

How to do business with The Pensions Regulator

This guide has been produced to assist suppliers who wish to supply us with goods and services. It provides information on:

- responsibilities within the regulator for procurement
- how to compete for contracts and
- rules and regulations.

Issuing this guide is part of our commitment to:

- achieving greater transparency
- supporting and encouraging all suppliers including SMEs
- promoting a sustainable procurement strategy and
- ensuring value for money in all aspects of procurement.

The Pensions
Regulator

Contents

Foreword	Page 3
Introduction	Page 4
Government efficiency programme	Page 4
Procurement in the regulator	Page 5
Transparency	Page 5
The rules	Page 6
Tendering procedures	Page 8
Responding to a tender	Page 9
Do's and Don'ts	Page 9
Evaluation criteria	Page 10
Debriefing	Page 10
Approved supplier lists	Page 10
How to find the opportunities	Page 10
Contract compliance	Page 10
Opportunities for SMEs, BAMEs and VCS	Page 11
Equalities and diversity	Page 11
Sustainability	Page 11
Complaints procedure	Page 11
Appendix 1: The procurement cycle	Page 12
Appendix 2: Useful contacts and websites	Page 13
Appendix 3: Contractor information	Page 15
Appendix 4: Top 10 tips on how to tender	Page 16

The guidance in this document is intended to be informative and useful. It should not be taken as a statement of the law and suppliers should take their own legal advice as necessary. In issuing this guidance, The Pensions Regulator does not commit to enter into any contract with individual businesses or group of companies.

Foreword

Welcome to our **guide for suppliers** which provides information about doing business with us. We are committed to delivery of services that provide best value for our levy payers and the taxpayer. In order to achieve this, we look for strong supplier relationships where we help each other to excel.

We are a small and focussed organisation; we focus on delivering our core business competencies as well and as efficiently as we can. For non-core products and services and where we need flexible capacity we look to partners to provide complementary capabilities. Our current and future suppliers of both goods and services play a vital role in helping us to achieve our objectives;

With our suppliers, we are committed to:

- Adopting a partnering approach to ensure a clear and sustained focus from both organisations on our objectives and delivering value for money;
- Demonstrating flexibility and creating an environment for innovation that results in continuous improvements in our service delivery and customer care;
- Achieving a mutually beneficial return on investment.
- Improving efficiency by: reducing bureaucracy; harnessing technology; joining up government and supply chains;
- Protecting and treating all information in accordance with the Data Protection Act and relevant UK legislation;

- Helping to build a fairer and more economically, socially and environmentally sustainable society by:
 - procuring, commissioning and delivering public service to achieve optimum economic and social sustainability;
 - promoting equality and diversity;
 - promoting environmental sustainability;
 - supporting supply chain diversity; and
 - acting with integrity and transparency while ensuring public accountability.

This guide will help you position your organisation to work with us to achieve these goals. I can assure you that through our handling of every phase of the procurement cycle, from initial business planning through contract award to contract management, we will play our part.

We count on our suppliers to do likewise.



Bill Galvin
Chief executive,
The Pensions Regulator

Introduction

This guide has been produced to assist suppliers who wish to supply us with goods and services. It provides information on:

- responsibilities within The Pensions Regulator ('the regulator') for procurement;
- how to compete for contracts; and
- rules and regulations.

Issuing this guide is part of our commitment to:

- supporting and encouraging all suppliers including SMEs;
- promoting a sustainable procurement strategy; and
- ensuring value for money in all aspects of procurement.

Government efficiency programme

The regulator is currently subject to the guidelines contained within the government efficiency program. This includes:

- All commodity goods and services being purchased from a centrally governed framework – this includes the Office of Government Commerce (OGC) buying solutions, the Ministry of Defence (MOD), the emergency services or other government frameworks awarded by bodies that cover the entire or large proportions of public sector spend.
- All new contracts and procurements over £25k requiring senior management and/or CEO approval. Where possible, procurements should use the OGC and other approved centralised frameworks. Only where the item is not covered by these frameworks, should other routes be used. The business case approvals process is to be followed even where procurements use existing frameworks.
- All consultancy (including interims/contractors and temps) requiring senior management approval; spend over £25k requiring CEO approval; spend over £100k requiring ministerial approval.
- All communications or marketing spend, which includes research, printing and communicating with our audiences up to £100k requiring CEO approval; all spend over £100k requiring ministerial approval.
- All external recruitment – this includes the extension of contractors, fixed term, secondees and interims requiring senior management and/or CEO approval; recruitment or extension of roles over £1452,500pa requiring ministerial and Chief Secretary to Treasury approval.

