



Supplying to Registered Providers of Social Housing

An Introductory Guide
September 2010

**RLK PARTNERSHIPS
LIMITED**



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Acknowledgements

This guide is based on the original Guide to Public Sector Contracting produced by the Confederation of Social Entrepreneurs. The housing section from this guide has been revised by Cirrus Purchasing and updated to apply to Liverpool based SMEs.

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CoSE was established by Riverside Housing, the Plus Dane Group and South Sefton Development Trust in 2007 and has worked with key social enterprise agencies on Merseyside to engage public sector procurement officers on issues of relevance to the social enterprise sector.

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Introduction

This toolkit is a practical guide for Liverpool based SMEs looking to Supplying to Registered Providers of Social Housing. The Toolkit has been developed as part of the Liverpool Procurement Facilitation project. RLK Partnerships and the Confederation of Social Entrepreneurs (CoSE) won the contract to provide public sector tendering support to Liverpool based SMEs. The contract was tendered by Liverpool City Council on behalf of Liverpool JET. Liverpool City Council and Liverpool First have funded the project.

Throughout the project we have provided one to one support to local SMEs looking to tender to public bodies and we have worked with public bodies looking to support and develop the local SME market. We provide the role of an independent intermediary - bringing together public sector buyers and suppliers for local economic benefit.

For further information on the project please contact Rosemary Kay – rosemary@rlkpartnerships.co.uk

This toolkit provides introductory information for SMEs considering opportunities for supplying to registered providers of social housing. Appendix A details the key issues to consider when deciding if public sector contracting is right for your business. Appendix B gives a brief overview of European Procurement Processes that apply to public sector contracting.

The information included in this toolkit is believed to be correct at the time of writing. It is general in nature and is not intended to be exhaustive or to provide legal advice in relation to any particular situation.

Supplying to Registered Providers of Social Housing

Introduction and Background to the Social Housing Sector

This toolkit explains the key issues to be aware of when considering supplying to the social housing Sector.

Registered Providers of social housing have over the years replaced council run homes. Social housing is commonly referred to as “council houses” or “council estates”. Despite this only a small percentage of homes nationally remain under council ownership. In Liverpool the City Council no longer manages any social housing stock. The majority of social homes are run by Housing Associations or “not for profit” organisations rather than local authorities.

This change in the housing sector has been taking place for the last 20 years. These changes have occurred in a number of different forms:

- **Stock Transfer** – This is the most common type of move away from council and local authority run households. Stock transfers allow a local authority to hand over its social housing stock to a Housing Association. The Housing Association then has ownership and control of the housing stock and becomes the landlord for the tenants. A local authority can transfer its stock only after it has undergone an options appraisal (OA). This process ensures the transfer is the appropriate form of action and ensures the transfer meets with tenant approval and plans for the area.
- **Large Scale Voluntary Transfer (LSVT)** – a stock transfer of over 500 dwellings from council to a Registered Provider
- **Housing Associations** – Many Housing Associations were set up long before Stock Transfers. All Housing Associations are run on a non-profit basis they make up the bulk of Registered Providers of social housing.
- **Registered Providers** – As a result of the Housing and Regeneration Act 2008 the approach and terms used in the Housing sector went through some changes. Previously most social housing providers were referred to as Registered Social Landlords (RSLs). Registering allowed access to funding to provide new affordable housing (new developments). RSLs were made up mostly of “not for profit” Housing Associations, Trusts and Co-operatives. The replacing of the term RSL with the new term Registered Providers allowed the existing “not for profit” organisations to continue to operate, however profit making Registered Providers are now also permitted. These are subject to the same standards and address the same housing issues as non-profit RSLs. The Registered Providers in Liverpool currently all operate under the non-profit format.

The new regulations mean it is possible that private firms will become involved in providing social housing and affordable homes in the future. However it is likely that providers like Housing Associations will still provide the majority of social housing in England. Housing Associations are public bodies and as a result each Housing Association is assessed and guided as a public body. However just like any other individual organisation each Housing Association is allowed to pursue its own aims and goals.

The Liverpool area has seen its council housing transferred to Registered Providers, mostly through stock transfers. Combined with existing Housing Associations, Trusts and Co-operatives, this has left the Merseyside area with a wide variety of Registered Providers. The last transfer of council housing stock resulted in the creation of Liverpool Mutual Homes. This transfer comprised Liverpool City Council’s remaining stock of 15,500 homes. The transfer was completed in 2008 and there is no longer any social housing stock which remains under Liverpool City Council control.

This means that as a SME selling services to the housing sector; it will be Registered Providers, rather than Liverpool City Council, who procure these services. You can find a full up to date list of Registered Providers of Social Housing in the Liverpool area here:

www.housingnet.co.uk (search via “Who Owns What Stock Where”)

What Are Registered Providers & What Do They Do?

Registered Providers perform a landlord function by maintaining properties and collecting rents. The money they collect from tenants is reinvested in building, improving and maintaining housing and other neighbourhood activities. They also must allocate suitable dwellings for new tenants; manage tenants moving between different social housing and also respond to legal rights of tenants such as their “right to buy”.

