



London  
Anchor  
Institutions  
Network

# How to bid for public sector contracts

Understanding the procurement process

**Newable**

DELIVERED BY  
**MAYOR OF LONDON**

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# The purpose of this guide

This guide is for members of London's MSME community - the micro, small and medium-sized enterprises who supply, or are seeking to supply, their products and services to London's largest organisations.

It has been developed by [Newable](#) on behalf of the [London Anchor Institutions' Network](#) (LAIN), with support from the Mayor of London. Convened by the Mayor, LAIN brings together some of London's largest organisations, who are working together to build a better London for everyone - a city that is more inclusive and sustainable, where economic opportunities are available to all and take less of a toll on our planet.

This Public Procurement Guide aims to maximise business opportunities for London's micro, small and medium enterprises (MSMEs) by providing practical guidance and advice on where to find commercial opportunities and how to strengthen their responses when working with public sector buyers and other large organisations in the city.



**Disclaimer:** This guide has been created by a third party for the [London Anchor Institutions' Network](#) and may not reflect the specific procurement approaches, requirements and resources of your clients. The content of the guide does not replace the procurement regulations, policies or procedures set up by legislation and/ or specific buying organisation which must be adhered to at all times. Whilst every effort has been made to ensure the validity of the guide, the members of the London Anchor Institutions' Network do not take responsibility for the content. Please seek professional guidance if in doubt.





# 1

## Why work with the public sector & Anchor Institutions?

# Scale of public sector purchasing power

The public sector remains a key marketplace for MSMEs. According to the Treasury's Public Spending Statistics and Public Expenditure Statistical Analyses (PESA), gross spending on public sector procurement was £379 billion in 2021/22 across the UK, nearly £72 million of which was with small and medium enterprises.

Organisations across the entire public sector from boroughs and city government to regional NHS Trusts, should be viewed

as substantial potential customers. In London, the Greater London Authority (GLA) group (including Transport for London, the Metropolitan Police Service and London Fire Brigade) buys approximately £9.5 billion worth of products and services each year. The Mayor of London is committed to 'Leading by Example', using the scale and diversity of this public spending to improve the lives of Londoners, by creating a fairer and more environmentally sustainable economy.

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## London Anchor Institutions' Network (LAIN)

A key focus of LAIN is to support local economic growth by buying a greater share of goods and services from London's smaller and diverse businesses.

In March 2022 specific members of LAIN including the NHS, GLA, Metropolitan Police Service, London Fire Brigade, Transport for London and University of London, pledged to spend up to 30% of their annual procurement budgets with MSMEs and

voluntary, community and social enterprise organisations over three - five years. In 2022, the group spent more than £750 million with London's smaller and diverse businesses and reserved just over £700,000 worth of contracts specifically for them.

This represents huge opportunities for small businesses to tap into, year on year. This guide looks to prepare MSME businesses to access such opportunities.

## Benefits to MSMEs of supplying to the public sector / Anchor Institutions

In addition to the scale of their purchasing power, other benefits of working with these types of organisations include:

- ✓ Scale of purchasing power (see above).
- ✓ Commitment to increasing annual spend (up to 30%) with MSME suppliers (LAIN).
- ✓ Diverse range of goods and services purchased year on year.
- ✓ Ability to "**reserve contracts**" means you'll be competing against businesses of a similar scale.
- ✓ Prompt payment terms - most LAIN members have 10-day payment periods for MSME invoices.
- ✓ Little or no risk of non-payment - resulting in more fluid cash-flow.

Trading successfully with the public sector and other large organisations can also give MSMEs **added credibility** when dealing with private sector customers.





# 2

## Where to find opportunities

You can search for upcoming contract opportunities on several free to use online tendering portals such as:

- Contracts Finder - public sector contracts over £10,000 (including VAT).
- Find a Tender - for higher value contracts in the UK (usually above £138,760 including VAT).
- CompeteFor - a free supplier platform that enables businesses to compete for contract opportunities linked to large-scale public and private sector buyers.

