# Public Procurement Guide

## for Small and Medium Enterprises (SMEs) and Sole Traders

Rialtas Áitiúil Éireann
Local Government Ireland

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Supplygov.ie
public procurement

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While every attempt has been made to ensure that the information in this guide is correct at the time of publication, no responsibility is taken for errors or omissions. This document does not purport to provide definitive guidance on procurement or the legal environment.

# Who is this guide for?

This guide is aimed at Small and Medium Enterprises (SMEs) and sole traders who are interested in providing goods, services or works to local authorities.

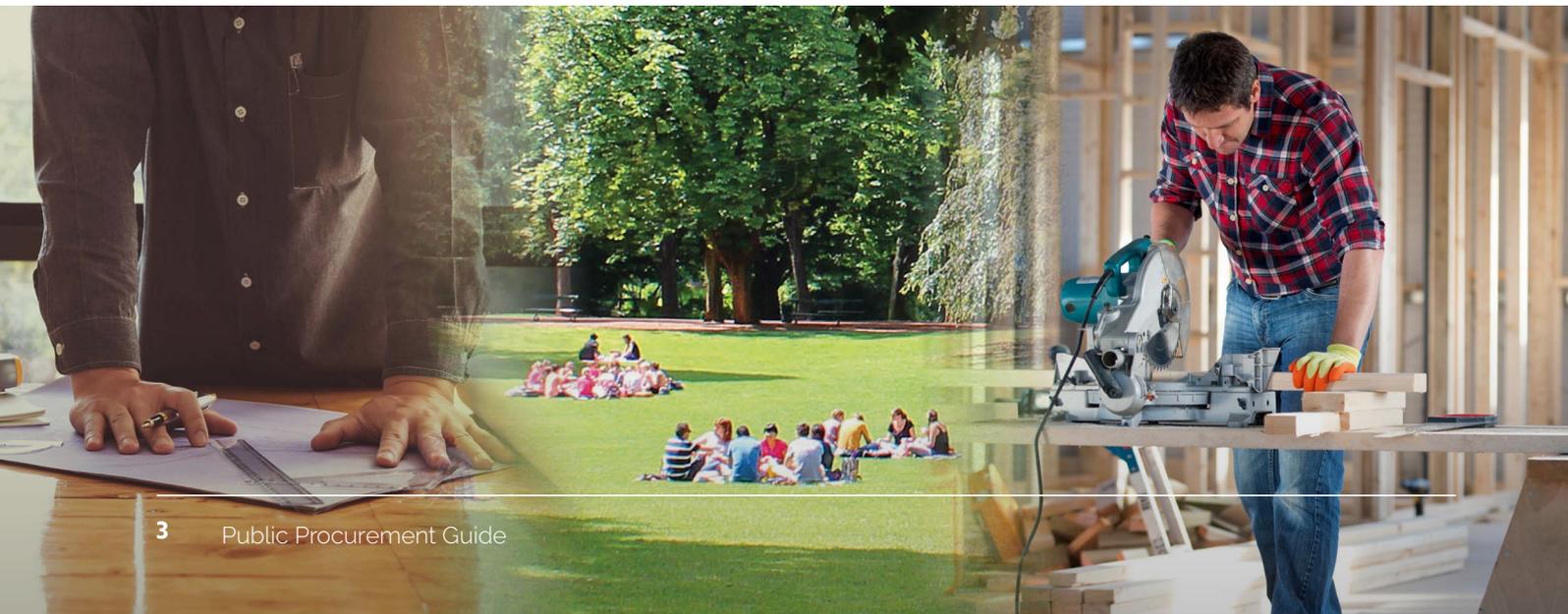# What is the purpose of this guide?

This guide is designed to explain, in plain English, how local authorities purchase goods, services or works.

The guide contains a 6-point plan to encourage participation by SMEs and sole traders in local authority public procurement opportunities.

Public procurement is the process by which public bodies use public contracts to purchase goods, services or works from suppliers, ranging from the purchase of routine goods or services to large scale contracts for infrastructural projects.

There are many advantages to becoming a supplier to the public sector including local authorities.

