

DESIGN SKILLS ALLIANCE

A free training guide for design professionals

Getting work through public sector tenders

In this section we will cover:

- What is the public sector and why work for it?
- How is public sector work procured?
- Finding public sector opportunities
- Preparing to tender
- A typical tender process

The public sector spends huge sums of money each year purchasing goods and services from private companies, including a wide range of professional design services. Work bought by government bodies and organisations is expected to exceed £175 billion in 2009 in the UK, with local government spend alone accounting for around £40 billion a year, and there are always opportunities for design consultancies to pick up some of that work.

Public sector procurement processes can be a little daunting and often time-consuming, but the payoff is access to many opportunities, prompt payment and – if you are selected for framework agreement (a roster) – less time spent pitching for relevant projects when they emerge.

WHAT IS THE PUBLIC SECTOR AND WHY WORK FOR IT?

The public sector employs more than 25 per cent of the workforce in the UK and includes:

- Central government departments and agencies
- Local authorities
- The NHS and its local trusts
- The Ministry of Defence
- The Northern Ireland Assembly, the National Assembly for Wales and the Scottish Executive
- Universities and colleges.

Design work procured by this wide range of organisations includes marketing, graphic design, print materials, branding, publicity, information design, digital, interior design, architecture, signage, trend forecasting, scenario planning and business strategy.

One of the obvious benefits of selling design services to public sector organisations is the sheer volume of projects which are constantly available. And public sector organisations can make good customers too: they have to be fair and honest in the way they choose suppliers and pay promptly within agreed contract terms, generally 30 days from invoice. They also have to employ tendering processes that are transparent, provide essential information to potential suppliers and ensure a fair chance for small businesses.

UK DESIGN ALLIANCE FOR **GOOD DESIGN PRACTICE**

Working on public sector projects might also raise the profile of your portfolio in a way that helps attract other private sector clients.

HOW IS THE PUBLIC SECTOR PROCURED?

There are two main ways that public sector work is procured. Some project contracts are advertised directly and suppliers go through a tendering process to try and win that project. Other work is awarded via frameworks.

Public sector procurement is based on the best value for money or, as defined by the Treasury, 'the optimum combination of whole-life costs and quality (or fitness for purpose) to meet users' requirements', which means that the lowest fee quoted will not necessarily win the work.

Frameworks

Frameworks (previously called rosters) contain a number of suppliers whose skills and services are usually related or complementary to one another. The frameworks are organised around broad areas of service provision, such as 'branding and brand identity'.

Securing a place on a framework does not guarantee work, but it will cut down on resources consultancies have to use to pitch for any work offered to the framework suppliers – in effect you are prequalified to undertake any relevant work needed by a public sector organisation and may be offered work directly without further pitching.

There are a large number of frameworks already in place, covering all different kinds of supplier services to a wide range of industry sectors. Most frameworks run for around four years before they are re-advertised and recompiled. The search facility on the [Office of Government Commerce \(OGC\) website](#) contains details of existing frameworks, including the names of the suppliers on each framework and when the framework agreement is due to expire.

Framework agreements are offered and awarded through an open competition, which starts with an advertisement in the Official Journal of the European Union (OJEU). In some cases, the frameworks themselves will be managed by a third party company on behalf of a public sector organisation.

Workspace design specialist BDG Workfutures sits on a number of public sector frameworks and has completed projects for clients including the Department of Transport, British Waterways and HM Treasury. Its joint managing director Phil Hutchinson believes that frameworks offer a number of advantages to the design consultancy: 'For us, frameworks reduce the time and investment spent on the pitch process. In theory, there won't be more than a dozen groups on most frameworks, whereas if a company holds a pitch for work in the private sector there will often be a huge number of people after it. Overall, our investment goes into the framework which then saves us time later on.'

Subcontracting

Many of the highest value government contracts are awarded to large companies, but small companies can still win work from these contracts by acting as subcontractors or by forming a consortium with other companies. There is no one route to subcontracting, but identifying and contacting a supplier which has won a major contract might lead to subcontracting opportunities. It is also possible to subcontract to a framework agreement holder even if your business does not sit on the framework itself.

BDGWorkfutures' Phil Hutchinson recommends teaming up, where appropriate, with other groups to form consortia that can bid for public sector contracts. If you have little experience of the tendering process it can be especially useful to form an association with companies that are more familiar with the process.

FINDING PUBLIC SECTOR OPPORTUNITIES

Many smaller contracts – those typically worth less than £100,000 – are listed on the [Supply2gov.uk](#) web portal. Free registration to the site offers daily email updates for contracts advertised in a chosen geographical region. Each contract notice contains a work description,

the date it was posted, the closing date for bids, details of the organisation offering the contract, a unique reference number, the approximate value of the contract and contact details of the person managing the tender.

Higher value contract notices and a wider geographical reach can be added accessed via Supply2Gov.uk under a range of paid upgrades. You can also list a profile of your business for free in the site's supplier information database, promoting your services directly to thousands of public sector buyers.

Although the government is encouraging all public sector organisations to advertise lower value contracts on Supply2gov.uk, some public sector organisations may not advertise lower value contracts at all. So it may be useful to identify key people in a relevant organisation and provide them with information about your business and its services, in much the same way you might market your business to private sector clients.

Another source of project opportunities is the [Small Business Research Initiative \(SBRI\)](#), which is designed to encourage small business to offer research and development services to government organisations. SBRI competitions are also listed on Supply2gov.uk.

