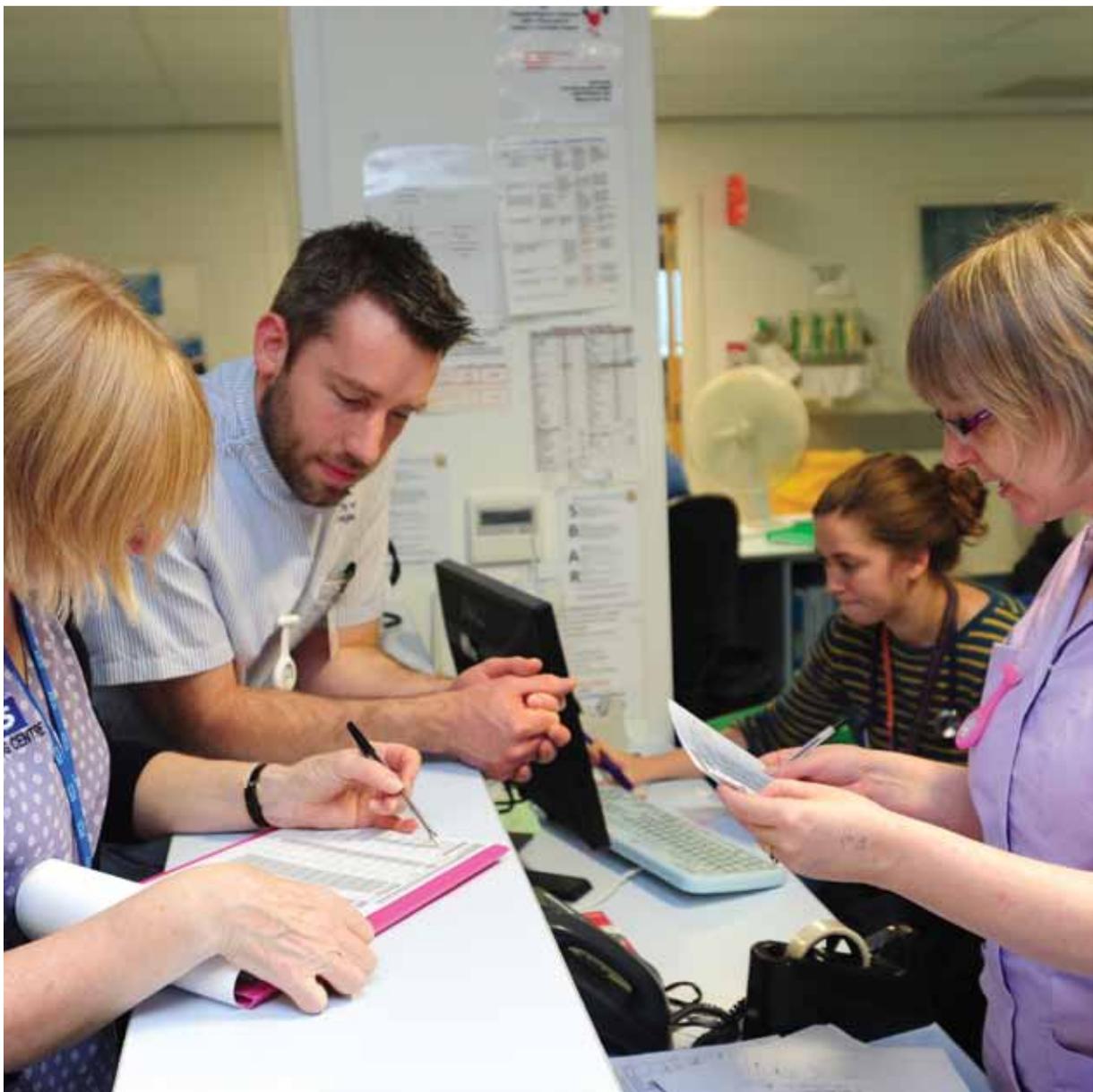




Royal College  
of Nursing

# The tendering process for NHS services in England

A short guide for health professionals tendering for services





This publication is due for review in September 2015. To provide feedback on its contents or on your experience of using the publication, please email [publications.feedback@rcn.org.uk](mailto:publications.feedback@rcn.org.uk)

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The RCN does not provide detailed guidance or legal advice on the tendering processes. This document is intended to give readers a brief overview of the process. Members wishing to progress with tenders need to source any necessary legal and professional expertise themselves to enable them to complete a tender.

# Introduction

This document is intended for those health professionals who are new to the process of tendering for services in the NHS. It is a brief outline explaining the processes in each of the stages and provides tips on what to consider at each stage.

NHS organisations are responsible for procuring a wide range of products and services every day. The majority of this procurement is undertaken through the tendering process and as such, numerous NHS tenders are published on a daily basis.

Tendering can be an expensive and time consuming process so it is essential that you only apply for tenders if you are able to meet all aspects of the service specification and therefore have a realistic chance of winning them.

