Prompt Payment Frequently Asked Questions

Has the SPD (Single Procurement Document) been updated to include Prompt Payment?

No. If a buyer requires you to provide information on Prompt Payment as part of the tender process, they will ask this by adding further information to the existing SPD question 4C.4.

When will I be asked for evidence of Prompt Payment for a tender or contract?

The SPD is a self-declaration form. This means that you do not need to produce supporting documentary evidence when you bid/complete the SPD as part of the tender process. Normally the buyer will ask for evidence:

- at the end of the first stage of a two stage procedure i.e. after you have submitted an SPD but before moving on to answering the specific tender questions or
- prior to awarding the contract to the preferred bidder

As part of the tender process the buyer may ask you to agree to specific Prompt Payment requirements e.g. reporting on Prompt Payment KPI's. Once the contract has been awarded, as part of the contract management process, you will need to provide the agreed Prompt Payment information on an ongoing basis.

I have to submit a SPD as part of my bid but I don't know if I will be using subcontractors (or don't know who they will be at the time of completing the SPD). What do I do?

If you will not be using sub-contractors:

If you will not be using any sub-contractors then you should answer SPD question 4C.10 with “no sub-contracting”. As a result, no evaluation of prompt payment is required.

If you may use subcontractors, but do not know who they are:

You can only complete the SPD with the information you have at the time. If you think it is likely that you will use sub-contractors but do not know who they will be then respond to SPD question 4C.10 with “Sub-contracting required" and complete SPD question 4C.4 on prompt payment.

If you change sub-contractors or have new additional contractors:

If you are going to be awarded the contract the buyer will review your sub-contractor(s) details with you prior to contract award. If you subsequently change sub-contractors, or have new sub-contractors, you should inform the buyer as soon as you become aware of this change. The buyer will confirm if they require a new sub-contractor SPD.

How do I measure the payment performance of disputed invoices?

Only valid invoices should be used to measure payment performance i.e. disputed invoices should not be included in your payment performance measurements.

Invoices are valid when they can be matched first time to the purchase order. Invoice disputes can be caused by a number of issues including incorrect PO number referenced (different from that used to acquire the goods or services).

I do not want to adopt the Prompt Payment standard clause.

Unless there are extenuating circumstances, a public sector buyer in Scotland is unlikely to award a contract without the preferred bidder having accepted the Prompt Payment standard clause.

You should seek further information from the buyer (and legal advice) if you have a query regarding the Prompt Payment standard clause.