



An Independent Charity No. 1075060

Procurement

Factfile

Everything the Voluntary and Community Sector needs to know about tendering for a contract to deliver services.

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North Tyneside Council

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About This Factfile

Welcome to North Tyneside VODA's Procurement *factfile*.

This resource has been produced for voluntary and community organisations, of all sizes, in North Tyneside. Whether you're just starting to think about delivering a public service or you're already at the stage of being ready to tender for a contract, there will be something in this pack for you.

The *factfile* has been designed for you to use at every stage of the procurement process - and for you to select the sections that are appropriate to your organisation at that time.

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The National Perspective

Foreword from Pauline Kimantas



Pauline is the manager of the Local Commissioning and Procurement Unit at NAVCA (National Association for Voluntary and Community Action). The Local Commissioning and Procurement Unit was set up in 2008 as a direct result of requests from NAVCA members who needed help and support with the commissioning agenda. The unit provides a range of useful resources, information updates and support with the tendering process.

“Public services in England have been going through significant changes and will continue to do so for the foreseeable future. Public bodies are moving increasingly towards commissioning local public services from external providers instead of providing them themselves. This usually involves purchasing them by using a competitive tendering process – the procurement process.

Voluntary and community organisations have always played an essential role in identifying local unmet needs and responding to them, often stepping in to set up and deliver services where the state doesn't. The opportunity and the challenge for us now is to deliver services for our local public bodies, whether it be our local authority, Primary Care Trust or Children's Trust.

Changing funding arrangements are already having a significant impact on the voluntary and community sector. The government grant funding that we have been used to has been reducing, whilst income from contracts has increased. Organisations have been responding to this in a variety of ways. Some have decided to grasp the opportunities whilst others have decided it is not the best way forward for them. Every voluntary and community organisation needs to be aware of this changing environment whatever its size, shape and role – large or small, providing services or campaigning and providing a voice for disadvantaged communities, run entirely by volunteers with tiny amounts of money or with paid staff and large incomes.

The changes in public services impact on the whole sector, but the impact will vary enormously depending on the circumstances of your own organisation.



The National Perspective

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If you already provide services and receive public money for some of your work you will need to understand how these changes will affect your organisation. If you are interested in preparing your organisation to deliver public services or increasing your delivery you will need to know how procurement works in your area and what it means for you. If public service delivery is not for you this will not be so relevant, but it's nevertheless useful to be aware of what is going on around you.

In order to make good decisions about whether this is the right way forward for your organisation you need access to good quality, relevant information that helps you understand these new ways of working, what they involve, the risks and how to manage them, and what you need to do in order to respond. There is no simple answer, since every voluntary and community organisation is different and needs to decide what is right for its own circumstances.

This [factfile](#) will help you find out the relevance of procurement and commissioning for your organisation. It will help you to make important strategic decisions about whether to head down the path of public service delivery and to consider what you will need to do along the journey. It maps out the process and will provide some useful tools to guide you on your way, including case studies from those already doing it. Whatever stage you are at in the journey, this [factfile](#) can help you make important decisions and become better informed about the new world of procurement.”

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Procurement: Is It For You?

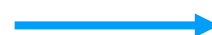
In the voluntary and community sector, we are hearing more and more about commissioning, procurement and delivering public services. Voluntary and community organisations are often well placed to provide and deliver services that other organisations such as the Local Authority need to buy, for example care services. But getting into procurement is not necessarily right for every organisation...

Bidding for a contract should not necessarily be seen as a funding opportunity to sustain the current activities of your organisation, unless you are already supplying a service which the public sector will want to purchase.

Recently **new ways for the voluntary and community sector to get involved** in commissioning and procurement have been emerging. These are through organisations such as Contracts Matter (in the North East) and 3SC (nationally). Instead of bidding to deliver a full contract yourself, by working with Contracts Matter you have the opportunity to form partnerships with other organisations and deliver it jointly.

3SC secures contracts from government and then uses partners in the voluntary and community sector to deliver them. They have no minimum requirements on how much of a contract you need to deliver – for example if they had a contract to create 3,000 jobs, you could still be a partner even if you only sign up to create one job. Please see the [Useful Resources](#) section of this [factfile](#) for contact details for these organisations.

