

“Thousands of companies have benefited from attending BiP's tendering events – Now you have direct access to that tendering expertise.”

The PASS Mark Health Check considers your company's current organisational structures, strategies, processes, practices and related strengths and weaknesses in relation to public sector procurement. It delivers a detailed PASS Mark Health Check Outcome Highlight Report (OHR) that outlines your areas of strength as well as those requiring further attention, and provides an outline Project Initiation Document (PID) designed to deliver your company a more effective and efficient tendering process that will help you achieve even greater tendering success.

After the PASS Mark Health Check is completed and your OHR is delivered, you are free to choose whether to progress with the recommendations it contains and implement the next stage with the support of the PASS team, or to implement the proposals yourself without making further use of PASS. The choice is entirely yours.

The PASS Mark Health Check reviews your:

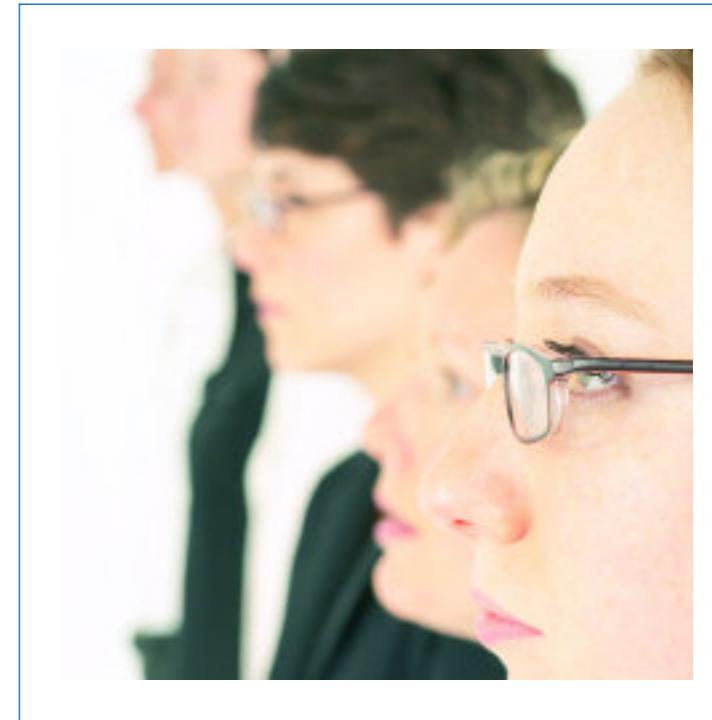
- resources for identifying tendering opportunities
- knowledge of public sector tendering legislation
- tendering process controls
- practices for responding to "Expressions of Interest"
- weaknesses in any of your current mandatory policies (health and safety/environment/equal opportunities, etc)
- presentation of tender response documentation
- knowledge of your clients' processes and practices, including their evaluation techniques
- understanding of when and how to address government initiatives



The PASS Mark Health Check is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the PASS service, contact our Customer Services Team on +44 (0)141 332 8247, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/

SMALL BUSINESS FRIENDLY CONCORDAT: GOOD PRACTICE GUIDANCE



WHAT IS THE CONCORDAT?

The Small Business Friendly Concordat is a voluntary, non-statutory code of practice. The Office of the Deputy Prime Minister (ODPM), the Local Government Association (LGA) and the Small Business Service (SBS) strongly encourage all local authorities (in England) to sign up to the Concordat. The National Procurement Strategy for Local Government (October 2003) sets a target for all local authorities to have adopted the Concordat by the end of 2005.

The purpose of the Concordat is to set out what small firms and others supplying local government can expect when tendering for local authority contracts. It is not intended that smaller suppliers automatically be given a competitive advantage when tendering for local government contracts due to the Concordat, but there are certainly steps that all contracting authorities can take to ensure that suppliers of all kinds are treated equally. The Concordat also sets out the standards that public sector buyers should expect from their suppliers.

Both the Concordat and the Good Practice Guide represent a commitment from local government to encourage and develop appropriate levels of competition in local government markets in order to increase value for money and foster innovation, particularly from those businesses/suppliers who may find it difficult to break into this market. These may include small and medium-sized enterprises (SMEs), which themselves could include local businesses, ethnic and minority owned businesses (EMBs), women-owned businesses, social enterprises and voluntary and community organisations (VCOs). These are all sectors of the business community that can find themselves under-represented in local government procurement. It may also include suppliers that prefer not to use e-procurement on religious or other grounds.