- Local authorities use public procurement procedures to award thousands of contracts every year ranging from low to high value.
- Local authorities are obliged to pay promptly.
- Local authorities have an ongoing need for goods, services and works.
- Public procurement opportunities can arise at local, regional, or national level.
- SMEs and sole traders can help bring innovative solutions and skills to improve service delivery.
- SMEs and sole traders who do not have the capacity or resources to tender singly can partner with others.

# Your **6 Point** Public Procurement Plan

Review top tips
for tendering

**6**

Register on
eTenders.gov.ie

Learn from
the feedback

**5**

**1**

Know how to
respond to a
call/request
for tender

**4**

**2**

**3**

Recognise
the key
procurement
terminology

Note the
tendering
methods

# 1 Register on eTenders

As an SME or sole trader, you can keep up to date with public procurement opportunities by registering on the following websites:

## eTenders.gov.ie

www.etenders.gov.ie is the Irish Government's electronic tendering platform, administered by the Office of Government Procurement. The platform is a central facility for all public sector contracting authorities to advertise procurement opportunities and to announce decisions on successful tenderers.

## SupplyGov.ie

In addition to eTenders, local authorities also use the **SupplyGov** platform www.supplygov.ie. This is a procurement system that local authorities and other public service bodies use to run mini competitions under established frameworks and dynamic purchasing systems for two key local government spend categories of Minor Works & Civils and Plant Hire. Requests for associated quotations can also be managed through SupplyGov.

It is important to note that all frameworks and dynamic purchasing systems on SupplyGov are, in the first instance, published as a contract notice on eTenders www.etenders.gov.ie for the purpose of engaging suitably qualified suppliers. Once the frameworks and dynamic purchasing systems are established, mini competitions in relation to the local government spend categories are conducted through SupplyGov.

| How to register on eTenders |
| --- |
| • Log on to www.etenders.gov.ie and on the home page under First-Visit Guide, register yourself and your organisation as a Supplier in the system. |
| • Select the relevant classification codes (CPV) for your organisation to receive relevant notifications on tenders. |
| • Check out more details on how to register at gov.ie - eTenders has changed - updates for businesses (www.gov.ie) |

# 2 Recognise the Key Procurement Terminology

## Definitions

### Public Procurement
Public procurement refers to the purchase, by means of a public contract, of goods, services or works by publicly funded organisations including local authorities.

### Contracting Authority
Public contracting authorities may be individual government departments or offices, local or regional authorities, any public body, commercial and non-commercial state bodies, or private entities that are subsidised 50% or more by a public body, when awarding contracts for goods, services or works.

### Framework Agreement
A framework agreement is an agreement between one or more contracting authorities and one or more service providers that establishes the terms governing contracts to be awarded during a given period. A framework agreement enables contracting authorities to place orders with service providers without running a full tender process.

### Call or Request for Tender/ Supplementary Request for Tender (CFT/RFT/SRFT)
A document that invites contractors and suppliers to bid for the provision of goods, services or works.

### Mini-competition
A mini-competition is initiated through the issue of a Call or Request for Tender/ Supplementary Request for Tender (CFT/ RFT/SRFT) and Tender Response Document (TRD) to the framework members.

### Dynamic Purchasing System (DPS)
A Dynamic Purchasing System is a completely electronic system that can be used to procure commonly used goods, services or works. It is typically used to procure lower value goods. Unlike a framework agreement, which restricts tenderers joining, tenderers can be added to a DPS at any time subject to the published eligibility criteria.

### Most Economically Advantageous Tender (MEAT)
The most economically advantageous tender is the tender which, following assessment of the award criteria, is the most beneficial to the contracting authority and represents value for money. It may include the best price-quality ratio, or instead may use lowest price alone.

### Common Procurement Vocabulary (CPV)
Common procurement vocabulary is a detailed system of codes for describing goods, services or works to be advertised on eTenders and in the Official Journal of the EU (OJEU). It is available on the SIMAP website.

# Abbreviations

**CPV**   Common Procurement Vocabulary

**CFT**   Call for Tender

**DPS**   Dynamic Purchasing System

**EOI**   Expressions of Interest

**ESPD**  European Single Procurement Document

**FWA**   Framework Agreement

**ITT**   Instruction to Tenderers or Invitation to Tender

**MEAT**  Most Economically Advantageous Tender

**OJEU**  Official Journal of the European Union

**PIN**   Prior Information Notice

**PQQ**   Pre-Qualification Questionnaire

**RFQ**   Request for Quotation

**RFT**   Request for Tender

**SAQ**   Suitability Assessment Questionnaire

**TED**   Tenders Electronic Daily

**TRD**   Tender Response Document

# 3 Note the Tendering Methods

EU law sets minimum harmonised rules for tenders whose monetary value exceeds a certain amount and which are presumed to be of cross-border interest.

