

COMMON QUESTIONS AND ANSWERS ABOUT PUBLIC PROCUREMENT

1. What does 'public procurement' mean?

Suppliers new to public sector tendering are often unaware what 'public procurement' really means, or what the public sector tends to buy. This section provides answers to queries about what public procurement is.

a) What is 'public procurement'?

When a public sector organisation believes they need to acquire something (supplies, services or works), they approach a public procurement expert for advice on:

- how to translate their need into a clear specification
- the best strategy for getting a supplier that meets their needs
- how to obtain best value for money through the open marketplace
- how to manage the contract once it is awarded

Government departments, agencies and public bodies in NI must follow strict guidelines about public procurement policy to ensure that the process is fair and transparent. These guidelines have been agreed by the NI Executive, in line with EU public procurement directives.

Local councils are not required to follow the NI Public Procurement Policy agreed by the NI Executive.

b) What are the benefits of doing business with the public sector?

Public sector organisations are good customers – they are long-standing and stable organisations which usually pay promptly. They decide which supplier to use on a fair and open basis, and therefore offer great business opportunities for small and medium sized enterprises (SMEs).

In Northern Ireland (NI) almost a third of the workforce is employed by the public sector, which includes:

- central government departments and agencies
- councils (district, borough and city)
- cross-border agencies
- public corporations and companies (e.g. NI Water)
- the NI Assembly
- the health sector
- the education sector

The public sector in NI spends approximately £3bn a year on goods, services and works that are supplied by organisations in the private or social economy sectors.

c) What does the public sector buy?

The public sector organisations in NI purchase an extensive range of supplies, works and services. Some typical areas include:

Supplies and Services:

- Advertising
- Buses and public sector vehicles
- Clothing
- Energy
- Food
- Furniture and Fittings
- Office Machines and Supplies
- Plant and Machinery
- Printing / Reprographic services
- Public Utilities
- Recruitment services
- Repair / Maintenance services
- Research and Development
- Transportation Equipment
- Transport and Travel services

Construction Works and Services:

- Railways and roads
- Hospitals and laboratories
- Offices
- Schools

d) Who takes the lead on public procurement in Northern Ireland?

In NI the Central Procurement Directorate (CPD) within the Department of Finance (DoF) takes lead responsibility for developing and informing others about procurement policy. This work is overseen by the Procurement Board, chaired by the Finance Minister.

CPD also promotes best practice within the nine Centres of Procurement Expertise (CoPE) which operate in NI. Each CoPE takes responsibility for procurement for a distinct set of public sector customers, ensuring that the NI public procurement guidelines are followed.

Whenever one of the organisations decides they need something (eg supplies, services or works), the CoPE works closely with them to help clearly define what they need and decide the best method of finding a supplier.

e) What are the Centres of Procurement Expertise (CoPE)?

CPD has three CoPEs, one for Construction Works and Services, one for Construction Health Projects and the third for Supplies and Services. Clients include all the NI Civil Service departments, their agencies and non-departmental public bodies.

The [Procurement and Logistics Services \(PaLS\)](#) CoPE procures supplies and services for the health sector.

The [Education Authority](#) CoPE procures construction works, supplies and services for schools and other organisations in the education sector.

The [NI Housing Executive](#) CoPE procures construction works, supplies and services required within the social housing sector.

The [NI Water](#) CoPE procures construction works, supplies and services required to maintain water and sewerage services across NI.

The [Transport NI](#) CoPE procures construction works, supplies and services required to maintain the road network across NI.

The [Translink](#) CoPE procures construction works, supplies and services required to deliver bus and rail services in NI.

f) What are the EU procurement thresholds?

Almost all public procurement opportunities worth more than the relevant EU threshold must be published in the Official Journal of the European Union (OJEU), which is publicly accessible through the [Tenders Electronic Daily](#) website. This ensures equality of opportunity across EU member states.

From 1st January 2016 onwards the thresholds are:

- central government supply and service contracts or design contests (£106,047)
- other contracting authority (e.g. councils) supply and service contracts or design contests (£164,176)
- works contracts, subsidised works contracts and works concession contracts (£4,104,394)
- utilities, defence and security supply and service contracts or design contests (£328,352)
- Utilities, Defence and Security works contracts (£4,104,394)

2. How to get ready to sell to government

Suppliers new to public sector tendering are often unaware how to prepare their organisation to do business with the public sector. This section provides answers to queries about getting ready to sell to government

a) Which suppliers tend to win public sector business in Northern Ireland?

