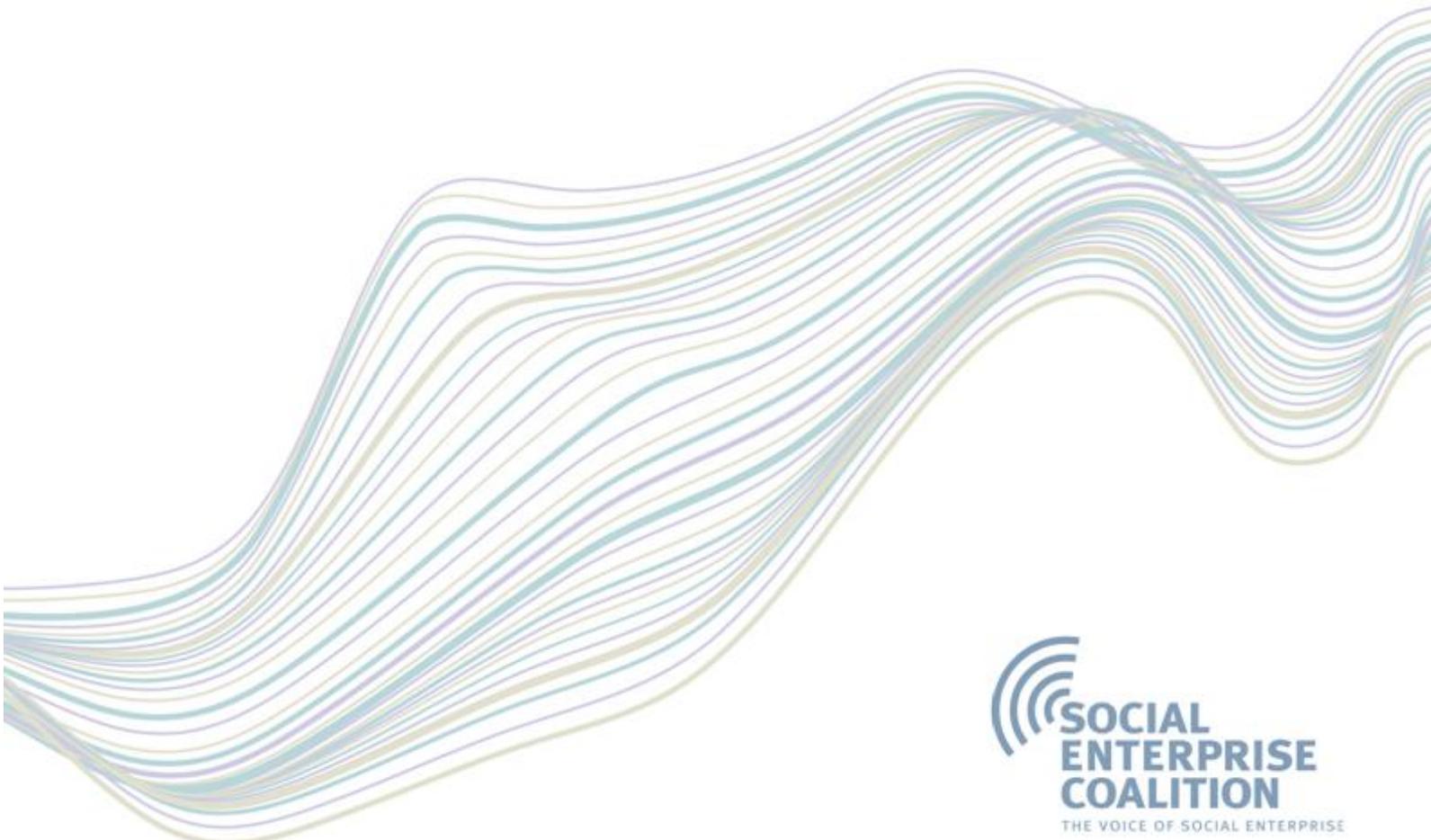


Procurement Power

How BAME organisations can get work through procurement



About this guide

Procurement Power is a short guide intended to give you information and advice on how to win government, public sector or other business through procurement. It is primarily aimed at BAME social enterprises but contains information relevant to any social enterprise.

There is an increasing amount of opportunities out there and BAME social enterprises have a lot to offer in the delivery of goods and public services. Reading this guide will help you to decide whether procurement is right for your organisation and demonstrate how you can start to win business.

You may also want to use the guide to find particular issues faced by your organisation, follow up links for further information, or use it to start thinking practically about what your organisation already does in regard to procurement, and about things you may want to change in the future.

BAME organisations

Historically, BAME social enterprises aren't fairly represented in public procurement contracts. Being informed about opportunities for gaining contracts, and linking up with procurement managers and public service commissioners are therefore crucial for BAME social enterprises to win those contracts.

Context is important with procurement. As BAME social enterprises you may be at an advantage or disadvantage depending on the type of service required. For a common service or product you may be competing against larger, more established and more financially stable organisations that are able to deliver at lower prices. In other cases your client may be looking for a more specific service such as ethnically appropriate food for meals on wheels services, or translation services for group of immigrants in the local area. In this case being a local BAME supplier can be an advantage to your tender.

Some organisations may feel that procurement officers and commissioners perceive BAME social enterprises as 'only for BAME communities' or 'only for hard-to-reach groups' (BAME). While this may sometimes be the case, many procurement officers are quite open to the idea of BAME suppliers. Even if you are initially seen as being most suited to providing services to hard to reach groups, this is still an opportunity to prove the value you bring. Through delivering a service of consistent good quality you are building a track record with a client that could use your services in a more main stream way in the future.

Section 1: The Basics

What is procurement and tendering and why are they important?

