



creating change by supporting change

# Winning public sector contracts SE UK

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# Agenda

- Notices and pre-amble
- Course outcomes
- Introductions
- Vocabulary and definitions
- Structure of sections

## Course outcomes

- On completion of the workshop delegates will:
  - Be able to understand and communicate the intricacies of tendering processes
  - Have a sound understanding of what makes a successful proposal
  - Be able to advise social enterprises on communicating the impact of their service delivery as a key message to commissioners and procurement officers

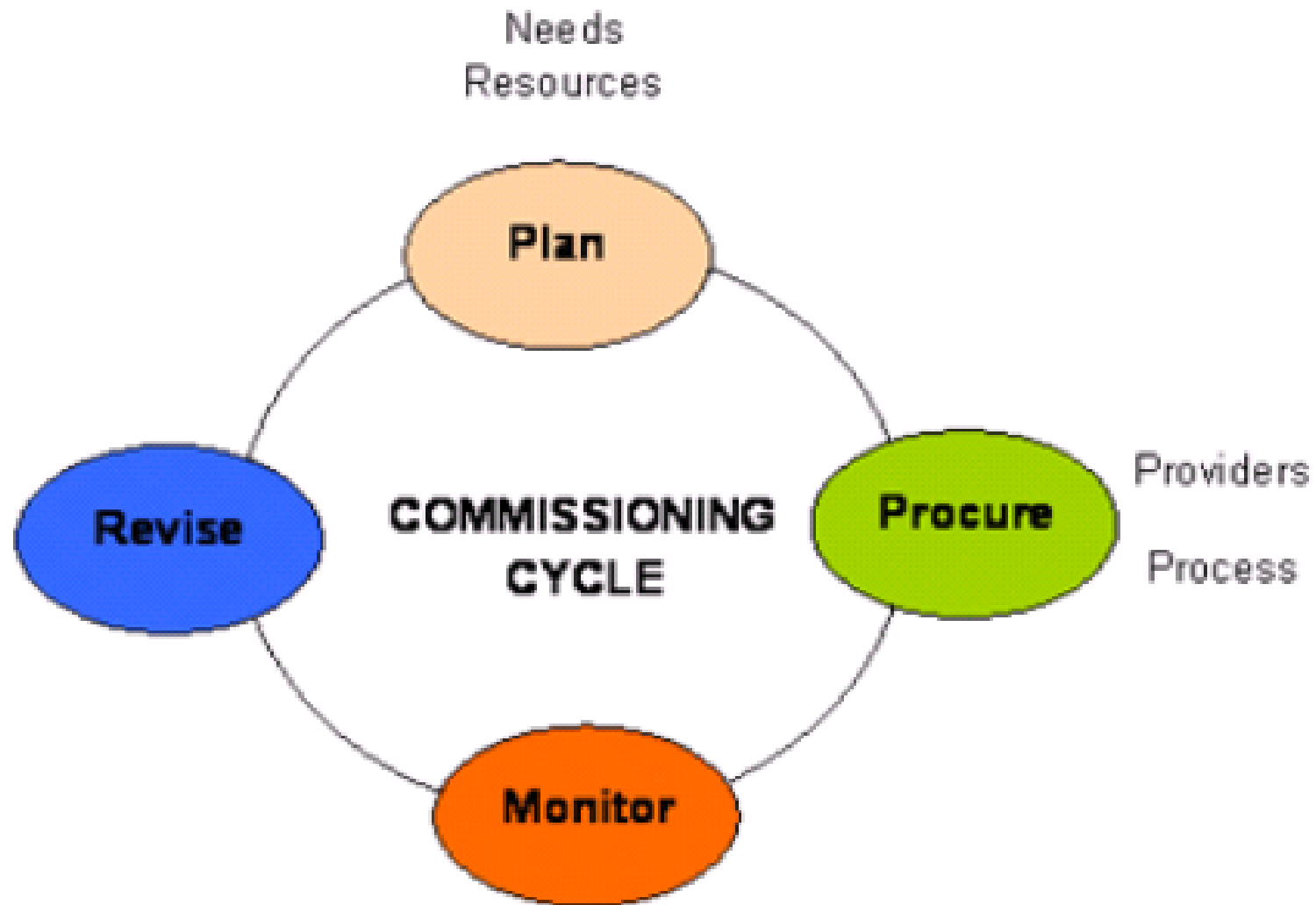


# The difference between commissioning & procurement?

- Commissioning
  - A needs driven, outcomes focused approach to deciding on service requirements, and working with suppliers and users to make sure the services do what they're supposed to do
    - Includes elements of co-design and co-production
    - Focus should be on outcomes (and ultimately impact), not outputs
    - A clear understanding of needs is crucial
    - Customer –supplier relationships are more
- Procurement
  - A prescriptive mechanism to buy services and products
    - Characterised by a paternalistic approach
    - An uneven power dynamic exists between supplier and customer
- Contracting
  - The process by which by which the process is made binding



# The difference between commissioning & purchasing



- *Diagram source: LVACS , London Voluntary Service Council*



# Public services

- Not all of the services we have come to expect actually are required by law.
- A Council takes on legal obligations even when there is no statutory duty to provide a service.
- Mandatory Services need to be provided by councils. A law, or statute prescribes this. There are, however, different ways to provide the service
  - In-house provision
  - Outsourced provision (contracting out)
  - Outsourced provision and management of the service (fully contracted out council model)
- Discretionary services are provided either because a non-statutory duty exists or because of choice
  - A duty exists to maintain a building which is open to the public
  - A council may choose to hold firework displays at times of celebration
- *Remember – the public sector may not be your only client . Consider the opportunities in the private sector (Headway Dorset) , or the third sector (e.g. HA / RSLs etc.)*

