

	<b>Quotations, Tenders and Order Processing</b>	MSP 003
		Issue 8

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Change History			
Date	Issue	Approved	Reason for Amendment
10/01/2014	1	SN	First issue
02/07/2015	2	SN	Amending procedure to correct issues raised in recent audits
17/09/2015	3	SN	Amended flow chart
07/03/2017	4	CH	Amending procedure to correct issues raised in the recent audits.
01-10-19	5	CH	Amend Section 4 and 7 to include proposed improvement changes to the production of the tender form (no longer using MSF 111 and now use the automatically generated document from Easybuild).
01-05-2020	6	CH	Amendments based on actions raised during the audit in March 2020.
21/10/2021	7	JJP	Revamp following audit with Bid Manager
13-12-21	8	JJP	Overhaul of procedure (including name change) and rewrite – Bid Manager has joined business and procedure has changed significantly. Reflects increased interaction with Online / Public Tendering, inclusion of “Online Tender Assessment Form” (MSF360), and updated procedures for estimating team and Bid Process in General. Rewrite of Order Processing, Variations and Application for Payment sections in consultation with Commercial Manager.

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## 1. Purpose

This procedure defines the rules governing Goody Demolition's processes for quotations, tenders and customer orders and ensure customer contracts and services are set up and monitored in accordance with customer and legal requirements.

## 2. Scope

This procedure applies to all activities related to the control of the processes for quotations, tenders and customer orders and the subsequent set up and monitoring of related services.

## 3. Responsibility

The Managing Director is responsible for the implementation of this procedure.

## 4. References

- Prestart Meeting Checklist MSF 101
- Tender Form Generated by Easybuild
- Quotation template MSF 108
- VAT Reverse Charge Checklist MSF 112
- Online Tender Assessment Form MSF 360
- Draft Application Template Document MSF 109

## 5. Definitions

- 5.1. Contract Pre-Start Meeting: A meeting generally held on site with the customer (or internally without customer) to gather information to provide input into the job planning process.
- 5.2. Variation: Changes to the originally contracted works in any way, shape or form

## 6. Measurement of Process

- 6.1. The effectiveness of the enquiry process will be measured by the conversion rates of quotes to orders as well as the profitability of work taken on.
- 6.2. The effectiveness of the online tendering process will be measured not only by conversion rates of quotes to orders and profitability, but also the scores and feedback received from the client
- 6.3. The effectiveness of the ordering process will be measured by monitoring the number of non-conformances identified against this procedure and the Win / Loss ratio of tenders.

## 7. General Enquiries

- 7.1. Upon receipt of an enquiry the Administrator/Bid Manager will open a new record in Easybuild and enter all the necessary information. Easybuild will automatically allocate an EG reference number.
- 7.2. The Administrator will create a tender file (a hard copy and an electronic copy on the server) identified by its EG reference number.
- 7.3. The Administrator/Bid Manager will download all relevant documents and add a return date. A tender form will be generated (by Easybuild) and then attached to the tender file.

- 7.4. The Administrator/Bid Manager will also create an electronic folder on the server identified by the EG reference number and add pictures, drawings and other relevant documents to the folder.
- 7.5. General enquiries from customers will be screened by the Bid Manager to check suitability for the business.
- 7.6. The Bid Manager will review the bid requirements and note these on the tender file
- 7.7. The Administrator will respond to customers if the work is unsuitable and mark on Easybuild as "DID NOT PRICE"
- 7.8. For suitable jobs, The Bid Manager will then display the hardcopy tender file on document holders in the Estimating office.
- 7.9. The Estimators will then pick which file they are going to work on.
- 7.10. The Estimator will arrange with the customer a suitable date and time to visit the site to carry out a survey.
- 7.11. The Estimator will then price the work and produce a quotation for the work and add relevant documents (e.g. bill of quantities) to the tender file
- 7.12. If the total value of the job is over £1,000,000 the tender file will be passed to the Managing Director/Bid Manager for review and approval.
- 7.13. Once a quote has been approved/confirmed the Estimator will send a formal quotation to the customer and copy in the Administrator and Bid Manager.
- 7.14. Administrator / Bid Manager will update the Site Status on Easybuild to state "QUOTE / TENDER SENT" and subsequently update trackers and records
- 7.15. Hard Copy of Tender / Quote will be filed away in storage cabinets
- 7.16. The Estimator will at suitable intervals follow up the enquiry to ascertain the level of interest.
- 7.17. Upon confirmation of 'WIN' or 'LOSE' on the job, the Administrator/Bid Manager will update the site status field of the Easybuild record to indicate 'WON – PRESTART REQUIRED' or 'DID NOT WIN. All won jobs will be notified to the Managing Director.
- 7.18. The Estimator/Bid Manager will update EasyBuild and any trackers.
- 7.19. WON projects will then proceed to Order Processing at (9) below