Understanding procurement is essential if your organisation provides or intends to provide services to the public sector. Public sector organisations such as local authorities, the National Health Service and other government departments need a wide range of services, such as health and social care, education and business services, food, cleaning or waste services. They are increasingly using commissioning and procurement to get the services that they need instead of giving out grant funding.

There will always be place for grants in the third sector, but providing goods and services through the commissioning process is becoming more commonplace. If your social enterprise offers such services and you intend to deliver them for public sector organisation as part of your funding strategy, then you need to be aware of these agendas and of how to get involved.

In addition, there may also be organisations within the third sector (charities, voluntary organisations, clubs and membership associations, faith bodies and social enterprises) that could buy from you. You may also find opportunities from commercial companies that procure goods and services.

Procurement is the process by which a public sector organisation purchases services from an organisation (i.e. a social enterprise, a charity, a business or other). It involves buying the services and issuing a contract to the provider in order to make this process legally binding.

Tendering is your part of the procurement process - it is a formal process by which organisations compete for funding available to deliver public services by submitting tender applications. The tendering process normally happens over a number of stages as described below and is the way procurement officers decide which organisation to choose out of all the applicants that can provide what want.

The Market: who buys what?

Government buys all sorts of products and services. Public sector procurement involves buying everything from catering to training including truncheons. Some examples are:

The amount of money spent by the public sector each year offers lots of potential.

- Local authorities £27bn
- NHS £12bn
- Civil government £15bn
- Up to 600 new contract opportunities are made public every week

You should know how your potential clients use procurement. If you do, your social enterprise will be able to take part in the tendering process in a timely and more competitive manner.

The statutory sector may look complicated but it is relatively simple in basic structure, although there are often variations at local level.

Table 1: The Public sector and associated markets

Public sector	Commercial suppliers to the public sector	Third sector suppliers to the public sector
National (central) government is divided up into ministries, departments and offices with budgets to buy services. (e.g) DWP, DCSF, DCLG, Ministry of Defense, Office of the Third Sector etc.)	Commercial companies, and especially those that supply to the public sector	Third sector organisations and consortia
Regional government (e.g. Government Offices for the Regions, Regional Development Agencies, Department of Health, Regional Assemblies) and Non-Departmental Public Bodies and other public agencies (e.g. NOMS, JC+ etc)	As well as selling products and services direct to the public sector there are often overlooked opportunities to become a supplier to a large commercial organisation.	There are a number of large third sector driven consortia that successfully bid for and provide services to the statutory sector.
Local e.g. Unitary authorities (local authorities where there is only one council operating in an area); local and district councils; London boroughs); Joint commissioning opportunities such as your Local Strategic Partnership (LSP); NHS Trusts; Local fire and police services; Schools, Universities and Colleges etc.	As public sector contracts get fewer in number but much larger in size smaller organisations can have problems being seen as big enough. By providing services to a much larger company that has a large contract (a first tier supplier) you can reduce the headache of applying for a contract and proving you are big enough, and still get access to public funds as a sub-contractor (you are a second or even third tier supplier).	One of the most prominent is 3SC (Third Sector Consortium) www.3sc.org/ 3SC aims to successfully bid for key public service contracts in Health and Social Care, Training and Skills and Welfare to Work. New consortium members are always being sought.

Local Strategic Partnerships

Central government is working hard to develop and support delivery of services to communities. One of the main ways this is being done is through Local Strategic Partnerships (LSPs).

These are non-statutory partnerships that bring together local public sector bodies (such as local authority departments, NHS trusts and public services such as Police and Fire Service) as well as the private, business, community and voluntary sectors so that different initiatives and services support each other and work together.

LSPs provide an effective forum for commissioners to engage with other parties (such as the third sector and social enterprises) to make sure they are providing the sort of services that their communities need. As a social enterprise, and member of the community in your own right you are potentially able to influence commissioning decisions in your borough.

Personalisation

One of the issues facing BAME suppliers is larger contracts are much more widely advertised e.g. local papers, council website and so forth), while lower value contract opportunities are often far less visible.

As personalisation (self-directed support) becomes more widely adopted users of services will have greater choice and power and may be able to purchase directly from you. This is both a

challenge and opportunity for BAME suppliers. On one hand you will have many more people to communicate with and relationships to manage, on the other hand you can communicate with local people with needs you understand, rather than through a third party at a local authority or NHS trust.

How does procurement work?

It is important to understand why a public sector organisation decides to buy goods and services from other organisations. They may not have the resources or expertise in house to deliver the services that are needed to meet the public need. It is also in many cases more cost effective for them to commission other organisations to run them, than for them to run it themselves. There may be a need that has come up recently and which requires new services. There is also an increasing recognition of the value that social enterprises bring to public sector services, including the additional social or environmental impacts created.

Some useful terms

The jargon used in the commissioning, procurement and tendering process of is quite different from the terminology used in funding applications. To avoid confusion, a few key elements are explained below.

Commissioning takes place first. It is the strategic process whereby public sector organisations decide what services or products they require and what services they should be buying to meet their priorities and people's needs.

Pre-Qualification Questionnaires (PQQs) are typically used by buyers to gather information from suppliers. They are often used to gather business details, technical information and approximate price offers from suppliers.

PQQs are normally a preparatory stage of a procurement process that allows the Buyer to qualify suppliers for invitation to an ITT stage.

An Invitation to Tender (ITT) is used by buyers to gather in-depth business details, technical information and price offers from Suppliers. At the end of an ITTs, the selected or winning organisation(s) will be awarded a contract to provide the required services.