There are five key stages to tendering for NHS contracts:

## **1. Assessing suitability**

- 1.1. Pre-tender checks.
- 1.2. Finding a tender.
- 1.3. Evaluating the tender document.
- 1.4. Expression of interest.
- 1.5. Expression of interest forms.

## **2. Submission of the pre-qualification questionnaire (PQQ)**

- 2.1. Pre-qualification questionnaire.
- 2.2. Declaration by commissioner.

## **3. Invitation to tender (ITT)**

- 3.1. What is an ITT?
- 3.2. Responding to ITTs.
- 3.3. Commissioner's evaluations of ITTs.

## **4. Final interview and presentation**

- 4.1. Meeting the commissioner.
- 4.2. Tips.
- 4.3. Post-tender interviews.

## **5. Contract award**

# Stages

## Stage 1 – Assessing suitability

### 1.1 Pre-tender checks

There is significant competition for NHS tenders so if you want your submission to attract the highest scores, it is essential that it stands out from the competition and answers all the questions in a concise but compelling manner.

Ensure that you:

- understand the tendering process – this will enable you to determine whether or not to start tendering for contracts
- have all necessary documentation in place – most public sector commissioners will expect organisations to already have certain documents in place
- only tender for suitable opportunities – not all tender opportunities will be suitable for your business.

### 1.2 Finding a tender notice

Details of NHS tenders can be found in a wide variety of places including sites such as:

[www.contractsfinder.co.uk](http://www.contractsfinder.co.uk)

[www.sid4health.nhs.uk](http://www.sid4health.nhs.uk)

[www.supply2health.nhs.uk](http://www.supply2health.nhs.uk)

[www.supplying2nhs.com](http://www.supplying2nhs.com)

### 1.3 Obtain a copy of the tender and evaluate it

This is possibly the most important of all the stages. Read the tender document very carefully and familiarise yourself with the conditions of tendering, the advertised selection criteria, the specifications, and the conditions of contract, especially the clauses dealing with delivery and price variations, before deciding whether you are suitable or not.

The figures sometimes look sizeable but this is because the responsibilities that go alongside are significant, so consider carefully if you could deliver on the contract.

Some questions you should ask yourself at this stage include:

- do I understand the commitment of this tender?
- is it realistic to be able to set up and deliver based on the commissioner's timetable?
- have I, or my team, sufficient experience in delivering such services?
- do we have to find suitable premises for the service, or are the premises provided?

- who will be working for the services if you are successful, will it be the contract holder (you) or others? If others, have you factored their costs into your initial consideration?
- do I need to register/change my registration with the Care Quality Commission and/or need a licence from Monitor?
- what is the cost of insurance now and in the future?

The initial consideration of the outlined tender is essential if you are going to have a good chance of making a successful bid. Make sure you do your homework before committing.

### 1.4 Expression of interest

An expression of interest (EOI) can either be formal or informal depending on the commissioner's requirements which will normally be set out in the tender notice. Where there are no stipulations an email or letter to the commissioner, stating you wish to be included in the tendering process will suffice.

Where the commissioner requests certain information, a more formal EOI should be produced. Sometimes this means filling in a template set out by the commissioner. The response should provide all required information and should be supported by all requested documentation.

### 1.5 Completing your EOI forms

Ensure you have filled out all the necessary fields from the document, answered each of the criteria and supplied the required number of copies of your submission.

Tenderers who require any information provided with an EOI form to be kept permanently confidential should advise this in writing and give reasons, eg to protect a commercial interest or intellectual property.

## Stage 2 - Submission of the pre-qualification questionnaire

### 2.1 Pre-qualification questionnaire (PQQ)

If, after your initial consideration, you feel this is a tender worth going for, the first step is the submission of the PQQ. This opportunity will usually be made available to all organisations that respond to the tender notice and will normally be free of charge. In certain tenders a commissioner will evaluate the supplier's EOI in order to determine which suppliers should receive the PQQ.

The PQQ usually involves the submission of a qualifying criteria questionnaire of a few pages. The purpose of this stage is for the commissioner to evaluate if you are a viable candidate for tendering for the contract. The level of detail required here depends on the commissioner; some have quite simple questionnaires, whilst others are much more complex. Information required in the PQQ include:

- organisation details
- workforce information
- financial standing
- relevant experience and technical ability
- health and safety
- insurances
- references
- quality assurance
- equal opportunities declaration
- evidence of registration with relevant regulatory bodies (such as the Care Quality Commission).

## 2.2 Decision by the commissioner

The commissioner will review the answers provided by the bidding organisation in their PQQ and after they have scored it, they will then decide whether to shortlist the organisation for the invitation to tender.

It is essential to answer all of the questions and if you have any queries about the service to be delivered, ensure you raise them early.

