

Notice to Public Sector Buyers of Goods and Services

1. Introduction

Facilitating the small and medium enterprise (SME) sector to tender for goods and services has proven to provide public sector bodies with the best quality and most affordable product or service to meet their needs.

Among the central objective of public procurement in Ireland is to ensure that a 'level playing field' exists for all Suppliers. To this end, the Department of Finance issued Circular 10/10 that aims to remove barriers frequently encountered by the SMEs when competing for public sector contracts.

In that policy context, the National Procurement Service (NPS) has recently established a collaborative Working Group to identify any practical solutions to challenges for the SME sector in relation to public procurement. The NPS is confident that the work of this group will help to inform the continued delivery of best practice by public sector Buyers through the public procurement process and ensure openness and equality of opportunity to all Suppliers, including the SME sector.

It is intended that the NPS will issue periodic advices to Buyers and Suppliers based on outcomes/deliverables agreed by this collaborative Working Group.

The aim of this Notice is to outline the NPS advice on how Public Sector Buyers can help to address the challenges for the SME sector that were identified at the initial meetings of this Working Group. These advices fall within the following three broad categories:

- Market Analysis
- Costs of Tendering
- Use of the eTenders Portal

2. Market Analysis

Finding out what the market can provide is essential to the role of the Buyer. The Working Group identified that Buyers can benefit from being fully aware of what range of products or services the market can provide, including what, if any, innovative or specialist solutions may be available. This is consistent with the results from the recently published National Procurement Service Annual Survey.

One of the key benefits of market analysis for Buyers, having identified the full range of market options available, is to inform a Buyer's tendering specifications, thereby assuring them that they are procuring the appropriate product or service to their particular needs and one which can provide value for money over the lifetime of the contract. This approach will also help Buyers to reduce spending on goods and services outside of contracts. Some examples of innovative products and services procured by the HSE, a public sector Buyer, are attached in **Appendix 1**.

Collaboration with other Buyers can also be a useful aspect of market analysis to both provide insight, consistency and potentially result in aggregation and further savings for Buyers.

Accordingly, the NPS advises Buyers to be clear on their tendering and purchasing requirements and accordingly incorporate, wherever possible, the following as part of their best approach to procurement:

- Buyers being satisfied that they are fully familiar with the market before formally tendering for a product or service. Part of this market analysis should place an emphasis on innovative solutions.
- Buyers should avail of opportunities to meet potential Suppliers. The NPS arranges or participates in an extensive programme of such training events, which have proven to be very popular and informative for both Suppliers and Buyers. Details of these events are available on the www.procurement.ie/Buyers/news website.
- Buyers should purchase from existing contracts as well as complying with the Department of Finance Circular 10/10.
- Single tendering/extensions of contracts should always be in compliance with Department of Finance Circular 40/02.

3. Cost of Tendering

The SME sector normally bears in the order of 80% of costs associated with each procurement process. Buyers incur the remaining 20%.

Certainty and consistency assist both the Buyers and Suppliers to manage the tendering process, reducing the administrative costs and associated risks.

When tendering, Buyers should be clear on their estimated budget for the goods or services being procured over the lifetime of the contract. This helps to better inform potential Suppliers on whether to tender for a contract.

Given the costs of tendering incurred by Suppliers, it is desirable that Buyers should be fully satisfied that their competitions will proceed before publishing tenders.

Accordingly the NPS advises that:

- Buyers should consult the legal and guidance documentation related to public sector tendering found on both www.procurement.ie and www.etenders.gov.ie websites.
- Consistency by Buyers when tendering can be achieved by the adoption by all Buyers of the NPS standard suite of documents for low value, high volume goods and services found at <http://www.procurement.ie/Buyers/template-documents>.
- Buyers, when commencing the tendering process, should be satisfied that there is no known barrier that will prevent bringing the tender process to an early conclusion. Discontinued tendering is very costly for everyone, particularly Suppliers.
- Insurances and financial accounts sought should be appropriate to a given competition and proportionate to the value of the contract.
- Buyers should ensure, as far as possible, that funding for a good or service being procured is available prior to a tendering process.
- Buyers should use Prior Information Notices (PIN's) where possible, as early notice can give a longer lead time for all Suppliers, including SMEs to prepare their tenders (for EU tender competitions).

