



A Beginners Guide to Commissioning and Tendering

Q and A session

For those of you out there that are considering putting in a tender for a service for the first time, the Gio Project has put together a question and answer session that may help to highlight some interesting points and gives you some things to think about.

What is commissioning?

A good definition is:

"... a cycle of activities at a strategic level - concerned with whole groups of people – including:

- assessing the needs of a whole group of people;
- setting priorities and developing commissioning strategies to meet those needs in line with local and national targets;
- securing services from providers to meet those needs and targets either through grant making or procurement;
- monitoring and evaluating outcomes;
- the above combined with an explicit requirement to consult and involve a range of stakeholders, patients/service users and carers in the process."

Taken from: <http://www.northwestroadmap.org.uk/index.php?pageNo=372>

What is tendering and what is the process?

This is the route that an organisation will take when responding to a requirement for a service which has been identified through the commissioning process. There are a number of key stages which include: completing a PQQ (see below), invitations to tender (ITT), scoring the tender, granting the tender.

What is the first step to becoming tender ready?

This is probably the most important part and it is to check that your governing document allows the organisation to tender for services. Have a look specifically in the objects section. It should say something like 'to enter into contracts'. If not, and you are sure your organisation wants to tender then you would need to change or amend your governing document through the trustees and inform the Charity Commission. There are a number of templates for governing documents on the Charity Commission website <http://www.charitycommission.gov.uk/registration/mgds.asp> or there is a very useful document about amending your charity's governing document on the Commission's website: <http://www.charitycommission.gov.uk/publications/cc36.asp>

What is a Pre Qualification Questionnaire (PQQ)?

A pre-qualification questionnaire is an initial document to find out specific information about an organisation that is looking to submit a tender. This information could include financial and legal status, policies and procedures and ability to deliver. PQQ's can be very time consuming so set aside as much time as possible.



The document will be used to judge whether your organisation can meet the basic criteria before going on to tender for the actual service. Treat the PQQ as a marketing tool and consider that there may be a number of organisations that meet the basic criteria so what will set your organisation apart from them?

What to look out for in the service specification?

Does TUPE apply? If it does then the cost of delivering the service will be much higher, existing staff will have to be moved across to your organisation on the same wages and benefits. The wages may be higher and staff have greater benefits such as maternity, sick pay and pensions. How might your existing staff feel about this? If it is not clear in the service specification then speak to the commissioners.

Find out how payments will be made, for example it is likely that they will be made in arrears so does your organisation have the reserves to get the service up and running?

What is full cost recovery and why is it important?

Full cost recovery is about knowing and securing funding to cover the true cost of delivering the service. This means not just costs directly associated with delivering the service but the organisation's overheads, which should be shared among your all organisations different projects and services. Overheads could be the overall management of the organisation or administration. They are often called core costs and are necessary for the organisation to operate but do not relate specifically to one project or service. A comprehensive guide can be found on the Big Lottery Fund website: http://www.biglotteryfund.org.uk/full_cost_recovery?fromsearch=-uk Knowing the real cost of delivering a service means you can make an informed decision about whether you really want to put in a tender and can be used for negotiations further down the line.

When costing a tender what do I need to remember?

If the tender is for more than one year remember to include inflation into all the relevant costs such as wages. Try not to use round figures, this suggests that you have guessed rather than actually working it out (even if you haven't!). It may be that your organisation will have to be audited for the first time so do not forget to include these costs as well. There is a very detailed list in "Tendering and Bidding Briefing: Give your tender a winning chance," which can be found at

http://www.financehub.org.uk/uploads/documents/Tendering_and_Bidding_Briefing_137.pdf

Do you want the contract?

You might think that this is a 'no-brainer' but there are some important questions to ask before going ahead. Is the work close to your organisation's aims and priorities? How is it likely to impact on your other work? Does it pay enough?

Where can I find out about tendering opportunities?

There are a number of ways that you can find out what opportunities are coming up listed below. However, trawling through all the websites can be very time-consuming so we have done the hard work for you if you visit www.vamanchester.org.uk/tendering-opportunities, which is updated daily.

Other websites include:

- The Chest (for the local authorities, fire and police tenders in Greater Manchester)

<http://www.thechest.nwce.gov.uk/cms/cms.nsf/vHomePage/fSection?OpenDocument>

- Official Journal of the European Union – Tender Electronic Daily (for tenders above the EU financial thresholds, that cover the UK as a whole)

- www.supply2.gov.uk (local authority tenders that cover the UK as whole)
- www.supply2health.nhs.uk (tenders for health and related services locally and nationally)
- Learning and Skills Council (tenders that cover the whole UK)

<https://lsc.bravosolution.co.uk/web/login.shtml>

- Greater Manchester Commissioning Business Service (for NHS and PCT tenders for Greater Manchester)

<https://gmcb.bravosolution.co.uk/web/login.shtml>

What can the GIO team offer?

Members of the GIO team can help your organisation through the tendering process with either one-to-one support, workshops where organisations share their experiences and training for staff about to start tendering. If you feel comfortable with tendering then the GIO team can read through your tender document for you, using an external perspective to make sure there is no assumed knowledge and cast a critical but friendly eye over the document.

If you have any tendering stories that you would like to share, good or bad, please get in touch (e: gio@vamanchester.org.uk or t: 0161 214 3944) and we can publish these in our newsletter for other organisations to read and possibly learn from.