On top of that, there are also a number of **paid-for membership platforms** your business can subscribe to that send daily, weekly and monthly alerts (Contracts Advance, TendersDirect, MyTenders, Tenders4u, B2Bquote, etc). These platforms help identify relevant contracts from different buyers based on a selection of keywords and selected standardised references known as Common Procurement Vocabulary (or CPV codes). You will then get regular notifications on opportunities **relevant to your businesses** rather than searching multiple different tendering portals on a regular basis and going through unrelated opportunities.

**In addition to receiving email alerts around live contract opportunities, these platforms can be used for conducting research such as:**



- ✓ Accessing the procurement pipeline of prospective clients.
- ✓ Reviewing the tender details and documentation of historical contracts.
- ✓ Identifying buyers who have previously purchased the type of goods and services they offer.
- ✓ Identifying competitors by accessing information on previous contracts won.
- ✓ Reviewing the types of questions likely to be asked to respond to.

## Opportunities with Tier 1 suppliers / contractors

Providing services and goods to the public sector can also be achieved by supplying **Tier 1 contractors**, the direct suppliers of services and goods to the public sector. These are predominantly larger businesses that are able to deliver considerable public sector contracts.

Tier 1 firms typically contract out work to other suppliers across sectors such as construction, infrastructure and design, facilities management, and Human Resources, training and development, for example. This could be a faster route to public sector revenue, particularly when the value or specifications

of the contract exceeds the capacity of the MSME.

Winning subcontracted business in a public sector supply chain also provides a useful reference and is a great way to **increase reputation** and gain **valuable experience**.

Tier 1 suppliers to public sector contracts that could become potential clients can be found through **tendering platform research** and **market engagement**.

## MSME opportunities such as “reserved contracts”

As part of their action plan, LAIN members have been implementing a variety of actions to support the entry of MSMEs into their supply chains. This includes a trial to “reserve” or hold contracts that are under the **procurement threshold of £213,477** (inclusive of VAT) specifically for micro, small and medium-sized businesses and the Voluntary, Community and Social Enterprise (VCSE) sector or by location.

The aim is to **encourage more MSMEs** like yours to bid for work, in the knowledge you are

bidding against similarly sized and resourced competitors on a level playing field.

LAIN members are continuing to trial this approach of reserving contracts for their under-threshold spend and will signal which contracts are “reserved” in the advertisements on their respective procurement portals.

See London Business Hub’s [SME Procurement Hub](#) for further information and links to the respective procurement portals of relevant Anchor Institutions.

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## Frameworks as an alternative option

As an MSMEs, you should also consider **Framework Contracts** as an alternative option to finding opportunities within the public sector. Frameworks help public and third sector buyers to provide goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections. Frameworks are often divided into “lots” by product or service type, and sometimes by region. The Crown Commercial Service’s website provides some further information on [What is a framework](#).

Even though it is not necessarily the easiest and it may be time-consuming initially, getting onto a framework agreement could give your business access to multiple relevant opportunities during the framework lifetime (up to five years). Here is an example of the Low Value Purchase System framework that is published by Crown Commercial Services that has been designed to encourage business with MSMEs. [crowncommercial.gov.uk/agreements/RM6237](https://www.crowncommercial.gov.uk/agreements/RM6237).





## Getting prepared

Once a relevant contract opportunity has been identified either via the free tendering portals and / or the paid-for tender alerts platforms as listed above, you will then be directed to the **buyer's procurement platform** where you will be able to access the official tender documents.

Buyers use different online tendering websites, sometimes depending on their geography. They are free eTendering portals to give suppliers easier access to tenders and quotations. Most commonly used across LAIN are:

- [SAP Ariba Business Network for TfL, GLA and OPDC.](#)
- [Atamis for the NHS.](#)
- [Bluelight for Police and Fire and Rescue Services.](#)
- [Delta Esourcing for the University of London.](#)

You should ensure you are **registered** on the most relevant buyer's procurement platforms in order to access all related project documentation and requirements.

Other most commonly used eTendering platforms include:

- [Bravo Solutions.](#)
- [Intendhost.](#)
- [Defence Sourcing Portal.](#)
- [The Chest.](#)
- [ProContract.](#)

**Be supplier ready** - you should ensure you are ready as a business to supply. Have you already got the **skills and resource** to deliver? Have you got the necessary production capacity, lines of credit, storage in warehouses, expertise to deploy services such as social media, accounts and IT capability, working cash to buy material and goods, trained staff, compliance documents in place in case of audits and inspections, etc.