WHY HELP SMALL BUSINESSES?

The Government is committed to helping small firms because they represent such a powerful engine for economic growth. Small firms are a crucial part of the UK economy: at the start of 2002, SMEs in the UK accounted for 99.8% of all businesses, 55.6% of employment and 52% of turnover.

In January 2001, the 'Think Small First' initiative was launched by the SBS. This was the first national strategy to support small firms in the UK, and asked every part of government to think about its role in supporting and promoting small firms and an entrepreneurial society.

TAKING THE CONCORDAT FORWARD

The Concordat is owned and operated by its signatories. Many in local government will already be aware of the principles and benefits of a diverse and competitive marketplace: this Good Practice Guide is intended to support and develop this work.

UNDERLYING PRINCIPLES

Under the Local Government Act 2000, councils are required to prepare a 'Community Strategy' and have powers to promote the economic, social and environmental well-being of their communities. Provided there is compliance with the EC Public Procurement Regulations and 'Best Value', councils can work with suppliers to realise 'community benefits' of this kind through their procurement activities.

SMEs are often local businesses and members of the local community; therefore any assistance given to them can also bring benefits to the local community. The same holds true for many social enterprises, voluntary and community organisations and

Black and Ethnic Minority Enterprises. SMEs are generally locally owned and often employ people from a smaller catchment area than larger competitors. Local authorities should not, however, ignore the benefits offered by small firms who trade on a wider national or regional basis, and must ensure that their policies are consistent with EU law, ie that there is also no discrimination against larger firms.

Small firms can offer real benefits to local authority clients, some of which are outlined below:

- They can often respond quickly and flexibly to customer needs.
- They can be a source of innovation, ideas and products.
- They can offer cash savings, improved quality, service and effectiveness.
- They are frequently close at hand.
- Some, like social enterprises and those operating in the voluntary and community sector, may have better access to hard-to-reach customer groups.
- They may attach more importance to doing business with a local authority.

As well as being a source of work there are other benefits for smaller businesses in working with local authorities, some of which are detailed below:

- They are generally good payers.
- They are transparent and treat suppliers fairly.
- Doing business with local authorities adds credibility – making it easier to win business with other public and private sector clients.

The key themes of the strategy are:

- Improving the range, quality and accessibility of information available to all potential contractors.
- Raising awareness and understanding of the value and capabilities of social enterprises.
- Developing contracting processes that legitimately incorporate the consideration of relevant community benefits.
- Enhancing the Council's policy framework to support the involvement of social enterprises in public procurement.
- Using our influence with partners to generate enhanced opportunities for social enterprises.

THE LEGAL FRAMEWORK

The Concordat is consistent with the delivery of Best Value and EU and UK Procurement Regulations.

The duty of Best Value, as laid down in the legislation, requires authorities to make arrangements to secure continuous improvement in the way in which they exercise their functions, having due regard to a combination of economy, efficiency and effectiveness.



NATIONAL PROCUREMENT CONCORDAT FOR SMALL AND MEDIUM-SIZED ENTERPRISES

This is a statement of principles to encourage effective trade between local authorities and small businesses.

INTRODUCTION

We are committed to delivering locally the National Procurement Strategy for Local Government. The strategy asks local authorities to adopt a Small and Medium-sized Enterprise friendly procurement Concordat and to encourage a mixed range of suppliers in order to help develop and stimulate a varied and competitive marketplace. The Concordat sets out the actions that local authorities will take to make their contracts more accessible to SMEs.

Although the principles should relate to all SMEs, the Concordat is particularly focused on small businesses of fewer than 50 employees.

We recognise the important contribution that small businesses can make to the delivery of public services and the vital role these businesses play in the national and local economy. We are committed to making the most of the benefits offered by them.

UNDERLYING PRINCIPLES

Contracts are awarded in order to support the Best Value delivery of local government services. We will deliver value for money and take into account whole-life costs in contract decisions; this means considering quality, longer-term cost and benefits as well as initial price.

We will make appropriate use of our legal powers including the power to promote the economic, social and environmental well-being of our community.

All tender processes and contract awards will comply with EU Public Procurement Directives and the principles of non-discrimination, equal treatment and transparency, and our duties under UK law.

LOCAL AUTHORITY COMMITMENTS

PROCUREMENT STRATEGY

We will publish a corporate procurement strategy.