Public sector contract advertisements can also be found in trade journals and national and regional newspapers.

THE OJEU

Nearly all contracts valued at more than around £100,000 across their duration must be advertised in the Official Journal of the European Union (OJEU). OJEU notices can be accessed free online via the [Tenders Electronic Daily](#) portal, as well as via a number of online subscription services. Supply2gov.uk and Business Link also offer access to OJEU listings.

OJEU notices provide information on the tender requirements and invite suppliers to express an interest, or to tender directly in some cases, depending on the contract procedure.

PREPARING TO TENDER

One of the criticisms of the public sector procurement process is over the high volume of paperwork that applicants have to work through. It is true that there can be a lot of form filling and you may be required to provide detailed information about different aspects of your business, including size, financial details, technical abilities and relevant previous experience. You may also be asked about procedures and policies relating to areas such as sustainability, equality and diversity, health and safety and so on.

In some instances, the questions may be drawn from generic contracts (often stemming from the construction industry) and may not apply to your business or to the design industry. If you encounter any areas confusion it is always advisable to speak to the buyer for clarification.

Many tenders use a system of point-scoring and weighting, which places different emphases on different aspects of the project. For example, one tender might weight health and safety requirements particularly highly, so the points scored in that area could determine whether a supplier wins the contract, even if they are stronger (or weaker) in other areas.

Some public sector organisations will not award contracts to any company which has an annual turnover smaller than a given proportion contract's value, so check if there any criteria of this kind at the outset. This can be frustrating for some smaller businesses because the advertised value relates to the full duration of a contract: a three year project advertised at £100,000, for example, is only really worth £33,000 a year to the supplier.

EXAMINE THE TENDER BEFORE YOU PROCEED

Preparation and a clear understanding of the tender requirements are vital when you are deciding which projects to compete for. Here are a few things to do:

- Many tender notices will include a contact – write to them and ask questions. Check that your services are appropriate to the tender
- Be clear of all the timescales and deadlines as they are rarely flexible
- Only bid for work you know you can do

Peter McGrail is the director of Edinburgh-based Streetwise Orientation and Navigations Systems, which recently won the public tender to develop a pedestrian navigation system for Nottingham City Council. He says that it is important to carefully examine the focus of a particular tender before you decide whether or not to compete for it.

'You really need to look at the rules and scoring criteria and at what will apply to your company. In critical parts of the applications the criteria can be very rigid. Sometimes you can score lower in an area even though the criteria don't apply to you as a small company. So we make sure the tendering organisation is clear exactly what we – and, importantly, our contractors – have to comply with. Preparation is everything.'

Because the process can be time consuming McGrail recommends only tendering for projects where your company's skills and experience very closely match the requirements of the client organisation. 'If you're not fishing in the right ponds, you might get four or five tenders down the road and have no work; then, as a small company, you're getting close to the edge financially. We will only tender for things that are very close to what we do – and have done – because that scores more highly.'

Finally, be prepared for the timescales involved to be much longer than in a typical private sector process, both during tendering and during the execution of the contract work. Public sector work often involves lots of stakeholders, departments and governance issues, so approvals at different stages can sometimes take a few months, stalling work in the meantime. For design company managers organising project teams, this can take a bit of getting used to.

A TYPICAL TENDER PROCESS

Business Link and the OGC have produced a model of a typical bidding process, showing the following stages:

Setting the procurement strategy

The public sector buyer will define its strategy and then advertise its contracts in OJEU, on its own website, or in publications like trade press and newspapers. As mentioned, many lower value contracts are listed on Supply2gov.uk. Advertisements should list what the organisation wants to buy, what is expected in terms of the information bidders will need to provide, relevant deadlines and details of how your bid will be considered.

Prequalification

There may be a prequalification stage which is a check to make sure your company's bid would be viable. A prequalification questionnaire (PQQ) might ask for financial information, previous experience and references. It is roughly equivalent to a credentials presentation. If there is any doubt as to what you should provide in a PQQ, ask the buyer for clarification.

While the construction industry benefits from Constructionline, a list of prequalified and accredited suppliers, there is no such central list for design and marketing-related service providers. This may change in the future, but in the meantime many design groups find they have to provide similar qualification information for each and every tender.

Invitation to tender

If the buyer is happy with the details you have provided so far, the next stage will ask for your bid. This may be called an invitation to tender (ITT) or a request for proposal (RFP) if the tender requires more complex details on what you will deliver. It should include a draft copy of contract terms and conditions and provide details on how your bid will be assessed.

Contracts with public bodies are subject to the Freedom of Information Act and information about your business must be disclosed to anyone who asks for it. It is therefore important that you clearly indicate any information provided which is commercial confidential. If it is particularly sensitive, non-disclosure agreements can be included.

Also remember that the price you offer will be binding should your bid be successful.

Evaluating and refining tenders

The buyer will assess the bid against set criteria relating to value for money. This process can include a period of receiving more details on the bid before it is accepted. Whatever the outcome, every bidder is entitled to feedback about their bid and how it was presented, so make sure you request and receive this.

Award of the contract

The public sector organisation will announce who it intends to award the contract to. This will be the supplier whose bid offers best value for money, based on the scoring criteria mentioned about.

After these stages, contracts are put in place, the contract is managed, reviewed and tested and may be advertised again after a certain period of time.