Registered Providers have the responsibility of managing the stock they possess. They must seek to maintain and improve their housing stock. In addition they must respond to tenants’ suggestions and complaints.

The Registered Providers also have a responsibility to improve the neighbourhoods and communities of their housing stock. They are assessed on their performance in these areas by the sector regulator.

Registered Providers have 4 key areas they focus on:

- Tenants Involvement/Standards – ensure tenants needs are addressed and housing is let on a fair and transparent basis
- Quality and Supply of Housing – ensuring their housing stock meets the government’s Decent Homes standard and is maintained to this standard
- Neighbourhoods and Communities – providing clean and safe environments for the neighbourhoods and communities in which they have stock
- Value for Money – achieving all of the above in a way which is cost effective, sustainable and financially viable

As well as these factors many Registered Providers have specific specialist functions. Some are set up to cater for particular specialist needs such as the elderly, homeless or vulnerable people. Examples of specialist supported Registered Providers who operate in Liverpool include: Housing 21, Johnnie Johnson Housing Trust Limited, Newleaf Housing Co-op, Chapter 1, Anchor Trust, Progress Care Housing, Abbeyfield, Co-operative Schemes for the Elderly Ltd, Homes for Aged Jews Liverpool & District, and Adullam Homes Housing Association. Others provide accommodation and specific services for black and minority ethnic groups in Liverpool for example Pine Court Housing Association and Liverpool Jewish Housing Associations. There are also Registered Providers that will cater for specialist needs along with general needs.

To meet and achieve these core aims Registered Providers perform different functions therefore they have a demand for certain services to meet these requirements:

- Repair and maintenance e.g. new roof, plumbing
- Refurbishment e.g. new kitchen, central heating
- Regeneration e.g. construction of new homes, grounds maintenance
- Response to residents’ needs e.g. tackling anti-social behaviour

As businesses, Registered Providers also have a requirement for all the products and services required by any other type of organisation, including office supplies, financial and other professional services, cleaning and facilities management, IT equipment and services, agency labour, PR and marketing etc.

Registered Providers generally have their tenants represented in their decision-making, either by direct representation, with tenants sitting on their board, or by regular tenant meetings. This enables the Registered Providers to gauge the feelings and contributions from the tenants.

Governing Body and Regulator

The Housing and Regeneration Act 2008 saw two new bodies set up to regulate and control the social housing sector. The Tenant Services Authority (TSA) was set up as a watchdog to regulate the social housing sector. The 2010 elected coalition government has announced that as part of a number of spending cuts and policy changes the Tenant Services Authority will be abolished, however, the TSA standards will remain until a replacement regime comes into force.

The Homes and Communities Agency (HCA) was created at the same time as the TSA, its principle role was overseeing and funding regeneration and creation of affordable housing. The HCA is likely to inherit the TSAs governing and regulative powers once it has been disbanded. As a result any future important announcements and changes to the social housing sector are likely to come from the HCA and it will become the most important body for Registered Providers.

Recent Investments

The demise in “council housing” and the rise of Housing Associations and other Registered Providers came about due to Local Authority social housing being viewed as having become inefficient, undervalued and suffering from a lack of investment. The aim of Stock Transfers and LSVTs was to revolutionise the Social Housing sector making it more efficient and so allow for greater investment.

LSVTs and Stock Transfers are designed to represent a more efficient and dynamic examples of achieving Decent Homes Standard (see below). Liverpool Mutual Homes, for example, will unlock £300 million of investments between 2008 and 2013 to bring homes up to the standard. Added to this, Liverpool Mutual Homes will receive a further funding to be spent over the next 30 years on maintaining services and homes.

The changes in the Social Housing Sector have seen massive investment increases take place over the last 10 years. Most of this investment has been centred on bringing social housing stock to the government set Decent Homes standard which was set out in 2000. The government target was for all Social Housing stock to achieve this standard by 2010. This requirement has largely been met except for a small percentage of social housing stock. The Decent Homes standard demanded that dwellings met basic requirements of being safe, weather tight, warm and include modern facilities.

In order to meet the Decent Homes standard there has been a great deal of investment in upgrading windows and doors, boiler and central heating installations, electrical upgrades, kitchen and bathroom installations. Whilst most of these upgrades and installations are likely to have now been completed and the initial investment has now gone there is still a requirement to maintain properties to the Decent Homes standard. Such contracts are likely to represent an ongoing requirement.

The Social Housing sector has also been responsible for building new housing as well as bringing existing housing stock up to standard. New developments tend to be managed by larger housing associations as part of development consortia. The need for affordable homes has also seen thousands of homes built particularly for first time buyers and others who have been priced out of the market. Whilst the demand for housing remains high and the number of affordable homes for sale remains low, it is likely that the government will still fund some levels of house building by Registered Providers but this level of funding is unlikely to be at the high levels prior to the coalition government coming into power. It is likely that even if funding is cut some Housing Associations will continue to build new developments as a way of generating extra revenue through sales of new properties.

