# **USEFUL DEFINITIONS FOR TENDERING**

#### VN – Vendor Neutral

Where the client contracts with an independent provider who does not provide recruitment services, but simply manages the supply relationships with a number of approved 1<sup>st</sup> Tier and 2<sup>nd</sup> Tier suppliers to ensure the client's requirements are all fulfilled.

#### MV – Master Vendor

Where the client contracts with one supplier who will fulfil many of the requirements themselves, and only outsources those vacancies, locations or specialisms that they are unable to deliver in-house.

## VMS – Vendor Managed Services

Technology based systems that allow client requirements for contingent and permanent staff to be fulfilled by the supply chain, but managed (all processes from order to invoice) electronically through a specifically designed and implemented computer application.

## MSP – Managed Service Programmes

Specific programmes to allow the client to outsource the administration element of their staffing requirement (e.g. permanent placement, contingent staffing, sector specific). Supported onsite or remotely, responsibility for liaising with Hiring Managers, HR, Procurement, Finance Suppliers and Candidates is outsourced.

## SCM - Supply Chain Management

Where an organisation outsources the management of the supply chain – can include selection of suppliers, and then management of the performance of those suppliers.

## 1st Tier Supplier

The shortlist of approved preferred suppliers who are contacted first with a requirement. In the instance of Master Vendor, then the Master Vendor is effectively the first tier supplier.

## 2nd Tier Supplier

The shortlist of approved suppliers who are contacted with a requirement in the event that the Master Vendor or First Tier Suppliers cannot fulfil the vacancy. Usually requirements are passed to 2<sup>nd</sup> Tier Suppliers after a set period of time (i.e. 2 hours with temp business or 1 week with perm business).

#### Subcontractor

Another word that is often used to mean 1<sup>st</sup> or 2<sup>nd</sup> tier suppliers, where the work is subcontracted by the Master Vendor. Always read the contract for the client's definition of subcontractor.

### Framework Agreement

An agreement where you are one of a number of approved suppliers, but not guaranteed any % of the business. Basically you have the right to supply, but the client is not obliged to use you. Many framework agreements are not mandatory, so the client can buy outside of the agreement if they wish to do so.

## **Equal Preferred Supplier**

Where there are a number of suppliers who are all given the vacancy at the same time and given the same opportunity to fulfil it; i.e. approved suppliers all working in direct competition to each other.

### **PSL** - Preferred Suppliers List

A list of companies that are approved as suppliers to a particular organisation. Some PSLs are mandatory meaning that the client must use only approved suppliers. Others allow users to work with suppliers outside of the PSL.

### **BPO** – Business Process Outsourcing

The outsourcing of non-core business activities for an external provider.

## **RPO** – Recruitment Process Outsourcing

Where administration and provision of recruitment is fully outsourced by the client, usually including planning, forecasting, fulfilment and selection & management of the supply chain.

# On site / In-house

Where the agencies account team (i.e. account manager, recruitment consultants etc) are physically based on the clients site, rather than at the agency's local branch. Where this is the case, the account team generally only deal with the recruitment and management of temporary workers for that individual client / site.

# Migration / Transitioning / Temporary Transfer

The transfer of supply relationships including management of the outgoing and incoming suppliers within UK legislation, and transfer of incumbent temporary workers / contractors from the outgoing supplier to the incoming supplier.

#### TUPE

The Transfer of Undertakings (Protection of Employment) Regulations 2006 are the UK's implementation of the European Community's new "Acquired Rights Directive" (2001/23/EC). It is an important part of UK labour law, protecting employees whose job role is being transferred to another business.

#### **Tender Document Terms**

RFI - Request for Information

PQQ - Pre Qualifying Questionnaire

RFP - Request for Proposal

ITT - Invitation to Tender

#### Disclaimer

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