Procurement in the regulator

Underpinning the procurement process is the regulator's duty to seek best value when appointing suppliers, contractors and consultants at all levels. The way we promote this is in ensuring the use of consistent procedures.

The use of these procedures promotes:

1. Transparency;
2. Fairness; and
3. Equality of treatment for all potential suppliers.

In order to assist suppliers, we will:

- Publicise tender opportunities on our eTendering portal which feeds OJEU (the **Official Journal of the European Union**);
- Publish all tender opportunities greater than £10k on the Contracts Finder website;
- Give guidance as to tendering processes and ensure the guidance is kept up to date;
- Make tender documents available free of charge;
- Keep tender documents simple to understand;
- Set realistic timetables for tendering submissions;
- Engage with small and medium sized businesses to deliver elements of larger contracts and framework agreements; and
- Encourage and support suppliers to adopt e-commerce systems that streamline processes, reduce administration time and enable us to make payment to suppliers more quickly.

Transparency

Achieving greater transparency of public sector procurement and contracting

Government has set out the need for greater transparency across its operations to enable the public to hold public bodies and politicians to account. This includes commitments relating to public expenditure, intended to help achieve better value for money.

As part of the transparency agenda, Government has made the following commitments with regard to procurement and contracting:

- all new tender and contract documents for contracts over £10,000 to be published on Contracts Finder (via Business Link), this information is made available to the public free of charge
- contracts register published monthly
- spend over £25k published monthly

Suppliers and those organisations looking to bid for public sector contracts should be aware that if they are awarded a new government contract, the resulting contract between the supplier and government will be published. In some circumstances, limited redactions will be made to some contracts before they are published in order to comply with existing law and for the protection of national security.

The rules

The regulator has a duty to operate in an open and transparent way by allowing all suppliers the freedom to trade with us by:

- Providing an auditable framework under which we complete our work;
- Assisting in ensuring 'best value' in all business transactions undertaken; and
- Ensuring we comply with law governing the spending of public money.

All public sector bodies must comply with EU Law when purchasing any item. The EU regulations apply for different commodities over certain values. The values are set in Euros, above which contracts must be advertised in the **OJEU**. The thresholds are reviewed every 2 years. At present, the thresholds are as follows:

Public contracts regulations from 1 January 2010

Entities listed in Schedule 1	£101,323 (€125,000)	£101,323 (€125,000)	£3,927,260 (€4,845,000)
Other public sector contracting authorities	£156,442 (€193,000)	£156,442 (€193,000)	£3,927,260 (€4,845,000)
Indicative Notices	£607,935 (€750,000)	£607,935 (€750,000)	£3,927,260 (€4,845,000)
Small lots	£64,846 (€80,000)	£64,846 (€80,000)	£810,580 (€1,000,000)

- Schedule 1 of the Public Sector Regulations 2006 lists central government bodies subject to the World Trade Organisation Government Procurement Agreement (WTO GPA).
- With the exception of the following services, which have a threshold of £156,442 (€193,000):
 - Part B (residual) services
 - Research and Development Services (Category 8)
 - The following Telecommunication services in Category 5
 - CPC 7524 – Television and Radio Broadcast services, CPC 7525 – Interconnection services
 - CPC 7526 – Integrated telecommunications services
 - Subsidised services contracts under regulation 34.

The rules continued...