Sector Investment in Liverpool

Due to public spending reductions by the coalition government, social housing is likely to see cuts in areas of spend and Liverpool will be no exception to this. The most likely areas for this are redevelopment and community programs; however core services will still be required in order to keep the housing stock up to Decent Homes standard. Core services usually centre on the properties and their surrounding areas and include day to day housing repairs and major capital investment work for housing stock.

Over the past 10 years Liverpool has received high levels of public and private investment. Housing has been one of the key beneficiaries of this investment. There have been many different types of investments, one of the main investments in Liverpool has been as part of the Government led Housing Market Renewal (HMR) programme. Set up in 2002 Merseyside was one of the nine areas selected across the country as part of the HMR Pathfinders program aimed at rejuvenating areas which had high level of dereliction and suffering from market failure. Liverpool City Centre was one of the main areas to benefit from NewHeartlands which is the name of the Merseyside HMR Pathfinder body.

The NewHeartlands project is designed to rejuvenate areas selected either through renovations or demolitions of existing buildings and development of new ones. Whilst this program is lead mostly by the councils involved there is some integration with Registered Providers as part of the process. For example in Anfield, Registered Providers have been involved in environmental schemes to rejuvenate a derelict area into community gardens. The NewHeartlands program, like most publicly funded initiatives, is likely to see funding reduced under the coalition government. This may mean that plans for areas may change slightly and this could present new opportunities. It is likely that Registered Providers and private investment may play more of a partnership role in the future which again may lead to further opportunities.

General Housing Procurement

Registered Providers are generally independent autonomous bodies, however they are still considered to be public bodies in terms of regulation and procurement law, so they still have to show they are achieving value for money when giving out contracts.

Registered Providers, like most organisations, tend to operate on an April-to-April financial year. However some Housing Associations may operate a different financial year (e.g. based upon when they were created). This may affect whether a Housing Association is willing to spend or not at certain times of the year – there is traditionally an increase in purchasing activity in the run up to April as new contracts are often started in the new financial year using fresh budgets.

Broadly speaking there are two types of procurement in the social housing sector:

- Large tenders that must follow a fully compliant EU procurement process
- Smaller contracts that are not subject to the EU rules.

For more information on the EU tender process see Appendix B

Many Housing Associations do not have central buying teams; this can make it very difficult for businesses to locate opportunities for work from Registered Providers. Not all Registered Providers operate on their own; some may operate as a group. Consequently some of the services may be centralised.

The following table lists the departments that may be found in many organisations along with some of the services they purchase (this list is not exhaustive):

Name and Description of department	Services purchased
<p>Regeneration Department/ Neighbourhood Management</p> <p>Work within the local area to improve the local social and physical environment.</p>	<p>Grounds Maintenance Graffiti Removal Environmental Services Environmental Consultants Communal Garden Creation Fencing Paving Site Clearance Community Involvement Events Youth Diversionary Services</p>
<p>Supported Housing</p> <p>The supported housing team work with tenants with specific needs such as, the elderly, those with special needs, vulnerable people and victims of domestic violence.</p>	<p>Warden Call On site Wardens Furniture White Goods Appliances Stair Lifts Wheel Chair Lifts Carers Emergency lighting and Alarms Aids and Adaptations Door entry and access</p>
<p>Property Services/ Asset Management/ Maintenance</p> <p>These titles refer to the department responsible for maintaining the housing stock.</p>	<p>Electrical Services Gas Services Plumbing Services General Maintenance Services Testing Services Asbestos Removal Roofing and Rainwater Windows and Doors Kitchen Installations and Upgrades Bathroom Installations and Upgrades Grounds Maintenance Paving & Driveways Fencing TV Aerials Plastering Painting Void Clearance Site Security Window Cleaning Cleaning Door Entry Systems</p>
<p>Housing Management</p> <p>This department is responsible for the overall management of tenants within the Housing Association's accommodation</p>	<p>Rent collection services Evictions Void Security Legal Services Call Centres Carpets and Blinds (incentives for hard to let properties)</p>
<p>Development</p> <p>If the Registered Provider has a development department it will be responsible for delivering new build and major refurbishment projects</p>	<p>Building Contractors Demolition Roofing Surveyors Estate Agents Architects Consultants Legal Services</p>

Name and Description of department	Services purchased
Central Services General business administration departments including IT, HR, Office Administration and Finance	IT services Computer and network maintenance Printer and Photocopier Maintenance Recruitment Agencies Advertising Graphic Design Printing Office Stationery and Supplies Office Cleaning Office Security/Concierge Facilities management Public Relations Marketing Media Catering Events venues (meetings, away days, events) Web design Staff welfare Utilities (gas/electricity/water supply) Taxi services Audit and financial services Consultants and professional services Training providers

Some Registered Providers will have their own department for carrying out certain services on the housing stock such as repairs; they will have their own fleet of vans and skilled operatives. This means they may require building materials, vehicles and PPE instead of external contractors. However even Registered Providers with their own maintenance team may still require subcontractors to fill skills gaps or to provide geographical cover for an area.

Specialist Functions

Whilst the majority of Registered Providers work will be general needs social housing many have other lines of work. Some Registered Providers have other specialist functions. These other functions can range from sheltered to student accommodation. Many social Registered Providers offer other schemes such as shared ownership and supported rent schemes. These schemes are often on managed estates and need their own services i.e. window cleaning, gardening services, grounds maintenance, warden call, void clearance and environmental services are a few examples. These contracts are often awarded in smaller packages that are often more manageable and accessible for potential SME suppliers.

