



Tendering for contracts for social enterprises

How to become tender ready for contracting with public sector organisations and commercial businesses.

Many social enterprises are established to serve local communities replacing public sector services. Some of these social enterprises develop their capacity to deliver public sector contracts. Public sector organisations adhere to strict European Union and central government guidelines when contracting with organisations. Understanding the procurement process and how to assess the 'tender readiness' of your social enterprise will help you on the path to winning contracts.

Introduction to Procurement

Public sector commissioning is the design and development of a service based on an assessment of local priorities, national requirements and market supply. Service objectives are outlined and an appraisal is carried out on the options to deliver the service. From this, public sector organisations set out standards expected from potential suppliers to deliver the service. Procurement is the process of purchasing products or services.

- The public sector spends a lot of money on procurement
- Large amounts are spent on smaller contracts – under £25k (requiring at least three quotations) and Private Finance Initiatives (PFI)
- Contracts can be issued for up to 25 years
- There is more competition for smaller contracts

If contracts are valued above £25k, these have to be advertised in OJEU (Official Journal of the European Union)

TIP – Opportunities may be in supply chain or as part of a consortium.

TIP – Keep your eyes out for opportunities – use a PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental analysis against the local, regional, national and international agendas) to plan for the next two years.

The Types of Organisations that Tender for Suppliers

There are a wide range of public sector organisations that buy products and services from other businesses that follow EU and government guidelines on procurement:

- Local authorities
- Government offices
- Health service
- Police
- Fire service
- Probation service

Public sector organisations advertise through the OJEU for amounts above £25k.

Other organisations that buy products and services which may also have a tendering, quotation or application process for suppliers to adhere to include:

- Schools
- Commercial companies
- Social enterprises
- Charities
- Community and voluntary groups
- Funding bodies

The Tender Process

The tender process that a public sector organisation follows can be quite complex. The following is a brief overview of the steps undertaken:

- Tender advertised
- Complete a Registration of Interest
- Complete a Pre-Qualification Questionnaire (PQQ) or pre-tender questionnaire
- Complete tender documentation
- Called to interview
- Preferred supplier, negotiation on details
- Sign contract
- Commence work, manage and monitor contract

Benchmarks for Success

There are key factors to take into consideration when tendering for contracts:

- Understand the tendering process
- Have a good relationship with buyers
- Evidence of your track record
- Evidence that you meet the needs of your end users and customers
- Have an appropriate legal structure
- Be confident in selling your products and services

- Be competitive
- Plan for growth and change

Evidence Checklist

Your social enterprise may need to have the following Pre-Qualification Questionnaire (PQQ) requirements in place:

- Robust financial systems in place, capable of managing the contract's requirements
- Management systems to deal with the day to day operation of the contract
- Human resources strategy / staff handbook detailing any necessary training / accreditations needed
- CRB checks
- Equal opportunities policy
- Environmental policy, environmental management system
- Health and safety policy
- Details of Race Relations Act compliance
- Compliance with Employment Law legislation
- Accident book records including any reports in the last 5 years under RIDDOR
- Membership of (recognised) professional bodies
- References from previous customers
- Quality management system and certificates
- CV's / biographies of directors and managers including knowledge of any disqualifications
- Technical qualifications – appropriate certificates
- Bank references, including how you may provide a performance bond
- Three years' accounts
- Three years' financial projections including income and expenditure, profit and loss, and balance sheet
- Breakdown of costs
- Company's annual report
- Insurances – public liability, employer's liability, professional indemnity (if appropriate) and any infrastructure equipment to be used on the fulfilment of the contract
- Risk assessment protocol and Risk management system
- DUNS number – nine digit number that is a code for each business. It is the international standard for identifying and keeping track of businesses – their trading and credit activity
- Evidence of company legal entity

Where to go for tender opportunities:

www.contractsfinder.businesslink.gov.uk/ (Supplier and tender website for the UK government)

www.yortender.co.uk (Yorkshire & Humber tenders)

www.bluelight.gov.uk (Supplier and tender website for the Emergency Services)

www.publications.europa.eu (Tender website for the Official Journal of the European Union)

www.publictenders.net (Tender website for all public sector organisations in the UK)

www.ted.europa.eu (Tenders Electronic Daily – supplement to Official Journal of the European Union)