Do some **initial research of the tender** and the questions that are being asked, including what paperwork is likely to be needed. Decide if some external help or an 'extra pair of hands' is needed. Ensure to commit the correct level of attention and resource to each bid response.



Once an Invitation to Tender (ITT) has been published, there may be limited time to work on the submission and gather all relevant information. That is why you may want to gather as much information as possible prior:

- ✓ Complete a **thorough review of the Tender Guidance** as it explains what kind of evidence the assessors will expect to see.
- ✓ **Bidding is a commitment** - allocate people with the right skills and sufficient resource - and the time to do it.
- ✓ **Policies** must be signed and updated, usually on a **yearly basis**.
- ✓ Have latest **3 years audited accounts** ready for submission as well as **insurance policies** (employers, professional and public).
- ✓ Provide your **company's registration number**, company's VAT number and company's DUNS number. Ensure to know how to find those and save them.
- ✓ **Accreditations and certificates** (i.e., ISO) will add value to your scores.
- ✓ Create a **Library of required documents** - these must be current, document control is vital (both in versions and dates).
- ✓ **Build a standard Selection Questionnaire (SQ) response** - the SQ process has many similarities within most public bodies so responses to the common SQ material are prepared in advance, these can then be tailored to answer the specific tender's SQ and save time.
- ✓ **Build a bidding toolkit** - create a library of potential answers to the technical questions, to save time and resources, from which lifting and amending sections of text as necessary. Although no two tenders are the same, many ask for the same information. After every bid, refine the toolkit / library utilising lessons learnt. Always ensure that the text being reused is completely appropriate to the opportunity responded to.
- ✓ Include good customer service and **case studies** of similar contracts delivered as well as marketing collateral on websites / social media.
- ✓ MSMEs do have the **benefit of being small** and therefore more personal and often more flexible than large organisations. Ensure you highlight this in your technical answers when appropriate.
- ✓ Reference **details, qualifications and experience** (including CVs) of the project team - whether a member of staff or an external consultant.
- ✓ Include the **training and information given to employees**.

## Some further considerations to bear in mind

**Be realistic – size matters.** There is a commonly used **proportionality rule** that states your business is unlikely to be successful in bidding for work that is more than 25% of your current annual turnover. This is determined via a Financial Risk assessment by the buyer on your: company size, financial capability, resources and stability. If the contract would be a disproportionate amount of your company turnover, then this increases the risk for the buyer. However, the length of the contract is also important– i.e., a contract value of £500,000 to be delivered in three years has an annual value of around £166,000 – which could be within reach.

As an MSME, you might want to bid for **smaller contracts first**. This may help you to gain experience with the public sector and provide reassurance to public bodies of your business’

understanding of what is important to them. The requirements for smaller contracts may also be easier to meet. Alternatively, you may consider to be better off as a **lower Tier contractor** or **partner** with another organisation.

Scope / geography matters - do not deviate from core activities and be mindful of capacity and experience in different geographical locations / logistics.

**Bidding is a commitment – allocate people with the right skills**, sufficient resources, and the time to do it. Invest in putting together a dedicated team with the right skills and time available to understand how the process works. This will maximise chances of being successful.





# 3

## The procurement process: what to expect

## Basic qualifying requirements

There are a range of basic requirements businesses may need to comply with in order to qualify for work. Normally part of the standard Selection Questionnaire (SQ), categories might be pass / fail or scored and weighted. See below a list of most common ones to consider gathering.



Certificate of Incorporation  
Company Accounts (2-3 years)  
Business Probity  
Company Structure Chart



Employees Liability Insurance Certificate  
Public Liability Insurance Certificate  
Accreditation Documents (ISO, CyberEssential)



Health and Safety Policy  
Quality Assurance Policy  
Environmental Policy  
Equal Opportunities Policy



Documents Supporting Technical Capability  
References  
Social Value Evidence

### Audited Accounts

The main requirement will generally be up to three years audited accounts. The buyer may check Companies House website, and / or conduct a Credit Reference Agency search - so submitting your accounts on time may make a difference.