Market Rent

Not all Registered Providers have a market rent department however, larger Housing Associations and Trusts are likely to have this function. A market rent department is used to manage and market non-social housing stock which the Housing Association either owns or manages. Market rent is not subject to 'rent capping' that applies to social housing. This includes student accommodation and general rented accommodation charged at market rates.

Market rent departments generally procure very specific services for example valuations and advertising.

Other Opportunities

Registered Providers generally have freedom with how they spend their money although large areas of spend or major procurement decisions usually have to be agreed by the board. Most Registered Providers generally involve their tenants in the decision-making process on some level, tenants can often have a say on how this money is spent. This means that the potential project and contract opportunities for SMEs in the housing sector are very varied. For example the residents may want to invest in a Youth Club or a neighbourhood watch program. If the Housing Association can account for the positive impact of a project it can receive supplementary funding for the project.

The budget for these community schemes are likely to be reduced in respect to direct funding from the Registered Providers, however other indirect sources of funding such as from the Big Society Bank may see community schemes and projects continue to be introduced by Registered Providers.

In addition to the services provided by Registered Providers, there are opportunities for SMEs to supply and provide services necessary for the smooth running of the organisations. Registered Providers are businesses, albeit generally not-for-profit businesses, and as such are also large purchasers of the products and services required by other types of organisation. Larger Registered Providers will have a more diverse range of requirements than small co-operatives (e.g. may include media companies for video and marketing material production, graphic design, water coolers, stationery, catering, events management, web-design, training provision, taxi services, even yoga and other staff welfare services). Responsibility within individual Registered Providers for the purchase of these types of central services/supplies will vary from one organisation to the next – potential SME suppliers will need to investigate the organisation(s) they are interested in working with to identify the right point of contact.

How to Win Work

Once you have drawn up a list of Registered Providers you would like to work for, you don't have to wait until you see a contract advertised to make contact with them. They may have more time to talk when they are not in the middle of procuring a contract.

As many Housing Associations do not have central buying teams, you should contact the person responsible for the department that is most relevant to the products and services you deliver (see previous table for a list of departments and some of the services they purchase). Once you have identified the department you would like to approach, you can go through the organisation's main switchboard and ask to speak to the head of that department. The social housing sector is not a hard sell environment so when approaching an organisation for the first time it is wise to be proactive but not too pushy. Do some research about the organisation beforehand and stress that you are a local supplier/SME, as many housing organisations try to positively support the local economy wherever practicable. Don't forget to mention any other housing organisations you already work with to demonstrate your relevant experience, and as potential references if required.

Try to find out if or when your products/services are next likely to be tendered. If this is a considerable time in the future, set a reminder in your calendar approximately 2 months in advance of the expected start of the next procurement exercise to get back in touch and start building a relationship prior to the tender commencing.

The decision making cycle within the social housing sector can be slow, decisions to work with new suppliers can take weeks or even months. Therefore if you are approaching an organisation and making follow up calls you will need to be patient and be proactive without being seen to 'pester' the organisation.

By liaising with the Registered Providers you will gain insight to the sector. You will then be able to understand their long term aims and how your services can fit and develop in terms of these aims. You will be able to plan for any future projects you may be informed about. If Housing Associations are suitably impressed with the service you offer it may also prompt them to create a project/ contract with your business in mind.

Finding the Right Contract

If you are realistic and bid on the right contract to suit your company you increase your chances of winning the contract.

- Registered Providers vary in size as do their contracts so bear this in mind when bidding
- SMEs may find it difficult to win a large contract from a large Housing Association who will be looking for proven experience of contracts of this size
- Liverpool has a great deal of smaller Registered Providers (see www.housingnet.co.uk). The size of their contracts may be more manageable (and accessible) than those of larger Housing Associations
- Larger contracts mean you are much more likely to become reliant on a single contract
- Smaller contracts could be a good way of gaining experience and understanding of the social housing sector
- Gaining contracts with smaller Registered Providers will provide invaluable references when building up to larger contracts with Housing Associations
- Smaller Registered Providers usually have a very small workforce and sometimes operate on a part-time basis - they may not respond to your interest straight away but do not let this deter you

Approved Supplier Lists

Some of the larger Registered Providers such as Housing Associations and Trusts also offer smaller contracts. They may advertise these opportunities in local media or on their website. However, sometimes these smaller contract opportunities will not be advertised at all, instead the chance to bid on the contract is only offered to a pre-selected list of approved suppliers.

To be included in approved supplier lists consider the following:

- Be proactive – identify a list of organisations you would like to work with
- Identify the right point of contact within the organisation and make contact with them
- You may then have to complete a questionnaire to make sure you meet certain standards so that you will be able to work with the organisation
- You may not have worked with the organisation before, you must make sure they are fully aware of the services you provide and sell the extra quality and added value you will provide to them
- You may be subject to a financial check
- If your application is successful you will then be placed on the approved supplier list and should be invited to bid on a contract if it matches the skills you provide
- Approved supplier lists are not always kept up to date; as a result you may not always be informed about the latest contract. Stay in contact with the organisation and ask questions to make sure you do not miss opportunities

Consortia

If you want to bid on a contract but don't have the range of services required or the required capacity to be able to win a contract then a consortium between you and other businesses may be the solution.