The strategy will include a commitment to:

- The role procurement plays in delivering the Council's objectives and its contribution to the community strategy, workforce issues, diversity and equality and sustainability.
- How we will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
- Ensure that our approach to individual contracts, including large contracts and framework agreements etc, is supported by a sound business case and options appraisal.
- That where we decide that the Best Value option is to aggregate supply or let a longer-term contract or framework agreement we will invite bidders to demonstrate their track record in achieving value for money through effective use of their supply chain.
- Consider the role of SME specialist suppliers in delivering elements of larger contracts and framework agreements.

ACCESS TO CONTRACT OPPORTUNITIES

We will publish on our website:

- Guidance for suppliers on how to do business with the Council.
- Details of forthcoming bidding opportunities.
- Contact details for each contract, with appropriate links to any regional site and the national public sector opportunities portal (to be launched summer 2005).

DETAILS OF OUR KEY SUPPLIERS

- We will advertise contracts. We will use a range of publications and other means in order to encourage greater diversity and competition.

- We will give potential suppliers an opportunity to discuss the procurement in order to understand our requirements and assess their own suitability. Nothing will be done, however, which would give a particular business or provider an unfair advantage in competing for a specific contract.
- We will work with prime contractors – both at tender stage and during the life of a contract – to establish the contribution that small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers can play in the supply chain. We will provide details of our prime contractors on our website.

FAIR TENDER PROCESSES

- We will apply our own rules and policies fairly.
- At pre-tender stage and during the tender process we will ensure that all tenderers have equal access to relevant information.
- We will keep the tender process as simple as possible in order to help minimise the costs to suppliers.
- If a pre-qualification stage is used we will use a Council-wide pre-qualification questionnaire containing common core questions with limited bespoke additions for each contract. We will work with regional and national partners to ensure a consistent approach to pre-qualification.
- We will assess potential suppliers against published pre-qualification and tender evaluation criteria. These criteria will be proportionate to the risks of the individual contract process. In particular the criteria relating to financial standing will not be set to unreasonably exclude newer businesses.

FEEDBACK

We will offer meaningful feedback to suppliers following the procurement process in order that suppliers can improve for future tenders.

We will:

- Seek feedback from suppliers, and their respective trade associations, on our tender processes and address where we can any problems that are brought to our attention.
- Publish a complaints procedure.

CONTRACT MANAGEMENT

We will treat suppliers openly and fairly.

Suppliers will:

- Be paid on time – no more than 30 days from receipt of an undisputed invoice.
- Receive honest and constructive feedback on their contract performance.
- Be given notice of any performance problems and an opportunity, if appropriate, to put matters right.

All contracts will require our suppliers to pay their sub-contractors, throughout the supply chain, within 30 days from receipt of an undisputed invoice.

SUPPLIER COMMITMENTS

As customers we will make clear to our suppliers, and those wishing to do business with us, what is expected of them.

DECLARATION OF SUPPORT FOR THE SMALL BUSINESS FRIENDLY CONCORDAT

The ODPM, the LGA and the SBS want to see all local authorities sign up to the Small Business Friendly Concordat. The Concordat is a voluntary, non-statutory document, and your signature will not only demonstrate a pledge to actively engage with small businesses, but also show your authority's commitment to good procurement practices in general. This in turn should help foster a professional approach to managing procurement in your authority and, in doing so, help you



implement key strategic objectives and milestones in the National Procurement Strategy for Local Government.

ANNEX

BRIEF BACKGROUND TO THE NATIONAL PROCUREMENT STRATEGY

In July 2000, the Government and the LGA invited Sir Ian Byatt to chair a taskforce charged with reviewing and reporting on local government procurement in England. The Byatt Report's starting point was the critical contribution that procurement can make to the quality of public services. Local authorities were asked to review their current procurement structures and processes and set out clear policies as to how procurement is to be managed across the authority.

The joint Government/LGA response to the Byatt Report was published in July 2002. It fully endorsed the approach recommended in the Report and set out how each of the 39 recommendations would be taken forward. As recommended in the joint response, the ODPM/LGA convened a Local Government Procurement Forum in November 2002. The Forum has a membership of over 80 people from central and local government, and from the public, private and voluntary sectors.

The ongoing role of the Forum has been to encourage and facilitate an exchange of views on how best to implement the 39 recommendations of the Byatt Report and to secure real improvement in local government procurement. It also considered the role and development of a National Strategy for Local Government Procurement.

This document has been adapted from the ODPM's Small Business Friendly Concordat: Good Practice Guidance.

DISCLAIMER

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