Each year around four out of five public sector contracts awarded by NI government go to suppliers based in Northern Ireland. Around half of the contracts are awarded to suppliers with less than 50 employees, and around a fifth of contracts are awarded to suppliers with less than ten employees

The evidence shows that there are opportunities for business of all sizes to win public sector contracts in Northern Ireland.

b) What is a Small and Medium Sized Enterprise (SME)?

In Northern Ireland the commonly used definition is that SMEs have fewer than 250 employees.

A common definition of the sub-categories of enterprise is as follows:

- Micro - less than 10 employees
- Small - up to 50 employees
- Medium - between 50 and 250 employees
- Large - more than 250 employees

In Northern Ireland it is estimated that there are over 67,000 businesses, of which almost 90% are micro businesses (less than ten employees). Micro businesses therefore have a particularly prominent place in the local economy.

c) What can an SME do to maximise their opportunities to win government contracts?

Rather than 'go it alone', SMEs wishing to enter the public sector market could participate as a sub-contractor to a larger organisation. Main contractors often publish sub-contracting opportunities on their websites or in the local press.

Another option is to join or form a consortium – a group of suppliers who come together to bid for a contract. The tender is then evaluated based on the collective capabilities of all the participants. If you want to know more about forming a consortium, contact [InterTradeIreland](#) for advice.

d) How can I prepare my organisation to do business with the public sector?

Firstly you should think about whether supplying to the public sector is right for your business, as it isn't suitable for every organisation. Think about the cash flow and capabilities of your business and how you are positioned in the wider market. Consider how winning a contract would affect your other work and customers.

If you have a new or growing business you may find it challenging to compete with others and win tenders. Be careful that you don't make too many bids and become overstretched!

Secondly make an effort to attend one of the 'Meet the Buyer' events held regularly across Northern Ireland, providing an opportunity to meet informally with public sector buyers and ask questions. Annual 'Meet the Buyer' events are organised by InterTradeIreland in partnership with CPD and Invest NI, and also by local councils throughout the year.

Thirdly ensure you prepare the organisation for the tendering process. Start to gather a library of information you will need, such as financial accounts, insurance certificates, references and key staff biographies. Ensure you hold any necessary accreditations, such as recognised quality standards in your sector. Discuss which team will prepare and check the tender documentation.

e) Which organisations will support me as I learn how to do business with the public sector?

Invest NI has published a number of helpful guides for local businesses in the 'Publications and Reports' section on their website (www.investni.com):

- *'Build to Win'* will help you through the process of deciding whether supplying to the public sector is right for your business
- *'Tendering Guide – The Tender Process'* advises on preparing a bid plan, writing a successful tender response, and what to do after submission
- *'Tendering Guide – Preparation and Understanding the Market'* advises on procurement processes from the buyer's perspective, and the different procurement routes which can be followed by the buyer
- *'Tendering Guide – Top Ten Tips for Successful Tendering'* provides a shorter summary to the other guidance available from Invest NI on tendering
- *'Tenders Alert Service'* is a subscription service offered by Invest NI to search public procurement portals across the EU and USA

The **NI Business Info** website (www.nibusinessinfo.co.uk) offers an overview for local businesses on selling to government, explaining what is involved and how to resolve difficulties. A list of UK public procurement portals to search for opportunities is provided at: <https://www.nibusinessinfo.co.uk/content/where-find-out-about-contracts>

InterTradelreland (www.intertradeireland.com) offer practical advice and support to companies in targeting public sector contracts and cross-border opportunities.

InterTradelreland offer the award winning 'Go-2-Tender' programme, which aims to give businesses the confidence, knowledge and practical skills to tender successfully; through workshops and tailored mentoring support.

In addition InterTradelreland organise annual large-scale 'Meet the Buyer' events which are ideal for enterprises starting out on their public procurement journey. Attending these events offers the opportunity to meet face-to-face with buyers from the public sector across the island of Ireland.