- A consortium is a group of companies coming together to bid for a contract
- Ensure that the Registered Provider will accept a consortium bid, and establish how a consortium bid will be evaluated
- You will need to identify a single point of contact to show that the consortium will be as easy to work with and contact as any other business
- When working with a group of companies there will need to be a clear breakdown of work between the parties and the need for extra overall management effort to bring the different elements of the programme together

Subcontracting

Another way of getting involved with contracts is to subcontract.

- A larger company may have already secured a contract or is about to secure a contract, you can tap into an element of this contract as a subcontractor
- You may want to offer your services to fill a skills gap or capacity gap
- A good way to search for subcontracting opportunities is to search for contract award notices on the European Union's Tenders Electronic Daily (see SIMAP web link below). Here you will find details of large contracts awarded by public bodies including Registered Providers, it will also name the successful companies which you can then approach about subcontracting

Larger Contracts

If you plan to bid on larger contracts you can find these in the following ways:

- Contract notices on the EU's Tenders Electronic Daily service (see SIMAP web link below)
- Sign up to tender alert services which will let you know when notices are made available. Some alert services charge a fee but there are also some which are free of charge (see links below for list of websites)
- Larger contract tenders follow rigid processes and can be quite labour intensive to complete – take advantage of advice opportunities to improve your chances and always ask for feedback to help you improve your next tender

Useful Approvals

Preferences for approvals and industry standards vary amongst different Registered Providers and will depend on the size and scope of the contract. However commonly found approvals include:

- ISO 9001
- ISO14000
- CHAS (Contractor Health and Safety)
- CSCS (Construction Skills Certification Scheme)
- Constructionline
- EXOR management services

Approvals and certifications can range from mandatory requirements as part of contracts or to gain extra points at the evaluation stage of a tender. Collecting these approvals will never harm a tender submission, but may not be cost effective compared to other elements of a tender submission. SMEs should consider checking if an approval or certification will benefit their application, or is mandatory, prior to investing the time and cost necessary to achieve the relevant badge.

Some approvals are legal requirements to provide specific services, e.g. NECIEC for electrical services, or Gas Safe Register.

Useful Websites

Housing Net
<http://www.housingnet.co.uk/>

Tenant Services Authority
<http://www.tenantservicesauthority.org/>

Homes and Communities Agency
<http://www.homesandcommunities.co.uk/>

Newheartlands (HMR Pathfinder)
<http://www.newheartlands.co.uk/>

Confederation of Social Entrepreneurs
<http://www.cose.org.uk/>

Department for Communities and Local Government- Housing
<http://www.communities.gov.uk/housing/>

The Audit Commission- Housing
<http://www.audit-commission.gov.uk/housing/>

The National Housing Federation
<http://www.housing.org.uk/>

SIMAP
http://simap.europa.eu/index_en.html

OGC
<http://www.ogc.gov.uk/index.asp>

EXOR
<http://www.exorgroup.co.uk/>

Merseyside Environmental Trust
<http://www.metnet.org.uk/>

Appendix A

Seven key questions to consider when evaluating if public sector contracting is right for your organisation

Q1 – What does the market for your services look like?

You may have reached the point that you need to win contracts, or win larger contracts for your organisation to grow.

- How is the market for your services changing, what are the recent trends?
- Where does your main competition come from?
- How do you compare with your competition – does your organisation have particular strengths?

Q2 – Are public sector contracts a route for delivering your services now or in the future?

If public sector contracts are key to your organisation, you need to determine if your organisation is in a position to tender for contracts, or should you be looking for organisations to partner with?

- Does public sector contracting form a part of the strategic plan for your organisation?
- Does public sector contracting create new opportunities for your organisation?
- What other sources of income does the organisation have?
- How dependent is your organisation on public sector contracts?

Q3 – Do you understand how public sector procurement works? The processes, rules and regulations that public bodies have to operate within when awarding contracts?

If you do not understand the processes involved it is difficult to evaluate your chances of winning a tender and you do not want to be wasting effort submitting a tender that you have no chance of winning.

- Does anyone in the organisation have experience in completing tenders?
- Does anyone in the organisation understand contract terms and conditions?
- Do you understand how EU procurement legislation impacts on the contracts you may be tendering for?
- Are you aware of the current trends and influences in public sector procurement?
- Are you aware of the local regulations governing the procurement process? For example, Local Authority Standing Orders and Procurement Policies?

Q4 – How well do you know the public sector body you are considering tendering with?

If you are unknown to the public sector body awarding the contract you may be bidding against organisations that know them well and have a good insight into what they are looking for.

- What are their priorities?
- What are their evaluation criteria?
- How can you present your services to meet their priorities?
- Do they know you and see you as a professional, capable organisation?

Q5 – What risks does public sector contracting pose to your organisation?

