

Updated: Version 3.1

15.01. Introduction to tender management

Introduction

In order to achieve the best value for available funds, it is common practice to seek out the best prices for the medicines that will be required, usually for the forthcoming year, by publishing a tender. Normally, the full tender process creates a lot of work which can be very time consuming and error prone. The mSupply tender module is designed to make the process as simple as possible, to minimise the work involved and to reduce the chance of errors.

As usual in a tender process, forward planning is necessary, as the process must be started several months before the goods will be on site and available for use.

The work flow for using the tender module is:

1. Prepare list of items and quantities. See [Creating a new tender](#). When all items have been added to the tender, it should be set to *confirmed* status.
2. Distribute list to suppliers. See [Adding suppliers to a tender](#)
3. Create benchmark prices. See [Using Benchmark prices](#)
4. Evaluate received quotations. See [Receiving Quotations from suppliers](#)
5. Select preferred suppliers. See [Accepting tenders](#). After selecting the preferred suppliers for all items, the tender should be set to *finalised* status.
6. Create Purchase Orders. See [Supplier responses & Creating Purchase Orders](#)

From your usage history, mSupply can prepare a list of items and anticipated quantities. This list is distributed to suppliers, who are invited to submit, after a reasonable period of time, their quotations, inclusive of all additional charges., e.g. freight.

The list may be uploaded to the web, and interested suppliers invited to submit their quotations online; conventional methods of submitting quotations are also available. We recommend the online method, as it reduces paper consumption, and is less labour intensive.

Once all the quotations have been received, mSupply will assist in processing them, comparing quotations, performing necessary currency conversions where appropriate, applying freight charges etc. mSupply will mark the lowest item price blue. If two lines are the same price and are the lowest price both will be coloured blue.

The user then has all the relevant information enabling informed choices to be made in selecting which supplier for which item.

Finally mSupply will create Purchase Orders for the successful bidding suppliers. While mSupply can perform all these tasks from stored usage data, it will allow users to change supplier and/or quantities, should special circumstances prevail in particular situations.

Preferences: There are preferences that can be set for the tender process, see [tender preferences](#).