## Stage 3 - Invitation to tender

### 3.1 What is an invitation to tender (ITT)?

An ITT is a formal tender document that asks suppliers to evidence how they can deliver against the contract specification and how much they would charge for providing the goods, services or works. An ITT will normally include some or all of the following documents:

- letter of invitation and instructions to tenderers
- pricing document and/or form of tender
- statement of non-collusion
- Freedom of Information Act statement
- specification
- schedule of rates

- special conditions of contract or conditions of purchase
- general conditions of contract
- address label (postal returns).

### 3.2 Responding to ITTs

ITTs vary between commissioners and as such no two tender responses will be same. When responding to certain ITTs there will be a pre-defined format which must be followed. With others the supplier will have the scope to produce a more creative response. In all cases the commissioner's instructions must be followed, all required information and documentation must be provided and the tender response must be submitted before the deadline. The response to each question is guided by a word count, so it is important not to exceed this. Each section is normally weighted, therefore it is important to note the section content and the weighting given to each question. This is helpful as it will give an indication, and help to focus on the questions that time needs to be spent on to maximise the scores that could be gained. While it is important to ensure all questions are completed thoroughly, the two areas of particular interest to the commissioners are often around the quality aspects of the service and the price.

Much of the requirement of the ITT builds upon the pre-qualification questionnaire, so your responses will need to be full and considered. You will need to demonstrate your organisation's methodologies and policies and how they meet the commissioner's objectives.

As part of the ITT stage you will need to consider the price of the tender. In this economic climate this will need to be evaluated very carefully; get this wrong and you could either price yourself out of the market, or even worse commit to a contract that will not be sustainable/manageable for you. In some contracts you may have to pay for someone else to provide parts of the service if you cannot, so you need to be confident about the sustainability of your proposed price.

As part of evaluating the bid price you will need to take into account:

- your set up costs
- the costs of operating the proposed service
- how these costs may change over time (for example, you may find it useful to plan a contingency fund).

This means you will need to have a good understanding of the costs involved in running and managing the NHS service you are bidding for. If you are not a social enterprise, you will need to consider what profit margin you expect for the investment you make once you have identified all costs. After all these costs and profit margins have been considered you will then come up with a price for the whole tender.

Finally, the tender document will need to be professional looking and you will be required by the commissioner to submit the document in the format they require. Make sure it gets to the commissioner on time; late submissions are rarely, if at all, admitted.

### 3.3 Commissioner's evaluation of ITTs

The commissioner will evaluate all ITTs and score them. Depending on the results the successful tenderers will either be:

- shortlisted and invited to a presentation/ interview (see stage 4 for information) where further clarifications will be sought
- dismissed from the process.

Commissioners may say that price is only one of the things they are looking for, but they may be looking for bids that offer the best value for money.

## Stage 4 – Final interviews and/ or presentations

### 4.1 Meeting the commissioner

If after the process of submitting the PQQ and the ITT you are successful, you may be invited to meet with the commissioner to present your tender. If you reach this stage the field will have been whittled down to a small number of potential suppliers.

You will usually be expected to present on key issues surrounding your tender document including how you derived the price. Quite often, the panel of interviewers can be numerous and include some non-clinical personnel, so it will be essential to speak in lay terms.

This stage is an opportunity to sell yourself and expand on your bid, so preparation is essential. In addition make sure you have individuals who are able to speak confidently on the financial and clinical areas, including how you will ensure quality of service and manage risks to quality.

### 4.2 Tips

- Produce a compelling and creative electronic or hard copy presentation and consider providing handouts.
- Create scripts for those who are attending the interview/presentation.
- Ensure you have clinical subject matter expert who can answer any clinically specific questions.
- Rehearse for the presentation/interview.
- Anticipate questions and prepare suitable and appropriate responses.

### 4.3 Post-tender interviews

The tender evaluation panel may invite you to a post-tender interview to seek further details of your capability to carry out the works. Following the interview the panel may review the scores and ranking of tenderers.

## Stage 5 – Contract award

The whole process can take many weeks or months. At this stage there is a cooling off period, which is normally 10 days. This is the period within which the providers that have completed the ITT can query or challenge the commissioner's decision. Therefore during this period the outcome of the tender process is not formally announced or communicated widely. If you are successful the commissioner will let you know, and will inform you of the next stage of delivery and when this must occur.

You will then be expected to deliver on your initial project plan as outlined in your ITT. Sometimes the chosen bidder is called the preferred provider.

# Further Information

RCN PowerPoint Presentation on *Influencing Commissioning - Procurement within Commissioning in the English NHS*, London: RCN. Available at: [www.rcn.org.uk/support/policy/policy\\_briefings/2011\\_briefings](http://www.rcn.org.uk/support/policy/policy_briefings/2011_briefings) (accessed 10 June 2013)

RCN Policy Briefing on *Competition in the NHS in England*, London: RCN. Available at [www.rcn.org.uk/support/policy/policy\\_briefings/2010\\_briefings](http://www.rcn.org.uk/support/policy/policy_briefings/2010_briefings) (accessed 10 June 2013)



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