There are other large organisations (called prime contractors) that regularly win large regional and national contracts from government agencies (such as the Department for Work and Pensions and the National Offender Management Service) and subcontract some or all of the delivery to smaller organisations. Prime contractors often hold regional events to raise awareness of forthcoming opportunities and to meet potential subcontractors. Organisations who regularly win these large contracts include A4E, Serco and Working Links.



Procurement: Is It For You?

...Continued

Contracting for public service delivery is just one of a range of options that your voluntary or community organisation might want to consider – and you need to think carefully about the potential impact before jumping in.

Some of the main issues to consider...

- ▶ Will the contract fit with the mission or purpose of your organisation and its existing activity? Or will it conflict - meaning that there could be practical, operational or even legal implications for your organisation?
- ▶ Does your organisation have the required capacity? Think about systems, staff and skills needed to manage the processes of both bidding for and delivering contracts? Many tenders will specify minimum standards for your organisation – for example expecting you to have a Quality Assurance system.
- ▶ Can your organisation supply the goods and services at a higher quality, or more efficiently and effectively than the competition? Remember that your competitors could include the private sector.
- ▶ If your organisation acquires a public contract, will this mean that the culture of the organisation needs to change? You may have new deadlines and targets imposed on your work. What will the potential impact be on staff or service users?
- ▶ Some further questions to consider:
 - ▶ What will the financial impact be if you are awarded a contract?
 - ▶ And will it affect your future fundraising efforts?
 - ▶ If you get paid after you deliver the services, how will you manage your cash flow?
 - ▶ What will the legal impact be? Check the rules related to charities and trading. (See [Useful Resources](#) section)
 - ▶ Will carrying out the contract be deemed as trading?
 - ▶ And is that permissible within the constitution of your organisation?
 - ▶ What are the tax implications?

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Definitions

Commissioning:

is the whole cycle of assessing the needs of people in an area, designing and then securing an appropriate service to provide for those needs. Commissioning is mostly undertaken by the public sector – for example the local authority or the Primary Care Trust.

Procurement:

is the specific aspect of the commissioning cycle which focuses on the competitive process of buying services, from the initial advertising of the opportunity, through to deciding on a provider, and drawing up an appropriate contract.

Tendering:

is making a written offer (a tender) to supply goods or services at a specified cost or rate. It's part of the procurement process.

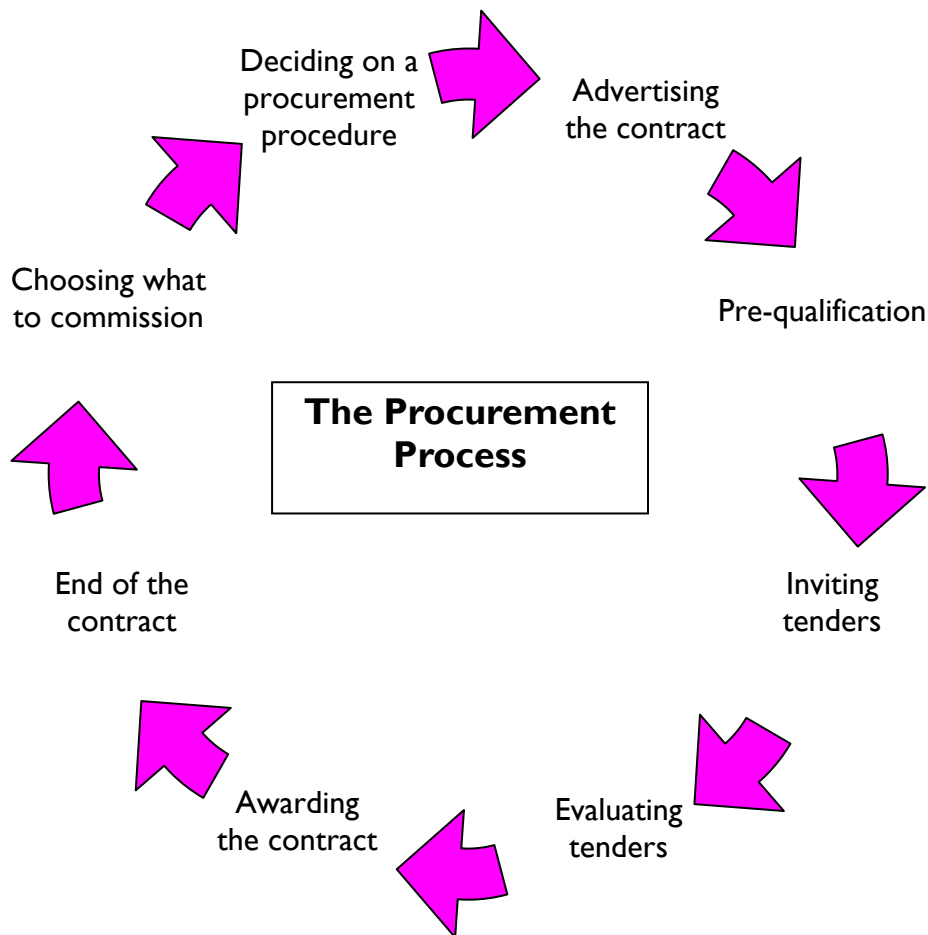
Contracts:

