



BERR: a guide for suppliers

Introduction

The aim of this guide is to give suppliers insight into how the Department goes about buying its goods and services. It should also enable suppliers to identify potential opportunities to sell to the Department.

About the Department for Business, Enterprise and Regulatory Reform (BERR)

BERR's ambition is 'prosperity for all' by working to create the best environment for business success in the UK. BERR champions business at home and abroad. It specifically helps companies by promoting enterprise, innovation and creativity. It invests in science and technology. It also stands for the rights of working people and for fair and open markets in the UK, Europe and the world.

In particular BERR provides the following guidance for businesses:

- helping small and medium-sized enterprises (SMEs) through both ACAS and Business Links
- the launch of the Manufacturing Advisory Service
- extending the Small Firms Loan Guarantee Scheme
- increased funding to the Regional Development Agencies

The future challenge for the Department is to:

- continue the improved transformation of business support
- implement a new improved skills strategy
- continue to promote the activities of the Small Business Service and UK Trade and Investment

BERR procurement organisation

BERR has a mixed procurement organisation.

At the centre is the Procurement Policy and Services (PPS) branch. PPS is staffed by professionally trained people and provides a single and consistent approach to procurement within the Department and its Agencies. PPS is responsible for the provision of guidance to BERR procurement staff on all aspects of procurement. It has close links with the Office of Government Commerce (OGC) and promulgates procurement policy and strategy. PPS does not buy itself.

There are several 'centres of expertise' that are the intelligent customers for specialised areas of procurement. These include IT facilities, estate management, publicity and advertising.

There are also Management Units that make up the Department's structure. There are about 65 Management Units and they have the authority to purchase in their own right. They also put in place Framework Arrangements for common goods or services that can be accessed by the entire Department.

Further, the Department has Companies House and the Insolvency Service – both are Executive Agencies. Each of these has a measure of autonomy but generally follows BERR procurement practices.

Finally, there are the Department's Executive Non Departmental Public Bodies. These are not obliged to follow BERR procurement policies and practices or to use BERR Frameworks. They do receive funding from the Department and are Contracting Authorities in their own right and thus subject to public procurement rules.

The Department has offices and establishments throughout the United Kingdom. These include not only the offices of the Official Receivers (part of the Insolvency Services, but also Government Offices for the Regions, which are jointly staffed with officers from other Departments.

Main purchasing activities

The Department, along with its Executive Agencies, spends over £500 million each year on various activities.

Much of this, upward of 80 per cent, is on services. Such services are very diverse in nature and cover activities such as management and consultancy services, cleaning, facilities and travel.

A great deal of this is achieved by devolving budgets to line management (including those centres of expertise referred to earlier) whereby they undertake the purchasing cycle on their own behalf.

Procurement policy and strategy

BERR is currently adopting a new procurement strategy. It faces several challenges including the following:

- to realise savings from e-purchasing
- to raise the profile of procurement within BERR
- to act on the findings of both the Gershon Review and Lyons Report
- to improve purchasing techniques and contract management throughout BERR

Put at its simplest, BERR is looking towards a more professional approach to its procurement processes. It expects more of its practitioners to gain professional qualifications in procurement, which in turn should lead to the Department achieving better value for money. The central unit – PPS – has trained professional procurement staff.

The Department has embarked on an e-purchasing programme. The Department looks towards increasing the use of Framework Arrangements and Agreements for its purchasing activities. The possibility of developing a Procurement Knowledge Base is currently being reviewed and we are working closely with the OGC.

Public procurement rules

The Department, in common with other central government authorities as well as many other public sector bodies, is subject to European Rules or Directives. In fact they are now part of UK law and govern the way in which we are bound to purchase goods, services and works. They are particularly important when the value of the items to be purchased is estimated to cost over EU threshold values – from £90,319 upwards.

The intention behind the Procurement Directives was to provide a single market with the following objectives:

- ensure the free movement of goods and services throughout the European Union
- develop effective competition for public goods, services and work
- ensure transparency of purchasing procedures and practices
- adopt standardised technical specifications

As stated earlier, the estimated value of goods, services and works generally dictates whether the requirements to purchase are advertised in the Official Journal of the European Union (OJEU). These threshold values vary from time to time – usually every two years. Details of the current amounts and greater information in respect of these rules can be found in the Department's Procurement Manual, Section E.8.4. – Applicability, on the BERR website – www.berr.gov.uk

The public procurement rules also dictate that certain timescales must be adhered to when advertising. Although there are a variety of routes that can be followed, the Department has chosen as a general policy to follow the Restricted route. Expressions of interest are called for and a shortlist for inviting tenders is then drawn up from this. The probable number of companies to be invited to tender will be advertised within the original notice.

Notices are published electronically in Tenders Electronic Daily (TED) as well as appearing in BiP Solutions' *Contrax Weekly* magazine and Contrax Online.

Terms and conditions of contract

The Department has two sets of standard terms and conditions which it contracts to. These are designated in the following documents:

Standard Terms and Conditions of Contract for Services – PF31 for Services; and PF32 for Supply of Goods.

Both sets can be found on the Department's procurement website alongside other procurement documents. It is the Department's policy to contract only using these terms and conditions except when a bespoke set is drafted by departmental lawyers for particular circumstances.

When invited to submit a bid or quote by the Department this invitation will be accompanied by the departmental set of terms and conditions for the type of contract to be awarded. In addition, a specification and invitation to bid/tender letter will be included. Bidders are expected to accept the departmental terms. An objection in any way to these or any part of them risks causing a bid to be rejected.