Utilities contracts regulations from 1 January 2010

All sector	£313,694 (€387,000)	£313,694 (€387,000)	£3,927,260 (€4,845,000)
Indicative Notices	£607,935 (€750,000)	£607,935 (€750,000)	£3,927,260 (€4,845,000)
Small lots	£64,846 (€80,000)	£64,846 (€80,000)	£810,580 (€1,000,000)

The thresholds are subject to aggregation; this means that if a contract is to run for 3 or 4 years, the total cost must be taken into consideration. It is an area that public sector bodies are careful to monitor. Below these thresholds, we employ processes to ensure transparency and value for money:

£0-£10k

For approved spend up to £10k, a mini competition within a centrally governed framework takes place to purchase goods or services.

Where a framework is not available at least 3 comparable quotes are obtained ensuring all bidders are given an identical opportunity to bid for the product or service required. These quotations are retained for at least 6 years.

Above £10k

Managers are required to work with the procurement team to ensure the correct tender procedure is used. This may mean a mini competition via a centrally governed framework issuing tender documents or if the total is in excess of the European Union (EU) thresholds, an OJEU notice is issued.

We also use 'framework agreements'. These are 'call-off' contracts which have been:

- subjected to formal european tender; and
- arranged with a number of suppliers for potential but not guaranteed requirements.

These are formal contracts and do not require further competition. We are a signatory to framework agreements set up via Buying-solutions, the Department for Work and Pensions (DWP), Her Majesty's Revenue and Customs (HMRC) and other frameworks naming all public sector bodies.

Tendering procedures

We award contracts under the procedures set out by the EU. The table below shows the 4 main procedures normally applied.

Open	Specification provided	Not easily identified	Yes	Those successful from PQQ	5
Restricted		Established	✓	✓	✓
Negotiated	Not easily identified	✓	✓	✓	✓
Competitive dialogue	Complex	✓	✓	✓	✓

*PQQ= Pre-qualification questionnaire

There are 2 other ways in which contracts may be tendered.

Framework agreements

- Can be set up via one of the above mentioned processes;
- Are also classified as 'call-off' contracts; and
- Consist of a limited number of suppliers

Electronic auctions

- Can be used with open, negotiated or restricted procedure; and
- Reopen competition within a framework.

All of these regulations are applied with the overall procurement process that is known as the **Procurement cycle**. A full description is shown at Appendix 1 on page 12.

How to complete a PQQ

The Pre-qualification questionnaire (PQQ) is the second stage in the procurement process. There will be standard elements in all PQQs, including:

- company details;
- financial information;
- health and safety;
- environmental/sustainability; and
- equality and diversity.

Further information on the detail of what maybe required is at Appendix 3 on page 15.

There will be an outline specification and full instructions. Included in the information will be the evaluation criteria, which is the scoring system used to determine who will proceed to the next phase the Invitation to tender. See **Evaluation criteria** on pages 10 and 11 for further information.

Responding to a tender

Tender documents will be available to download from our eTendering portal if you are successful at the PQQ stage. These will include:

- advice on when tenders should be submitted;
- guidance on how to complete and upload your response;
- policies, procedures and guidelines to be followed to achieve the deliverables;
- performance standards and the outcomes expected;
- schedule of rates/pricing document where all prices should be entered
- terms and conditions of contract which set out the legal framework and the obligations of both parties;
- quality requirements/method statement questions – questions on how the service will be provided including supporting documentation of experience ie references which will be used to help evaluate the quality of the bid; and
- tender evaluation criteria which advises how the tender submission will be evaluated and the contract awarded.

To help suppliers further understand the technical process, we provide a full toolkit which may be downloaded from the website at:

www.thepensionsregulator.gov.uk

In addition, for help with understanding how to use the eTendering portal, the Bravo helpdesk is available to all suppliers.

Please be aware that you must follow the instructions given on the eTendering portal. Failure to do so may prevent us from considering your tender.

The tender documents are all opened at the same time through a secure auditable electronic process after the tender return date. Once the tender documents have been opened, they are forwarded to the evaluation panel for the evaluation process. If you fail to supply your tender documents by the specified deadline, your tender maybe excluded from the evaluation process. For further tips on how to improve your chances of being successful see Appendix 4 on page 16 for our **Top 10 tips on how to tender**.