Your public sector customer will make the procurement process as open and transparent as possible. The process begins with commissioning. This means providers of public services thinking about the services they deliver, have delivered and might want to deliver to their communities. Some public sector organisations might do this alone, or some local organisations might join together to commission services for all of their users. Public sector organisations consider and document both the need and the specification of the goods or services they require. This can involve local consultation events which are open to the public. It's probably a good idea for to try and attend these as a networking opportunity.

The process continues on to procurement. Depending on the size and importance of the contract this may be a one, two, or multi-stage process as outlined below.

Table 2: Different types of procurement process

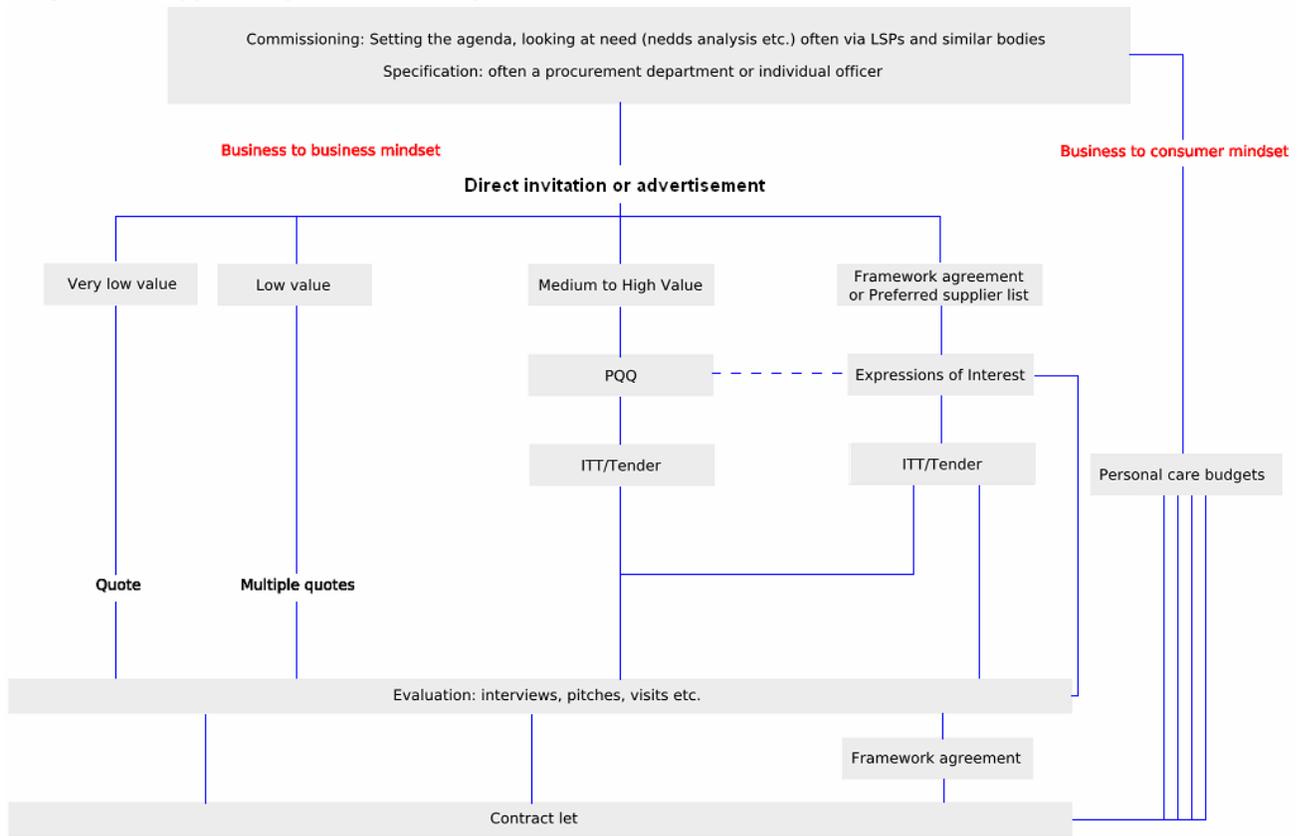
Types of Process	Size of contract and notes on the process
One stage	Low value or very short-term contracts usually involve a one stage process. This may be that the public sector buyer is asking for quotes from existing suppliers or people that they would like to do business with. It may also take the form of a brief proposal.
Two stage	Medium to high-value or high-profile contracts. Stage 1: Pre-Qualification Questionnaire (PQQ) like a job application for your company Stage 2a: Invitation to Tender (ITT) this is normally a formal written proposal (using either the buyer's template or your own) Stage 2b: You may be selected to present (sometimes called pitching) to the buyer in person
Multi-stage	Multi-stage processes such as Framework or Preferred Supplier List (PSL) processes often begin as either a stage one stage or two stage process. However, instead of being awarded a contract your social enterprise will be included in a framework agreement or on a preferred supplier list. You might be a refugee organisation that provides translation services. Your local police force needs high quality translators that speak a variety of languages. They will probably have a framework agreement whereby a large number of organisations that provide translation services have been pre-approved to provide services at a fixed price. If they have a need for a translator they can call any organisation on their framework agreement to give you the work. A preferred supplier list works in a similar way, although the price for the services is not fixed and you may be asked to put in a proposal on specific pieces of work.
Framework agreement	An arrangement under which a contracting authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into, or 'called-off' (within the limits of the agreement) when particular needs arise.
Personal budgets	Users of services have direct control of their own budgets (through voucher schemes, direct payment, Preferred Supplier Lists (PSL) or in cash) and are able to buy direct from you without going through a large public sector contract
Gateway: The contract is awarded to the winning supplier(s). You now have the opportunity to negotiate the details of the contract.	