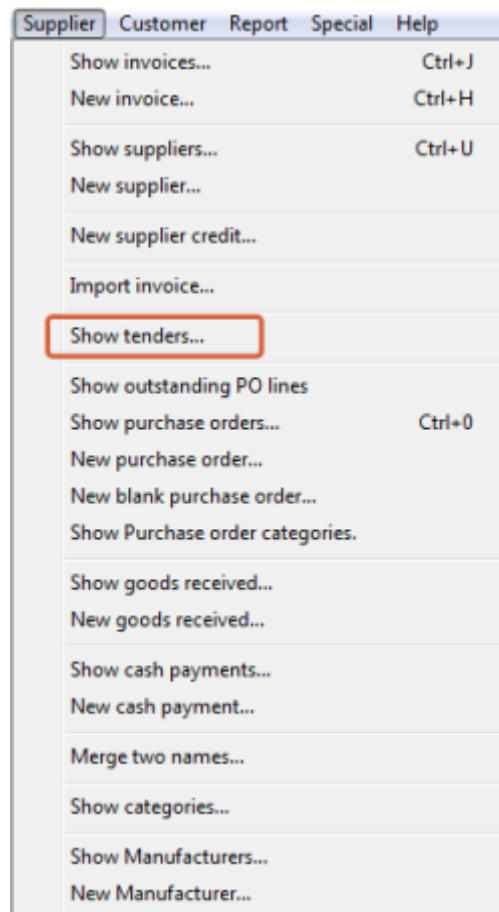




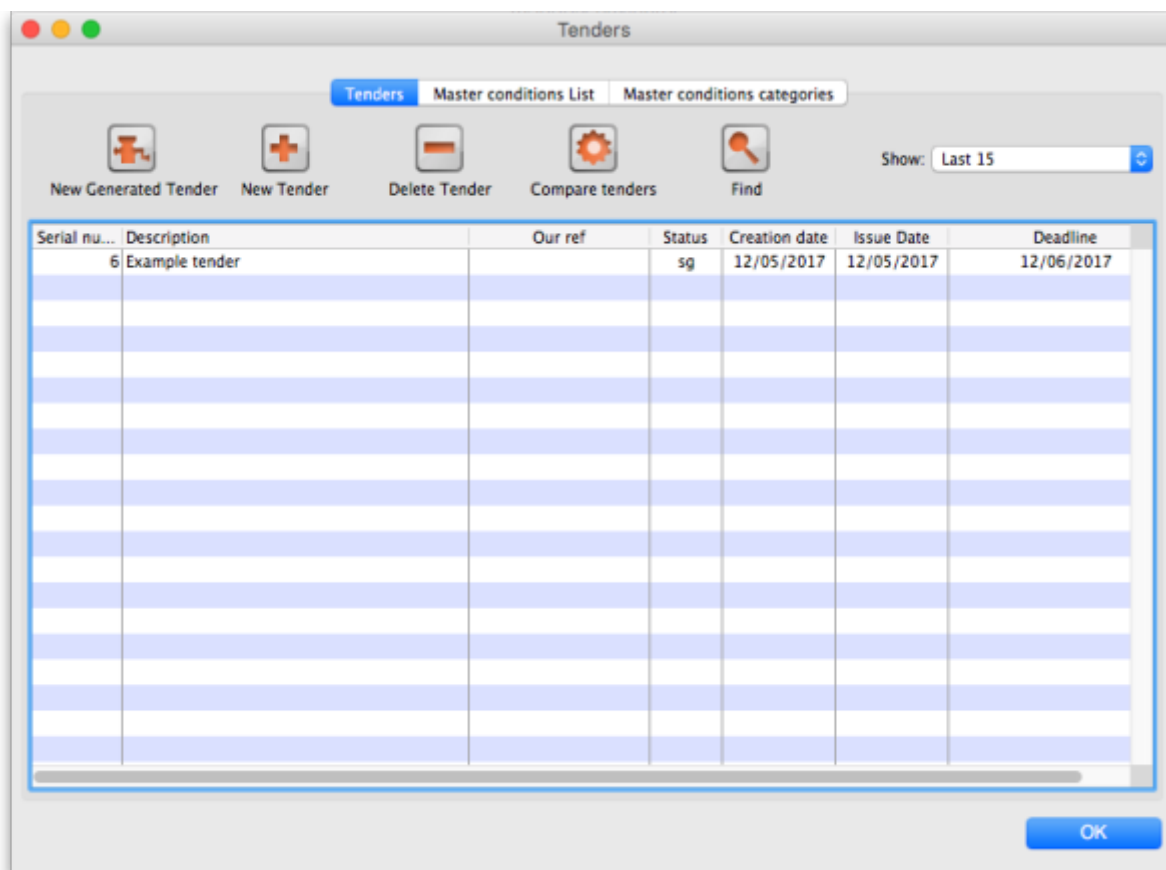
Note that for multi-user installations, Tender management activation requires payment of a fee. Please see the website [here](#) or contact Sustainable Solutions for more information.

Getting started

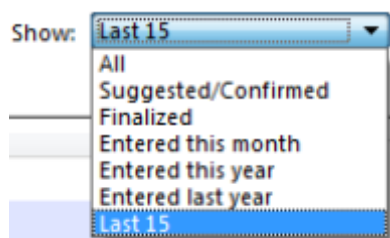
Select *Show tenders...* from the supplier menu or from the Navigator's Suppliers tab.



A window is shown with a list of current tenders (if any) and some options:



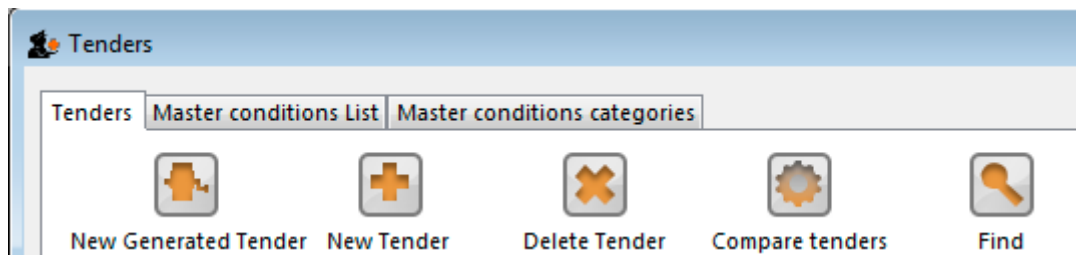
The *Show* drop down list is a filter which allows the list of tenders displayed to be changed:



Creating a new tender

Two options are available :

- *New Generated Tender* Once you have been running mSupply for a year, and providing that year is fairly typical of your overall usage, the *New Generated Tender* is recommended; this option will suggest quantities based on actual usage, having regard to seasonal fluctuations, thus eliminating any guesswork. Note, however, that quantities are suggested only, and may be amended as required.
- *New Tender* - allows you to create the tender manually and is a more labour intensive process.



Note that the creation (or deletion!) of a new tender will be [logged](#) by mSupply.

Also note that all tenders belong to the store they are created in and will not be accessible in other stores (but [supervisor mode](#) users can view tenders in all stores). This also means that you can only access items visible in the store the tender is created in, whether you manually create or auto-generate your tender.

New Generated Tender (Auto-generation)

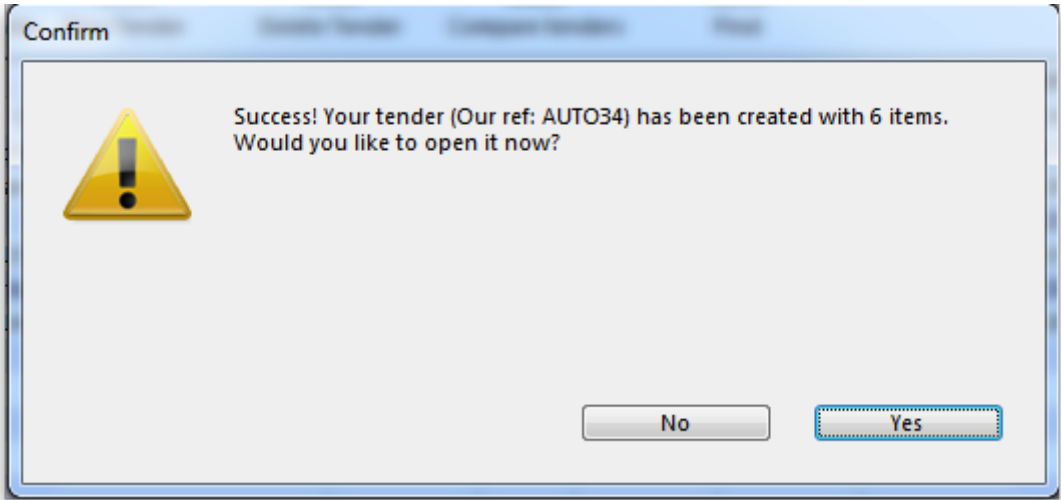
To have mSupply automatically create a suggested tender based upon your projected demand, click on the New Generated Tender button, and confirm your intention by clicking Yes on the *Confirm* window.

This window will appear. You may recognise it from the Item usage report, suggested order report and the [Managing Purchase Orders, creating a Purchase Order](#) - it uses much of the same functionality:

The screenshot shows a "Report options" dialog box. At the top, there's a dropdown menu set to "Auto generated tender". Below it, a text label says "Auto generate a tender based on the criteria you enter below." The main area is divided into two columns. The left column has a section "Include items whose..." with four rows of criteria: "Item code" (dropdown), "starts with" (text input), "and" (dropdown), "and" (dropdown), and "and" (dropdown). There are also fields for "Category is" (text input), "VEN Category" (dropdown set to "Don't Care"), and "Department is" (dropdown set to "Don't care"). A "No. of items with these criteria: 0" is shown at the bottom of this section. The right column has a "Unit Price" section with three radio buttons: "Last price paid", "Average price", and "According to supplier quote" (which has a text input field). Below that is a "Builds...." section with a checkbox "Include planned builds" and a text input "Make sure planned builds will be covered" set to "1" times. At the bottom, there's a section "Only include items whose stock cover (in months) is less than" with a text input set to "0". Below that are "Base analysis on" (text input set to "6" with "Months of usage data" next to it), "Months stock required" (text input set to "3" with a "Calculate" button next to it), and "Expected delivery" (text input set to "12/05/2017"). On the far right, there are three checkboxes: "Include items with suggested zero order quantity" (unchecked), "Exclude transfers from usage calculations" (checked), "Exclude Ad hoc and non stock items" (unchecked), and "Exclude items if 'never order' is checked" (checked). At the bottom of the dialog are three buttons: "Complex Find", "Cancel", and "OK".

