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Understanding Public Procurement & The Contract Opportunity

Presented by
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3 parts!

- Knowledge Bits
- A Winner!
- Bid Ready Activity




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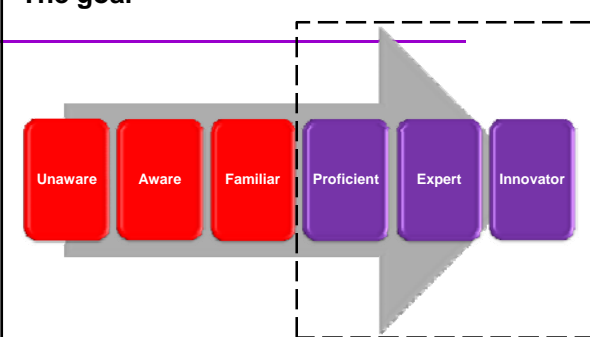
Where are you?

Newbie	Uncertain	Experienced
Gain knowledge Check internals Set goals Be realistic	Analyse results New knowledge Test & Improve Target	Analyse success Build on it Seek alliances Bigger orders Set goals and benchmarks



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The goal




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What is Public Procurement?


The 3 megatrends




What is Public Procurement?

Purchase of goods and services

- To be delivered to local community
- For use by publicly funded organisations



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Procurement is...



3 Megatrends

ICT Usage & E-Procurement

Community Benefit

Encouraging Collaboration



Grasping the contract culture
Is it for you?



Is it for you?

Staff & skills needs?

Culture change?

Timescale impact

Will it be viable?

What may be the risks?

How will you balance ?



3 Types of agreement

GRANTS

SERVICE LEVEL AGREEMENTS

CONTRACTS

+ FRAMEWORK AGREEMENTS



Legal difference

GRANT

PSO subsidises your work

Doesn't specify services to them

CONTRACT

Specified services for payments

VAT ?

Can claim against you for up to 6 years

Procurement Trend




Services in 2 categories

Part A : Priority	Part B: Residual
Computer support	Leisure services
Engineering	Legal services
Financial services	Social services
Maintenance & repair	Healthcare
Management consultancy	Educational services
Market research	Vocational services



Annex 1A and 1B
EU directive 97/52



What's behind VFM?

Understanding Value for Money



VFM is....

- "The optimum combination of WHOLE LIFE cost and quality (fit for purpose) to meet the customer's requirement"
- **WHOLE LIFE** = take account of all costs
- Running
- Disposal
- Purchase



"Quality to meet customer's requirements"

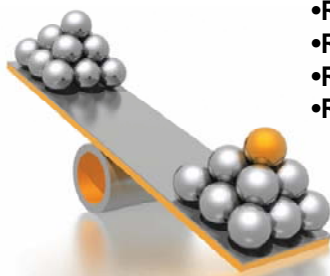
Allows buyers to meet TWO levels:

Specify what's needed to meet **department** objectives

Contribute to **organisation's** objectives such as sustainability and environmental



How they will judge you



- Right price
- Right quality
- Right place
- Right time
- Right quantity



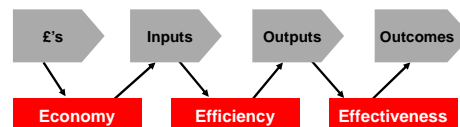
High value for money

Economy – Relatively low costs

Efficiency – High productivity

Effectiveness – Successful outcomes

Value for money





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Tender Scoring Insights




Tenders

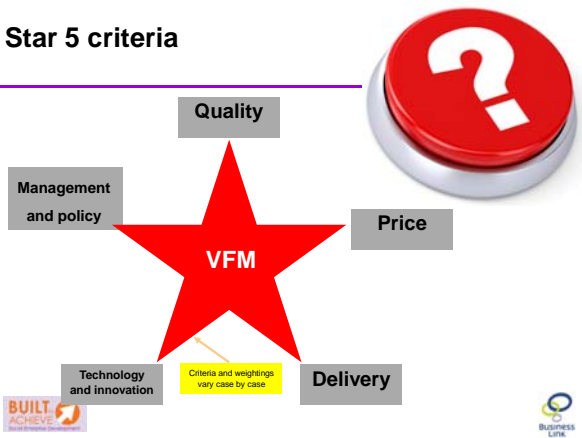
- 1 Open
- 2 Negotiated
- 3 Restricted



Typical decision-making criteria



Star 5 criteria



Quality

Price


Delivery

Technology and innovation

Management and policy

VFM

Criteria and weightings vary case by case.




EUROPEAN UNION

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Introduction to the European Union impact





Thresholds

	SUPPLIES	SERVICES	WORKS
Entities listed in Schedule 1	£101,325 (€125,000)	£101,325 ² (€125,000)	£3,927,260 (€4,845,000)
Other public sector contracting authorities	£156,442 (€193,000)	£156,442 (€193,000)	£3,927,260 (€4,845,000)
Direct Information Notices (Regulation 11)	£607,935 (€750,000)	£607,935 (€750,000)	£3,927,260 (€4,845,000)
Small lots (regulation 9 (12))	£64,846 (€ 80,000)	£64,846 (€ 80,000)	£610,580 (€1,000,000)

¹ Schedule 1 of the Public Contracts Regulations 2006 lists central government bodies subject to the WTO GPA. These thresholds will also apply to any successor bodies.


