



Are Tenders on Your Radar?

Procurers Best Practice Guide



Report written for the Enterprise Europe Network by:



EXECUTIVE SUMMARY

The objective of the report was to design a **Best Practice Guide** for contracting authorities to encourage procurers to structure their procurement procedures in a manner that facilitates increased participation by small and medium size enterprises.ⁱ The **Best Practice Guide** is based on the findings and research unearthed by the "**Are Tenders on Your Radar**" project.

The partly EU-funded project **Are Tenders on Your Radar?** aims to improve business access and more particularly innovative business access to public procurement by bridging the gap between business and public buyers in both the UK and Ireland through a series of targeted learning and networking workshops.

The project recognises that the European, UK and Irish public markets even in times of poor economic outlook are still a viable source of capital for small and medium size enterprises and the capital spent has the potential to have a positive and sustainable impact on national economies. However, there are a number of constraints in the current market place, which are constricting public officials' ability to maximise efficiency from each procedure completed. With reduced and limited budgets, public officials now face an internal conflict on whether to buy goods and services based solely on lowest cost criteria or on criteria that incorporates social and environmental impact considerations.ⁱⁱ

SMEs are in turn faced with enhanced competition in the market place and inability to compete for large scale or aggregated contracts. The report findings show that SME participation is restricted by their inability to meet advanced financial, technical and operational capabilities. The **Best Practice Guide** encourages public procurers to ensure SMES, have access to relevant information, consider setting proportionate qualifications levels and financial

requirements, alleviating administrative burden and putting emphasis on value for money rather than on price.

The Guide also acknowledges that targeted SME procurement training offers SMEs a renewed sense of confidence and enthusiasm selling into local, national and European markets. The Guide recognises that there is a clear need for additional training for SMEs, focusing primarily on cross-border tendering skills.

The report encourages **six key recommendations**;

Recommendation 1	Redouble efforts to reduce the administrative burden for suppliers
Recommendation 2	Break contracts into lots
Recommendation 3	Ensure financial capacity criteria are proportionate
Recommendation 4	Clearer award criteria
Recommendation 5	Make themselves more accessible to suppliers
Recommendation 6	Provide meaningful feedback

The use of these recommendations will encourage more competitive and transparent procedures, which will allow SMEs to unlock their growth and innovation potential. The **Best Practice Guide** seeks to offer support to both suppliers and procurers, with the goal of enhancing SME based competition in the market place through enhanced engagement and modernisation of the procurement process.

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Chapter One – Brief Overview

1.1 Best Practice Guide Goals and Objectives

The overall objective of this report was to design a public procurement **Best Practice Guide** to encourage procurers to structure their procurement procedures in a manner that facilitates increased participation by small and medium size enterprisesⁱⁱⁱ (SMEs).

The guidance offered stems from practical research completed as part of the **Are Tenders on Your Radar?** project. All information provided for the report is grounded through current literature, surveys and training seminars.

1.2 Reasons for creating the Best Practice Guide

There are two main reasons for creating the Best Practice Guide. Firstly, the Guide recognises the important roles SMEs play in the public procurement market and aims to address the universal problems faced by Irish and UK procurers in facilitating SME friendly policies in their tendering practices. Secondly, the Guide was designed to ultimately enhance SME based competition in the Irish, UK and European public markets.

1.3 Intended Audience

The Guide is primarily designed to be utilised by both Irish and UK public officials procuring at a centralised, regional and local level. It can be utilised

universally for most sectors and aims to encourage both procurers and suppliers to consider the wider societal impact of the public procurement activities, thus aligning with the Europe 2020 Growth Strategy.^{iv}

1.4 Format and Methodology

As part of the ***Are tenders on your radars?*** project, small and medium sized companies received specialised training across Ireland and the UK between August 2010 and August 2012.

A questionnaire^v was sent to attendees following the initial trainings on public procurement. The objective of this survey was to gain a better understanding of the real and perceived barriers faced by Irish and UK companies when tendering in Ireland, the UK and Europe. 239 SMEs completed this survey.