Pre-Qualification Questionnaires can sometimes be used by procuring organisations as a way to quickly get a short-list of possible suppliers from the many speculative applications they might receive.

Procurement can be a complex process and there are many different ways for organisations to procure goods and services (see Diagram 1). There are types of process that generally depend on the value of the contract on offer. Most local suppliers and that includes both social enterprises and BAME organisations, tend to find themselves competing for lower value contracts in the 0-£5,000, or £5,001-£75,000 ranges.

Here is what the process and the basics look like as a diagram.

Diagram 1: Types of procurement process



Section 2: Procurement steps

Once you have familiarised yourself with language and decided whether procurement is something that will strengthen your organisation, you are ready to make it happen.

There are a number of key challenges your social enterprise can face when you enter a procurement process. Below are a series of steps or things that you should consider or have in place if you wish to deliver public sector contracts.

Diagram 2: Procurement steps



Is tendering and procurement are right for your organisation?

Before anything else, you need to know whether procurement is right for your organisation.

If you decide that diversifying your fundraising to include tendering fits with your organisations strategies. Do not chase all the opportunities that come your way. If you do, you risk spending a lot of time and resources trying to get contracts that don't actually help your organisation fulfill its vision, or contribute to its financial stability.

Asking yourself, your team, staff, board or stakeholders questions such as those below will help you to decide.

- Have you got a product or service that the public sector can buy?
- Check with your vision and objectives, discuss with stakeholders such as the senior management team or trustees and ask them what they think.
- Do they think procurement could benefit your organisation?
- Are you a stable organisation and are you able to provide a quality service on time and on budget?

Answering yes to these questions means you are likely to be well placed to look at the local market.

If you find that your organisation is not quite ready or that procurement is not for you, the following publications may also be of help:

- Supply National SME - Engagement Programme Guide to Winning Public contracts, Supply2Gov
- Public Procurement: a toolkit for social enterprises, DTI

Are there opportunities in the local market?

Commissioners and procurement officers face many conflicting drivers. On one hand they are being encouraged to be more “efficient” - that is get more service for less money. On the other hand they are being asked to deliver greater effectiveness with “additionality” (added value) and “world class commissioning (NHS)” agendas, focusing on long-term outcomes. Although this means that social enterprises can be seen as delivering great outcomes, you may be pricier than some commercial competitors.

An awareness of these pressures will enable you as a social enterprise to understand your beneficiaries as well as your potential public sector customers’ needs and the world they work in. It is worth carrying out some research and developing a stronger understanding of your market and of the tendering process involved as it will give you a competitive advantage over other enterprises (social and commercial) competing for public sector contracts.

Public sector procurement rules tend to be risk averse. That is, processes are in place to ensure organisations delivering public service (and tendering for those contracts) are financially sound and well run. Procurement officers are concerned with ensuring your enterprise complies with legal requirements, making sure you are financially sustainable (by having audited accounts and management accounts) and your governance and management teams have the right skills and experience to successfully deliver your products or services. By displaying that you meet these requirements you are demonstrating good business probity.

Large contracts

You may find you are unable to compete for large contracts because your turn-over is too small compared to the size of the contract. This is sometimes called the Proportionality rule. Normally this means that your social enterprise can only apply for a tender opportunity if its turnover is three or four times the size of the value of the contract (per year).

The rule is there to protect you and the buyer from being too reliant on each other. An effective way to address this is to form partnerships and collaborations with other organisations or to act as a supplier to a larger body that wins a contract. You may want to start with smaller contracts to develop track record and increase the size of the organisation, before tendering for larger contracts.

Opportunities outside the public sector

As well as the public sector, there may be third sector (charities, voluntary organisations, clubs and membership associations, faith bodies and social enterprises) in the local market that could buy from you. You may also find commercial companies looking for local suppliers. In this case being local and representative of your local market can be an advantage for you as a BAME organisation. Trade press for your appropriate sector, e.g. PR, Catering will likely have opportunities listed. Similarly, for third sector organisations, publications such as Third Sector magazine may also contain procurement opportunities.

Build relationships

There are a number of ways of behaving shared by many successful organisations. These include all the things you’d expect such as a strong vision, clear and well communicated strategy, an ability to demonstrate social impact. However, the biggest single indicator of success is the ability to develop and maintain a networks and relationships.

To give you the best chance of securing contracts invest time in developing those networks.

- Talk to potential customers and people that can influence buying decisions. This should be a dynamic, ongoing and long-term process. Try and use existing networks and channels such as your Local Strategic Partnership (LSP)
- Consider whether there are opportunities outside your borough. Think about the same type of client in a different area, such as a neighbouring council, or a different type of client
- Some public sector bodies may not open lower value contracts to tender. Building relationships and talking to large suppliers means you are better placed to get access to these tender opportunities as a sub-contractor (a supplier to a supplier). This is a great way to get access to public sector work without having to worry too much about insurance, policies and procedures, and the general costs of tendering

There are real opportunities to be involved in the discussions around the need and type of solutions. Being involved during this stage of the commissioning process will be of immense value to you in the medium to long-term.

Some buyers use third parties to manage part or all of the procurement and supply chain process. For instance, Exor Management Services www.exorgroup.co.uk operate these services for numerous local authorities and NHS trusts and you may need to communicate with Exor rather than the end client in some instances. Investigate whether this is the case in your sector and for the type of services that you provide.

Case study 1: Petite Miracle

Petit Miracle Interiors is a social enterprise based in North London that offers decorating services. As well as providing accredited training in interior design, they also aim to support people who have experienced homelessness by getting them into training and employment. To build relationships they began by speaking to other support organisations in the field to ask them about their experience of procurement. To build their track record as a provider of training to the homeless, they gained funding from Unltd and tested their idea through free taster sessions for large homeless support charities.

