questionnaire

This is not a call for competition. See [Participaction in this SMT](#_Participation_in_this) above.

|  |  |
| --- | --- |
| **Your details** | |
| Company Name |  |
| Postcode |  |
| SME Status (Optional) | **Micro**  *Headcount <10, Turnover < €2mln, Balance Sheet < €2mln* |
| **Small**  *Headcount <50, Turnover < €10mln, Balance Sheet < €10mln* |
| **Medium**  *Headcount <250, Turnover < €50mln, Balance Sheet < €43mln* |
| **Large**  *Greater than the above* |
| **Contact Name for this questionnaire** | |
| Name |  |
| Job Title |  |
| Telephone |  |
| Email |  |

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| **E-tendering solution** | |
| Briefly describe the solution you offer to public sector buyers. Include link to the publicly available page. | |
| url link |  |
| *Description (max 500 words)* | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Which of the below listed are you able to deliver as part of your solution?** | | | | |
|  | Available as standard | Available as additional module (chargeable) | In development | Not currently available |
| Advertising, including all notices required by law |  |  |  |  |
| Tender management, including communications with bidders and secure receipt |  |  |  |  |
| Online Evaluation |  |  |  |  |
| Contracts Register |  |  |  |  |
| Supplier Relationship Management |  |  |  |  |
| Contract Management |  |  |  |  |
| Integration with finance system |  |  |  |  |
| Enhanced Reporting |  |  |  |  |
| Pipeline Planning |  |  |  |  |
| Resource Planning |  |  |  |  |
| *Other, please specify if applicable* |  |  |  |  |
| *Other, please specify if applicable* |  |  |  |  |

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| **Procurement Process** |
| What, in your view, would be the most suitable procurement process for this contract?  **Open Tender**  *This is a one stage advertised tender. No separate pre-qualification stage. No negotiation or dialogue involved.*  **Competitive Flexible Procedure** (Procurement Act 2023)  *Other competitive tendering procedure bespoke to the requirement. This may or may not include prequalification stage; successive deselection and/or some form of negotiation/dialogue.*  **Framework or DPS Call-Off *(specify below)***  *Call off under an existing framework agreement. Opportunity not advertised outside of the framework/DPS. Where this option is selected, please specify the suggested framework/DPS below.*  **Other** *(specify below)* |
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| **Tender Receipt** |
| East Midlands User Group recognises the unique challenges around handling and receipt of tenders in relation to this specific contract. Do you have any suggestions around how the integrity of the process would be best maintained while ensuring any conflicts of interest are mitigated (in particular, challenges associated with not being able to host the process on the platform provided by the incumbent or any of the potential suppliers)? |
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| **Contractual Terms** |
| We wish to ensure that the future provision is flexible enough to adapt to changing business needs and respond to changes in legislation to ensure compliance. We would like the future arrangement to foster mutual trust between parties and allow for innovation.  With that in mind, do you have any views on the most appropriate form and duration of the contract? |
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| **Implementation** |
| Please provide estimated timescales for implementation / mobilisation of the contract following the award. Can you confirm what level of training will you provide to users and whether F2F/online/other? |
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| **Pricing Model - transparency** |
| East Midlands User Group is keen to ensure contract pricing is transparent. It must be clear to members what is and isn’t included. In particular, members would like to understand the approach in relation new developments (including adapting to changes in law), customisation, fixes etc.  Please explain your pricing model (e.g. per module or per user, other) and how would it accommodate the above? |
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| **Contract Pricing - flexibility** |
| East Midlands User Group would like to understand pricing flexibility, whereby under a joint contract, specific members are able to select/deselect additional services according to their business needs and other relevant factors, such as affordability.  For example, all members may require advertising and tender management. Some may wish to add contract management, whereas others would opt out and expect not to incur additional charges as a result.  In addition, some members may wish to bring in other users operating within their area and/or carry out procurement activity on their behalf, e.g. housing association, emergency services, charities, other public sector buyers based within the Group’s geographical area.  Please explain how would it accommodate the above? |
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| **Joint Contract** |
| Based on your current business model, would East Midlands User Group achieve saving/price discount if awarding a joint contract?  Please advise of any other benefits, or possible restrictions, for the delivery of your solution(s) in this way.  **If possible, provide high level pricing indication and applicable discounts.** |
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| **Procurement Act 2023 and other compliance** |
| How do you assess your readiness for the Procurement Act 2023?  Have you been actively engaging with UK government?  What steps have you taken to ensure compliance with the Act?  Is your solution fully compliant with Health Care Services (Provider Selection Regime) Regulations 2023? |
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| **New developments and Innovation** |
| Share any new developments and/or recent examples of innovative solutions you have been working on or have implemented lately? |
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| **Integration with Finance System** |
| If you indicated that your solution integrates or can integrate with finance system(s), please share examples/case studies of successful integration being delivered and/or specify which exact finance system you are able to integrate with (e.g. Oracle Fusion)?  If applicable, please expand on associated lead time to integrated, indicative cost and at what point is your solution able to integrate e,g, following contract award stage? |
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| **Frameworks and Dynamic Purchasing System** |
| Does your solution offer functionality to set up Frameworks and Dynamic Purchasing Systems (Dynamic Markets under the Procurement Act 2023)? If so, please describe briefly.  Can these be shared among the Group and more broadly (accessible by 3 parties nationally to run competitions/award call off contracts)? |
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| **Key Risks and Challenges** |
| What do you believe are the key risks and challenges from your perspective that are associated with this contract(s)? |
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| **Factors that would encourage and discourage you** |
| What factors would encourage and discourage you from bidding for this contract? |
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| **Product Demo (optional)** |
| If requested, would you be willing to deliver a product demo to East Midland User Group? |
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| **Any other comments you wish to make at this stage** |
|  |

**Thank you for completing the questionnaire.**

Please submit in line with the instructions found at [Submitting your response](#_Submitting_your_response) by the deadline stated on the cover page of this document.