The format of the report is structured into three distinct sections;

1. The report will firstly provide a broad overview of the current constraints faced by SMEs trying to sell into the Irish, UK and European public markets.
2. A detailed outline and analysis of the main findings from the survey is provided in Chapter 4.
3. The report concludes by providing detailed descriptions of the key recommendations and best practice guidelines for the facilitation of increased SME participation in the Irish, UK and EU public markets.

1.5 Are Tenders on Your Radar Project?

Are Tenders on Your Radar? project is in response to the European Commission Call for proposals for a Specific Action (ENT/CIP/09/E/N06S001) – SME access to public procurement. It is a transnational consortium bid to

promote SMEs' access to public procurement in Ireland, the UK and EU Member states.

The aim of the project is to improve business access and more particularly innovative business access to public procurement by bridging the gap between business and public buyers. The project offered free one day intensive workshops for suppliers, meet the buyer events and access to industry experts. The programme was delivered by the Dublin, Galway, Sligo, Waterford Chambers of Commerce and EISC Ltd Southampton as part of their Enterprise Europe Network business support service.

The programme is a specific action on public procurement, co-financed by the European Commission in the framework of the CIP programme, in partnership with the Enterprise Europe Network.

2.0 Chapter Two – SME Engagement in Public Procurement

2.1 SME Engagement Overview

Small and medium size enterprises (SMEs)^{vi} play a critical and fundamental role in the European social and economic market. SMEs account for 99% of enterprises operating in the Single Market, of which 92% are micro-enterprises.^{vii} SMEs are key drivers of employment generation and sources of innovation in the Single Market. SMEs from the period of 2002 – 2010 were responsible for creating over 85% of all new jobs in Europe, with micro-enterprises alone responsible for 58% of total net employment growth. SMEs are the key drivers for generating local employment, sustaining local economies and promoting entrepreneurship and business risk taking in all areas of society.^{viii}

However, the Commission recognise that SME participation in the European public procurements markets is disproportionate to the number of SMEs operating in member states.^{ix} This presents significant challenges in both preparing and informing SMEs of tendering opportunities and promoting more SME-friendly procurement techniques among public buyers. This project aims to enhance SMEs skills and confidence selling into the European public market.

The total value of tenders published on the Official Journal of the European Union (OJEU) for the three-year period between 2006 and 2008 was estimated by the Commission to amount to €1,137bn.^x Between 2006 and 2008, SMEs amongst companies who won public contracts above the EU financial threshold ranged between 58% and 61%.

<i>Micro enterprises accounted for 18%</i>
<i>Small enterprises accounted for 22%</i>
<i>Medium size enterprises accounted for 20%</i>

The overall contract value secured by SMEs ranged from 31 – 38%.

<i>Micro enterprises accounted for 6%</i>
<i>Small enterprises accounted for 11%</i>
<i>Medium size enterprises accounted for 17%</i>

Irish medium and large scale enterprises performed better than their EU counterparts, securing 46% of contract value.

<i>Micro enterprises accounted for 3%</i>
<i>Small enterprises accounted for 14%</i>
<i>Medium size enterprises accounted for 26%</i>

However, UK SMEs appeared to perform worse than their Irish and UK counterparts, securing only 24% of contract value.

Micro enterprises accounted for 6%

Small enterprises accounted for 5%

Medium size enterprises accounted for 13%

This Guide will aim to encourage public procurers to structure their procurement procedures in a manner that facilitates increased participation by SMEs.