If three years of accounts are not available, ask if **alternatives** could be submitted such as:

- Statement of Turnover, Profit and Loss for full years trading.
- Forecast of turnover for the current year and a statement of funding provided by the owners and / or the bank.

### Health and Safety Policy

In most public sector contracts, there is a requirement to demonstrate what businesses do in terms of Health and Safety (H&S). This can include having a policy that is reviewed regularly, carrying out training for staff, etc. You should be able to demonstrate this in your answer and sometimes will need to provide your H&S Policy as reassurance that you comply with the contract requirements.

As a general principle, H&S Policy should set out a general approach, explaining how as an employer, you will manage H&S in your business. It should clearly say who does what, when and how.



## Quality Policy / Procedures

The Policy should be a brief statement that aligns with your organisation's purpose and strategic direction and provides a framework for describing the procedures which enable you to achieve quality objectives.

## Social Value, Corporate Social Responsibility and / or Environmental, Social and Governance

A management concept which your company adopts to enable you to integrate social and environmental concerns in your business operations and your interactions with your stakeholders. This usually contains details of - Social Value; Equality, Diversity & Inclusion (EDI) Policy, Ethical sourcing and Human Resource Management / Employment Checks Procedure.

## Sustainability or Environmental Policy / Compliance Information

The main function of a Sustainability or Environmental policy is to demonstrate how your organisation's actions will minimise the impact of your business activities on the environment and society.

## Others

Examples include Finance and Insurance Documents together with Business Probity and Legal issues - Anti Corruption / Bribery Policy; Modern Slavery Policy; and a Data Protection Policy.



# Elements of a tender response

The tender documents to be answered are usually split into three parts but can include more: Selection Questionnaire, Technical Questions and Price / Commercial Answer.

## A. Standard Selection Questionnaire

A **standard Selection Questionnaire (SQ)**, previously known as Pre-qualification questionnaire (PQQ), is used as a 'Risk Assessment' by the buyer to cover - level of experience, capacity, and financial standing of the potential supplier. Short-listed suppliers may then be invited to bid for the contract. This process saves a lot of wasted time for potential bidders who may not have any realistic chance of winning the contract. Further details, guidance and template SQ available on gov.uk.

**Depending on the value of a contract**, the route to market and procurement procedure used, the SQ can vary significantly, or not have a separate step for SQ and include this as due diligence at the same time as the Technical and Commercial Questions need to be answered.

The information requested in the SQ should be straight-forward, **relevant and proportionate** to the size of the contract. There are a set of questions that need to be answered about your business, the project, potential sub-contractors, and financials.

Here are some examples of typical areas covered by questions that may be asked:

- **Details about your organisation** - name, address, legal status, company registration number, VAT and DUNS numbers, etc.).
- **Grounds for discretionary exclusion** on topics such as equality and diversity, participation in a criminal organisation, fraud, corruption, money laundering.
- **Economic and financial standing** - being able to provide copies of audited accounts.
- **Insurance cover.**
- Details about **potential subcontractors or consortium** approach.
- **Technical and professional ability** - providing usually up to three previous contract examples relevant to the requirements, showing your organisation's relevant experience and ability to perform on the procured contract.
- **References** from previous buyers.
- Confirm being a relevant commercial organisation as defined by section 54 of the **Modern Slavery Act** and if yes, provide the relevant link to annual reporting requirements.
- Provide any **cyber security certifications** (such as CyberEssentials) and confirm compliance with GDPR.
- **Policies** - confirm you have a relevant set of comprehensive policies which meet the statutory requirements (i.e. management policies).
- **Social Value / Environmental** - this stage may also include questions on these topics depending on the type of service.

Most of these questions are pass / fail. If the answer to one of the questions might result in a **"failed" answer**, check the guidance for alternative options to explain that answer. If there is no guidance or it is unclear, you should use the "clarifications period" and ask the question directly to the buyer (by the means and deadline specified in the ITT).