Do's and Dont's

Do...	Don't...
provide all details and signatures requested;	
ensure you can supply the goods and services we need as per the specification;	expect any special treatment, all tenders are treated equally;
provide all relevant contact details;	ask for a special meeting to discuss your bid during the tendering process as all tenderers must have equivalent rights to information and access;
return your tender by the deadline: late tenders may not be considered;	forget to ask for debriefing if your bid is not successful.
ensure you are not discouraged for further work if your tender fails.	

Evaluation criteria

Tender bids are normally evaluated on the basis of:

Most
Economically
Advantageous
Tender

normally known as **MEAT**.

This takes account of price, quality and whole life costing. The evaluation criteria will be notified to you when you receive the PQQ and/or the Invitation to Tender (ITT). If your bid meets all the criteria and offers us the best value for money, you will be awarded the contract.

The contract is awarded as soon as possible after the evaluation period has been completed. A formal acceptance email is sent to the successful tenderer and emails of decline are sent to those unsuccessful with the offer of a full debrief.

Debriefing

We aim to ensure within the constraints of confidentiality that when it is requested suppliers are made aware of the reasons why their bid was not successful. Our objective is to comment constructively on the strengths and weaknesses of your bid to enable you to better compete for future work. The unit also encourages comment about any aspects of the tender process that were unclear or which caused disproportionate efforts on the tenderers part.

Approved supplier lists

It is not our policy to develop and use approved supplier lists. External procurement units that use approved supplier lists must still advertise any requirement that exceed the EU thresholds. Lists should be regularly reviewed to include new suppliers and to make sure that the existing suppliers continue to provide best value for money. If your business is accepted onto such a list, it does not necessarily mean that you will be invited to tender straight away.

How to find the opportunities

Goods and services contracts valued in excess of £139,893 are advertised in the OJEU. This value is reviewed every 2 years the next review is due on 1 January 2012.

We will also advertise all contracts on our eTendering portal. Additionally contracts under £10k are advertised via the **Contracts Finder** website; this is where public sector bodies advertise all tenders and contracts at that value.

A list of websites and useful contacts to help you find more opportunities are at Appendix 2 on pages 13 and 14.

Contract compliance

All awarded contracts will be monitored in order to:

- ensure satisfactory performance of the contracted supplier and compliance with the contract;
- ensure resolution of any disputes arising during the contract; and
- develop relationships with suppliers with the objective of producing continual improvements in contracts.

Evaluation criteria continued...

Opportunities for SMEs, BAMEs and VCS

It is our policy to encourage small and medium enterprises (SMEs), black, asian and minority ethnic organisations (BAMEs) and voluntary and community sector organisations (VCS) to bid for our contracts and works with larger suppliers to subcontract to such organisations. We recognise the important contribution which they make to the economy. Our aim is to further enhance opportunities for these organisations wherever possible and must be consistent with value for money and the need to treat all companies fairly.

Initiatives taken to help SMEs, BAMEs and VCS include:

- simplification of procedures and documentation – the packaging of contracts will be looked at whilst acting within EU rules and ensuring ‘best value’ is maintained;
- wherever practicable, at least 1 SME, BAME or VCS supplier is included in each competition;
- invoices are paid promptly, usually within the agreed terms of 30 days;
- use of approved quality standards;
- increased awareness of procurement activity and policies via our website;
- the introduction of government portals to advertise all future contract opportunities.

Equalities and diversity

We strongly support equal opportunities and equal access. We include a questionnaire in all tenders asking for details on how equality and diversity issues are included in supplier’s employment practices. This includes for larger contracts when sub-contractors may be used, we like to know what your processes are regarding monitoring them.

Sustainability

We are committed to reducing our impact on the environment by improving the environmental performance of our operations. This is done by procuring goods, services and works that have minimal environmental impact and by disposing of waste in an environmental friendly way. More information is shown at Appendix 3 on page 14.