A contract is a legally binding agreement – it is essential to understand what you are entering into, including all costs and risks involved. For example, what impact will payment schedules have on your cash flow? Are there periods in the contract when you are working at risk? Is the contract likely to include Liquidated Damages clauses?

- How are you going to manage these risks?
- Is your board aware of the risks involved?
- Is the legal structure of your organisation appropriate for delivering contracts? Could there be any impact on your charitable status?
- What are the risks to your organisation of not getting involved in public sector contracting?

Q6 – Does your organisation have everything in place that is needed to bid for and deliver contracts?

In evaluating tenders, procurement officers will want to be confident that you have everything in place. Tenders will ask for relevant policies and procedures, you do not want to fail on technicalities.

- Relevant accreditations and approvals in place?
- Relevant policies and procedures?
- Appropriate financial monitoring and control systems?
- The resources needed to deliver the services?
- Appropriate IT systems - especially for eTendering

Q7 – Will this mean a fundamental change in the culture of the organisation?

If your organisation is new to public sector contracting, it will undoubtedly mean changes to the way the organisation operates – the scale of change will depend on the size of contract and the risks involved.

- Are all stakeholders bought into any changes needed?
- How will you ensure all staff are committed to changes?

Appendix B

Overview of EU Procurement Procedures

This section provides a brief overview of the EU Procurement process. This guide has been produced by Cirrus Purchasing on behalf of RLK Partnerships and the Confederation of Social Entrepreneurs. RLK Partnerships are delivering the procurement support service on behalf of Liverpool JET. Liverpool City Council and Liverpool First have funded the project.

Public sector organisations are governed by EU rules relating to the process that must be followed when making large scale purchases. Above certain thresholds (detailed in the table below) these rules become more complicated for both the public sector organisation and you, the bidding supplier.

The current thresholds (until January 2012) are as follows:

EU Procurement Thresholds		
Contract Type	Threshold £	Threshold (Euros)
Supplies	£156,442	€193,000
Services	£156,442	€193,000
Works	£3,927,260	€4,845,000

The EU procurement rules are statutory legislation in the UK and are specifically the following statutory instruments:

- Public Contracts Regulations 2006
- Public Contracts (Amendment) Regulations 2009

1.1 Common types of EU tenders:

The regulations define a set process to follow with the aim to generate an open and transparent market place without discrimination. Where a public procurement exercise is above the set thresholds the tender process generally follows either of the following formats:

- **Open Tender Procedure** – a single stage full tender process (generally used for large value, or specialised contracts with fewer potential bidders)
- **Restricted Tender Procedure** – a two stage process, consisting of a shortlisting phase followed by the full tender (generally used on contracts where high numbers of potential bidders are expected)

1.2 Finding EU tenders:

All public sector tenders above EU thresholds must be advertised across Europe via the Official Journal of the European Union (OJEU). Public bodies advertise the tenders through the creation of 'Contract Notices' which are published to the OJEU online via the SIMAP web portal (http://simap.europa.eu/index_en.htm).

The SIMAP web portal also allows free access for suppliers to Tenders Electronic Daily (TED). TED can be used to search and monitor contract notices that have been issued by public bodies within your area.

The contract notice will provide details of the organisation you would be tendering with, including a short description of the works, services or supplies required, a standardised description along with the subsequent CPV code (please see below for more detail). Other details will include the length of the contract and the value of the contract. This information will help you to gauge whether or not the tender is suitable for your organisation.

Occasionally some contract notices are not sufficiently detailed to allow you to make a decision on whether you wish to bid or not. In these circumstances either express an interest and request the documentation anyway, or contact the procurement officers at the public body and discuss the opportunity further.

Common procurement vocabulary

The EU has mapped every item that could possibly be procured into codes; these are known as CPV (Common Procurement Vocabulary) codes. Searching for relevant contract notices on TED is easier if you understand which CPV codes map best to the supplies, services or works your organisation offers. For more information on CPVs please go here: http://simap.europa.eu/codes-and-nomenclatures/codes-cpv/codes-cpv_en.htm.

1.3 Accessing tender documentation:

Once you have identified a potential opportunity, to gain access to the tender documentation you will be required to communicate an expression of interest to the public body. Occasionally this will be via an online tender system, though generally it is via the contact details stated on front page of the contract notice. Once you have expressed an interest the public body must provide you with the tender documentation within 6 days.

In an Open Procedure the documentation issued will be an Invitation to Tender (ITT): This is a complete document that will include questions relating to your experience, technical ability, capacity, how you will deliver the service/supplies/goods as well as requiring a price submission.

In a Restricted Procedure you will be required to complete a document often called a Pre-Qualification Questionnaire (PQQ). This document is intended to gauge your suitability as a supplier and will generally focus upon your experience, financial standing and capacity. The PQQ is intended to shortlist and eliminate suppliers who are not suitable to deliver the contract and create a smaller list of bidders who will receive the full ITT.

Tender documentation (both PQQ and ITT) from public bodies must include:

- A full and transparent breakdown of the criteria to be used by the public body to assess submissions

If this information is not in the documentation provided it should be requested as a priority.