## B. Technical Questions

Technical questions may cover the requirements below:

- 1 Understanding of requirements.
- 2 Project / Delivery Model.
- 3 Team and Resources.
- 4 Experience.
- 5 Quality Management.
- 6 Social Value.
- 7 Environmental.
- 8 Equality and Diversity.

All should be aligning with the scope and requirements listed in the tender specification. Social Value may also be a separate weighting within the tender with requirements being outlined within the ITT.

## C. Price / Commercial Answer

**How much services / goods will cost** for the period of the contract and plans to **allocate resources**. Depending on the contract, this answer can be requested as a day rate or in a detailed spreadsheet spreading costs over various resources and / or period the contract will run over.

**Price matters** - this question is usually worth approximately 20% of the total mark but can go up to 40% for some buyers. It's worth making certain - submit a question if necessary - as some buyers place higher weighting on quality and social value over cost.

If price is not a deciding factor, then technical and social value responses become critically important.

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## How long might the process take?

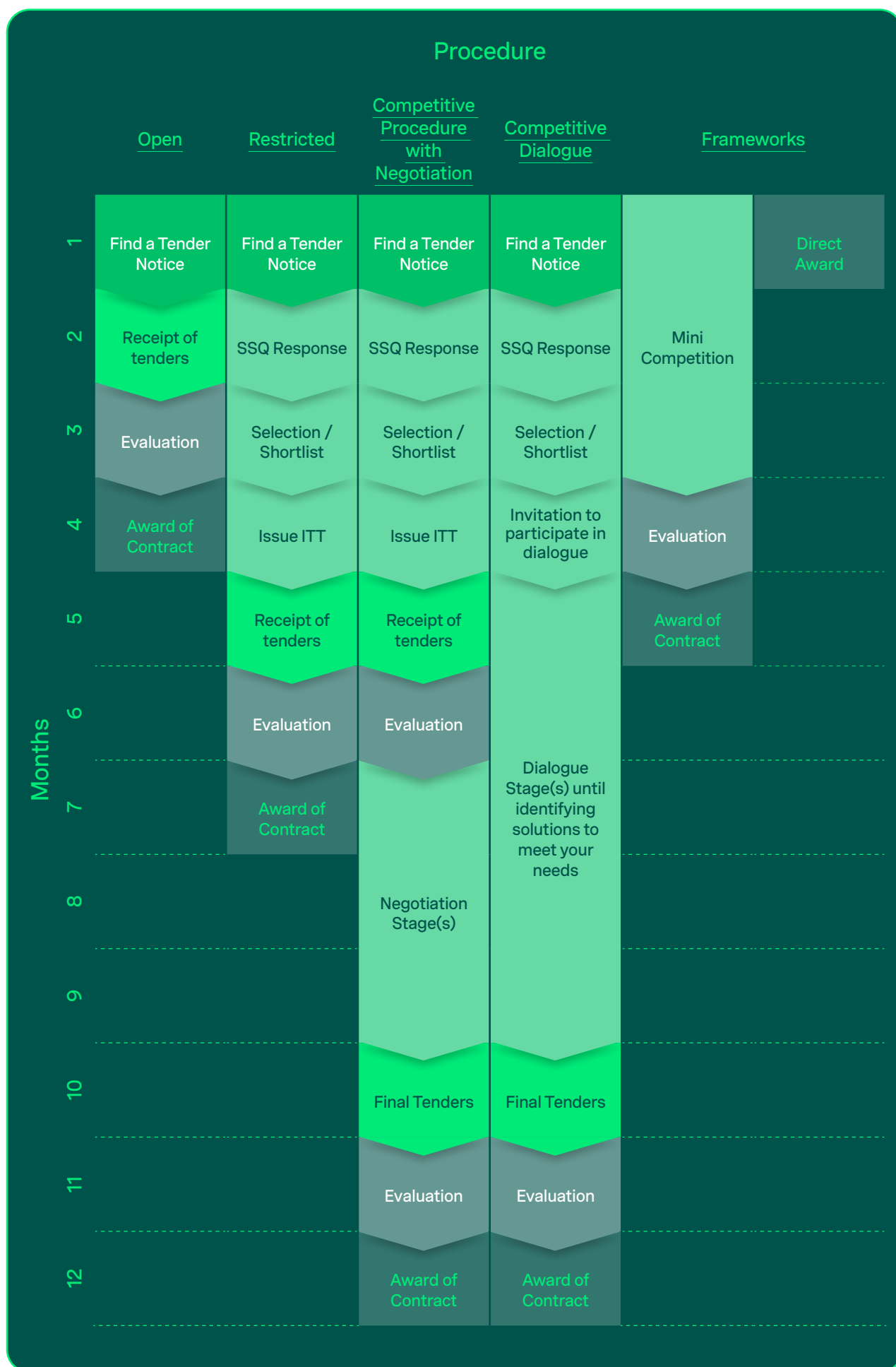
On some occasions, one of the first stages in a procurement process is the **Prior Information Notice (PIN)** which outlines the key requirements of a tender due to be published. The PIN has to be published on Find a Tender first but can also be published on the buyer's eTendering portal as listed in "Getting Prepared" section above.