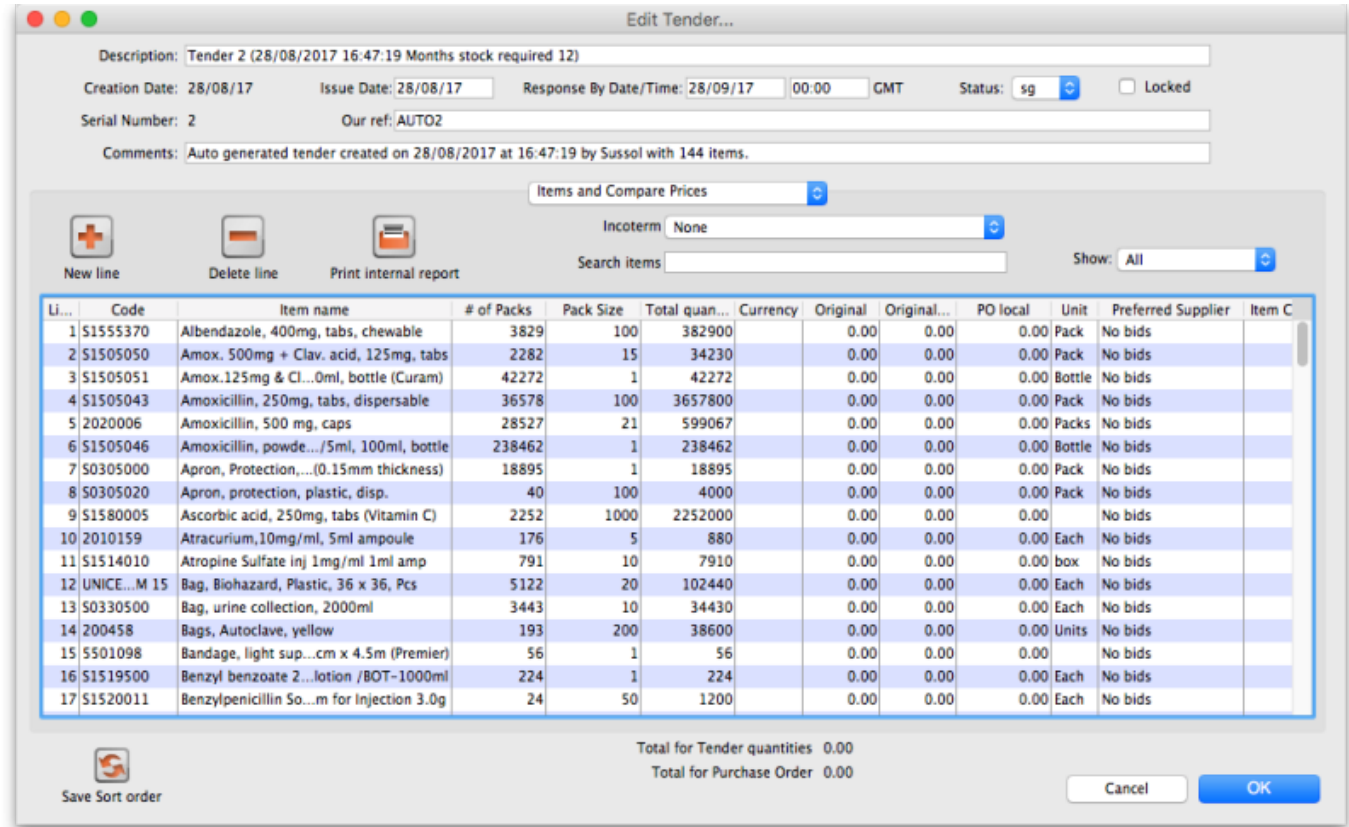
You can tailor your search by item in the usual way. Clicking the refresh button (double arrows near the centre) shows an estimate of how many items will be processed. Further refinements can be added. It is recommended to use the *Calculate* button to refine the *Months of stock required* figure by entering *Lead time*, *Ordering Cycle* and *Buffer stock* values directly.