The European rules ensure that the award of contracts of higher value for the provision of public goods, services or works must be fair, equitable, transparent, and non-discriminatory. For tenders of lower value national rules apply, which must respect general principles of EU law.

The Office of Government Procurement sets out the public procurement procedures to be followed under national and EU rules. For higher value tenders, the procedures are based on general EU public procurement rules. The value limits (thresholds) that mark when EU rules are used depend on the subject of the purchase, and who is making the purchase. The EU thresholds are revised regularly, and the current limits are set out in Appendix 1.

While national public procurement rules apply to lower value tenders, the general EU principles of fairness, transparency and equal treatment should be respected.

## Below EU Threshold Tendering

### Quotations

Local authorities seek quotations for goods, services and works with a value up to €50,000. These are the current limits at the time of print and exclude VAT.

A large volume of business in local authorities occurs at this level and it is an ideal starting point for SMEs and sole traders.

Local authorities can manage their quotation using the 'Simplified Procedure' on the online tendering platform www.etenders.gov.ie and/or directly through email. In both cases, there is a limit to the number of suppliers who are invited to submit a quotation.

**Suppliers must be fully registered on www.etenders.gov.ie to be considered for 'simplified procedure'/quotation requests.**

### National Tendering

Local authorities advertise their tenders for goods, services and works with a value from €50,000 to EU Threshold level on eTenders. Both limits exclude VAT.

**Suppliers must be fully registered on www.etenders.gov.ie to be notified of above quotation level and below EU threshold tenders.**

## Above EU Threshold Tendering

Local authorities must advertise their large value tenders, above the EU threshold level, on eTenders and in the Official Journal of the EU (OJEU).

The eTenders platform automatically sends the notice to Tenders Electronic Daily (TED), which is the online version of the Supplement to the Official Journal of the EU dedicated to European public procurement.

**Suppliers must be fully registered on www.etenders.gov.ie to be notified of above threshold tenders.**

# 4 Know How to Respond to a Call/Request For Tender

While there are different public procurement procedures, depending on the requirements of the local authority, the open procedure is used most often.

The open procedure is a single stage procedure under which any supplier can submit a tender. For information on other procedures, please refer to Appendix 2.

The Call/Request for Tender (CFT/RFT) is a document that invites contractors and suppliers to bid for the provision of goods, services or works.

The Call/Request for Tender includes all documentation related to the tendering process. It normally includes a general overview of the tender requirements, a detailed specification of requirements, the format and structure for submission of tenders, how tenders will be examined and the criteria on which they will be evaluated, and some general conditions of tendering. The CFT/RFT normally includes a set of conditions for a contract which will be concluded with the successful tenderer.

## Main Elements of the CFT/RFT

### The Specification

The specification can be defined as a statement of needs. It defines what the buyer wants to procure and, consequently, what the supplier is required to provide. Specifications can be simple or complex, depending on the need.

At evaluation stage tenders are assessed to check that the documentation provided is compliant with the specification as published and that the tenderer can fulfil the requirements specified.

### Exclusion Criteria

At the selection stage, contracting authorities are required to exclude from further consideration any tenderers who have been convicted of specified offences such as terrorism, fraud, criminal offences. Contracting authorities also have discretion to disqualify candidates under discretionary exclusion grounds such as bankruptcy, insolvency, or violations of applicable obligations in the field of environment, social and labour law.

A declaration is completed and signed by tenderers confirming that none of the exclusion grounds have been breached.

### Selection Criteria

Selection criteria relate to professional conduct and standing, professional or technical expertise, financial or economic standing, general capacity and competency that demonstrates capability to perform a particular contract.

A declaration is completed and signed by tenderers confirming selection criteria have been met. Documentary evidence will be required in advance of signing a contract.

### Award Criteria

The award criteria are the criteria that constitute the basis on which a contracting authority chooses the best tender and awards a contract.