A contract is an agreement between two parties enforceable by law and recognised by a court. If a submitted tender is successful, in most cases a contract will be issued. The contract sets out how payment will be made for the goods or services delivered and specific terms.

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The Process

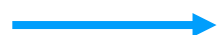
This is the typical EU procurement process (diagram reproduced by kind permission of NAVCA and NCVO). Sometimes organisations will use shorter processes, depending on the amount the tender is worth – for example, they may skip out the pre-qualification stage. For more information see the [Local Perspective](#) section.



Choosing what to commission

Commissioning is the process of assessing the needs of local people / service users, designing services to meet those needs, securing the services, and then monitoring and reviewing them.

The public body (the commissioner) decides what it wants to commission. Sometimes a consultation on what / how to commission will be held, involving the voluntary and community sector and other stakeholders.



The Process ...Continued

Commissioners will often focus on outputs – e.g. hours of care provided. But increasingly they have started to ask the organisation bidding to explain the impact of their work – for example, ‘What will the outcomes be for service users?’

Deciding on a procurement procedure

For most voluntary and community organisations the most important stage of the procurement process is when the opportunity is advertised. The decisions which were taken before that by the commissioner and the procedure they chose are naturally not of as much interest. ***Pathways through the Maze*** (see [Useful Resources](#) section) gives a detailed account of different procurement procedures, when EU procurement rules apply, and an overview of the rules. For the purposes of this document we have summarised the four standard procedures which are most often used:

- ▶ **Open Procedure:** Contract advertised. Any interested party can bid. The contracting authority evaluates all the bids it receives.
- ▶ **Restricted Procedure:** A pre-qualification stage is used to narrow down the number of bidders. The contracting authority only evaluates the bids that have passed the pre-qualification stage.
- ▶ **Negotiated Procedure:** Same as the above, but the contracting authority can carry out post – bid negotiations with the selected bidders.
- ▶ **Competitive dialogue:** This is the procedure for very complex procurements and is only available in a limited number of circumstances. It involves more negotiation with the bidders, and ongoing dialogue with them and comparisons of their respective solutions at different stages.

For information on the standard procedures used by North Tyneside Council please see the [Local Perspective](#) section.

Advertising the contract

The EU Treaty principles of openness and transparency apply to all contracts. Contracting authorities should make sure that all interested parties know about the opportunity. The advertisement must contain sufficient information to enable organisations to decide whether or not to bid.

For smaller contracts, the contracting authority might include the information on their own website, or a ‘portal’ website such as www.supply2gov.uk.

For larger contracts where EU rules apply, the contracting authority must advertise in the OJEU (Official Journal of the European Union). EU procurement rules set out the timescale for advertising the opportunity and what information must be included.

The Process ...Continued

Pre-qualification

This is the extra stage included in the restricted procedure outlined earlier. It is used when contracting authorities expect a lot of interested bidders, and is used to ensure that they don't end up with a large number of ineligible applications. For voluntary and community organisations this stage is very helpful, in that there is no risk of wasting time completing a full tender only to find out that they were not successful. The main benefits of the pre-qualification are that it ensures that all the bidders invited to tender are eligible, and that they meet the minimum requirements in terms of economic standing, technical ability etc.

