

# **Getting ready for procurement and tendering in the new commissioning world**

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## **1 Introduction**

There is a growing emphasis on commissioning and procurement, in children's services and in other areas. New funds in the future that may once have been a grant aid type may now go through a formal procurement process.

This briefing is a practical approach for those new to procurement; it does not cover constructing a full tender or costing but includes:

- What makes procurement and tendering for contracts different to applying for grants?
- Steps to start tendering/e-tendering
- The European process
- Procontract
- Are you ready to tender?
- Are you ready to use e-tendering and e-procurement?
- Useful documents and support
- Acronyms

## **2 What makes procurement and tendering for contracts different to applying for grants?**

2.1 In essence, grants are a gift, usually to a voluntary organisation, for it to carry out work that it defines, with clients that it chooses.

Contracts are a payment for a service specified by the purchasers, and sometimes the clients may be chosen by the purchaser. Contracts can be with statutory, voluntary and private sector providers. Several organisations have found that service contracts are liable for VAT; assume you may have to register for VAT. Procurement and tendering stems from the commercial

world and brings an outward looking and speculative approach with a language of its own.

Contracting is seen by some as a clearer, flexible and responsive solution to meeting need and delivering on outcomes. The British Nursing Assoc states in its pitch to the NHS for bank nurse management that:

*“All you need do is:*

- *specify your requirements*
- *delegate the responsibility to BNA*
- *monitor our performance*

*The advantage is that you end up managing a contract rather than an entire service”*

## **2.2 Bidding**

A bidding process is carried out when the commissioner or purchaser does not know in detail how to do the job themselves – they specify what they want (i.e. the outcomes) and then assess the bids that come in. This is similar to the traditional grant aid approach as well as in contracting. A cynic's view is that the purchaser chooses with whom they want to work, and uses ideas from the other bids!

## **2.3 Tendering**

Tendering is when a detailed service specification is issued and quotes to carry out the work invited. There may be a two stage process. Prices may be £x per hour; £x for that contract; or left to the tender to state.

## **2.4 Tendering is about competition**

Once the tendering process is underway, organisations involved in tendering **must not** discuss their tender or their costs/prices with anyone else (unless it is within a consortium with their consortium partners) or they may be

disqualified from bidding. They **must not** 'lobby' councillors, which is the opposite of the grant aid process!

## **2.5 Tendering is a legal process**

Contracts are legal agreements and anything submitted in a tender is legally binding. Do not make over-inflated claims!

# **3 Steps to start tendering / e-tendering**

## **3.1 First find the advert!**

A lot of tenders are advertised in the press and are easy to miss. Increasingly tenders will be advertised on websites and potential 'suppliers' need to register with such websites to be notified that the tender is out. Newcastle City Council advertises via Procontract (previously known as NEPO, the North East Procurement Organisation). NCVS weekly email bulletin and its monthly funding newsletter are also used to advertise tenders going onto Procontract.

Public sector contracts above a certain value (£144,371) have to be advertised in the European Union (EU). You will see references to an OJEU notice. (See appendix for more information).

## **3.2 E-tendering / e-procurement websites**

Each tendering website involves registering with it by giving basic details, and having a log-in user name and password. You might find these websites are useful to register with:

- Procontract – previously known as NEPO  
[https://www.qtegov.com/procontract/supplier.nsf/frm\\_home?openform](https://www.qtegov.com/procontract/supplier.nsf/frm_home?openform)
- LSC
- UKRLP – UK Register of Learning Providers
- One North East

- NHS via [www.supply2health.nhs.uk](http://www.supply2health.nhs.uk)

## 4 The European process

Occasionally the whole contract specification is advertised for at once. More often, European tenders use a two stage 'restricted' process. This involves an initial call for interest, and then out of the eligible organisations that reply, some are invited to put in a full tender. The EU 'restricted' process and the timetable are:

- Issue **OJEU notice** inviting **Expressions of Interest (EOI)** and advertise in local press
- Issue the tender documents as requested. The form to complete is known as the **Pre Qualification Quotation or Questionnaire (PQQ)**. Under OJEU there are 40 days allowed to respond (though 22 have been seen)
- Issue an **Invitation To Tender (ITT)** to a minimum number (5+) of eligible capable providers. The tender period is 35 days
- Occasionally there is an invitation to organisations already known to the procuring body, so there is a one step process, known as an **Request For Quotation, or RFQ**
- Assess tenders and possibly invite tenderers for interview or presentation (the 'pitch')
- Award contracts
- There is then a 10 day **mandatory 'standstill' period**, before the contract commences (when unsuccessful people can complain)

## 5 Procontract

[https://www.qtegov.com/procontract/supplier.nsf/frm\\_home?openform](https://www.qtegov.com/procontract/supplier.nsf/frm_home?openform)

- 5.1 Procontract is the tendering portal for 12 Local Authorities, formerly known as NEPO. To find the tendering opportunities on Procontract:

## **5.2 Register as a supplier**

- Go to the Suppliers page
- Register your interests and geographical area, etc as a supplier
- Be allocated user name and choose your password details
- Then if a contract is put on the website in the area that you are registered for, they will notify you by email (you can also search it yourself anytime).