These criteria must be established in advance by the contracting authority and must not be prejudicial to fair competition. This means that the award criteria should support open and transparent competition. They must also relate to the subject matter. Award criteria examples include quality, price, technical merit, environmental characteristics, and life-cycle costing.

Each criterion is set out in the Call/Request for Tender documents with the marking scheme and the responses are evaluated by the contracting authority based on this marking scheme.

### Tender Response Document (TRD)

A Tender Response Document is provided for completion by tenderers. This is a standard document with the details on the format of the response required. It is mandatory to use this document when responding to a tender.

### Evaluation

An evaluation team assesses each tender based on the information provided in the Tender Response Document. A tender must pass the exclusion and selection stages in order to be considered for evaluation against the award criteria. Tenderers who reach this stage are evaluated against each award criterion using the prescribed marking scheme (also known as weighting). The evaluation team evaluate based on the information presented to them and evaluations cannot be based on their personal experience with a tenderer. On conclusion of the evaluation process, the marks are totalled and the tenderer with the highest marks is deemed to be the successful tenderer based on the Most Economically Advantageous Tender (MEAT). Tenderers are notified of the outcome of the competition through the eTenders platform.

# 5 Learn From the Feedback

The successful tenderer is notified and is issued with relevant documents for signing. The unsuccessful tenderer is provided with information on their scores relative to the scores of the successful tenderer, with reasons for the differences.

For contracts above the EU threshold values, the name of the successful tenderer and details of the standstill period are also provided. During the standstill period of 14 days, formal contracts are not signed; this allows an unsuccessful tenderer time to raise any additional queries.

Feedback can assist tenderers to identify areas for change or improvement with their future tenders.

# 6 Review Top Tips for Tendering

1. Register on eTenders.

2. Read the Call/Request for Tender (CFT/RFT) documents carefully.

3. Note the type of procurement procedure being used.

4. Submit a clarification question on eTenders if required. Questions and answers are provided to all who have registered for the tender, without identifying the supplier who raised the question.

5. Note the rules and marks associated with selection and award criteria.

6. Include all the required documentation and respond to all elements.

7. Ensure all documents are signed in the appropriate places.

8. Submit the tender response in advance of the closing date and time.

9. Review award notices published on eTenders.

Further assistance is available from Local Enterprise Offices, Enterprise Ireland and InterTrade Ireland. These agencies provide tendering support through training, mentoring and specialised programmes. and contact details are available at the end of this guide.

Thresholds are revised every two years. Full and up to date thresholds can be checked on the EU public procurement website Thresholds (europa.eu).

| Works | Value | Who it applies to |
|---|---|---|
| Contract Notice | €5,382,000 | Threshold applies to Government Departments and Offices, Local and Regional Authorities and public bodies |
| **Goods and Services** | | |
| Contract Notice | €140,000 | Threshold applies to Government Departments and Offices |
| Contract Notice | €215,000 | Threshold applies to Local and Regional Authorities and public bodies of the Utilities Sector |
| Contract Notice | €750,000 | All services concerning social and other specific services listed in Annex XIV of the Directive 2014/24/EU |
| **Utilities** | | |
| Works contracts Prior Indicative Notice | €5,382,000 | For entities in Utilities sector covered by GPA |
| Goods and Services | €431,000 | For entities in Utilities sector covered by GPA |

Thresholds are revised every two years. Full and up to date thresholds can be checked on the EU public procurement website Thresholds (europa.eu)

# APPENDIX 2

# Procurement Procedures

| | |
|---|---|
| **The Open Procedure** | A single stage procurement process which allows a tenderer to simultaneously submit suitability assessment material and a tender for evaluation in a tender competition; but only those who pass the suitability test progress to the tender evaluation. The procedure ends when an award is made. |
| **The Restricted Procedure** | This is a two-stage procurement process and can be used for any procurement. During the first stage, expressions of interest to compete in the tender competition will be considered by the contracting authority. Only those who meet the criteria set out in the Selection Criteria will be invited to submit a tender i.e., second stage. |
| **The Competitive Dialogue Procedure** | This procedure allows contracting authorities to discuss different options with tenderers before deciding on a solution. This procedure is designed for certain particularly complex contracts, e.g., technical solutions are difficult to define or where a discussion of the best legal or financial structure is needed. |
| **Competitive Procedure with Negotiation** | A new process introduced by the 2016 Regulations which allows contracting authorities to negotiate with more than one supplier in order to identify a preferred tenderer and to award a contract. |