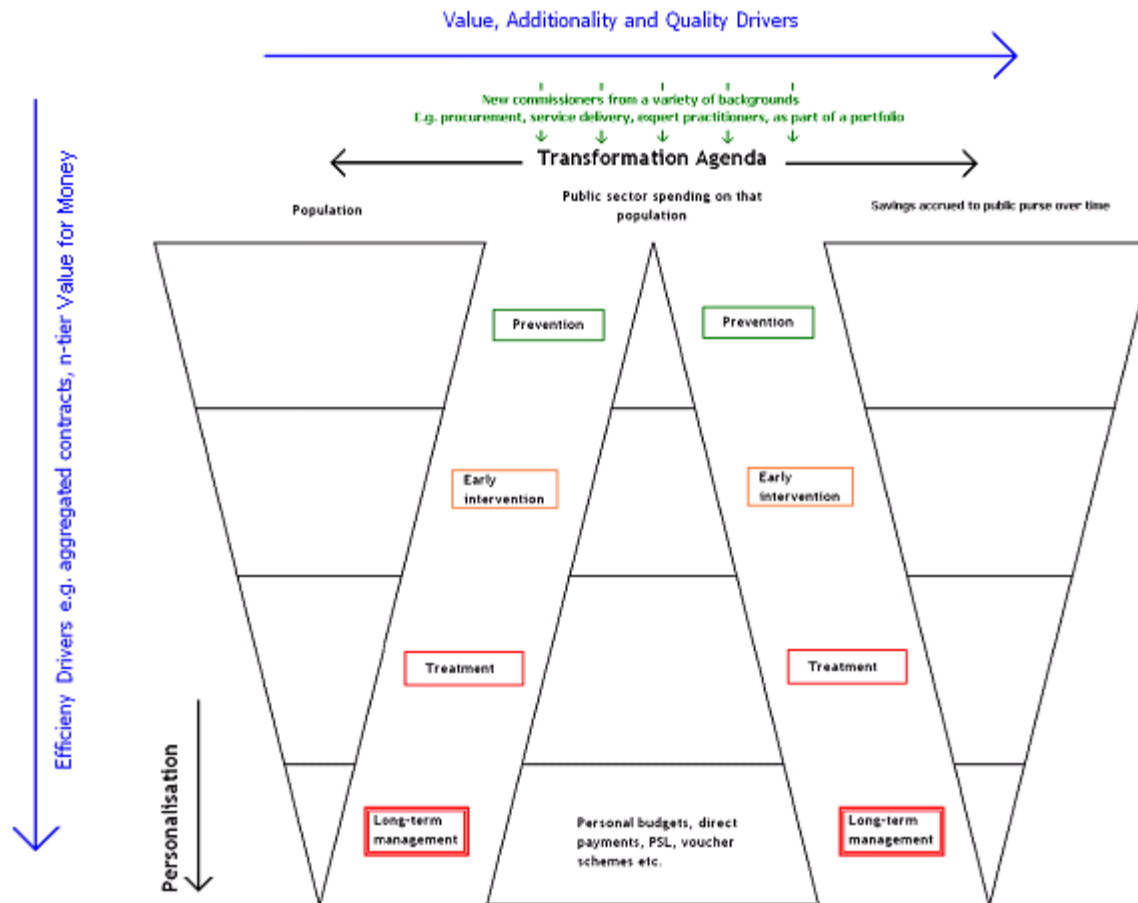


# What commissioners are looking for

- The state sector is under going a period of considerable change
- Big Society, localism, “liberation” of the NHS, self-directed support, reduction of regional structures, and how these will be implemented vary widely from area to area
- You will almost certainly have guidance on your local priorities from statutory sector bodies such as Local authorities, PCTs/GPC etc.
  - This make take the form of LAAs\*
  - Economic, spatial and community planning documents
  - Guidance from LSPs/LEPs
  - Consultations etc.
- Understanding and Reassurance



# Drivers for commissioners



# Impact, and communicating your impact

- Outcomes (rather than just outputs), impact and proof of that impact (indicators) can be used as key messages for supporters of organisations
- Identify outcomes and indicators relevant for the funder of the organisations you are supporting
  - BIG Outcomes framework, case studies, exercises and worked examples
  - Indicators, How do you know you have achieved an outcome? See [www.proveandimprove.org](http://www.proveandimprove.org).
    - Group working around indicators for outcomes is always a good jumping on point for discussion
  - More “advanced” tools e.g.
    - Local money flow tools (LM3), Social Return on investment (SROI), Social Cost Benefit Analysis (SCBA) or Social audits etc.



# Challenges and barriers

- Key learning: There are numerous challenges and issues, but many of them are common to general public service scenarios
  - Lack of access to tender notices
  - Lack of infrastructure/evidence of probity etc.
  - Proportionality and turn-over
  - Lack of experience of negotiation
  - Capacity and capabilities for delivery
  - Management overheads for contract and performance management
  - Lack of focus/strategy/buy-in
- Useful tools:
  - Idea walls and discussion
  - Group working with flip-charts, and discussion
  - Vision, Mission, Values exercises, Balanced Scorecard session or other strategic exercises