The pre-qualification questionnaire (PQQ) is a relatively short document which will ask the bidder certain standard questions including ones about income levels and quality assurance.

Inviting tenders

Contracting authorities will send potential bidders an 'Invitation to tender' (or ITT for short.) This is a set of documents with all of the information required to bid. This will include a service specification, evaluation criteria and terms and conditions. This is the most important stage for all of the bidders – they must pay close attention to everything that is asked for in the ITT, and show clearly how they meet the requirements. Organisations should invest plenty of time in getting the bid right – and ensure that they involve as many people as they need to (for example, a bid for a voluntary or community organisation might be completed by a community centre manager along with a finance officer and one or two trustees).

This [factfile](#) contains plenty of hints and tips for making your bid the best it can be – please see the [Top Tips](#) and [Case Studies](#) sections for further information.

Awarding the contract

Once the decision has been made, the contracting authority will notify all bidders of the outcome. For all contracts, unsuccessful bidders are entitled to know why their bid was rejected. If your organisation is unsuccessful, ask for feedback and use the information to improve your next bid.

Decisions can be appealed – and this is a complicated process which varies depending on the procurement process used. For full details on challenging decisions please see the ***Pathways through the Maze*** publication.



The Process ...Continued

The Compact is the key resource which voluntary and community organisations should refer to if they want to challenge a decision. It enables them to challenge the decision without taking an aggressive stance (for example, by launching legal proceedings). Contact VODA if you would like more information or support regarding using the Compact to challenge a decision.

End of the contract

Usually contracts will have a specified end date. If awarded a contract, make sure that you plan for what will happen at the end of it. Will you be required to bid again? As part of the contract, do you have to undertake a review of how effective it has been? The contracting authority will also be reviewing the contract and making a decision on whether or not it is necessary to look at the commissioning process again. The needs of the service users might have changed since the contract was advertised – they might even have been fully met. In this case the process starts from the beginning again with choosing what to commission.

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The Local Perspective: Working with North Tyneside Council

Andrew Lowe is the Procurement Manager at North Tyneside Council. He manages the Strategic Procurement Unit, which makes sure that the Council gets the best value for money for the goods and services which it needs to buy, or 'procure'.

Andrew says:

“Every organisation that submits a tender to deliver services for the Council is treated in the same way; it’s vital that we operate a fair and equal process. We do, however, recognise the value of the third sector - we know that voluntary and community organisations have very specific knowledge of both geographical areas and the fields that they work in. We’re always keen to encourage local organisations and businesses to submit bids. In the past we have worked with VODA to organise training sessions to help organisations improve their understanding of various elements of the procurement process.

If a voluntary or community organisation feels unsure about any aspect of procurement they should feel free to ask us questions; we know that sometimes procurement is a difficult process, but we are available to help!

If voluntary and community organisations are serious about being involved in delivering contracts for the Council, then I’d really encourage them to sign up to all the websites where contracts are advertised.”

Andrew’s website recommendations:

- ▶ North Tyneside Council website:
www.northtyneside.gov.uk
- ▶ Tenders Electronic Daily:
www.ted.europa.eu/
- ▶ OJEU (Official Journal of the European Union):
www.ojeu.eu
- ▶ Supply 2 Gov:
www.supply2gov.uk
- ▶ NEPO (North Eastern Purchasing Organisation) portal:
www.nepoportal.org / www.qtegov.com



The Local Perspective

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For tenders over £50,000 there are a number of different tendering processes which the Council can use depending on what is appropriate. Andrew has outlined the options below.

Open tender:

The opportunity is advertised on the Council's website, and the NEPO portal. All organisations that apply are sent tender documents. The evaluation of the tender will include areas such as finance which would have been covered in the preliminary stage of a restricted tender (see below).

Restricted tender:

Those organisations which apply are sent a pre-qualification questionnaire (PQQ) to complete. Only those organisations which meet the criteria from the PQQ are invited to complete a full tender document.

Mini-tender:

This is where only those organisations already on North Tyneside Council's framework agreement are invited to tender.

Tenders worth more than £156,442:

EU procurement rules must be followed. This means the tender is advertised on the OJEU website and applications can come from anywhere within the EU.