In order to show potential clients that they were ready to do the job, they registered as a CLG (Company Limited by Guarantee), worked on their pricing structure and business model.

Petit Miracle's impact was such that the tasters quickly led on to further trainings being booked and partnerships proposals from homeless support agencies. The social enterprise has also signed a service level agreement to deliver workshops to homeless women through a large regeneration and construction company in Central London and is currently finalizing the service level agreement. The social enterprise is now generating its own income, and helping to improve the lives and wellbeing of homeless women.

www.petitmiracles.org.uk

Build your ability to deliver

You need to be able to demonstrate your capability (skills, knowledge and experience) and capacity (time and resources) to deliver service of a consistent quality. You need to do this externally to clients, and internally for our own peace of mind.

You can do this by using the checklist below:

Table 3: Capability and capacity building checklist

Strategic direction	
Do you have a vision or mission statement? Do you have a business or organisational development plan?	
Is this communicated internally (staff, senior management team, volunteers, trustees)?	
Is this communicated externally (funders, beneficiaries, local community, other providers, your infrastructure bodies, other stakeholders)?	
Governance	
Do you have an active and engaged management committee/board of trustees?	
Do they have the breadth and depth of skills, knowledge and contacts you need?	
Are your management processes open and transparent?	
Value addition	
Can you demonstrate your social impact?	
Are you able to show what extra value you bring to a contract?	
Business Probity (showing you are a well run company)	
Are your registrations, licenses to operate and insurances up to date?	
Can you supply audited accounts? Do you use regular management accounts?	
Are your policies and procedures in place, and regularly reviewed and amended? Do your staff and users know this?	
Finance and risk	
Do you fully understand your cost base? What are your unit costs?	
What investment do you need?	
Are you able to access this through grants, donations, equity or loans? Can you repay any loans?	
Do you have an up to date cash position in your head?	
Operations and risk	
Do you have a risk management strategy?	
Do you regularly review your risk register?	
Do you have the resources (time, equipment, people and skills) you need?	

You may also find you are unable to effectively compete for contracts because you are, or seem too small compared to your competitors. The small scale and capacity of many social enterprises is a common issue but can be addressed by collaborative working. This is normally done through joint tenders, general partnership working, or trading subsidiaries that partners have a stake in. You can also increase your scale through growth replication and franchising by working with like minded organisations you will have access to more people, skills and capacity to deliver your contract.

Contract opportunities also exist within the private sector (commercial work) and the third sector (charities, voluntary and faith organisations, and other social enterprises) as well as in the public sector (central, regional and local government). Consider looking at all types of customers that may need your services. This will reduce your reliance on one specific type of customer and reduce your risk.

Even if you don't get that contract - building your ability to deliver will strengthen your organisation and make sure you get the next one (or something more appropriate).

Table 4: Getting a contract - problem solving

Issue	Solution or strategy
<p>1 <i>We don't have access to opportunities</i></p> <p><i>Who is letting the contracts we want?</i></p>	<ul style="list-style-type: none"> • To begin with, contact organisations who may be aware of opportunities. For example, your Local Authority can be found at: www.direct.gov.uk and your local CVS (Community and Voluntary Service) or social enterprise support organisation • Talking to competitors or those working in a similar field can also give you an idea of what sort of procurement opportunities may be most appropriate to you • Other websites that have procurement opportunities are listed in this guide below and include: www.supply2.gov.uk www.supply2nhs.co.uk
<p>2 <i>We don't have a (provable) track record.</i></p> <p><i>How can we show them that we can do the job?</i></p>	<ul style="list-style-type: none"> • If you are delivering services, you could run a pilot programme with a small number of customers or beneficiaries. This is also a great way to generate track record and get direct feedback on how well you delivered. • Partnering with another organisation that has more experience is also a great way of building your track record. • 'Track record' can relate to financial stability so having audited accounts or show that you are financially secure can help.
<p>3 <i>We're too small to bid for the contracts!</i></p>	<ul style="list-style-type: none"> • Ultimately, you will need to escalate the contracts you go for as your capacity to deliver them increases. • Working in a partnership or consortium is an effective way of bidding for larger contracts. Check with the contractor to see if they are open to a partnership or consortium bid.

Develop the ability to communicate your value

As BAME social entrepreneurs you may have specific issues when trying to communicate with customers. You may have only had experience of different business cultures (such as bartering and other forms of informal negotiation) or English may not be your first written or spoken language. You know that you have a good product or service but how do you tell your customers in a way that they will understand?

Try using these practical steps to help you with this:

1. **Think about your key message(s).** This is the “essential” truth of your service, such as saving time or money, better quality service, speed of delivery or some other measure.
 - a. There are many tools you can use to develop this such as OPV model (Other People's Views) or Benefits exercises.
2. **Think about who you want to speak to.** Your customers (people and organisations who will pay you), key influencers (people who influence the buying decision of your customers) and beneficiaries (end-users or people who use your service but don't pay for it).
 - a. Some people may be more than one type e.g. an-ex beneficiary may become an influencer if they talk to a councilor
3. **Think about how you can communicate with these people.**

- a. For commissioners you may want to think about written records of your successes for use in tenders, maybe the money they can save over time by using your services compared to not using them
- b. For beneficiaries you may want case studies to use in marketing leaflets
- c. Councilors and other stakeholders might want to see video testimonials from your beneficiaries on your website

Added value

You may also want to think about how you can communicate your “Added Value”. This is sometimes called “Value Added” or “Value Addition” and is what you offer the customer over and above what they have paid for. Examples might be that your staffs are ex-offenders who are now employed and paying tax, or reinvesting your surplus to more or additional deliver services to beneficiaries.