The **Enterprise Europe Network** Northern Ireland (www.enterpriseeuropeni.com) provides help on researching markets and identifying new customers in Europe.

The **Crown Commercial Service** (GB) Website offers information and advice on public procurement to prospective suppliers, include guidance on how to find and respond to tender opportunities (<https://www.gov.uk/government/publications/become-a-crown-commercial-service-supplier>)

3: How to find out about tendering opportunities

Suppliers new to public sector tendering are often unaware of how public sector organisations advertise their opportunities, or what kinds of information the tender notice will contain. This section provides answers to queries about finding tendering opportunities.

a) How do I find out about opportunities to do business with the public sector in Northern Ireland?

Public sector tender opportunities in NI which are over £30,000 in value are advertised online on a web-based procurement portal provided by CPD, known as eTendersNI.

Potential suppliers must register for eTendersNI to respond to tender opportunities (registration is free). Each organisation should only register once, providing full information about the organisation during the registration process (such as number of employees, whether you are a registered charity or business etc).

b) How does the eTendersNI portal work?

Using the eTendersNI portal helps public sector organisations to reduce the time and cost of tendering, and ensures everyone faces the same tendering process.

Suppliers can view current opportunities on the eTendersNI portal and then, if interested, respond to a particular tender online. Always read the tender documentation fully before making a decision about whether to submit a tender.

After registration for it is important to save information to your eTendersNI profile, indicating the categories of goods, services or works which your organisation is interested in providing. eTendersNI will then issue your organisation with an email alert whenever a relevant tender opportunity is published.

[Read the eTendersNI Quick Reference Guides for new users](#)

c) What information does a tender notice contain?

In general the 'Call for Tender' notice on eTendersNI will contain the following:

- name and contact details of the lead buying organisation
- who will be entitled to use the contract
- the type of contract – goods, works or services
- the main commodity being procured and any other items and the quantities
- the procedure that the tender will follow
- the criteria against which the contract will be awarded
- the economic, financial and technical capacity expected of successful bidders

d) What is a Pre-Qualification Questionnaire?

A Pre-Qualification Questionnaire (PQQ) is the way that buyers across the EU find out information about potential suppliers, in order to ascertain that they are suitable for public sector opportunities, and have the capacity and capability to deliver a contract. The information gathered usually includes financial status and previous experience of the organisation.

For certain types of contract (usually larger value contracts) the 'Call for Tender' on eTendersNI will show the full tender documents; however only the first section of the tender will actually be available for completion (this is the PQQ information).

An initial selection process then takes place to ensure that suppliers meet the minimum standards for the contract. The highest performing suppliers at this stage are then invited to log-in to eTendersNI again to complete and submit the full tender (this was previously known as the 'Invitation to Tender').

e) What is Constructionline?

Constructionline (www.constructionline.co.uk) is the UK's largest register for pre-qualified contractors and consultants for construction works.

If you hope to tender for construction works then you should register for Constructionline. Registration is free and instructions are available on the website.

f) What about opportunities less than £30,000 in value?

Where a contract is estimated to be less than £30,000 in value, it does not need to be publicly advertised in the same way as larger contracts.

For supplies and services contracts, public sector buyers can search online through eTendersNI to find suppliers in the relevant category and contact them directly for price quotations, or asking them to complete a short tender.

The information on the portal is based on the categories which organisations have aligned themselves with – [by fully completing their eTendersNI profile after registration](#). Organisations which have not selected specific categories are not contacted in this way.

For construction works and services contracts, public sector buyers search online through the Constructionline website for suppliers and contact them directly for quotations.

g) How do I find out about public sector tender opportunities outside of Northern Ireland?

In addition to eTendersNI, there are a number of other tendering portals advertising opportunities that may be of interest to your organisation. [Learn how to access opportunities outside Northern Ireland](#)

4: How to compete for business

Suppliers new to public sector tendering often feel anxious about completing and submitting tenders, and may be unclear which tender opportunity is the right one for their organisation. Section four provides answers to queries about competing for business

a) What are buyers really looking for?

Buyers want to ensure that you offer a competitive price, have the skills required to deliver the contract; have adequate resources in place; are financially stable and managerially competent; reliable, reputable and easy to deal with. The specific needs of the client are always outlined in the tender documentation.