Competitive dialogue:

A staged process for highly complex procurements such as Building Schools for the Future (BSF) contracts.

For more information contact:

Andrew Lowe, Procurement Manager:

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Email: andrew.lowe@northtyneside.gov.uk

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Case Study I: Acorns



VODA met with Cath Lawson, Project Manager at Acorns to discuss their experiences of the procurement and tendering process.

Acorns is a registered charity which provides counselling services to victims of domestic abuse; they employ a small staff team of nine and have an average income of £200,000.

The organisation manages contracts from both the Local Authority and the PCT, and last year they decided to bid for a new contract which was slightly different from their existing work. The contract was for two workers: Independent Domestic Violence Advocates (IDVAs), one full time, one part time, who would be supporting and advocating on behalf of adults, with a range of agencies. This was a contract advertised by the Local Authority.

Cath found out about the contract opportunity via an email from the NEPO portal (see [Useful Resources](#) section), which gave some brief information about the project which caught her interest. Cath expressed an interest in this project, so was sent all the relevant documentation about how to submit a tender.

After reading through the documentation in more detail, Cath, in consultation with her Trustees, agreed that the work fitted well with the aims and existing projects of the organisation, so they decided it was right for them to apply. They felt that they had the relevant skills, experience and specialisms in place to do a good job and provide a good service under the terms of this contract. They also considered the infrastructure of their organisation and they agreed that they could manage and deliver the service, without it having a detrimental effect on other services they deliver. Also it would bring in additional funding which would contribute to their core costs.

Once they had received the tender documentation and the expression of interest form, they began the process of preparing a tender. At this point, Cath



Case Study I: Acorns

...Continued

sought advice from Sue Reed, VODA's Funding Advisor, to help with the process. Sue gave Cath some tips and advice about the content, the structure and the important things to include in the expression of interest. Sue also put Cath in touch with another local organisation who had experience of the tendering process.

Cath found the process of filling in the forms OK, however sometimes the language in the forms was a bit difficult to follow. The way she approached it was to complete particular sections of the form, taking time to do some research in between, then going back to the forms to make some amendments and then add some more information. Cath found the internet a useful resource when completing the information, and also used resources from relevant training courses that she had attended. In total, Cath spent two to three days completing the relevant forms and documentation for the tender.

Acorns was successful in winning the contract and now has two extra workers delivering services. The benefits that it has brought to the organisation include: providing an additional service to meet the needs of victims in the local area, strengthening the existing service and adding value to it, raising the profile of Acorns with different agencies and the satisfaction of knowing that a good job is being done by a local agency. The success did bring with it some difficulties, the main one being that as it was a new project and the roles of the workers were new, it was difficult at first to determine the day to day tasks that the workers should be doing. Other practical difficulties included a more crowded office and additional monitoring requirements, but nothing that couldn't be overcome. Despite these initial hiccups, the organisation can now look back on the process and feel that it has been worthwhile.

Cath's top tips for other organisations who may be considering the process:

- ▶ Don't panic when you receive all the documentation – take time to read through everything and get an understanding of what the commissioner is asking for.
- ▶ Produce a 'tender pack' which contains all the relevant documentation and policies, which you can have to hand when you are ready to apply.
- ▶ Follow the checklist that they send you to make sure that you send back everything that they request.
- ▶ Finally, remember that you are an expert in your field; you have experience and knowledge about your local area and you must have confidence in your ability to deliver a good service!

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Case Study 2: Wallsend People's Centre



VODA met with Maureen Madden, Chief Officer, Rob Lackenby, Contracts Manager, and Mick Riley, Deputy Chief Officer of Wallsend People's Centre, to discuss their experiences of the procurement and tendering process.

Wallsend People's Centre is a community resource in the heart of Wallsend, providing a range of services to local people. The majority of their work is focused around employability and supporting local people to get back into work. They employ 26 staff and have an average income of £750,000.