Measurement and evaluation

Public bodies should in theory award contracts which deliver social and environmental value. As a social enterprise, you should be able to demonstrate that they deliver social, environmental and/or economic benefits while carrying out the work contracted. This means you can bid knowing that your ability to prove your impact in these areas might give you an advantage.

Further information

Measurement and evaluation leaflets:

www.blondon.com/SocialEnterprise/SocialEnterpriseHome.aspx

A toolkit for measuring quality and impact:

www.proveandimprove.org

Register with online portals and procuring organisations

Where are the opportunities advertised? You can find out about tender opportunities through a number of public sector websites to which you can sign up and from which you will receive regular updates about tendering opportunities in your sector.

These include:

- Supply2gov, www.supply2.gov.uk
- Competefor, www.competefor.com
- Office of Government Commerce, for commodity goods and services
www.ogc.gov.uk/procurement.asp
- In London: www.SupplyLondon.com has various opportunities.

There are also tenders available from the European Union

- OJEU - Official Journal of European Union, www.ted.europa.eu
- www.ted.publications.eu.int

Department of Health/NHS opportunities can be found at:

- www.pasa.nhs.uk
- www.supplychain.nhs.uk
- www.sid4health.nhs.uk

General opportunities:

- www.BiPcontracts.com
- www.tenders.com
- www.tendersdirect.co.uk

Be aware of... European legislation.

While many contracts you will be tendering for will be controlled by UK regulations some will be either be very large or last a long time (and hence have a high total contract value). These tender opportunities must be published in the Official Journal of the European Union (OJEU). There are special time scales and steps that must be taken by the commissioning body. There has been no hard copy since 1997 and all tenders are available from <http://www.ojeu.eu>

Tender!

So you are ready to tender with a PQQ or ITT in your hand. One way to make this process more smooth is to make sure your organisation has to hand the things that most tenders ask you to provide. You can use the checklist below to help you do this:

Policy list	<input type="checkbox"/>	Insurance	<input type="checkbox"/>	SMT cvs	<input type="checkbox"/>
Employee hand book	<input type="checkbox"/>	Mem and arts	<input type="checkbox"/>	Body of evidence for	
Contracts and	<input type="checkbox"/>	Constitution if applicable?		Value addition (added value)	<input type="checkbox"/>
Job descriptions	<input type="checkbox"/>	Accounts - audited		Impact reports	<input type="checkbox"/>
		Accounts - management	<input type="checkbox"/>	Quality assurance	<input type="checkbox"/>

Case study 2: Sooty Fox

The **Sooty Fox Foundation** is a BAME led social enterprise that has a focus on Mauritian cuisine - an exciting fusion of Indian, oriental and European influences. It is an innovative catering and life skills organisation focused on young people and based in South East London. The project generates funds and provides work opportunities through its onsite catering at festivals, fetes and commercial catering. It also provides catering, food preparation and life skill training for young people in schools.

Through starting small with pilot projects in churches and community hubs and working with young people they have developed a track record that has allowed them to capture training contracts in a school. This is part funded by the school and the local authority. They have been successful in demonstrating high levels of progression to further training, work placement and paid employment and have had their contract renewed.

Furthermore they have been successfully audited by another local authority client and this is being used as further evidence for communicating the value they offer.

Section 3: Delivering

Winning a contract is just the beginning of your journey, not the end. Social enterprises are just like any other company: once you have signed a contract or made an agreement, you are expected to deliver the products or services on time and for the price that you agreed with your customer. You shouldn't start a new piece of work without having some idea of whether you can deliver on time and on budget. This involves planning adequately to ensure you know what resources will be required to delivery successfully.

There are a number of things that can be done before and after you start delivering your projects and contract to help you manage time, budgets and resources more effectively. Firstly, you should know that you do not have to accept the first contract offered to you. You are able to negotiate specific terms when offered a contract as successful bidder and seek clarification on any points that need it prior to signing.

Secondly, once you have signed a contract, you now have a contractual obligation for delivery of a service (or product). These will normally be within specified time and quality limits (often called parameters). They can be listed in a document supplemental to the contract called a service Level agreement (SLA). These are in place to protect the client and ensure continuity of the service you are providing.

Table 5: Managing a contract - problem solving

Issue	Solution or strategy
<p>1</p> <p><i>Help! We are struggling to fulfil the contract as we don't have the capability.</i></p>	<ul style="list-style-type: none"> • Recruit freelance, contract or even permanent staff • Build your capacity internally through training or using other members of your team or partnership • If despite all your best efforts, this requires more time to deliver, it is always best to keep your customers informed about progress and let them know (where possible) why there are delays and how you plan to address them.
<p>2</p> <p><i>We don't have the resources to fulfil the contract, what can we do?</i></p>	<ul style="list-style-type: none"> • Resources are limited - but you can usually find ways to access more if needed: Lease additional equipment or space and hire agency staff or contractors. If you enterprise hasn't got the cash flow to pay for additional resources try to borrow or exchange them. • Carry out some research on government programmes, grants and support available to social enterprises and sign up to newsletters from third sector and public bodies: you may be able to access free or subsidized IT equipment, resources and even staff (e.g. Future Jobs Fund).
<p>3</p> <p><i>The payment is late or not what we expected.</i></p>	<ul style="list-style-type: none"> ▪ Double check the contract to see what the payment terms were, whether it was due in several separate payments or one bulk payment. ▪ Depending on your relationship with your suppliers, you may be able to ask for additional resources and negotiate payment terms that are more achievable.

