

## **Contracts & Procurement Training Day**

**Black South West Network (BSWN), Bristol, Thursday January 19th 2006**

**Tutor: Peter Kirkham**

This was a very informative and useful day outlining some of the pointers, pitfalls of bidding for public sector contracts.

Peter Kirkham (ex-regional Development & Communications Manager for the Big Lottery SW) delivered the training.

Of the 17 organisations represented at this training day, 10 already hold contracts to deliver public services and 13 expect to do so in the next 12 months.

Organisations represented were:

BSWN; SVSN; Alzheimer's Society; Age Concern Devon; Care & Repair (B&NES); FaithNet; SW Forum; Black Development Agency; Single Parent Action Network (SPAN); Nilari Agency; Health Advocacy Partnership; Centre for Employment and Enterprise Development (CEED); Brigstowe Project; W of England Centre for Inclusive Living (WECIL)

I have one complete set of notes from this workshop which will be filed at the SVSN offices, copies available on request. This is a summary of the main points of the day.

A group exercise illustrated how organisations can collaborate rather than compete to get the best out of the contracts available. If vol sector orgs work together rather than in secret they can draw on each other's strengths in order to win contracts.

However, problems may arise when consortia attempt to get past the first stage of bidding: the PQQ or pre-qualification questionnaire.

One of the dangers of entering into public service contracts is that the organisation may be perceived as a private sector operator. Another danger is that in closely aligning with the Local Authority (LA) they may risk alienating their supporters. The usual risks apply – danger of compromising core vision, priorities may be re-defined.

Ask yourself if the contract is to deliver what are your core services and if not, have the courage to walk away.

Full Cost Recovery (FCR) is essential in delivering public sector contracts.

The Compact Code on Funding and Procurement which supports FCR is due to be signed off in March 2006.

You may have to refer local authorities to such guidance.

It is important to get into dialogue with the LA at the Draft Specification Stage – i.e. before any contracts have been let. It is possible, by getting into dialogue at this stage to influence the specifications of the contract. It is also vital to be able to talk to the procurement client as well as the procurement team who will have less sector knowledge.

The National Procurement Strategy sets out milestones - "pre-specification dialogue is very important".

All LAs should have a "Selling to the Council Guide" on their website, they should also have a strategy including a compact.

<http://www.somerset.gov.uk/somerset/centralservices/treasury/procurement/>

(SCCs is called 'How to Sell to the Council')

**Discussion on challenges and barriers:**

Challenges	Barriers
<p>For existing contract holders- having to open up their operations to other orgs</p> <p>Fear of other orgs coming in and tendering at a lower cost</p> <p>Threat of competition</p> <p>Open sharing of information</p> <p>Organisations may turn in on themselves and become more guarded in what they are willing to share</p> <p>Governance issues</p> <p>? Will the contract actually meet the service user needs?</p> <p>Changing goalposts</p> <p>Short timetables</p> <p>Danger of under-estimating costs so as to win contracts</p>	<p>Nepotism – will those <i>in the know</i> get invited to tender?</p> <p>Will there be service user input into how contracts are outlined?</p> <p>Contractual agreements will have legal implications which could be especially complicated for partnership contracts</p> <p>Lack of officer understanding of collaborative bids</p> <p>Lack of resources – time and energy needed to put into bidding.</p> <p>LA self-protectionism (fear of losing jobs)</p>

Some of the barriers for VCS:

1. Small and less experienced
2. Often not v. efficient so true costs not competitive
3. Purchaser’s unfamiliarity with VCS
4. Lack of time & resources (to be able to tender)
5. Size of contract often too large
6. Time & capacity issues
7. Mission drift worries

BUT Las are interested in procuring from VCS because of:

1. Their closeness to local communities
2. Understanding of the social environment
3. Knowledge of needs of specific client groups
4. Can reach excluded/disadvantaged groups
5. Independent of gov’t
6. Charitable ethos helps customer access



(Quality, price, social & environmental consideration, operating costs)

So price is not the only qualifier

**The Pre Qualification Procedure (PQQ)** (like a short list) will look at:

- Eligibility
- Financial standing
- Technical capability

The PQQ will cover such things as company details; H&S policies; business & management structure; resources; Quality Assurance; Environmental issues; references (***not a full list here – just some e.g.s***)

With the PQQ you will be expected to supply:

- Governing document
- Group structure chart
- Audited accounts for last two years
- Employers' Liability Insurance Certificate
- Public Liability (3<sup>rd</sup> party) Insurance Certificate
- H&S policy
- QA policy
- Documents to support technical capability
- EOPs & documents.

Once the evaluation criteria have been satisfied, things to consider:

- Your Unique Selling points (USPs)
- Your competitive edge
- How your plan links closely to specification & outcomes
- Quality of presentation
- How to demonstrate best value & value for money
- Address second-stage evaluation criteria

**Useful publications & contacts:**

Public Procurement, a Toolkit for Social enterprises [www.dti.gov.uk/publications](http://www.dti.gov.uk/publications) (can also be ordered from DTI publications on 0870 150 2500 quoting URN 03/1362)

Think Smart, Think Voluntary Sector [www.ogc.gov.uk](http://www.ogc.gov.uk)

Small Business Friendly Concordat Good practice Governance published by ODPM March 2005

National Procurement Strategy [www.odpm.gov.uk](http://www.odpm.gov.uk)

Improvement & Development Agency [www.idea-knowledge.gov.uk](http://www.idea-knowledge.gov.uk)

[www.seee.co.uk](http://www.seee.co.uk) – section on procurement

[www.rcoe.gov.uk](http://www.rcoe.gov.uk) centre of procurement excellence (based with Dorset CC)

Black South West Network will be developing a portal on their website so organisations can post questions and answers about contracts and procurement see [www.bswn.org.uk](http://www.bswn.org.uk)