- Buyers should actively provide feedback to successful and unsuccessful tenderers, as part of the procurement process.
- The NPS has provided on www.procurement.ie a facility for Buyers to upload details of competitions/opportunities for SME's that will arise during the year. Buyers should actively use this facility. Prior to formal tendering Buyers can continue to speak with potential Suppliers.

4. eTenders Portal

This eTenders portal is being continuously accessed by potential Suppliers to freely access notices, within their sector, on government and public sector procurement across Ireland. The NPS advises that:

- In accordance with Department of Finance Circular 10/10 public sector Buyers should use the eTenders portal and not charge Suppliers to access public sector tenders.
- Buyers when using the eTenders portal should fully describe categories relevant to the tender being advertised, inclusive of sector.

Other NPS guidance for the participation of the SME sector with tendering for public sector contracts, including, *Facilitating SME Participation in Public Procurement*, is available under publications on www.procurement.ie

National Procurement Service

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Appendix 1

<p style="text-align: center;">Case Studies of Innovative Products/Services Purchased by the HSE</p>
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HSE Procurement deal with in excess of 8,500 Suppliers on an ongoing basis and during 2011 in excess of 500 individual meetings took place as part of ongoing procurement activity. This was in addition to playing a key role at some high level engagements for the island of Ireland hosted by Enterprise Ireland, Intertrade Ireland and others. Feedback from the supply base has indicated that a key feature of these events is the opportunity to meet individual Buyers pertaining to their area of the business. This is often where opportunities are created. To quote some feedback from Suppliers:

“Good to know that small companies have as good a chance at the public purse as big companies”

“Very good opportunity to network especially for a new business”

“Excellent event, gave a great insight on how to approach the relevant bodies correctly”

“Good to meet the HSE in this fashion and get direct information”

Examples of where HSE assisted SME’s with innovation

Gabriel Scientific – Sleep Angel Pillows

As part of their research and development Gabriel Scientific worked closely with the infection control team in Cherry Orchard to develop an infection free pillow. This pillow has now been launched and has won an innovation award this year. Mr. Billy Navan, co-founder of Gabriel Scientific paid tribute to the role of the Health Service Executive and the Irish healthcare system in the development of the PneumaPure Filter technology. This company will now go on to develop further products and HSE will continue to support them.

The HSE is also pleased to note that this product is receiving world wide acclaim in assisting the challenge of combating infection within the healthcare environment. This product is now used across various locations in HSE and the company have confirmed that having reference sites in the source country is a valuable asset in progressing their product. Working in partnership with this Supplier has resulted in a win win for both sides.

Newbridge Meats – Meat Supplier

Newbridge Meats, a small company was awarded a contract for HSE Meat over the past two years. This company is EU, Department of Agriculture and Bord Bia approved using Irish Products only which lends itself to promoting jobs across the Irish Economy. Feedback from the customer base dealing with Newbridge Meats is that both product and service are excellent. On speaking to Managing Director Michael Hedderman, he hopes to grow business across the public sector as opportunities arise and is delighted to have HSE as a reference site.

Surewash – Hand Hygiene

HSE is currently engaging with Surewash, an Irish based SME. The product offered by Surewash is an automated hand hygiene training and assessment system. The benefit is reduced cost in hand hygiene training assisting in the reduction of healthcare acquired infections. Currently Surewash distributes to six European Countries and Australia. This product is manufactured in Limerick, supporting the development of Irish jobs. This product is being supplied to Our Lady's Hospital Drogheda and Our Lady's Hospital Navan.

Bord Bia – Irish Food Board

HSE Procurement in collaboration with Bord Bia, the Irish Food Board, hosted an 'Innovate to Win Pork' Workshop during 2011. This engagement endorsed an innovative approach in terms of reducing cost in the current economic climate while at the same time ensuring product quality offering innovative solutions on alternative cuts. This conference afforded an excellent opportunity to speak directly to customers and the market in relation to food service and how to move forward in reducing cost without affecting the quality and variety of product. Bord Bia was appropriate to lead on this initiative in terms of the Irish Food Service Market as it reinforced the quality assurance aspect.