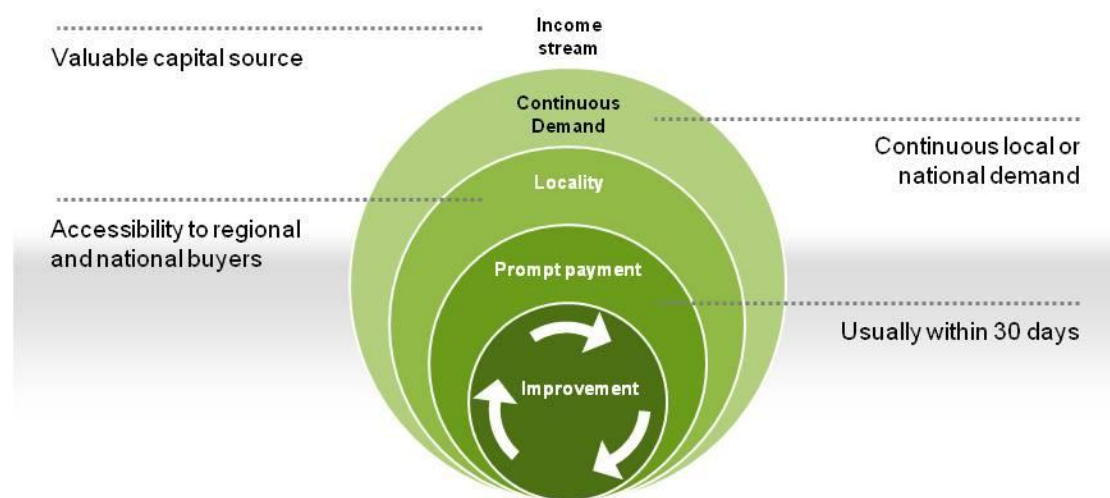
2.2 Why would procurers want to engage with SMEs?



SMEs play an important role in public contracts, they offer high quality supplies and services and they tend to be flexible, particularly in reactions to urgent problems. SMEs normally have a simple organisational structure,

allowing procurers to have accessibility to senior management. SMEs have instinctive local knowledge and contribute to local employment generation. Whilst there are some potential weakness associated with SMEs, such as lack of technical capabilities and financial guarantees, the benefits may outweigh the concerns in a large majority of cases.^{xi}

2.3 Why would SMEs want to engage with public procurers?



SMEs benefit greatly from selling into the public market, public procurers are important customers offering real scale opportunities both in value and length of contract. Public procurers are buyers with continuous demand. The public sector will continue to buy throughout any economic downturn. The public sector pay promptly, they are bound by clear contract terms and usually have to pay within 30 days of invoice.^{xii}

2.4 Variables impacting SME engagement

There are a number of variables which impact SME participation in the Irish, UK and European public markets. The variables range from the type of procurer, the tender procedure chosen, value and size of the contract and choice of evaluation procedure used.

1. Type of Procurer

A decentralised public procurement system operates in Ireland and in the UK with various contracting authorities procuring at both central and local government level. With the vast variety of contracting authorities and entities with unique buying needs, the procurement administrative processes in Ireland and in the UK are complex and fragmented.

EU research shows that local and regional authorities award a higher proportion of public contracts to SMEs, than the proportion awarded by central authorities and other bodies governed by public law or utilities.^{xiii}

2. Size and Value of Contracts

SMEs fair better at winning contracts with a value below the EU financial thresholds. SMEs in general win a lower proportion of above-threshold contracts, however they benefit from the division of larger contracts into “lots”.^{xiv}

The European Commission sets the value of contracts above which tenders must be advertised and published in the Official Journal of the European Union (OJEU) on a two year cycle. On the 30 November 2011, [*Commission Regulation \(EU\) No. 1251/2011*](#) was adopted, revising the Euro and GBP

thresholds for the next two years. The main advertising thresholds with effect from 1 January 2012 to 31 December 2014 are as follows:

Works		
Contract Notice	€5,000,000 £4,348,350	Threshold applies to Government Departments and Offices, Local and Regional Authorities and other public bodies.
Supplies and Services		
Contract Notice	€130,000 £113,507	Threshold applies to Government Departments and Offices
Contract Notice	€200,000 £173,934	Threshold applies to Local and Regional Authorities and public bodies outside the Utilities sector.
Utilities		
Works Contracts / Prior Indicative Notice	€5,000,000 £4,348,350	For entities in Utilities sectors covered by GPA
Supplies and Services	€400,000 £347, 868	For entities in Utilities sectors covered by GPA