Processing all this data may take some minutes if you have a lot of stock items recorded in your system, so mSupply will ask you if you've got the time to do it. If you do, click `Yes'. A progress indicator will show you how much work is left to be done. When mSupply has finished processing everything, it will let you know:



Auto-generated tenders may be rather large, so you may wish to process several tenders with more specific criteria rather than one huge one at once.

You can choose to look at your tender immediately, or return to it later. If you click `Yes', you'll see something like this:



Points to note here:

- A pack size of 1 is usually assumed because mSupply looks for the default pack size and default unit for each item as it creates the tender (these values are set when editing Items - see [Item Basics](#)). If it does not find a default unit, it leaves units blank, but enters a 'Check units!' warning into the comments. The same goes for pack size - although if you don't tell it otherwise, mSupply assumes a default pack size of 1. Tender auto-generation will therefore be most useful if these default values are set for items. (A default pack size of 1000 shows here as this was loaded at the time of item creation).

To create a new tender manually, having opened the *Tenders* window by clicking on *Show tenders* on the menu, click the *New Tender* button.

[illegible]

- *Description*: Enter a description that will help you to recognize this tender and distinguish it from others. For example: RFQ 18-013 It is helpful if this Description matches any register of tenders / quotes that is already being maintained by your organisation.
- *Creation date*: The date the tender was created. This defaults to today's date.
- *Issue date*: The date the tender is/was sent to suppliers. This also defaults to today's date, but

can be changed.

- **Response by date:** The date by which suppliers must respond to the tender. The default is set to one month from the creation date, but can be changed.
- **Status:** Tenders can have a status of sg/cn/fn (suggested, confirmed or finalised), which signifies its passage through the overall tender process. To change the status of the tender, simply select the new status from the drop down list and click on the **OK** button to save all changes. You will be asked to confirm a change because it has a significant impact on the editability of the tender. These are what the statuses mean:
 - Suggested status - tender is still being built. Everything is editable.
 - Confirmed status - list of items & quantities is complete and can no longer be edited. Suppliers invited to provide quotations may be added, and, once received, their responses may be added. Decisions may then be taken regarding which quotation is preferred for each tender item.
 - Finalised status - no further editing may be performed, and the tender can now be used as a basis for purchasing
- **Locked checkbox:** Check this box to ensure the tender is not accidentally deleted.
- **Our ref:** This field may be used to enter a short reference code to appear in tender-related correspondence.
- **Comment:** The comment field is for your internal use. It is not printed on any tender documents.

Tabs on the Tender Details window

Details of the tender are managed through the tabs on the Tender Details window:

Edit Tender...

Description: Tender 1 (7/02/2017 18:10:56 Months stock required 30)

Creation Date: 07/02/17 Issue Date: 07/02/17 Response By Date/Time: 07/03/17 00:00 GMT Status: sg ☐ Locked

Serial Number: 1 Our ref: AUTO1

Comments: Auto generated tender created on 7/02/2017 at 18:10:56 by sussol with 166 items.

Items and Compare Prices | Notes | Choose Suppliers and Enter responses | Standard conditions | Purchase order | Reference documents | Tender preferences | Synchronize | Log