## 8. Online tendering

- 8.1. Bid Manager identifies potential opportunity via online search or receives invitation from client
- 8.2. Bid Manager accesses tender documentation, creates file on server and sets up job on Easybuild to generate EG number
- 8.3. Bid Manager assesses opportunity, identifying key aspects to inform a Bid / No Bid decision
- 8.4. Bid Manager and Managing Director review assessment and decide whether or not to tender for the works
- 8.5. If a NO BID decision is made, Bid Manager will withdraw interest via the online portal and advise the Client of our decision not to tender for the works.
- 8.6. If BID decision is made, Bid Manager completes any Pre-Qualification Questionnaire / Supplier Questionnaire requirements, and carries out full breakdown / review of tender documents
- 8.7. Bid Manager then selects Tender Bid Team; comprised of Bid Manager, Estimators and Operations / H&S Team representatives, and determines deliverables and work allocations for the tender

- 8.8. Bid Manager invites Tender Bid Team to kick off meeting; where requirements of the job and the tender are discussed between all parties, and key information and deliverables are disseminated amongst team by the Bid Manager. Any initial clarifications relating to tender/project scope are determined
- 8.9. Bid Manager outlines Tender Delivery Programme – including dates for site visits, information collation, pricing reviews, clarification deadlines and subsequent review meeting dates
- 8.10. Bid Manager sends initial clarifications to client via online portal
- 8.11. Tender Bid Team arrange and attend site visit
- 8.12. Estimators price the works, Bid Manager creates written content / qualitative responses with input from H&S / Operations Team
- 8.13. Mid-Tender review meeting is hosted by Bid Manager. This meeting must always be held prior to the deadline for closure of clarification requests. Progress reports delivered from all parties, schedule amendments are confirmed where required, final clarifications advised and date for pre-submission review confirmed with all parties
- 8.14. Bid Manager sends final Clarifications to client via the online portal
- 8.15. Tender Deliverables completed by all parties and collated by Bid Manager
- 8.16. Ongoing review of any answered clarifications or addendums / amendments by all parties
- 8.17. Pre-Submission review meeting is hosted by Bid Manager – Pricing is checked and approved and submission document is finalised
- 8.18. Bid Manager uploads completed submission to tender portal and confirms to Bid Team and Managing Director that it has been received by the Client
- 8.19. Bid Manager updates Easybuild to show “QUOTE / TENDER SENT”, saves copies of all submitted documents on the server, updates trackers and saves submission confirmation to server
- 8.20. Bid Manager then periodically checks portal for any updates on the tender process
- 8.21. Bid Manager will coordinate team members to answer any clarifications that may be received during the tender evaluation period
- 8.22. If Unsuccessful, Bid Manager Updates Easybuild to confirm “DID NOT WIN”
- 8.23. If Successful, WON projects will then proceed to Order Processing at (9) below

## 9. Order processing

- 9.1. When a job has been won, Estimator who sent quote / Company Contact who received notification will send email to GDL Administrator, Commercial Team and Accounts Department asking for the Tender Enquiry to be converted to a Live Project, and change the status of the job on Easybuild to “WON – Prestart Required”
- 9.2. Administrator or Accounts Team Member will update the Easybuild record to show job has been won as per request at 9.1
- 9.3. Easybuild will then generate a “G Number” representing the Project; this replaces the “EG Number” denoting a tender (“EG Number” is still shown on easybuild record for reference.)
- 9.4. Administrator sends email to wider business (Managing Director, Operations Department, Commercial Team, Estimating Department, Bid Manager) stating the “G Number” and initiating the further process to commence the project (“G Number” will be used on all electronic correspondence relating to the project)
- 9.5. Commercial Manager / Quantity Surveyor will send “VAT Reverse Charge Checklist MSF 112” to client for completion