Deliver to the best of your ability

There are also some general points to think about when planning and managing the delivery of your products and services. Within the context of planning your tender or response, think about:

- **Capability:** Do you have the right skills and experience within your organisation to deliver your products and services?
- **Capacity:** Do you have suitable and sufficient staff, equipment and space (i.e. resources) in place to deliver your products and services?
- **Quality:** Do you have processes and systems in place to make sure you deliver quality products and services that are fit for purpose? (i.e. accreditations, quality standards, etc).

Once you have won a contract you will of course need to deliver and excel for your buyer. As with all processes in procurement, good communication will pay dividends. If you have problems or see areas for improvement let your clients know. They will appreciate being kept informed.

Growing your business through large contracts can be both scaring and exciting. It might not be suitable for all BAME social enterprises, but you owe it to yourself to think about the opportunities. As your organisations grows and prospers, and brings its service to more local people your beneficiaries may thank you for it.

Section 4: Resources

As well as including those listed above, you can also find out about tender opportunities through a number of public sector websites to which you can sign up and from which you will receive regular updates about tendering opportunities in your sector. These include:

General information about commissioning and procurement

More for your money- a guide to procuring from social enterprises
www.socialenterprise.org.uk/pages/publications.html

Commissioning and procurement leaflet and other relevant business planning information
<http://www.blondon.com/SocialEnterprise/SocialEnterpriseHome.aspx>

ACEVO www.acevo.org.uk

Institute of Commissioning Professionals www.iocp.co.uk

Chartered Institute of Purchasing and supply (CIPS) www.cips.org
www.ogc.gov.uk

Department of Health www.dh.gov.uk
<http://www.dh.gov.uk/en/Managingyourorganisation/Commissioning/index.htm>

Education, Ofsted www.ofsted.gov.uk

National Programme for Third Sector Commissioning:
www.idea.gov.uk/idk/core/page.do?pagelId=13355188

The compact www.thecompact.org.uk

Local support

There is likely to be local and specific support for organisations wishing to improve their ability to tender for procurement opportunities. In the first instance contact the following organisations in your area for more information:

- Your local Council for Voluntary Service (CVS). These bodies represent third sector organisations and will have knowledge of support programmes available to you. NAVCA has a list of CVSs and other support organisations: www.navca.org.uk
- Your council Economic Development Team (EDT). This department in your local council will be able to refer you to any council departments that are currently contracting, or running a support programme. If you are based in a council area the CDT may even be able to support you itself directly.
- Many councils also have translation team and departments that can help BAME entrepreneurs with native language versions of contract opportunities in other ways.

Project management tools to help you manage the contract

For further information and support in effectively managing a contract once you have won it, the following resources may be useful:

PQASSO (a Charities Evaluation Services tool) - a self-assessment tool and quality assurance system

www.ces-vol.org.uk/

Prince 2 - Project management and training resource

www.prince2.com

Project Smart is a project management resource that helps managers at all levels to improve their performance

www.projects-smart.co.uk

Partnerships

To begin forming partnerships, communicate your needs - if others don't know what you are looking for they will not be able to help! Advertise it on your website or through your newsletter or other social networking sites. www.fundingcentral.org.uk also provides a facility to advertise for collaborators or partners.

Bassac - this membership body for key community organisations has a number of great resources on collaboration and partnerships. They have also developed a range of self-help and capacity building guides to enable organisations to tender for and deliver public services.

www.bassac.org.uk

Glossary

The following are terms found either in this guide or that you might encounter during the procurement process and for those times when you need a quick reference guide to make sense of it.

Approved list

An eligible list of potential suppliers.

Audit trail

System or paper generated evidence showing how and why and by whom certain processes and functions were carried out.

Award

The issue of an order or contract to a supplier.

Best practice

The most effective and desirable method of carrying out a function or process derived from experience rather than theory.

Benchmarking

Comparison of performance against other providers of similar services, particularly those recognised as adopting best practice.

Best Value

The duty, which Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the council. This terminology has now in many instances been superseded by Value for Money (VfM).

BAME

Black, Asian and Minority Ethnic. The term refers to communities whose origins lie mainly in South Asia (e.g. India, Pakistan, Bangladesh, Sri Lanka), Africa, The Caribbean (originally Africa), and China. Black and minority ethnic (BME is ethnic minority business) as used in the Southwark Procurement Ethnicity Monitoring Form is a 'Minority-led/diverse enterprise is defined as a business which has a majority (51 percent and more) ownership or senior management team comprising individuals from black and ethnic minority groups, women, disabled people, lesbian, gay, bisexual and trans-gendered people or faith groups'

Business Questionnaire (BQ)

This document is used in a restricted OJEU (Official Journal of the European Union) tendering process and the responses are used to help us shortlist suppliers. Where the Open procedure is used the Business Questionnaire is also required to be completed and will be sent out with the tender documents. Also known as **PQQ** - prequalification questionnaire and '**RFI**' - request for information.

Cashable and non-cashable savings

Cashable savings can be defined as money saved by the council through the letting of the contract; these savings will be realised and returned to the council. The only exceptions to savings being returned to the council are in respect of the Housing Revenue Account, grant maintained accounts in CYPs and Capital Accounts as these accounts are ring-fenced. Where cashable savings are made in ring-fenced accounts, the savings are to be returned to the original account, and the savings recorded as Non-Cashable. Non-cashable savings arise as a result of the letting of a contract but are not realised as money; these are also referred to as 'efficiency savings'. An example would be re-Tendering a cleaning contract at the same price, but getting more buildings cleaned, or getting the same buildings cleaned better.

Commissioning

The process of specifying, securing and monitoring services to meet people's needs at a strategic level. This applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private and voluntary sectors.