Complaints procedure

We will adopt a variety of contract arrangements appropriate to the value and nature of each contract. It is hoped that complaints will be discussed and resolved through these arrangements. However, if any supplier has a complaint about unfair treatment or discrimination that cannot be resolved through the contracts manager, the complaint can be made in writing to:

Head of Procurement

The Pensions Regulator
Napier House
Trafalgar Street
Brighton
BN1 4DW

Appendix 1: The procurement cycle



Appendix 2: Useful contacts and websites

Business Link operators

Provide access to a range of business advice and support for small firms through a national network. Some offer direct access to public sector opportunities tailored to your business's specific needs. This website will also give you access to **Contract Finder** where all public sector tenders and contracts over £10k are published. To contact your nearest Business Link operator, visit the website at: www.businesslink.gov.uk

Buying-solutions

An executive agency of OGC and provides a range of procurement services for the public sector. These include catalogues of pre-tendered goods and services in categories such as IS; telecoms; buildings and professional services.

Public sector organisations using OGC buying-solutions fully meet EU rules on public sector purchasing. The contracts are put out to tender on a regular basis usually every 5 years. These contracts are usually framework agreements, being included in one of these catalogues will increase your visibility with the public sector as the catalogues are widely recognised by central government and local authorities. For more information see the website at: www.ogcbuyingsolutions.gov.uk

Commission for racial equality

The commission's guide gives local authorities the information they need to be confident of meeting their race equality duty when they carry out procurement, within EU rules, best value and other UK laws and policies. It also offers guidance to private and voluntary sector organisations on the new race equality expectations they will meet when they do business with local authorities. For more information and an electronic copy of the guide please visit the website at: www.cre.gov.uk

CompeteFor

A free service that enables businesses to complete for contract opportunities linked to the London 2012 Games and other major public and private sector buying organisations, such as Transport for London, Crossrail and the Metropolitan Police. With a particular focus on supply chain opportunities, **CompeteFor** acts as a brokerage service, matching buyers with potential suppliers. It also facilitates access to focused business support, through the national Business Link network, helping to boost the long-term competitiveness of your business. Visit the website at: www.competefor.com

Department for environment, food and rural affairs (Defra)

The Government believes that we need to protect the environment for future generations, make our economy more environmentally sustainable, and improve our quality of life and well-being. We also believe that much more needs to be done to support the farming industry, protect biodiversity and encourage sustainable food production. Visit the website at: www.defra.gov.uk

Government opportunities

Published monthly by Business Information Publication (BiP) with weekly updated supplements. For more information visit the website at: www.bipcontracts.com

Health and Safety Executive

Reviewing continual improvements in health and safety to minimise the risk of accidents and thereby reducing the risk of injury to persons and damage to property and the environment. Visit the website at: www.hse.gov.uk

The Office of Government Commerce (OGC)

Established following a review into civil procurement by Peter Gershon. It is an independent office of the Treasury with its own Chief executive. OGC's aim is to work with civil government as a catalyst to achieving best value for money in commercial activities. Visit their website at: www.ogc.gov.uk

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OGC Service Desk

The service desk deals with enquiries about all aspects of OGC business and provides a first line of support to OGC customers. If specialist help is needed, service desk staff will channel the enquiry to the appropriate person in OGC. You can contact the service desk on: **0845 000 4999** or email them at: **ServiceDesk@ogc.gsi.gov.uk**

SIMAP

Aims to support an effective single market by encouraging suppliers and contracting entities to adopt best practise and use electronic commerce and information technology to provide all the information needed to deliver value for money in public procurement. Visit the website at: **www.simap.eu.int**

South East Centre of Excellence (SECE)

The South East Centre of Excellence is the Efficiency Partnership of South East Councils. It is one of 9 centres in England and Wales. The centre is led by officers and members in the South East and has a Board of South East Chief Executives chaired by the Chief executive of Kent County Council. The work of the South East Centre began in April 2005 and is divided into a number of workstreams. Please visit the websites at **www.sece.gov.uk** and **www.businessportal.sece.gov.uk** for more information.

Tenders Direct

A website that provides access to over 30,000 current government contracts in the UK and Europe. Visit the website at: **www.tendersdirect.co.uk**

Tenders Electronic Daily (TED)

The online version of OJEU. It gives direct access to notices of tender activity which may interest you. You can gain access to TED free of charge from the website at: **www.ted.eur-op.eu.int**

Tenders on the web

A website that provides access to current government contracts providing advice on tendering and EU procurement directives. Visit the website at: **www.tenders.co.uk**

Appendix 3: Contractor information

Financial assessment

Contractors are normally requested to supply their last 2 to 3 years of audited accounts. This must be a full set of accounts, which includes a Profit and Loss statement, the Balance Sheet and all notes to accompany the accounts. The accounts should also include the auditor's report and the director's report if applicable.