Wallsend People's Centre manages a number of different contracts under the Start 2 Earn, Next Steps, Future Jobs Fund programmes and manages projects under the Third Sector Capacity Fund and the Hardship Fund, which bring funding into the Centre and enable them to deliver a range of services for local people. Wallsend People's Centre acts as both a prime contractor and a sub contractor, and for some contracts, as the lead organisation for consortium bids. The contracts that they hold are from a range of commissioners, including the Local Authority, the LSC (now the Skills Funding Agency as of 1st April), One North East and the Dept for Work & Pensions.

The main contract which they manage is the Start 2 Earn contract from the local authority, which is focused around delivering employability services to local people. They found out about this opportunity through an email from the NEPO portal, where they had previously registered to find out about up and coming contracts.

Once they received all the documentation and details about the contract, Maureen and the senior managers in the organisation discussed how the proposed services would fit alongside their existing provision. Once they talked this through, Maureen discussed the opportunity with the Chair and



Case Study 2: Wallsend People's Centre

...Continued

trustees of the organisation and they decided to go ahead with the tender. The senior managers in the organisation worked together to prepare the PQQ and complete the relevant documentation. They found that some of the documents were quite wordy and lots of time needed to be invested in the preparation of the documents to ensure that they were completed correctly. They spent time preparing the method statement, collating organisational details and evidence, discussing sections with relevant people in the organisation, making amendments, meeting with partners and carrying out negotiations. In total, they spent around ten days preparing all the documentation and ensuring it met the criteria of the local authority. The whole process, from completing and submitting the documentation, to being awarded the contract took six months.

To ensure that they met all the criteria in the specification, the organisation undertook a review of their policies to ensure that they were being implemented appropriately. They strengthened their safeguarding policies, the complaints policy and the IAG policy. They also had to ensure that they maintained their quality Matrix standard for the organisation.

Wallsend People's Centre was successful in winning the contract and have since employed four staff members to deliver the service. The benefits that it brought include: increased income, (and therefore improved sustainability for the organisation) and strengthening of their internal policies and procedures, (which has enabled them to work more effectively and become more professional). Additionally, it has given them experience and confidence in the contracting process and it has made them realise that they are a major player, who can compete with some of the national organisations.

They also experienced some downsides to winning the contract, which included dealing with the paperwork, which was resource intensive and complex. Some of the targets that were set in the contract were high and at first appeared unachievable, so it gave them a sense of worry and apprehension about failing, but they resolved this with careful planning and negotiation with partners. They also had some difficulties with getting involved in the marketing of the service, as this was controlled by the commissioner. Despite these difficulties, Wallsend People's Centre has since bid for and been successful in



Case Study 2: Wallsend People's Centre

...Continued

securing a number of other contracts, which has helped to maintain and sustain their organisation and provide a range of services for local people.

Maureen's top tips for other organisations considering the procurement process:

- ▶ Plan your time carefully. If you have a deadline by when you need to submit all the information, ensure you have time to prepare all the relevant documentation.
- ▶ If you are struggling to understand part of the PQQ or the documentation talk to the Procurement Team at North Tyneside Council or the commissioner - they may be able to clarify things for you.
- ▶ Consider consortium bids. Especially smaller organisations who may find it useful to work in partnership with more experienced organisations.

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Top Ten Tips for Tendering

- 1 Sign up to relevant websites to keep up to date with opportunities. (See [Useful Resources](#) section for more details)
- 2 Be clear about how well the contract fits in with the aims and objectives of your organisation – don't compromise your core purpose!
- 3 Be sure that you understand what is required of your organisation if you win the contract and that you can successfully deliver it.
- 4 Read and check the questions in the tender documents again to ensure you have answered them properly. (No jargon! All assumptions should be explained.)
- 5 Speak to and learn from people who are experienced and successful in contracting. (Persuade them to be your mentor.)
- 6 Make sure your organisation stands out from the competition. Demonstrate innovation and originality.
- 7 Convince the commissioner that you are the best placed to meet their requirements and that you are providing best value.
- 8 Ensure you have the right policies and procedures in place. Produce a pack of relevant documentation to keep on the shelf. Useful documents include: employment contracts, financial policies, insurance details, equality & diversity policy and quality assurance certificates.
- 9 Whether or not you are successful, you should ask for feedback. This may help to inform future bids.
- 10 Remember that your bid will become the basis for a legally binding contract. Failure to meet targets will constitute a breach of contract.

