WINNING PUBLIC SECTOR CONTRACTS

An introduction to public procurement for sole traders and small to medium businesses

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Environment, Community and Local Government

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While we have attempted to ensure that all information in the booklet is correct at time of publication, no responsibility is taken for errors or omissions. This document does not purport to provide definitive guidance on procurement or the legal environment.

Who is this booklet for?

Public procurement can sometimes be viewed as complicated and not easily accessible, particularly for sole traders and small to medium enterprises (SMEs). This guide is an introduction to how the public sector buys goods and services. If you decide to proceed with tendering for public contracts you should seek advice from your Local Enterprise Office, Enterprise Ireland or InterTrade Ireland. Contact details are provided at the back of this booklet.

Background

The public sector needs a wide variety of goods and services to carry out its work. There are many advantages of working with the public sector.

- The public sector is obliged to pay promptly and aim to make payments within 15 days;
- There is always demand for public services; and
- There are opportunities to participate in local or regional competitions.

This booklet is divided into four sections:

- How is public procurement structured?
- Where are tenders advertised?
- Should you tender?
- How are tenders evaluated?

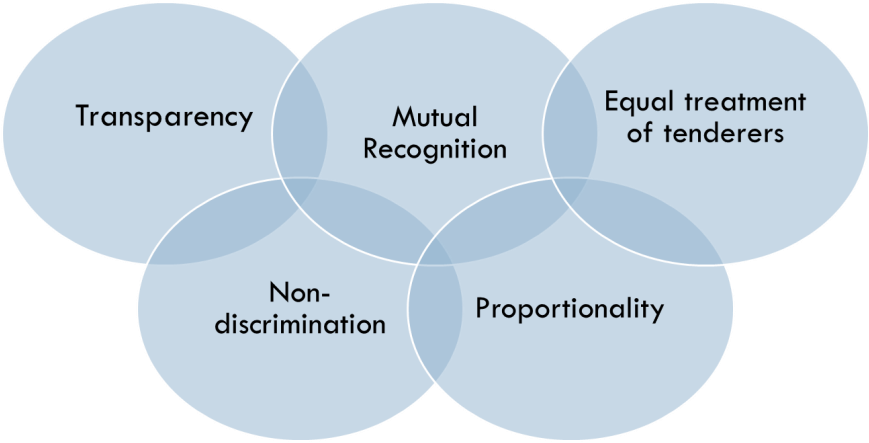
How is public procurement structured?

What is procurement?

The term **procurement** refers to all activities involved in the process of buying, goods, services or works.

Principles, laws and guidelines:

The public sector must follow principles, laws and guidelines when engaged in procurement. This is to make sure that public money is spent fairly and openly. Procurement laws are based on a number of key principles:



Transparency

This principle is about openness. This is why tenders are advertised, why there is a 'standstill' notice, and a notice of award. The public sector must adhere to the tender requirements advertised.

Mutual recognition

Equal validity must be given to the qualifications and standards of other EU member states.

Equal treatment of tenderers

When engaging in procurement the public sector must be honest, ethical and answerable for their actions. All parties must be treated equally and without bias at all stages of the procurement process.

Non discrimination

One aspect to be considered is the freedom of movement of people, goods and services across the EU. It means that businesses in other European countries can bid for Irish contracts, and Irish businesses can bid for contracts in other EU states.

Proportionality

The prequalification criteria should be appropriate for the particular contract (e.g. turnover levels, insurance requirements).

Is public procurement accessible for SMEs?

A number of measures are in place to ensure public procurement is accessible for small businesses. For example

- Contracts can be divided into smaller parts called **lots**. The lots can cover particular goods or services, or the lot may be divided on a geographic basis.
- **Consortiums**, where businesses submit joint bids, are allowed.
- **Turnover and other capacity requirements** should be appropriate for the size of the contract.

Common items:

There can be some overlap in the items the different parts of the public sector require to carry out their work. The Office of Government Procurement (OGP) set up a number of categories so the public sector can buy common goods and services together.

OGP Led Categories

- Professional Services
- Facilities Management and Maintenance
- Utilities
- ICT and Office Equipment
- Marketing, Print and Stationery
- Travel and HR Services
- Fleet and Plant
- Managed Services

Sector Led Categories

- Local Government
  - Minor Building Works & Civils
  - Plant Hire
- Health
  - Medical Professional Services
  - Medical and Diagnostic Equipment and Supplies
  - Medical, Surgical and Pharmaceutical Supplies
- Defence
  - Defence and Security
- Education
  - Veterinary and Agriculture
  - Laboratory, Diagnostics and Equipment

Goods and services in these categories may be bought as part of **framework agreements.** This means the public sector arranges with suppliers to supply goods or services under agreed conditions for varying periods of time, but normally not for more than four years.

