

Preparing for success

A best practice guide to approaching
public sector tenders

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Preparing for success in public sector tenders

Although public sector customers are attractive, it is often difficult for SMEs and start-up companies to break into the public sector market. This is often due to the rules and regulations which govern public sector procurement. The following guidance is designed to help companies prepare for and understand how to approach bidding for public sector business.

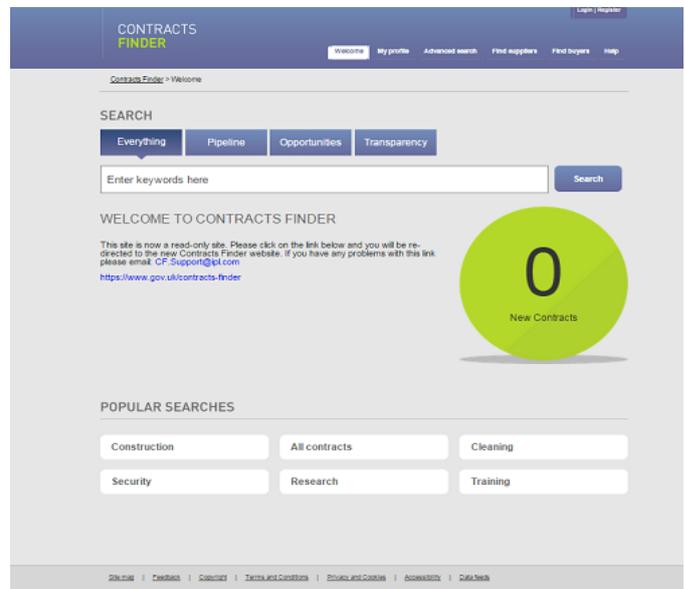
Know where to look for opportunities appropriate for your business

Public sector organisations are legally bound to publish all opportunities which have a total value exceeding £111k (for central government and health organisations) or £173k (for local authorities) throughout Europe. This value covers the full duration of the contract along with any permitted options to extend. This means that if a local authority wished to purchase cleaning services with an annual value of £50k over a 3 year contract with an option to extend for a further year, they would need to publish their opportunity in the Official Journal of the European Union (OJEU). To view these opportunities, companies need to search on the Tenders Electronic Daily website which is found at:

<http://www.ted.europa.eu/>

Contracts which have a total value below those cited above, but more than £10k, are published on

the Contracts Finder website which is found at: <https://online.contractsfinder.businesslink.gov.uk/>

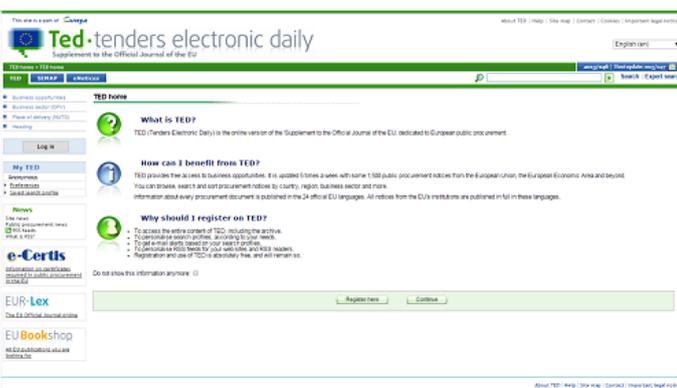


Both websites allow companies to specify the various categories aligned to their business, along with their desired locations and contract values. This results in bespoke filters which send alerts when opportunities are published that are appropriate to their offering.

Review information on the procurement before deciding whether to bid

When publishing details of an opportunity, public sector organisations are required to provide certain information to bidders to explain the process that will be followed. This includes:

- The type of procedure that will be used in cases where the opportunity is published in OJEU;
- the type of contractual arrangement that will be put in place;
- the methodology that will be used to evaluate bids;
- the number of companies that will be awarded the contract.



It is only upon a full review of this information that a company would be able to determine whether an opportunity is worthwhile.

For example, if a public sector organisation awarded a framework agreement as opposed to a contract, this would mean that the company would need to firstly be successful in the procurement to be appointed onto the framework agreement, and secondly, be successful in any further competitions that organisations undertake to 'call off' goods or services from the framework agreement. This requires more time and effort being invested to win work through the framework agreement, which is exasperated in cases where there is a large number of companies appointed onto the framework agreement for the same category (or 'lot') of goods or services.

Similarly the type of procedure that will be used to manage the procurement is important for opportunities published in OJEU, as this will dictate the number of stages involved in the procurement process and therefore the time, effort and cost associated with preparing a bid.

For example, a 'restricted' procedure involves companies responding to a 'pre-qualification questionnaire' with information regarding their background, organisational capability, and capacity. The public sector organisation will review this and allocate a score to each company and it is only those companies that score higher than the minimum score required, or those that fall within the top specific number as published in the OJEU advertisement that will be shortlisted to take part in the second stage and receive a subsequent 'invitation to tender'. An 'open' procedure however requires companies to complete a 'selection questionnaire' and an 'award questionnaire' (including commercial information) and submit them at the same time. However, it is only if a company's response to the selection questionnaire meets the minimum requirements that their response to the 'award questionnaire' will be evaluated. This ultimately means that a

company could spend a great amount of time and effort preparing responses to both questionnaires, when the company is then excluded from the procurement process as they did not meet the requirements of the first 'selection stage'.

If you decide to bid, ensure that you have the necessary information and operations in place in order to comply with the requirements of the procurement

Within the majority of public sector contracts, a minimum level of assurance is required in relation to aspects such as: - financial stability; health and safety; quality assurance; environment and sustainability; equality and diversity; fraud and corruption; and tax compliance. In order to meet the requirements of questions related to these subjects, companies often need to have certain processes and procedures in place, or have specific accreditations, trade memberships, or a minimum credit rating.

In view of this, companies need to take note of the evaluation methodology set out within the procurement documentation to determine whether they meet the requirements of any pass / fail questions, and establish whether they would obtain a reasonable score for the remaining questions (especially those with a higher weighting). This means that a company can determine whether they have a fair chance of being successful which means that the time and effort preparing the bid will not be wasted.

In summary

Winning business with public sector bodies can provide a significant growth opportunity for any business but the process can be complex with a long period until the effort invested is realised. Seeking expertise from businesses such as Apsiz Services can provide the additional insight to create successful tenders.

About Apsiz Services

Executives face increasing pressures to deliver more savings, develop and manage strategic supplier relationships, accelerate sourcing times, and maintain process excellence. To meet those challenges, CEOs, CFOs and CPOs need proven but customisable solutions that deliver rapid ROI and transform their procurement operations.

Apsiz Services is a leading edge consultancy dedicated to helping organisations transform their commercial performance and maximise the value of their investments in sourcing technologies and operations.

Our team is made up of senior procurement executives with experience from industries as diverse as Government, financial services, manufacturing, automotive and healthcare. Our people have managed spend measured in billions and delivered savings measured in hundreds of millions.

Our industry leading toolkit and technology solutions support the full supply management lifecycle from purchase to pay through to strategic sourcing and supplier relationship management, helping organisations transform the total procurement operations, making them leaner and more effective.

To find out more visit www.apsiz.co.uk or call us on 0800 917 7884.