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Glossary

Approved List

A list of approved potential suppliers who have met pre-set criteria. Local authorities often have a list like this. May also be called a Preferred Supplier List.

Best Value

This is something that local authorities have to consider when awarding a contract. They are required by the Local Government Act of 1999 to look at a combination of economy, efficiency, and effectiveness. See also Value for Money.

Business Questionnaire

Another name for the Pre-qualification Questionnaire (PQQ).

Call-off contract

This is a contract made following a formal tendering process. It can be with one or more suppliers, and it specifies the works or services to be delivered, and the terms and conditions, which users 'call off' to meet their requirements. See also Framework Agreement.

Consortium

A group of organisations or individuals who have come together specifically to bid for a tender. Usually unincorporated, a consortium might become a more formal partnership if it is successful in securing a contract.

Contract value

The total value of a contract over the full duration (so not the Annual Value).

Contractor

Organisation or individual who has been awarded a contract to undertake work, supply goods or supply services.

Deliverables

The name for the goods and / or services which the contractor / supplier is required to supply under the terms of the contract.

E-procurement

The use of electronic methods in the procurement process – from advertising the tender to payment and sometimes even management of the contract.



Glossary ...Continued

Evaluation

Detailed assessment and comparison of contractors against financial and quality criteria.

Framework agreement

An arrangement which the contracting authority makes with the provider of services which states the terms under which contracts can later be entered into, or 'called off' when particular needs arise.

Full cost recovery

This means recovering the total costs of your project or activity, including the relevant proportion of all overhead costs, eg: rent, heating etc.

Invitation to negotiate (ITN)

An invitation to a shortlist of bidders to submit a response about how they will deliver the contract efficiently and effectively. Typically this will be expressed in the form of outputs.

Invitation to tender (ITT)

An invitation to contractors / suppliers / service providers to bid for the provision of goods / services. Depending on the size of the tender this might be advertised in a range of places including the OJEU website and the NEPO website.

MEAT

This stands for Most Economically Advantageous Tender – the tender which will have the greatest benefit for the purchasing organisation, taking into account factors such as quality and cost.

NEPO

North Eastern Purchasing Organisation. A consortium made up of the 12 local authorities in the North East and other associate members (such as the Police and Fire Service). The NEPO website advertises tender opportunities.

www.nepoportal.org.uk

OJEU

The Official Journal of the European Union. This is where all tenders over the EU threshold of £156,442 must be advertised. www.ojeu.eu

Outcomes

The benefits or changes that have come about as a result of the work or activity of a project (or the organisation). These can be short or long term, intended or unintended, and positive or negative.



Glossary ...Continued

Outputs

Direct products of a project or organisation's activities. For example number of training courses delivered, number of people attending an event.

Parent company guarantee

This guarantee ensures that the parent company (or guarantor) will fulfil the obligations of a subsidiary company, if the subsidiary company fails to deliver under a contract.

Preferred Supplier List

Another name for the Approved List.

Prime contractor

This is when a commissioner (usually a large government agency) contracts with a single organisation to undertake some or all of the following three functions: to directly provide some services; to subcontract some services to other organisations; and to manage the payment and performance of the subcontractors.

Pre-qualification questionnaire (PQQ)

This is the first stage in bidding for a tender for some contracts. Organisations complete this questionnaire so their suitability to deliver a contract can be assessed. Generally it covers financial and economic standing, experience, technical capability, quality assurance, health and safety standards, equalities and environmental issues. Can also be called a Business Questionnaire.

Quality Assurance

The process of assessing quality standards for an organisation. Covers all activities and functions which contribute to the attainment of quality. Many tenders will ask for evidence of Quality Assurance from bidders.

Quotation

A written or verbal price given by a contractor, supplier or service provider, after being requested either orally or in writing. A quotation may be the written confirmation of an earlier, oral offer.

Shortlist

A list of suitable prospective suppliers that has been drawn up through a preliminary evaluation exercise for a particular contract.



Glossary ...Continued

Service Level Agreement (SLA)

SLAs set the standard of a service or supply contract, enforcing the Key Performance Indicators of the agreement.

Specification

A description of the standards and requirements to which the goods, works or services should conform. Its purpose is to present potential bidders with a clear picture of what is needed.