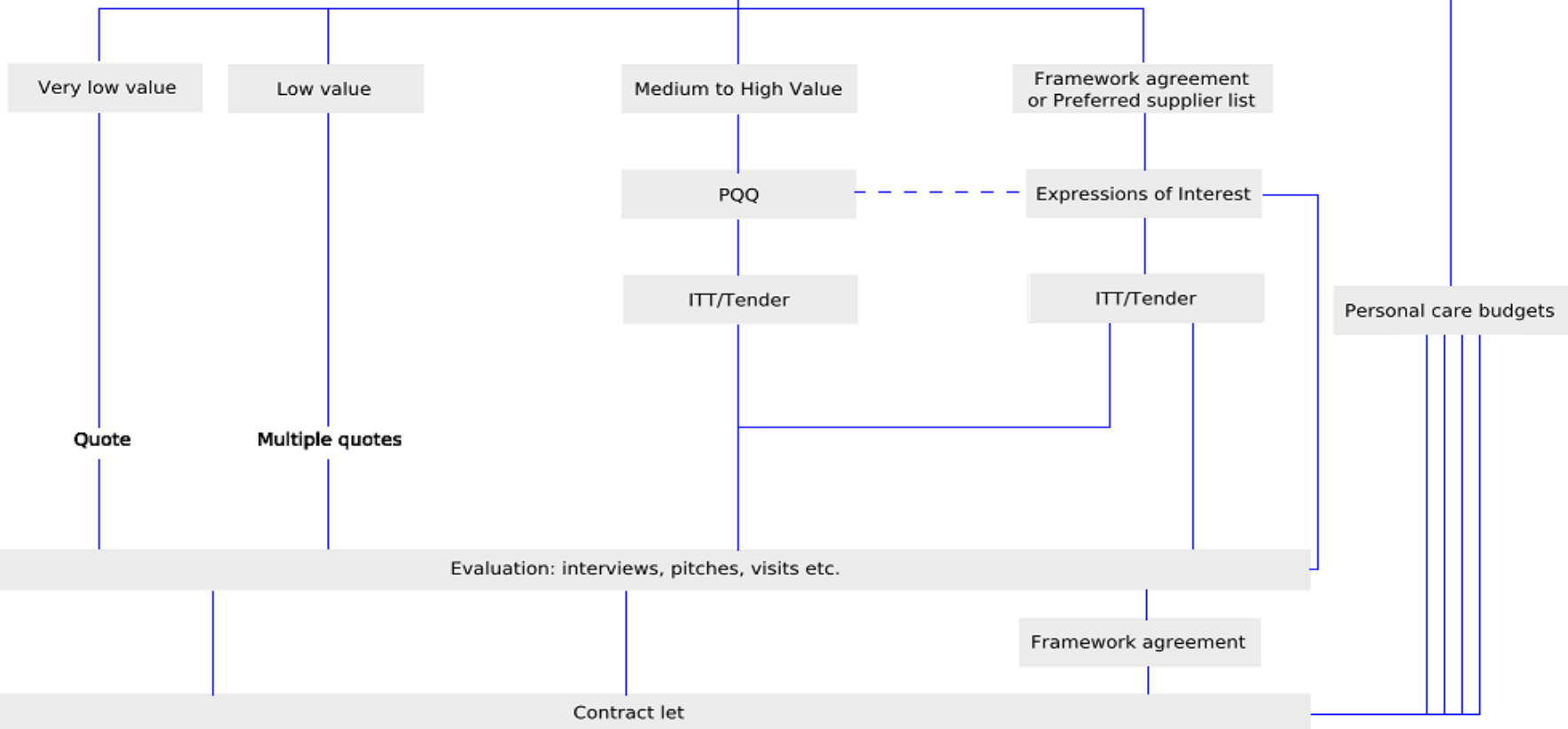
# Typical tendering processes (and personalisation)

Commissioning: Setting the agenda, looking at need (needs analysis etc.) often via LSPs and similar bodies  
Specification: often a procurement department or individual officer

Business to business mindset

Business to consumer mindset

Direct invitation or advertisement



# PQQs

- Pre-qualification questionnaire
- Like a job application for your organisation
- Legal way to thin the field
- Primarily concerned with business probity
  - Hard for third sector, civil society and social enterprises
  - Much easier for commercial organisations
- Give Reassurance



# Tender stage

- Invitation to Tender (ITT) means you can write a proposal called a Tender
- Must follow instructions e.g.
  - unmarked brown envelopes
  - Specific file names or sizes on electronic tender portals
  - Primarily concerned with the service
    - Civil society organisation and social enterprises have a better chance at this stage (compared to PQQ)
    - Key message – value addition, better quality, effectiveness, spending money “twice”
- Give Reassurance



# The Pitch

- Share your knowledge and enthusiasm (finally a chance to let your passion shine through)
- Be clear
- Be realistic
- Don't be afraid
- Don't think this is the end of the line, there will be more opportunities
- Give Reassurance



# Managing the contract

- Negotiating the terms
  - Be flexible, but don't cave-in
- Key learning: You can (and should) negotiate at contract stage
  - Look for break clauses
  - Claw back
  - (In) appropriate indicators and metrics
  - Uneven or unfair risk and liabilities etc.
- Actions:
  - Share current or expired contracts for deconstruction and discussion (parametric learning)
  - Deconstruct a model contract
  - Increasingly ITTs also include sample copies of the contract so discuss as soon as possible with your consortium/partners



# Resources

- Public Service Magazine, [www.publicservice.co.uk](http://www.publicservice.co.uk)
- Institute of Public Care, Oxford Brookes University, <http://ipc.brookes.ac.uk>
- The MJ, [www.localgov.co.uk](http://www.localgov.co.uk)
- Business Link “Winning the Contract”  
[www.businesslink.gov.uk/procurement](http://www.businesslink.gov.uk/procurement)
  - A short online course on public sector procurement