Competitive Tendering

Awarding contracts by the process of seeking competing Tenders.

Complex Purchase

Any purchase over £25,000 in value that requires formal Tendering procedures to be adopted.

Consortium

An unincorporated group of firms or individuals, often formed to tender for a contract with a view to forming a company or working in some other way in the event of winning.

Contract

A binding agreement made between two or more parties, which is intended to be enforceable at law.

Default

A breach of a contract condition, e.g. a delay in the promised delivery.

EU legislation

EU Public Procurement Directives, which are the rules and regulations that public sector organisations must comply with when completing any procurement process.

EU Procurement procedures

Open procedure

One of the procedures for procurement under the EU Directives, under which all eligible applicants are invited to tender in a one-stage procurement process.

Negotiated procedure

One of the procedures for procurement under the EU Directives, available only in limited circumstances, under which client authorities negotiate with at least three eligible applicants who meet their criteria.

Restricted procedure

One of the procedures for procurement under the EU Directives, under which only eligible applicants who meet the client authority's criteria are invited to tender in a two-stage procurement process.

EU Threshold

The contract value at which the EU public procurement directives apply. The thresholds as of January 1 2010 are:

- £156,442 for goods and services
- £3,927,260 works and construction

Exor

Exor Management Services Ltd, who manage the approved list of contractors and consultants on behalf of the council.

eProcurement

Initially meant procurement functions performed by electronic means, i.e. using IT - but now the 'e' also stands for 'Efficient' and 'Effective'. The use of an electronic system to acquire goods, works and services and payments from third parties.

Solutions currently on the market include:

- Complete 'end to end' procurement systems that are integrated with financial back office systems
- Stand-alone modules used to seek tenders or quotations (known as e-Sourcing)
- Web-based systems that enable ordering from approved catalogues (e-Marketplaces)
- Other web-based systems such as e-Auctions
- Procurement cards for ordering and payment
- Payment through BACS and CHAPS

Evaluation

Detailed assessment and comparison of supplier offers.

FACS

Free Access to Care Services. A means tested process that assesses health and social care needs. Some residents can have their needs met by the state, while others have to provide for their own care. A local authority has an obligation to provide the assessment whether the resident meets or fails the means test.

Framework agreement

An arrangement under which a contracting authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into, or 'called-off' (within the limits of the agreement) when particular needs arise.

Invitation to Tender (ITT)

An invitation to suppliers to bid for the provision of works, goods or services. Invitation to Tender. This document is used in the Tendering process and will advise of when and where Tenders should be submitted.

Key Performance Indicator (KPI)

KPIs are tools that help us to measure the performance of suppliers against their contractual obligations. KPIs are normally detailed in the service specification document.

Letter of acceptance

A letter that creates an immediate binding contractual relationship between the council and the successful Tenderer prior to entering into a formal contract.

Letter of intent

A letter informing a successful Tenderer that it is the council's intention to enter into a contract with her/him in the future but creates no liability in regard to that future contract.

Most Economically Advantageous Tender / 'MEAT'

The tender that will bring the greatest benefit to the Council having taken a number of factors into consideration, including quality and cost and may also embrace sustainability issues.

Office of Government Commerce (OGC)

The Office of Government Commerce (OGC) is an office of HM Treasury, responsible for improving value for money by driving up standards and capability in procurement

Official Journal of the European Union (OJEU)

Formerly OJEC (Official Journal of the European Community). Contracts that fall within the EU threshold values and are not exempt categories must be advertised for tender by placing a notice in the OJEU.

Procurement

The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. Facets include strategy planning, statutory implications marketing and international statutes and agreements.

Quality

The level of *fitness for purpose* which is specified for or achieved by any service, work or product. Quality Assurance (QA). A discipline to assess quality standards, covering all activities and functions concerned with the attainment of quality.

Quotation

Any offer by a supplier to supply goods, works or services requested either orally or in writing. A quotation may be the written confirmation of an earlier, oral offer.

Responsible procurement

The new term for Sustainable Procurement, Responsible Procurement emphasises the importance of both social and environmental objectives in ensuring best value in procurement.

Shortlisting

The process of selecting candidates who are to be invited to quote or bid or to proceed to final evaluation.

Simple purchase

Any purchase up to £25,000 in value or one that does not require the adoption of formal Tendering procedures.

SLA

Service Level Agreement, and usually sits on top of a service or supply contract, enforcing the KPIs of the Agreement. This can also be used internally between council departments.

SME

Small and Medium Size Enterprise. May indicate navigation away from larger, global companies. Can also mean local businesses.

Specification

The document used to establish the requirements for the goods or services to be purchased.

Sustainability

The environmental, social and economic issues to be considered.

Tender

A candidate's proposal submitted in response to an Invitation to Tender.

Total (aggregated) value

The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows:

1. Where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period
2. Where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months
3. Where the contract is for an uncertain duration, by multiplying the monthly payment by 48
4. For feasibility studies, the value of the scheme or contracts which may be awarded as a result
5. For Nominated Suppliers and Sub-contractors, the total value shall be the value of that part of the main contract to be fulfilled by the Nominated Supplier or Sub-contractor.

TUPE

The Transfer of Undertakings (Protection of Employment) Regulations. Subject to certain conditions, these regulations apply where responsibility for the delivery of works or services for the authority is transferred from one organisation (eg private contractor, local authority in-house team) to another (eg following a contracting out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer.

These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer.

Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.

Value for Money (VfM)

Value for money is not the lowest possible price; it combines goods or services that fully meet your needs, with the level of quality required, delivery at the time you need it, and at an appropriate price.

Variation

Any alteration, modification, addition to or deletion of any requirement of the contract terms or specification.