New line Delete line Print internal report Search items Show: All

Lin...	Code	Item name	# of Packs	Pack Size	Total quantity	Currency	Original	Original ...	PO local	Unit	Preferred Supplier	Item C...
1	100900	Adrenaline Injection, 1:1000, 1ml	3402	1	3402		0.00	0.00	0.00	Amp	No bids	
2	101000	Albendazole Tablets, 200mg	40848	100	4084800		0.00	0.00	0.00	Tab	No bids	
3	101100	Albendazole Tablets, 400mg	94	100	9400		0.00	0.00	0.00	Tab	No bids	
4	101400	Aluminium Hydroxide Gel Compound Ta...	32551	100	3255100		0.00	0.00	0.00	Tab	No bids	
5	102100	Aminophylline Elixer, 25mg/5ml, 100ml	1197	1	1197		0.00	0.00	0.00	Bot	No bids	
6	102200	Aminophylline, I.V. Injection, 250mg/ml, ...	9334	1	9334		0.00	0.00	0.00	Amp	No bids	
7	101700	Amiodarone Tablets, 200mg	399	100	39900		0.00	0.00	0.00	Tab	No bids	
8	103100	Amoxycillin Capsules, 500mg	43051	100	4305100		0.00	0.00	0.00	Cap	No bids	
9	103300	Amoxycillin Injection, 500mg	19742	1	19742		0.00	0.00	0.00	Vial	No bids	
10	103500	Amoxycillin Tablets, 250mg	76	100	7600		0.00	0.00	0.00	Tab	No bids	
11	104400	Antiseptic Ointment, 25g (0.5% Cetrimid...	48699	1	48699		0.00	0.00	0.00	Tube	No bids	
12	501200	Applicator, Wooden, with Cotton Tip, 15...	5297	1	5297		0.00	0.00	0.00	Pkt	No bids	
13	170001	Artemether 20 mg+Lumefantrine 120mg...	88318	1	88318		0.00	0.00	0.00	Pkt	No bids	
14	170002	Artemether 20 mg+Lumefantrine 120mg...	73239	1	73239		0.00	0.00	0.00	Pkt	No bids	
15	170003	Artemether 20 mg+Lumefantrine 120mg...	185731	1	185731		0.00	0.00	0.00	Pkt	No bids	
16	170000	Artemether 20 mg+Lumefantrine 120mg...	95259	1	95259		0.00	0.00	0.00	Pkt	No bids	
17	104700	Artemether Injection, 40mg/ml in 1ml	97429	1	97429		0.00	0.00	0.00	Amp	No bids	

Save Sort order

Total for Tender quantities 0.00
Total for Purchase Order 0.00

Cancel OK

Items and compare prices

- This tab displays by default when you open a tender for editing. It displays the items currently included in the tender, and by selecting 'All', 'Filled' or 'Unfilled' from the drop-down list above and to the right of the list, you can select which items are displayed.
 - *New line* button: click this to add a new item line to the tender. The addition of the new line will be [logged](#) by mSupply.
 - *Delete line* button: select an item line from the list and click this button to remove it from the tender.
 - *Print internal report* button: click this to select one of several reports to print out or export to a spreadsheet. There are several to choose from and will give you the information you need to help evaluate or analyse a tender:
 - Preferred suppliers only
 - Winning tender lines
 - All supplier responses
 - Supplier quotes with adjusted price
 - Supplier quotes for each item
 - Tender lines with predicted cost
 - Tender lines where the lowest price was not chosen.
 - *Incoterm* drop down list: Allows you to select an [incoterm](#) to apply to the tender
 - *Search items* text box: as you type in this text box, only items whose names start with what has been typed will be displayed in the table. You can use the “@” character as a wildcard to represent anything. For example, typing “@ol” will display only items with names which end in “ol”. This box is helpful for quickly finding a specific item. Overrides any selection made in the *Show* drop down list (see below).
 - *Show* drop down list: is another way to change what items are displayed in the table. Selecting one of these options will override anything typed in the *Search items* text box:
 - *All* - display all items without filtering
 - *Filled* - display only those items for which a bid has been accepted
 - *No bids* - display only those items for which no suppliers have made a bid
 - *Lowest cost not chosen* - display only those items where the lowest offered cost price was not chosen as the preferred bid

Note that changes to tender lines will be [logged](#) by mSupply.