There are EU directives and national laws and regulations governing how the public sector must advertise the goods, services or works required. These rules also apply to framework agreements.

Where are tenders advertised?

Opportunities are advertised differently depending if goods, services or works are being procured and the value of the contract. For small value contracts the public service can request quotations, while larger value contracts must be advertised nationally and internationally depending on the nature of the contract.

Procurement Requirements	Works	Supplies &
Quotations requested (subject to local guidelines)	Not exceeding €50,000 (excluding VAT)	Not exceeding €25,000 (excluding VAT)
Advertised on www.etenders.gov.ie	Over €50,000 (excluding VAT)	Over €25,000 (excluding VAT)

For larger contracts public bodies must also advertise in the Official Journal of the European Union and on http://ted.europa.eu. These thresholds are shown in the table[1] below.

Public Body	Works	Supplies & Services
Central Government	€5,186,000	€134,000
Non-Central Government	€5,186,000	€207,000
Utilities	€5,186,000	€414,000

[1] Valid to December 2015. When new thresholds are introduced these will be advertised on www.procurement.ie

Should you tender?

If your organisation thinks it can provide the goods, services or works advertised then you may wish to consider tendering.

Tips for Responding to Tenders

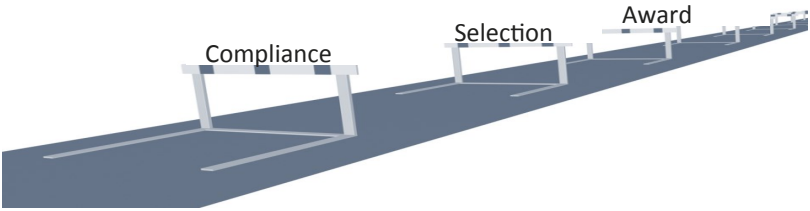
1. Read the Request for Tender carefully
2. Decide if the tender is suitable for your company
3. Answer all the questions
4. Pay attention to the weightings associated with each question
5. Make sure you include all the required documentation
6. Submit your application by the closing date

Finally, do not be afraid to ask questions – you should seek clarifications before the closing date. And remember the evaluation team can only assess your bid based on the information you provide.

You can register for free on
www.etenders.gov.ie
to receive notifications when tenders of interest are advertised on the site

How are tenders evaluated?

The evaluation criteria for each tender will be outlined in the Request for Tender documentation. Generally, there are three stages tenderers have to pass: compliance, selection and award. At each stage the public sector body must respect the basic procurement principles. Tenderers have to pass every previous stage in order to be evaluated in the next stage.



Preliminary Examination - Compliance

Tenders are assessed to see if the documentation they provided is compliant with the Request for Tender as published and if they can fulfil the requirements of the job.

Evaluation of Qualification Criteria - Selection

The selection criteria permitted include economic and financial standing, professional and technical knowledge or ability, quality assurance standards, and environmental management standards.

Evaluation of tenders for the award of the contract - Award

Award can be based on lowest price or MEAT (most economically advantageous tender). For MEAT things taken into consideration include price, quality, technical merit, delivery items etc. The weighting criteria for MEAT will be outlined in the Instructions to Tenderers document.

Standstill

Once the preferred tender is decided a standstill period applies to contracts that are above the thresholds. During the standstill period contracts cannot be concluded and work cannot commence. The standstill notice must give sufficient information to enable an unsuccessful bidder to decide whether there are grounds for seeking a review. The standstill period starts the day after publication of a valid standstill notice to unsuccessful tenderers. The standstill period is 14 days when sent by email or fax, or 16 days if sent by other means.

Feedback

If you have been unsuccessful you should ask for feedback. This will help when applying for future contracts. You can get information on why you were eliminated and the name of the successful tenderer but not commercially sensitive information (e.g. price). Feedback is normally provided in writing.

Additional Support and Training

We hope you have found this a useful introduction to public procurement. Additional supports and training are available from your Local Authority, Local Enterprise Office, Enterprise Ireland and organisations such as InterTrade Ireland and the Office of Government Procurement.

Best of luck with your tenders!

Common Terms

ITT	Instruction to Tenderers
FA	Framework Agreement
MEAT	Most Economically Advantageous Tender
RFQ	Request for Quotation
RFT	Request for Tender

Useful Websites

www.procurement.ie
www.etenders.gov.ie
www.laquotes.ie
https://e-sourcingni.bravosolution.co.uk
http://ted.europa.eu
www.constructionprocurement.gov.ie

LOCAL ENTERPRISE OFFICE

www.localenterprise.ie

ENTERPRISE IRELAND

www.enterprise-ireland.com

INTERTRADE IRELAND

www.intertradeireland.com

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