- 9.6. Commercial Manager will decide if job requires “Yellow Live Project Folder” in hardcopy (usually for larger / more complex jobs) or just requires a digital folder created on the system
- 9.7. Administrator then creates required folders and saves all pertinent information / documentation within them
- 9.8. As Project progresses, all team members involved with the works will continually save any Project-Relevant information to the folders created at 9.7
- 9.9. Commercial Team will save Job Authorisation from Client to folders where it has already been received. Where it has not they will contact the Client and request it be sent ASAP to confirm Official Order for the works.
- 9.10. Pre-Start / Pre-Order Meetings will then be arranged as required, both internally and/or with Clients. The purpose of these is to run through requirements of the Project, enable Project Team to produce RAMS and legislative documentation, Submit Statutory Notices, and determine resource allocation. These meetings may involve on-site walk rounds or round-table meetings, with level of staff involvement determined by size, value and complexity of the project.
- 9.11. The Quantity Surveyor will then usually place Sub-Contract orders, though the Estimator / Contract Manager will also place these where necessary.
- 9.12. Estimator and Contract Management Team agree on-site commencement date with Client.
- 9.13. Commercial Team, upon receipt of Contract / Order Documentation, will then review this with the Estimating Team to ensure all details are correct, and check prices to ensure they correlate with the actual submitted value for the works.
- 9.14. Commercial Team / Managing Director / Estimating Team as required will then sign and return the Contract / Order Documentation in the form in which it was issued (Hardcopy / Digital “Docu-sign” etc.)
- 9.15. Once all documentation has been completed, orders have been placed and project details confirmed between all parties, the job will then be clear to commence and status on Easybuild will be changed to “Project Documents Completed”, indicating it is ready to begin works on site on the agreed date.

## 10. Variations

- 10.1. Variation requests can come in a variety of ways; Site Manager advising on-site operatives or client representative, formal request from Client to GDL to change scope of works, formal request from GDL to Client to change scope of works. In essence though they are all defined as such: “Changes to the originally contracted works in any way, shape or form”
- 10.2. It is important to note that Variations work both ways: Client to Contractor AND Contractor to Client
- 10.3. Level of Formality in relation to variations is dependent on: size / scope of project, size / scope of variation, channels for communication, requirements for additional resource, details of site, contractors / 3<sup>rd</sup> parties involved or simply preference of Client / GDL representative.
- 10.4. Variations may be as simple as verbal instruction, through to text / email or formal letter / order variation form.
- 10.5. Variations from any source will be sent through the Commercial Team for collation and to be factored into the adapted value of the works.
- 10.6. Commercial Team will seek confirmation / agreement of any variation amount before applying it to the account for the Project
- 10.7. Variations will be charged to the Client within the monthly Application for Payment for the term in which the works were carried out

11. Application for Payment (AfP)

- 11.1. AfPs are submitted by GDL Commercial Team to the Client / Contract Administrator on a monthly basis or on dates stipulated within the Contract (if different from monthly)
- 11.2. Application for Payment Template Document (MSF109) or Clients own bespoke AfP form is populated by the Commercial Manager / Quantity Surveyor
- 11.3. Commercial Manager / Quantity Surveyor will then email completed AfP form to Client / Contract Administrator. They will copy in "Incoming" email address and the Accounts team, who will then update easybuild with details of submitted applications to date and their amounts.
- 11.4. Applications will then be reviewed by Client / Contract Administrator, authorised and paid to specified GDL account
- 11.5. For larger jobs, or where Client requests such, a formal invoice will be submitted with the Application for Payment form.
- 11.6. The monthly valuations cover only the exact works undertaken within the AfP period for the Contract in question

12. Final Account

- 12.1. Upon completion of a Project (Contractual / Practical completion), the Commercial Team will determine Final Account for the works, to advise client of any outstanding amounts to be paid and issue final application for payment
- 12.2. Commercial Manager will sit down with Contracts Manager and Estimators to ensure all variations and outstanding amounts are accounted for and will be covered within the final applications for payment.
- 12.3. Discussions will then be held with Client to agree on final account value prior to submission of final Application for Payment

13. Flowchart