² With the exception of the following services, which have a threshold of £156,442 (€193,000)

- Part B (residual) services

<http://ted.europa.eu>






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Understanding your public sector procurement customer



3 tiers of governance



Procurement stages



Typical process



VFM Non-financial



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Focus on PQQs


(Pre Qualification Questionnaires)

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PQQ/Expression of Interest

Usually includes questions on:

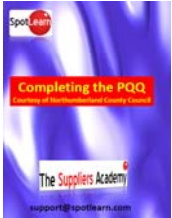
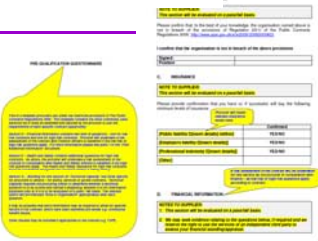
- General background
- Financial standing
- Business probity
- Health & Safety
- Quality assurance
- Technical capability
- Equal opportunities
- Environment



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Business Link

Getting PQQ information


"Completing the PQQ"
Free from
support@spotlearn.com

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Business Link

BIG tip! - BidPack®

- ✔ Certificate of Incorporation
- ✔ Organisation chart
- ✔ 3 years audited accounts
- ✔ Employer's Liability insurance
- ✔ Public Liability insurance
- ✔ Health & Safety policy
- ✔ Quality Assurance policy
- ✔ Technical capability supporting docs
- ✔ Equal Opportunities policies and docs
- ✔ Others (e.g. Professional Indemnity)



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Business Link

3 parts!

- Knowledge Bits
- A Winner!
- Bid Ready Activity



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The Essential Diagnostic

Meeting your 10 challenges

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Fit2 Compete

10 Element Diagnostic

Element	1	2	3	4	5
1 Capacity					
2 Financial Probity & Costs					
3 Health & Safety					
4 Environmental Impact					
5 Inclusion					
6 Leadership & Management					
7 Procurement Process					
8 Collaboration					
9 Risk					
10 2 Win Factor					
Total					
Grand total					

2win factor

Sourcing the 2 options

Lower value quotations

Competitive tendering

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Sourcing & Prospecting

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Business opportunities published in 5 177 (All)

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supply2.gov.uk

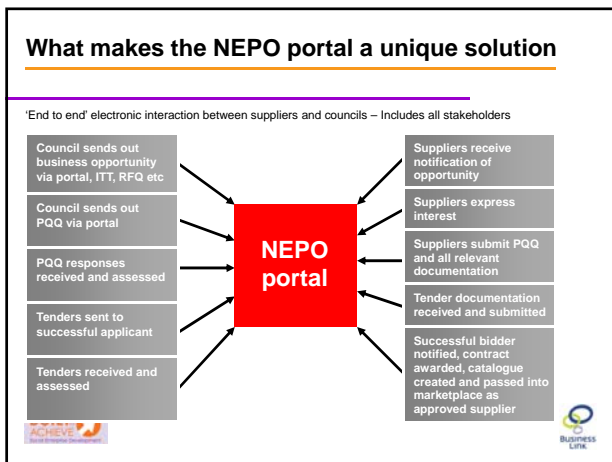
Supplier route to government

Welcome to Supply2.gov.uk the national lower-value contract opportunity portal

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www.competefor.com



www.procureweb.ac.uk

Prospecting Tool Kit

- Build database (Act?)
- Mix of marketing effort
- Register online
- Check listings / advertising
- Approach direct

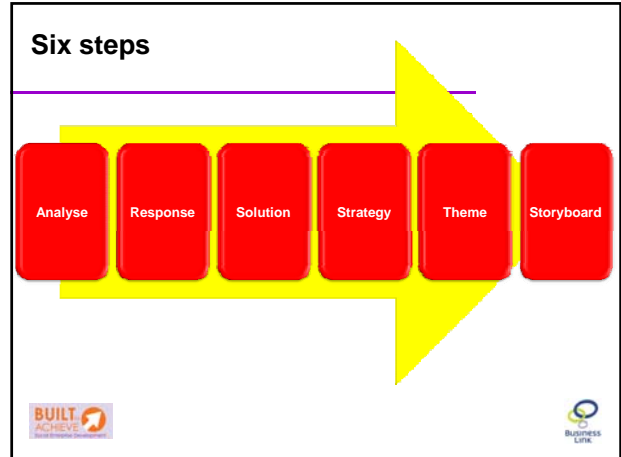


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Developing your bid

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Six steps



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Improving through feed-back

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Your rights

“Feedback is vital to improve bid technique and increase future chances of success”

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Feedback



- Against their criteria?
- Areas to improve?
- Keep attitude right
- Even if successful

Reasons for rejection

Suppliers may be rejected for 2 reasons:

- Failed to meet the specification
- Meets the criteria but not VFM

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