## **5.3 Find individual tendering opportunities**

- Log in and go to search opportunities
- Search on the relevant organisation (such as Northumberland County Council) and find the relevant tender opportunity

## **5.4 Register your interest in an opportunity**

- Click the 'register interest' button (at end of bumf about that tender opportunity)
- Then a message says they'll be in touch...later they email to say the contractor will allow you to get the info
- Go back to the website and log in; then you can download the tender documentation...

## **5.5 Completing a PQQ on Procontract**

Examples of what might be requested in the PQQ (Pre Qualification Questionnaire, which is a stand alone form):

- Average number of staff
- Number of managerial staff
- Value of insurance cover for Employers liability and Public liability
- Details of recent similar contracts
- Signed declaration that the organisation has not committed offences under Public Contracts Regulations 2006 Act

- Information about any Trustees, Directors or staff who are employed by the local authority or whose relatives are employed by the local authority where there may be a conflict of interest
- Details of the quality management system
- Details of the environmental management system

Written documents may be asked for, to be attached electronically, e.g.

- Three years Audited Accounts
- CV's for all staff to be involved in the work under the contract

Under the Freedom of Information Act 2000 all information submitted can be made available to the public, unless it is 'commercially sensitive'.

The PQQ is used to assess and shortlist against the supplier's economic and financial standing and technical standards. Newcastle Children's Services is working towards a standard PQQ for all children's services in Newcastle.

## 5.6 Submitting the PQQ

Like many electronic grant aid forms, the PQQ is a Word document with a lot of tables, and so it can become unstable as it is worked on. (Some contracts start as over 60 pages before any information is added in). **After you have completed your information, and before submitting information, it is best to turn all attachments into PDF files.**

The PQQ and the other documents are uploaded as attachments to 'My tender' on the website (the website opens a search box in your folders for the documents to be uploaded). You can add documents as you go along.

When you are ready to send in your PQQ, press the Publish button and your PQQ is submitted. If it is past the closing date it cannot be submitted. **There will be an email receipt sent to your email address that is registered with Procontract.**

## **5.7 Anti-collusion**

If you are invited to tender you may be asked to sign an anti-collusion certificate stating that the price and details of the tender have not been discussed with anyone (other than your partners if you are in a partnership or consortium).

## **6 Are you ready to tender?**

- Discuss potential joint tenders and work with partners before anything is advertised, including how you cost the work
- Prepare statements before tenders are advertised such as: your quality assurance, management and admin procedures, user/client feedback, and an environmental system, as there is often only a month to respond
- Check your Equality and Diversity policy covers all six areas

## **7 Are you ready to use e-tendering and e-procurement?**

- Make sure your IT system capacity and internet access is sufficient, for instance, accounts can be over 1 MB and the recent Children's Fund specification was over 6 MB.
- If your email in-box is full you will not get notices of tender opportunities from Procontract
- Develop familiarity with the e-tendering website and system
- Make alternative arrangements if your firewall prevents you from downloading the tender documentation (last year this happened to several organisations with a national DCSF tender)
- Put your accounts into an electronic format (you can download them from the Charity Commission website)

- Get the relevant software to make PDF files on your computer if it is not already on (the new ones have it)

Allow time for:

- websites crashing on the last day, computer down time, power cuts
- doing technical things such as scanning documents/using electronic signatures, turning Word documents into PDF files
- the uploading process itself

## **8 Useful documents and support**

### **Newcastle Children's Services Plan and its related strategies**

Visit Strategies and Plans a-z list in the Strategic Management & Transformation pages of Newcastle Children's Services website. Many include priorities for work.

[www.newcastlechildrenservcies.org.uk](http://www.newcastlechildrenservcies.org.uk)

### **Newcastle Children's Services Commissioning Framework**

This was agreed by the Children and Young People's Strategic Partnership Executive in February 2008 and is due to be reviewed. It is on the Children's Services practitioner website. Visit

[http://www.newcastlechildrenservices.org.uk/core.nsf/a/mcs\\_commissioning](http://www.newcastlechildrenservices.org.uk/core.nsf/a/mcs_commissioning)

### **Newcastle Compact Funding Code**

Launched in 8 May 2008, the code includes procurement, contracts and grant aid. For more information contact NCVS; call 0191 232 7445

### **NCVS**

Written briefings on:

- Performance measurement
- Quality assurance
- Integrated working

- Extended Services for Schools
- Getting ready for procurement and tendering

Coming in 2010: training and support in tendering and commissioning

Visit NCVS website: [www.cvsnewcastle.org.uk](http://www.cvsnewcastle.org.uk)

<b>Acronyms</b>	
<b>EOI</b>	Expression of Interest
<b>ITT</b>	Invitation to tender
<b>OJEU</b>	Official Journal of the European Union
<b>PQQ</b>	Pre Qualifying Quotation or Questionnaire
<b>QQ</b>	Qualifying Questionnaire
<b>RFQ</b>	Request for quote/request for quotation

Pam Jobbins, NCVS

## **Appendix**

### **Official Journal of the European Union (OJEU)**

[http://publications.europa.eu/official/index\\_en.htm](http://publications.europa.eu/official/index_en.htm)

The OJEU is a periodical published every working day in all of the languages of the EU. The S Series is a supplement to it that contains all the invitations to tender, and is a subscription service. There is also an online version, **TED**, a free access database that is updated daily. Local OJEU notices also go through Procontract.