It is not a requirement, but buyers can use it to inform the market to expect a procurement within the next 12 months and gather feedback from potential suppliers. This may be followed by a **market engagement event** where suppliers are invited to discuss an opportunity. The next stage is the publication of the **ITT** where the specification and requirements for a contract are outlined in more detail.

A **PIN** needs to be published for **at least 35 days** and **no longer than 12 months** before going to **ITT stage**. Once the ITT has been published, there is **usually a 35 calendar days**

**deadline for bid submission**, but this can be reduced to 30 calendar days or even less. While the **time available to answer** an opportunity **can often be limited to a month**, the whole tender process can expand over several months, sometimes even longer. But **depending on the type of procedure** being used, this time can be reduced. See table below for an indication around expected timeline for each procurement process.

When starting to submit bids, use a spreadsheet or software (e.g. Pipedrive) **to log and track opportunities and responses** (successes, failures and lessons learnt).





# 4

## Strengthening your response



## Five top tips

- 1 Treat the bid like an **exam**. Read every question and **answer every element of the question**.
- 2 Demonstrate **understanding of the buyer's needs**. Do some research and participate in early market engagement opportunities. Getting to know your clients, their ethos and needs is vital.
- 3 When answering the questions, highlight the areas where your business **stands out from the competition**. Who would be your likely competitor(s) and **what makes your business different?**
- 4 Do not neglect to provide sufficient information and supporting evidence. Ensure to **showcase relevant experience**.
- 5 Check each **question scoring** to understand **what the buyer's value most**.

Check **timelines / deadlines**, add the dates in your calendar and aim to submit 24 hours before the deadline – there's no room for late submissions.

Develop a **workplan** and set up a **kick-off meeting** with the involved team members / stakeholders to ensure everything is ready for the various deadlines, working retrospectively. If third parties are helping, give them as much time as possible to input.

### Remember to:

- ✓ Download and read all of the attachments early on. Read the instructions – then read them again; if unsure, then ask a clarification question – questions & answers will be published.
- ✓ Answer all the questions.
- ✓ Be succinct (no padding); check the word count several times and ask someone to proofread.
- ✓ Provide all the information required and provide additional information / attachments, if requested.
- ✓ Check evaluation procedure, including scoring and weighting.
- ✓ Follow up at each stage and ask for feedback.
- ✓ Check with the buyer if there are any difficulties providing any evidence e.g. – three years accounts.
- ✓ Provide information in the format asked for.
- ✓ Check answers and check again.
- ✓ Do not upload information that is not asked for, i.e., marketing brochures.

**Address risk** - you need to present yourself as experts in your field. Help and reassure potential clients by identifying potential risks and showing how a proposal mitigates them. Any reduction of the risks perceived by the public sector to be associated with contracting with you as an MSMEs is likely to result in an increase in engagement with such companies.

**Management Systems** - examples of typical quality management questions:

- Provide a policy for quality management.
- What arrangements exist for ensuring that your business's quality management, including the quality of output and general performance, is effective in reducing / preventing incidents of sub-standard delivery?
- What arrangements are in place to provide your staff with quality-related training and information appropriate to the type of work for which an organisation is likely to bid?
- Detail procedures for periodically reviewing, correcting and improving quality performance.
- Specify arrangements in place for ensuring that suppliers apply quality management measures that are appropriate to the work for which they are being engaged.