# More Information

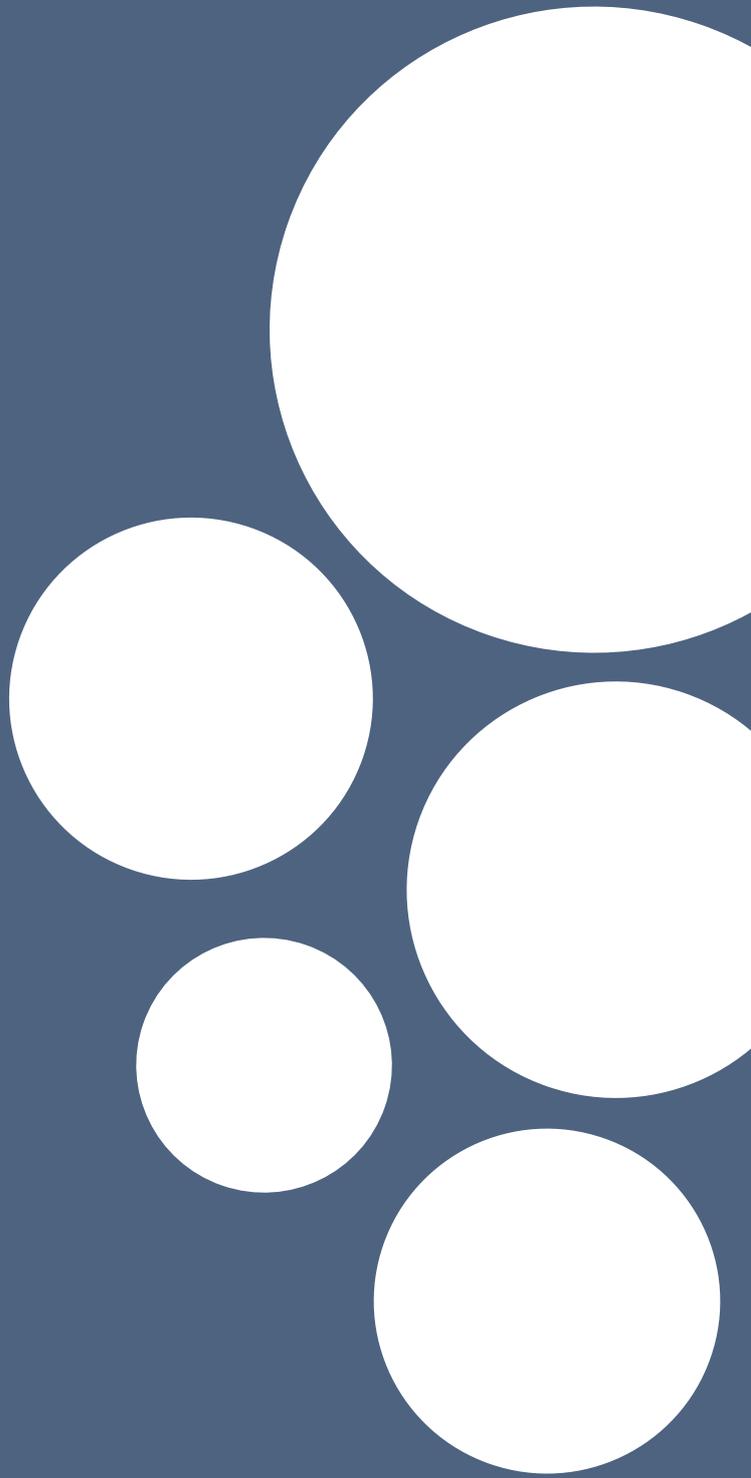More information on public procurement is available at the websites listed below.

https://www.etenders.gov.ie/

https://www.supplygov.ie/

https://ogp.gov.ie/

https://etendersni.gov.uk/

http://ted.europa.eu

https://constructionprocurement.gov.ie/

https://intertradeireland.com/

https://www.enterprise-ireland.com/en/

https://www.localenterprise.ie/

https://www.epa.ie/our-services/monitoring--assessment/circular-economy/green-public-procurement/