Notes

- This tab shows a field where you can add notes about your tender. This will not print on the documentation sent to suppliers.
- To start a new line (as with any text box), press Shift+Enter (although any long lines will wrap). See below for an example:

Choose suppliers and enter responses

- The use of this tab is used to manage sending of the tender to suppliers, and entering their responses - see [Receiving Quotations from suppliers](#)

Standard conditions

- The use of this tab is described here: [Standard conditions](#)

Purchase Order

- The use of this tab is described here: [Creating Purchase Orders](#)

Reference Documents

- The use of this tab is described here: [Reference Documents](#)

Tender PO Preferences

- The use of this tab is described here: [Setting up purchase order preferences.](#)

Synchronise

- This tab will only appear if you are using the remote tender module have set up your remote tender preferences. The process and use of this tab is described in [Uploading and Downloading Web Tenders](#).

Log

- This tab shows recent events relating to this particular tender. It will show, for example, changes in prices or other significant events. You cannot edit the details on this tab. If an event fails to be logged for any reason while the tender is being processed, you will be given an appropriate warning message.

Adding items to a tender

To add an item to a tender, click the *New line* button on the *Items and Compare Prices* tab. You will be shown a window like this, which opens at the *Set tender item criteria* tab:

1. Type as much of the item name or code as you know, then press the *Tab* key. If only one item matches your entry, it will be filled in. If multiple items match, you will be shown the standard item choice list to choose the item you want. Any details completed in the *Full description* under the *General* tab of the selected item are displayed (Description). Should you wish to identify a line (or lines) for any reason, clicking on the *Colour* button presents you with a selection of colours available for the type on that line.
2. Fill in the number of packs you wish to purchase, and the pack size. The total quantity of individual units will be calculated. The *Round quantities* button will round the number of packs to the nearest reasonable number of whole packs (most useful for auto generated tenders when the number of packs can sometimes be set to a decimal number).
3. Choose the units you wish to use.
4. You may optionally enter a price per pack figure in the *Estimated price* field.
5. Entries in the *Comment* field are for your internal use, and won't be printed on the tender documents you present to suppliers.
6. In the *Conditions* field, enter any conditions which are *specific to this item* of the tender, but NOT applicable to the tender as a whole. These conditions will be printed on the tender letter with the item details.
7. Click on *OK & next* to add the next item to the tender, and when you are finished, click on *OK*.
8. The addition of a new line will be [logged](#) by mSupply.



It is perfectly possible to add the same item more than once to a tender. Each entry will be treated separately. This allows for the same item to be added, for example, in different pack sizes.

The second tab *Compare supplier responses*, is for use after suppliers have responded to the tender - refer [Receiving quotations from suppliers - Comparing quotations from different suppliers](#).

Deleting tender items

Click the line you wish to delete so that it is highlighted, then click the *Delete line* button. If a supplier has already quoted on a tender item, you will be warned before deletion. The deletion of any tender lines will be [logged](#) by mSupply.

Editing tender items

From the *Items and compare prices* tab, double-click the tender line you wish to edit. The 'Edit tender item' window will open, allowing you to edit the details in the same way as entering a new tender item, above. Note: you cannot edit or delete lines on finalised tenders.

The *Search item* field allows you rapid access to any item in the tender - just enter the name (or first few letters of the name) of an item in the tender, and it will be displayed.

Here's how the *Edit tender* window looks when the item Ranitidine 25mg/mL injection has been selected; the automatically generated tender has calculated that 1023 ampoules are required; here you can edit the quantity to conform with, say a pack size of 10, so you would adjust the pack size to 10, and the quantity to 102 or 103.

The screenshot shows the 'Edit Tender Item' dialog box. At the top, the 'Item Name' is 'Ranitidine 25mg/mL amp' and the 'Description' is 'Raninj'. The 'Original Generated quantity' is 1023. Below this, there are three tabs: 'Set tender item criteria' (selected), 'Compare supplier responses', and 'Purchase order'. In the 'Set tender item criteria' tab, there are fields for 'No. of packs' (1023), 'Units' (each), 'Multiplied by pack size' (1), and 'Estimated price' (0). The 'Comment' field contains 'Automatically generated as part of a tender'. The 'Conditions' field is empty. At the bottom, there are buttons for 'OK & Next', 'Cancel', and 'OK', and a checkbox for 'Round Quantities'.

Note that any changes to a tender line are [logged](#) by mSupply.

Previous: [15. Tenders](#) | | Next: [15.02. Standard tender conditions](#)

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