It is important to stick to the deadline given in any tender invitation. Bids which miss the deadline will be rejected.

Contract strategy and tenders

The BERR procurement strategy dictates that procurement should be carried out by the business unit best placed to act as the Intelligent Customer. As described earlier, common areas of specialist requirements

such as IT are dealt with centrally, and items such as stationery are purchased through Framework Arrangements. Other requirements are dealt with directly by units, although the intention is to place more requirements on central Frameworks wherever this is practicable.

This mixture of centralised and decentralised procurement enables the Department to take advantage of economies of scale without the need for a centralised procurement bureaucracy.

The main principle of government procurement is to obtain value for money through competition. The current rules we operate under, described in detail in the Department's Procurement Manual, are that small value items – ie less than £500 – can be purchased without competition. The Department operates a Procurement Card which is a VISA badged card enabling purchases to be made from VISA-compliant firms. Anything estimated to cost between £500 and £10,000 is expected to have to seek three or more written quotations prior to a procurement decision being made. For amounts above £10,000 formal tendering normally applies. Where the total estimated cost is over the current European Union (EU) threshold (currently from £90,319 for central government, see Procurement Manual Section E.8.4 – Thresholds) public procurement rules are followed.

In the case of formal and EU tendering the relevant unit or centre of expertise within the Department will decide which suppliers to invite to submit quotes or tenders.

All units will adhere to a tendering policy that meets the following criteria:

- avoids over-specifying a requirement
- defines specifications wherever possible in terms of output
- invites a sufficient number of tenderers to ensure fair competition but allowing those tenderers a fair chance of winning
- provides all tenderers equal opportunities

A bid will be successful if it is the one that offers the Department overall best value for money. Part of the specification should contain the broad evaluation criteria used for assessing bids. All bids will be judged against the same criteria. Ensure that bids contain a breakdown of costs – this will enable clarity of your bid.

A contract will be awarded as soon as possible after the assessment process is completed. The assessment process may involve an interview whereby the potential supplier has the opportunity to provide greater details and respond to questions by a panel of officials.

Within limits of commercial confidentiality, BERR will always provide unsuccessful bidders with the reasons as to why a bid failed. This may be face-to-face or on the phone. Such debriefings should be viewed as a two-way process. The comments from the Department should be regarded as constructive. They are aimed at raising the awareness of unsuccessful tenderers, highlighting weaknesses and strengths, to enable them to better compete for future work.

E-purchasing

The Department carries out electronic trading. It has used the Government Procurement Card for the last seven years as a first step in this direction. Online purchasing from catalogues is in place. This covers a limited user base within the Department and includes items such as stationery, IT, mobile phones and training.

Contacts

A Guide for suppliers: Procurement contacts, providing details of the main contacts for the procurement of goods and services within BERR and its executive agencies, can be found at www.berr.gov.uk



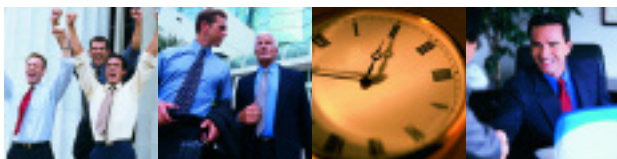
Expert public procurement consultancy for **Buyers** and **Suppliers** at your service

PASS CONSULTANCY

BiP's *Procurement Advice and Support Service (PASS)* provides organisations with access to experts in public procurement practices and procedures, thus helping you develop and deliver effective and efficient procurement. Our team offers a range of services to meet your specific needs. Whichever area you wish evaluated and improved, we have the experts to help.

The PASS consultancy's mission is to help you deliver the best in government procurement through:

- Practical solutions to improve procurement performance
- Innovative approaches to knowledge transfer within government
- Joined-up government
- Improved performance indicators
- Strategic direction and performance
- Opportunities offered by e-government
- Capacity to deliver change to meet identified needs
- Continuous improvement of services and challenging poor performance
- Sustainable development within decision-making processes and delivery of services
- EU-compliant processes
- Best practice procurement training



PASS MARK HEALTH CHECK

The *PASS* service can help your organisation examine its current procurement organisational structures, strategies, processes, practices and related strengths and weaknesses. It delivers a detailed *PASS Mark Health Check Outcome Highlight Report (OHR)* that outlines areas of strength as well as those requiring further attention, and provides an outline *Project Initiation Document (PID)* designed to deliver a more effective and efficient tendering process that will help you achieve optimum performance and better value-for-money procurement.

PASS – HELPING YOU MEET KEY OBJECTIVES

The key objective of public procurement professionals is to ensure that the most suitable supplier is selected to provide goods and services on terms which are likely to offer the best value for money. The *PASS* service helps you meet this requirement and deliver contracts that offer best value-for-money terms with suppliers who will execute them efficiently.

PASS TRAINING

Our consultants can provide you with bespoke training packages to suit your needs. Consultancy and training is available for the following: environmental purchasing, partnering, evaluation, e-government, supplier debriefing, UK legal processes and precedents, contract management, EU-compliant tendering and much more.

PASS ONLINE GUIDANCE

The *PASS* service provides online guidances on all aspects of the public procurement process and legal requirements: www.bipsolutions.com/html/briefing.php

PASS IN-HOUSE PRESENTATIONS

PASS consultancy can provide you with in-house presentations directed to buyer or supplier. Each presentation will be bespoke to your requirements, whether they be with regards to improving your tendering practices or your procurement strategy or processes. Contact: pass@bipsolutions.com

The *PASS Mark Health Check* is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the **PASS** service, contact our **PASS Team** on **0845 270 7055**, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/