For some larger contracts, the buyer will host a pre-tender information day for prospective suppliers to hear about the needs of the client, and raise any queries.

b) How do I know if this is the right tender opportunity for my business?

Start by fully reading the tender documents – ensure you understand exactly what the client is asking for, and the technical, skill and experience requirements involved.

Consider if your organisation can meet these essential criteria – if not, then it is not the right opportunity for you, unless you tender in partnership with another organisation. Only submit a tender for a contract you are certain you have the people, time and money to deliver.

Next do a quick business analysis:

- how much will it cost to prepare your bid?
- how much profit would you make on the contract if successful?
- is taking on a contract this size commercially viable for your business?
- would the contract put dangerous pressure on staffing levels and cash flow?
- what will be the impact on the service you provide to your existing customers?

Be careful not to put the organisation in jeopardy! Starting with a modest contract is sensible. If you are unsure then perhaps you should defer preparing tenders until the business has grown further and you have clear ideas about your long term goals.

Why not look for a business mentor, or make connections with some larger companies in your sector to learn from their best practice?

If the tender opportunity still seems beneficial for your organisation, then think about your position in the wider market – what value can you add that your competitors could not? How many other companies will be potentially interested in this opportunity? Ensure that your completed tender reflects the unique selling points you offer, and be as innovative as you can!

c) What should I focus on as I prepare my tender?

Make sure you fully understand what is being sought by the buyer – ask for clarification if necessary using the online messaging function of the eTendersNI website, and check your messages for the reply.

Focus on the evaluation criteria as you complete the tender documentation. If you do not provide enough evidence for each criterion then you will not be awarded the contract. If you are asked to, then ensure you include examples of relevant past experience.

Check that you have completed all the necessary parts of the documentation, including signatures in each place required. Now ask a colleague to check again before you submit. Ensure you leave enough time to meet the submission deadline.

d) Which information and supporting documents will be required as part of the tender?

Any documentation you are asked to provide will be specific to the tender opportunity.

Examples may include accreditation documents, insurance certificates, examples of company and key personnel experience. Check from the outset what is requested and ensure you have this information ready in time to submit with your bid.

e) How do I ask for clarification for wording in the tender I don't understand?

Use the Messaging option within the eTendersNI portal to submit queries to the buyer. Ask as many questions as you need to ensure clarity on the client's needs.

Check your messages so you don't miss out on the reply. If you wish the response to be private, select the option not to broadcast the message.

f) What if I am unsure if my organisation could meet all the mandatory requirements in the tender?

Preparing tenders is time-consuming, and ties up valuable staff resources. All the time spent is wasted if you don't get the contract! Only tender for contracts you are certain you have the people, skills, experience, time and money to deliver.

g) How do I complete the pricing schedule?

Read the tender documentation carefully to ensure you understand what the client needs. Consider what price you can offer, bearing in mind you need to at least break even over the duration of the contract. Check the footnotes about VAT inclusion.

h) Do I need to complete all of the documentation or just the key sections?

Follow the guidance in the 'Instructions to Tenderers' document carefully – for example number your responses according to the question numbers. This guidance will explain how to complete all the documentation.

i) How important is the deadline - will they accept late submissions with a valid reason?

Tender submissions after the deadline will not be accepted. For example, if the deadline is 3pm on a particular day, then at exactly 3pm the functionality of the eTendersNI website changes, to stop any tenders being accepted.

j) Is the information in my bid disclosable under Freedom of Information?

Tenderers should complete the online Freedom of Information Statement within the Qualification Response area on the eTendersNI portal for each bid. In this statement you should identify if there is any information in the bid which is considered commercially sensitive; specify the reasons why it is sensitive; and state the period for which it will remain sensitive. If a Freedom of Information request is received by CPD, they will consult with you before making a decision on information to release.

Tenderers should be aware that after award of contract, information in relation to the contract may be published on the CPD website - this will include the contract title, name and address of the winning tenderer and the award value. This could be published without further consultation with you.

5: How the buyer makes a decision

Suppliers new to public sector tendering are often unclear about how public sector bodies evaluate the tenders received, or the types of errors that can lead to a tender not being selected for evaluation. This section provides answers to queries about tender evaluation

a) How are the tenders evaluated?