1.4 Completing tender documentation:

The charts at the rear of this appendix show the full timeline for both a restricted and an open tender procedure, complete with the minimum numbers of days you have to complete and return your tender submission. However in summary, the minimum number of calendar days suppliers should be permitted is:

- **Open Procedure:** 52 days, less 7 days if the contract notice has been issued via SIMAP. A further 5 days can be removed if the tender documentation is available to you immediately via an online tender system
- **Restricted Procedure – PQQ stage:** 37 days to complete the PQQ, again less 7 days if the contract notice has been issued via SIMAP
- **Restricted Procedure – ITT stage:** Once the full ITT has been issued to the shortlisted suppliers a further 40 days must be allowed for suppliers to respond. 5 days can be removed from this period if the tender documentation is made available immediately via an online tender system

When responding or completing a tender submission it is essential to give all the information requested in a complete and professional manner. If you have difficulty supplying some of the information, contact the procurement officers at the public body for advice.

1.5 Tender evaluation and feedback:

Generally tender evaluations will not be completed within less than a fortnight. Whilst it can take much longer than 2 weeks, it is not permitted for a public body to take over 6 months to make a final decision once you have made your tender submission.

Once a public body has made its final award decision all bidders must be informed of the decision and a 10-day standstill period observed to allow you to query the results (if necessary). All bidders must be informed, as part of the notification of intent to award letter, of the following information:

- The successful supplier(s) to be awarded the contract
- The scores of the successful supplier(s)
- Your submission score
- The relevant merits of the successful supplier's submission over that of the unsuccessful supplier's submission
- The date upon which the standstill period expires and when the contract is likely to be awarded (it must be the 11th day after you have been notified as a minimum)

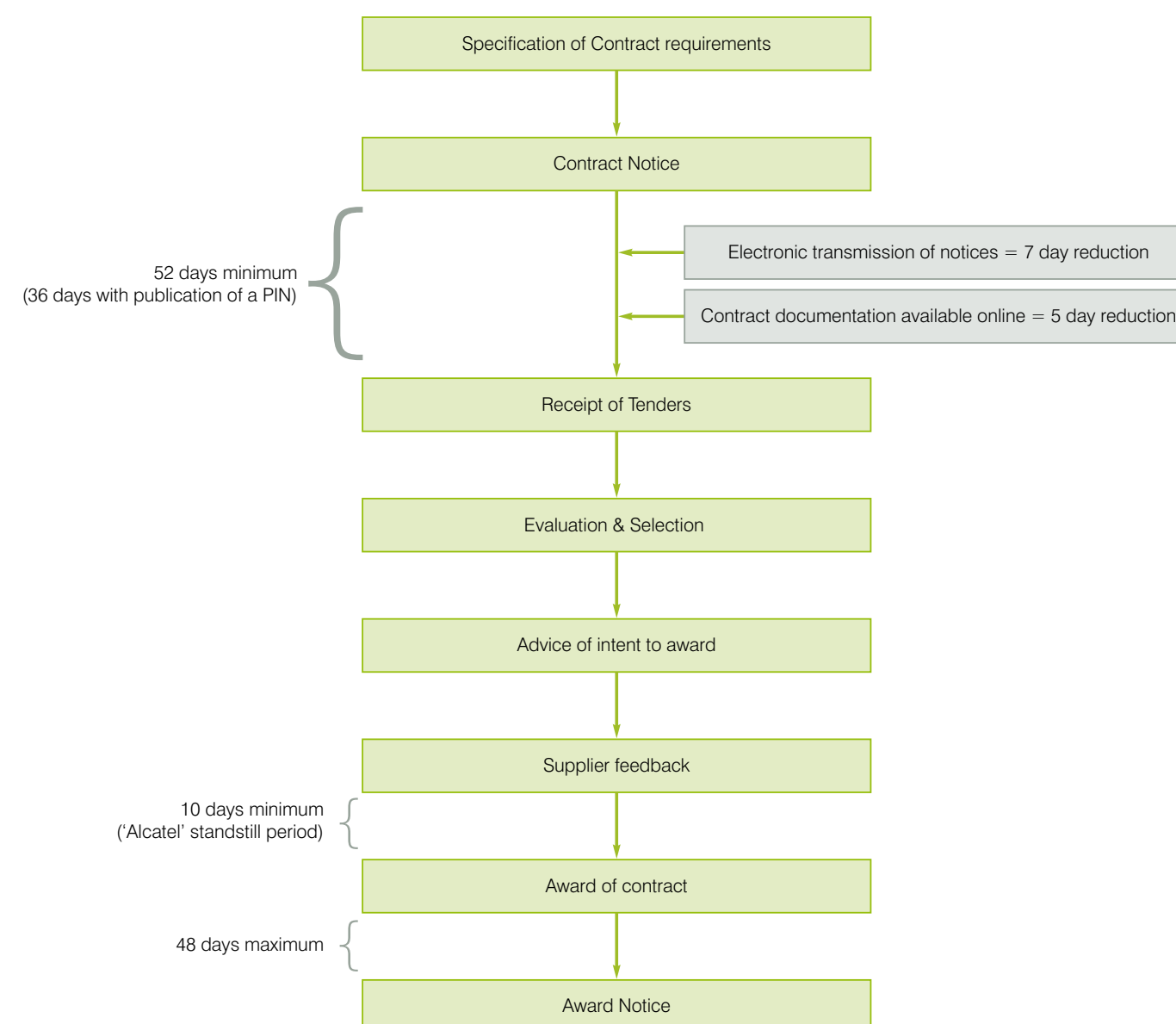
If the above feedback is not provided it should be requested and cannot reasonably be withheld.

