

Initiatives to Assist SMEs in Public Procurement

Circular 10/2014 Summary



Oifig um Sholáthar Rialtais
Office of Government Procurement

1. Market Analysis

Public sector buyers should undertake market analysis, prior to tendering, in order to better understand the range of goods and services on offer, the competitive landscape and the specific capabilities of SMEs etc.

2. Sub-dividing Contracts into Lots

Buyers should, where reasonable and without compromising efficiency and value for money, consider breaking contracts into lots, enabling smaller businesses to compete for these elements.

3. Consortium Bids

Suppliers are encouraged to form consortia to avail of public procurement opportunities, provided these consortia comply with relevant competition law.

(The Competition and Consumer Protection Commission has published guidance targeted at SMEs to help them comply with competition law when tendering as part of a consortium. The guidance, 'How to comply with competition law when tendering as part of a consortium', is available from the Competition and Consumer Protection Commission website, www.ccpc.ie)

4. Less use of 'Restricted' Tendering and Greater Use of 'Open' Tendering

Buyers should use open tendering for contracts below €134,000 (exclusive of VAT) in the case of advertised contracts for general goods and services. Buyers should use the open procedure for advertised contracts for works and works-related services with a value less than €250,000 (exclusive of VAT). Above these levels, buyers should decide which tendering procedure is most appropriate in each case.

5. Capacity Requirements

Buyers should ensure that any capacity levels set for candidates/tenderers are relevant and proportionate to the circumstances of a particular contract.

Where experience is specified as a qualifying or competitive criterion, it should not be framed in such a way as to unduly narrow the field of eligible tenderers.

6. Turnover Requirements

In assessing the capacity of a supplier to carry out a contract for routine (e.g. low-value, high volume) goods and services, buyers, as a matter of general policy, should not set company turnover requirements at more than twice the estimated contract value. This is in line with revised European rules and is designed to support SME involvement in public procurement.

For non-routine, high risk or bespoke services and/or goods competitions it may be necessary to apply higher requirements.

7. Innovation

Buyers should, where possible and appropriate, encourage new and innovative solutions by indicating in tender documents where they are prepared to accept reasonable variants to the specifications.

8. Framework Agreements

Breaking framework agreements into lots can be an effective way of opening up opportunities to SMEs. Depending upon requirements, framework agreements can be divided into lots on the basis of geography, specialism and/or value.

9. eTenders Assisting SMEs

The OGP will continue to promote the optimum use of the eTenders portal as a tool for facilitating the involvement of SMEs in public sector procurement.

9.1 Advertising of Contract Opportunities to Promote SME Participation

Buyers continue to be required to advertise all contracts for supplies and services with an estimated value of €25,000 (exclusive of VAT) and upwards on www.etenders.gov.ie. The advertising threshold for works and works related services remains €50,000 (exclusive of VAT).

9.2 Publication of Contract Award Notices

Buyers are required to publish all Contract Award Notices over €25,000 on the eTenders website on completion of the award. This provision is effective since 1 August 2014.

9.3 Registration and Email Alerts

The OGP encourages suppliers to register with accurate company information on www.etenders.gov.ie to ensure maximum exposure to tendering opportunities within their sector.

9.4 Supplier Data Bank

In relation to goods and services, buyers should encourage suppliers to upload their business details (tax clearance, insurance, health and safety and financial data) on the eTenders system. This data will automatically reload when the supplier revisits the site to tender for other contracts. This facility is aimed at easing the administrative burden of suppliers competing in multiple tenders.

9.5 Prior Information Notices (PINs)

Buyers should communicate long term purchasing plans to the market as early as possible by publishing Prior Information Notices (PINs) on the eTenders website.

9.6 Requests for Tenders/Expressions of Interest (RFTs/ EOIs)

Buyers should publish RFTs or EOIs on eTenders for direct downloading by suppliers.

9.7 Online Submission of Tenders

For goods and services, buyers should promote the online submission of tenders by suppliers as the norm. This simplifies the tendering process and reduces the costs of tendering.

10. Insurance

Buyers should only require proportionate and reasonable types and levels of insurance in the context of a particular contract. Factors which may be considered by buyers for the supply of goods and general services should include: the risks involved, the value of the contract and the subject matter of the contract.

11. Life Cycle Costs

Where the award of a contract is on the basis of the most economically advantageous tender (MEAT), the buyer, where appropriate, should take into account not just the current but the whole life cycle costs.

12. No Charging for Tendering Opportunities

Buyers should not use arrangements which involve candidates/tenderers having to pay to access competitions for public contracts.

13. Feedback

For contracts above EU thresholds for which advertising of contracts in the Official Journal of the EU (OJEU) is obligatory, buyers are required to give appropriate feedback to companies who have participated in a public procurement competition. For all other contracts, buyers are strongly encouraged to provide written feedback as a matter of good practice.

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www.procurement.ie

**Find out what opportunities are out there
Register on eTenders:**

www.etenders.gov.ie

Find out more about the OGP: www.procurement.ie

Register as a supplier and find tendering opportunities: www.etenders.gov.ie

Find more information about works and works-related services: www.constructionprocurement.gov.ie

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