Submitted tenders are evaluated against the award criteria described in the tender documentation (for example price, methodology, time of delivery).

The contract is then awarded on the basis of MEAT (Most Economically Advantageous Tender) which is a combination of quality and price. Suppliers are then notified of the outcome and given a written debrief.

b) How long does it take for a decision after the tender submission date?

Depending on the nature of the contract (size and scope) the time taken to reach a decision will vary between a few days and a few months.

For larger value contracts you should not expect an immediate decision, but as a rule the prices specified in the tender are only expected to remain valid for 90 days from the submission deadline.

c) How do you get feedback on your tender after the panel decision?

Suppliers are provided with a copy of the evaluation panel comments in relation to their tender submission following the decision of the panel. This will be provided when you are notified of the tender outcome.

d) Where do tenderers typically go wrong with their tenders?

There are a number of reasons why tender submissions do not score highly at the evaluation panel stage. Typically the organisation has not set aside enough time to complete the tender documentation thoroughly - as a result they have not fully answered the questions, or provided all the accompanying documents.

In many other instances the supplier has not fully demonstrated how they meet one of the essential criteria, or they have shown a lack of understanding of the client's needs.

Tender submissions should not be 'copied and pasted' from a previous tender, as each tender involves a unique set of criteria.

e) What is the 'stand still' period?

Once the evaluation panel make their decision they notify the suppliers of the outcome. Following this there is a 'stand still' period before the contract is formally awarded to the successful supplier. For opportunities above the EU thresholds, the 'stand still' period is a minimum of ten calendar days.

If one of the unsuccessful applicants feels they have genuine grounds to challenge the decision of the evaluation panel, they must do this before the end of the 'stand still' period.

f) What happens if you don't win?

The buyer will inform all the tender applicants of the decision via eTendersNI as soon as possible after the contract award decision has been made. Following this a 'stand still' period is entered, during which the unsuccessful tenderers have an opportunity to challenge the decision, before the contract is signed with the chosen supplier.

Only make a challenge if you genuinely believe there is evidence the panel has not made their decision in line with the criteria set out in the tender documentation.

Try and learn from every tender submission. The buyer will provide a breakdown of scores against each criterion, and the comments from the evaluation panel for your information.

6: What happens once you win a tender

Suppliers new to public public sector tendering often have queries about the process once a contract is awarded, and once the contract reaches expiry. Section six provides answers to queries about delivering live contracts

a) Your tender won, what happens next?

Once you have been awarded the contract, you should meet with the designated client contact as soon as possible, to make preparations to implement the contract. It is helpful to confirm roles, responsibilities, identify activities and confirm timescales at this stage.

Think about the needs of end users, and ensure that continuity of supply is maintained for the customer during the migration from the old supplier to your organisation. Ensure your new customers have your contact details and know what to expect.

Remember that the criteria you are judged on as a supplier has been clearly defined in the tender documentation, and again in the contract. You are expected to meet these standards throughout the duration of the contract.

b) What do I need to do during the lifetime of the contract?

The basic principles of good business apply during the contract:

- ensuring you meet deadlines
- meeting the buyer and users occasionally to ensure they are happy with the product delivery and response times
- responding quickly to problems or queries
- submitting invoices on a regular basis, in accordance with the terms of the contract

Don't be afraid to suggest new products or solutions to the customer – innovation is welcomed.

c) What happens if my organisation can't meet the terms of the contract?

If your organisation starts to experience difficulties meeting the terms of the contract, contact the client as soon as possible to discuss these issues. They may be able to make suggestions to resolve the difficulties.

Ultimately if you fail to meet the contract requirements, you may be issued with a 'Certificate of Unsatisfactory Performance', which will prevent you from tendering for new public sector contracts for twelve months.

d) Will I have to compete again for the business opportunity when the contract expires, even though I have built up a great relationship with the customer?

Towards the end of the contract the buyer will begin to make preparations to readvertise the contract opportunity, to ensure a smooth transition between the end of the current contract and the start of the next.

You should review your position and consider if you wish to compete for the contract again. There are no guarantees of success as every competition must be fair and impartial. Your tender submission will be judged against the published award criteria, in the same way as the other suppliers tenders.