Stage payments

An agreed percentage of the contract price, payable at specified stages of the contract. It is unusual to receive the full payment up front when a tender is awarded.

Subcontracting

The process by which the main contractor assigns part of the work to another contractor. For example, if a building firm won a contract to build a new community centre, they may use a subcontractor to install all the electrics.

Tender evaluation panel

The panel who analyse the tenders received and make final recommendations on who the contract should be awarded to.

TUPE regulations

The Transfer of Undertakings (Protection of Employment) Regulations 1981 protects the acquired rights of workers transferred between two organisations. TUPE is important for VCS organisations taking over contracts for work previously delivered by other providers, like local authorities. Under TUPE regulations, employees in the transferred service have their existing terms and conditions of employment protected so new contract holders can be liable for these.

Unit cost

Expenditure incurred in producing one unit of a good or service – e.g. one hour of care for a disabled person. Calculating this is a requirement for some tenders.

Value for money

The provision of the right goods and services from the right source, of the right quality, at the right time, and delivered at the right price.

Whole life costs

The consideration of all relevant costs and revenues associated with a contract – e.g. for a new building this might include the costs of ownership of the asset.

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Useful Resources

Publications:

There are a range of publications and factsheets available which will provide you with more information:

- ▶ Pathways Through the Maze – A guide to Procurement Law (NAVCA & NCVO) www.navca.org.uk/localvs/lcp/news/maze
- ▶ Commissioning and Procurement Resources
Local Commissioning and Procurement Unit (NAVCA)
www.navca.org.uk/localvs/lcp/briefings/resources.htm
- ▶ Getting Round the Table (ACEVO)
www.acevo.org.uk/Page.aspx?pid=1122
- ▶ Guide to Procurement and Contracting (Finance Hub and NCVO)
www.financehub.org.uk/selling_goods_and_services/tenderingandnegotiating/default.aspa

Websites:

To ensure you are up to date with latest opportunities, you should visit the following websites:

- ▶ www.supply2gov.uk
Business Link website designed to give companies easy access to lower value contract opportunities offered by the public sector.
- ▶ www.nepoportal.org.uk
North Eastern Purchasing Organisation (NEPO) is a purchasing and contracting consortium of 24 north east based Local Authorities.
- ▶ www.ted.europa.eu/
TED (Tenders Electronic Daily) is the online version of the 'Supplement to the Official Journal of the European Union', dedicated to European public procurement. Its free for Local Authorities to advertise on here and sometimes is the only place they advertise their contracts publicly.
- ▶ www.buyingsolutions.gov.uk/
The national procurement partner for UK public services.



Useful Resources... Continued

- ▶ www.sopo.org
Society of Procurement Officers (SOPO), represents over 2,900 members throughout the UK, provides networks and forums and offers guidance on best practice.
- ▶ www.neupc.procureweb.ac.uk
North Eastern Universities Purchasing Consortium is one of several UK higher purchasing consortia.
- ▶ www.northeastiep.gov.uk/collabprocurement/
The North East Improvement & Efficiency Partnership is set up to tackle a number of priority areas identified in the Regional Improvement and Efficiency Strategy – one of which is Collaborative Procurement.
- ▶ www.onenortheast.co.uk
One North East website contains lots of useful information on E- tendering and procurement.
- ▶ www.charity-commission.gov.uk
CC 35 Guidance on Trustees, trading and tax.
- ▶ www.3sc.org
Third Sector Consortia Management LLP (trading as 3SC) is a national organisation that has been established to bid for large public sector contracts on behalf of voluntary and community sector delivery organisations.
- ▶ www.vonne.org.uk/policy/regeneration/skillsandemployabilitycontractinghub
Contracts Matter is an independent, voluntary and community sector-led skills and employability contracting supply chain, based in the North East.
- ▶ www.bassac.org.uk/dms/list/36/all/all/collaboration
Bassac - Collaboration Benefits programme provides a range of resources and support to groups who are thinking about collaborating.
- ▶ www.ncvo-vol.org.uk/psdnetwork
The Public Service Delivery Network brings together voluntary and community organisations and statutory sector bodies to develop tools and spaces for the improvement of procurement and commissioning relationships between the two sectors.