- Outline how any complaints are recorded, investigated and any remediation is implemented.

**Certified management systems** are a good way of introducing a basis of continuous improvement into a business and they give confidence to buyers and customers that they are organised and have good systems in place for managing a business's operation and compliance. There are a number of commonly recognised certified management systems including ISO and BS. These accreditations and certificates could add value to a proposal. This is not required by all buyers.

The most commonly requested ISO certifications are:

Quality	ISO9001
Environmental	ISO14001
Health and Safety	ISO45001
Energy	ISO50001
Information Security	ISO27001

The ISO certification body must be UKAS - accredited, i.e. BSI, LRQA, ISOQAR, BM TRADA, SGS.

## Demonstrating your social value

**Social value** is about creating value for society, and the economic, social or environmental benefits that an organisation can bring to an area and its people through its contract-related activities.

It is created when buyers look beyond the financial bottom line of a contract, and improve economic, social and environmental wellbeing through provision of services and goods.

Anything a company does to go above and beyond legal contractual requirements to improve outcomes or create additional value for people can be considered social value.

Social value offer is **weighted and scored** (normally 10% of the overall weighting) and therefore important, but the way buyers request and evaluate social value can vary significantly. However, there are some common elements that are most likely to be requested to provide in every social value response specifically around specific commitment, confirming what is a business promising to do.

To understand social value further and how to develop your offering, see the LAIN newly published Guide to Social Value for London's Small Businesses.

## Equality and Diversity - Example questions

Public sector buyers need to ensure that procurement and equality are appropriately integrated to ensure compliance with their statutory obligations and diversity strategy through their contractual working. During tender evaluation, buyers will take into account the bidders' approach to equality and diversity in their employment practices, service delivery and own procurement approach.

Some of these questions are part of the SQ, following a pass / fail valuation. The Technical section will also normally include a specific Equality and Diversity question or as part of the Social Value question.

- Are requirements of the positive equality duties in relation to the Equalities Act 2010 met; provide evidence of this?
- Demonstrate compliance with anti-discrimination legislation, and your commitment to treat all people fairly and equally.
- Has any finding of unlawful discrimination been made against your business?
- Is your business subject to a compliance action by the Equality and Human Rights Commission?
- What do you do to ensure that equality and diversity are embedded within your business?
- How does your business actively promote good practice in terms of eliminating discrimination?
- Provide your business's EDI statement.
- How are you training employees, and senior leadership, to address EDI issues and reduce barriers to employment of underrepresented groups?
- How are you working with local community organisations to increase EDI commitments / understanding within the business?

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## Where to go for technical assistance

**Identify and use support schemes** - MSMEs should make use of national, regional, local government or independent support schemes that can offer advice, training or other support to MSMEs looking to bid for public sector work, such as [London Business Hub](#), [SME Procurement Hub](#), [Local Growth Hub](#), [British Library](#), [your local council](#).

For any **questions on the tender** itself or need for any clarification, contact the mentioned relevant person from the buying organisation through the procurement platform. Questions will be answered, and a FAQ (frequently asked questions) is often shared with all suppliers combining all questions into a single document.

**Platforms** usually have a **HelpDesk** so if there are any issues accessing the tender documents or with the submission, do get in touch with them. There are also useful tutorials available on how to use tendering platforms and how to find Tenders online and use them. For example, for support on using ContractsFinder, see the following [tutorial](#).

## About the author

Newable works with businesses at the heart of the UK economy – the small and medium sized enterprises (SMEs) that represent 99% of all businesses and account for £2.3 trillion or 51% of private sector turnover.

Newable helps these companies unleash potential, build resilience and thrive by providing the vital resources they need across money, space and advice to take the next step with their business.

Providing business support to London based SMEs for over 40 years, Newable understand the challenges SMEs face when trying to accelerate the growth of their business.

From launching, surviving and growing to innovating and exporting, every SME has different requirements and needs.

Newable has a team of friendly approachable advisers who can guide SMEs through all of these challenges as well as the tools, expertise and people to help SMEs accelerate their business.

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