

Notice to Suppliers of Goods and Services to the Public Sector

1. Introduction

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 2010/10 that aims to remove barriers frequently encountered by the small and medium enterprise (SME) sector 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 NPS advice, in this Notice, identifies practical solutions to the challenges for the SME sector when tendering for public sector contracts. These were identified at the initial meetings of this Working Group. These advices are relevant to all Suppliers and fall within the following four broad categories:

- Market Analysis
- Costs of Tendering
- Tax Clearance Certificates
- Use of the eTenders Portal

2. Market Analysis

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. Suppliers should not be shy about advising the Public Sector on what goods and services they can provide.

One of the key benefits of market analysis, from identifying the full range of market options available, including innovative solutions, is informing a Buyer's tendering specifications, thereby assuring them and Suppliers that the appropriate product or service is being procured to meet the needs of the public sector body.

Suppliers knowledge of the market can also assist them to identify and benefit from collaborating with other Suppliers to jointly tender for a good or service being procured by the public sector.

Accordingly the NPS advises Suppliers to incorporate, wherever possible, the following as part of their approach to procurement:

- Suppliers being satisfied that they are fully familiar with the public sector market before formally tendering for a product or service. Part of this market analysis places an emphasis on embracing innovative solutions that may be of value to the public sector. Suppliers should continually be actively informing the Public Sector of innovative solutions – it may be too late when tenders are published.
- Suppliers should avail of the broad range of opportunities to meet the Buyers. The NPS arranges or participates in an extensive programme of such training events, including the 'Go To Tender' days, 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/Suppliers/news website.
- Following each tendering competition, Suppliers should actively seek feedback from the Buyer.

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. It is acknowledged that discontinued tendering is very costly for everyone, particularly for Suppliers.

Given the costs of tendering incurred by Suppliers, the NPS has advised public sector Buyers to ensure that they are fully satisfied that the competitions will proceed before publishing tenders.

Accordingly the NPS advises that:

- Suppliers consult with the legal and guidance documentation related to public sector tendering found on both www.procurement.ie and www.etenders.gov.ie websites. This guidance will assist Suppliers with competing in a tendering competition.

The NPS has advised Buyers:

- That insurances and financial accounts sought by them from Suppliers tendering for a competition should be appropriate to a given competition and proportionate to the value of the contract.
- To publish, where possible, Prior Information Notices (PIN's) as these early notices can give a longer time for Suppliers, including SMEs, to prepare their tender (for EU tender competitions).

4. Tax Clearance Certificates

NPS would also advise Suppliers to take note of the following guidance, from the Revenue Commissioners, regarding Tax Clearance Certificates:

- In relation to a Public Sector Contract, a Licence, or the Criminal Justice Legal Aid Panel, a Tax Clearance Certificate is issued provided that the applicant is tax compliant. For the 3 years following the issue of the original Tax Clearance Certificate, a Tax Clearance Certificate will automatically issue one month prior to the expiry date, provided the applicant is tax compliant at that date. In the case where the applicant is not tax compliant at that date, it is the responsibility of the applicant to get his/her tax affairs in order.
- In year 5 a standard letter will issue to the applicant one month prior to the expiry date of the current Tax Clearance Certificates requesting the applicant to reapply for tax clearance.

This advice is taken from the Revenue Commissioner's website, found at:

<http://www.revenue.ie/en/tax/it/leaflets/guidelines-tax-clearance.html#section9>

Where possible, applications for Tax Clearance Certificates should be made online at www.revenue.ie, as this will expedite the process.

5. eTenders Portal

Suppliers should ensure that they are fully registered on www.etenders.gov.ie to ensure maximum exposure to tendering opportunities within their 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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