1.6 Challenging decisions:

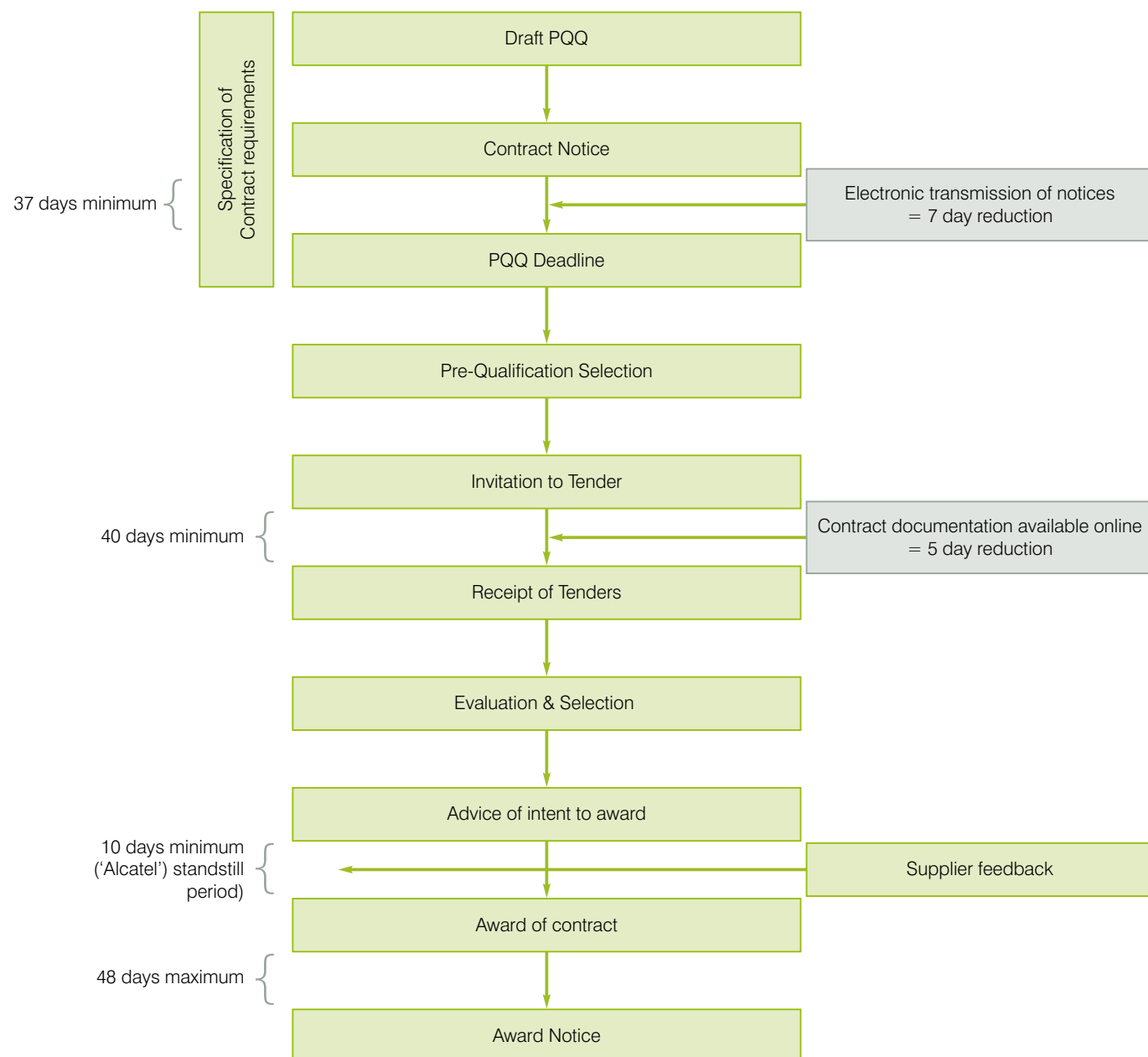
If you are unhappy with an award decision and the feedback received is not satisfactory you are legally entitled to challenge it. If a contract has been awarded and is then successfully challenged, it could potentially be declared 'ineffective' and be set to aside (cancelled) by the courts.

In all circumstances gain legal advice, as the key factor is to gain knowledgeable advice and raise your challenge as soon as you have become aware of the discrepancy or issue, failure to act promptly could see a legitimate challenge fail.

1.7 Stages of EU Procurement with Timescales (Open Procedure)



1.8 Stages of EU Procurement with Timescales (Restricted Procedure):





www.cose.org.uk
www.coseprocurement.ning.com
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