Insurance

Contractors will be asked to enclose copies of the necessary insurance documents to prove that the contractors have the necessary cover, including public liability, employers' liability and where appropriate professional indemnity. A contractor should normally have the minimum of £5,000,000 of public liability cover.

Health and Safety

All organisations are required to comply with the duties imposed upon them by the Health and Safety at Work Act 1974 and subordinate legislation, copies of company policies will be required to be submitted at pre-qualification stage.

Equalities and diversity

We are committed to equal opportunities for all, regardless of race, colour, religion, ethnicity, gender, family status, sexual orientation, disability or age, and will promote equalities in the procurement of goods, works and services.

Contractors may be asked if they comply with the Sex Discrimination Act 1975, the Equal Pay Act 1970, the Disability Discrimination Act 1995, the Race Relations Act 1976, the Race Relations Amendment Act 2000 and any related codes of practice. Contractors will also be asked if they have a policy on equal opportunities and will be requested to provide this at pre-qualification stage.

Technical assessments – reference sites and referees

A technical assessment will be undertaken to assess the performance, experience and ability of the contractor in providing the works, goods and services.

Environmental management

We look to minimise the effect that purchasing has on the environment. Details may be asked about action taken by the company to:

- ensure materials used are from sustainable managed sources;
- ensure that materials and products used have been processed in a way which causes minimum damage to the environment;
- increase the proportion of products used which have been made from recycled materials;
- ensure any surplus of waste material is disposed of in a way that causes the least possible adverse impact on the environment;
- reduce waste production and increase the proportion of materials re-used and recycled;
- discourage car use and eliminate unnecessary motor vehicle trips;
- reduce fuel consumption;
- reduce the use of energy;
- increase the proportion of energy used which is from renewable sources;
- reduce water use and increase the proportion of water re-used;
- protect natural resources and green spaces;
- reduce air and water pollution;
- reduce noise and light pollution; and
- provide details of environmental management systems and/or environmental standards achieved.

Appendix 4: Top 10 tips on how to tender

1. Read the documents

Read the documentation available carefully and make sure that you fully understand what is being asked of you. If there is anything that you don't understand, there is an opportunity to ask clarification questions via our eTendering portal.

2. Do you want this contract? Can you do it?

Read the specification and make sure that you want to tender for the goods or services and that you can meet the requirements. Remember that your tender is a formal legal offer.

3. Provide all the information requested

Ensure that you supply all of the information that is requested, and follow the instructions. Incomplete or overly brief applications will not score well. Double check you've included everything in advance of the deadline.

4. Keep information to hand

Keep copies of certificates, policies, insurance documents etc together to save time locating and copying them while you are writing your tender.

5. Complete and return

Ensure you return your documents by the deadline and plan ahead to make sure you meet it. Tenders are not accepted if they are uploaded late.

6. Tell us the features and sell the benefits of your company/organisation

Think about what you can offer that adds value or provides unique or innovative solutions.

7. Keep to the point

Don't include publicity and/or extraneous information in your submission unless requested. It won't be evaluated and will only increase the time spent processing your tender.

8. Costing your tender

Be clear in your pricing schedule and state any assumptions you might have made, such as resources needed, timescales etc. Under the restricted procedure, there is very little scope for amending prices once your tender has been submitted, or after contract award.

9. Communication

When submitting a PQQ or tender via our eTendering portal, clarification questions will automatically go to the person registered on the system so if they go on holiday make sure someone else has access to their mailbox.

10. Presentation

A clearly presented and well-written tender, cross-referenced where necessary, is much easier to understand and evaluate.

How to contact us

Napier House
Trafalgar Place
Brighton
BN1 4DW

E aprocurement@thepensionsregulator.gov.uk

www.thepensionsregulator.gov.uk
www.trusteetoolkit.com

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