Spend on above threshold contracts accounted for 2% of the total EU member states' expenditure in 2009. An approximate €420bn / £335bn was

spent on goods, works and services, with 35,000 contracting authorities publishing over 150,000 initiations to tender. A Commission evaluation report concluded that the contracts published on the OJEU resulted in 1.2% savings for contracting authorities compared to contracts where neither a contract notice or prior indicative notice were published.^{xv}

SMEs generally tender for small to medium value contracts, as in general they fail to meet the large technical and financial capabilities required in large scale contracts. The proportion of SMEs amongst successful bidders winning contract with a value of €300,000 / £239,000 or less is estimated at 65%. This figure starts to decline for larger above-threshold value contracts, with SMEs winning between 21 – 29% of contracts with a value above €5mn / £4.3mn.^{xvi}

Procurers can address this concern by breaking large contracts into “lots”. The division of lots can be based on distinct professional tasks or geographical service areas.

3. Type of Procedure

The choice of procedure used has an impact on the number of contracts awarded to SMEs. The open procedure is the most accommodating procedure for SME participation.

The use of the restricted and negotiated procedures also encourage SME participation, however the competitive dialogue appears to disfavour and discourage such participation.^{xvii}

Open Procedure	
Proportion of SMEs amongst successful bidders	60%
Percentage of contract value gained by SME	38%

Restricted Procedure	
Proportion of SMEs amongst successful bidders	60%
Percentage of contract value gained by SME	24%
Negotiated Procedure	
Proportion of SMEs amongst successful bidders	60%
Percentage of contract value gained by SME	24%
Competitive Dialogue	
Proportion of SMEs amongst successful bidders	59%
Percentage of contract value gained by SME	6%

4. Evaluation Methods

SMEs tend to win more contracts which are evaluated on a Most Economically Advantageous Tender **(MEAT)** assessing criteria, rather than on the Lowest Price evaluating method.

A wide variety of criteria can be assessed under the *MEAT* test, examples of permissible criteria include; pricing, quality, technical merit, environmental factors, cost effectiveness and after-sales service.^{xviii} The use of the MEAT evaluation method encourages both SMEs and public procurers to take local considerations into account in their decision making procedures. It is questionable what percentage should be assigned to the price criteria.

2.5 SME constraints



SMEs have expressed a number of difficulties in securing public contracts. They experience both internal and external restrictions including^{xix}:

Internal Restrictions

Lack of technical qualifications and capabilities

Lack of professional qualifications and capabilities

Inability to meet financial and insurance requirements

Inadequate tendering skills

External Restrictions

Lack of knowledge of tender opportunities

Over-emphasis on price

Inadequate feedback from procurers

These barriers to access will be discussed further in Chapter 3, with the Guide providing solutions to each barrier identified.

2.6 Supports for SMEs

There are a number of resources available to SMEs in both the UK and Ireland to help them to improve their tendering skills and techniques.

European Guidance

The European Commission is committed to sustaining and encouraging SME participation and growth across the single market and has integrated SME friendly initiatives into public procurement policy and procedures, this is evident in the *Small Business Act for Europe (2008)* and is communicated clearly in the *Public Procurement for Better Environment (2008)*, the *Pre-Commercial Procurement (2007)* and in the *Integrating Social Considerations into Public Procurement (2001)* reports. SMEs' participation and redress rights are protected through the implementation of the suite of European public procurement legislation.

Irish Guidance

Circular 10/10 is a non-mandatory government guidance document which was designed and adopted in 2010 to ensure small and medium size business are not hindered from tendering for contracts that they could effectively complete.^{xx}

The Circular made the following changes and recommendations;

*"The [Circular] ensures that a "level playing field" exists for all Suppliers."
Minister Hayes, National Procurement Day, Dublin.*

- Promoted accessibility by requiring contracting authorities to advertise all contracts for supplies and services with an estimated value of €25,000 and upwards on www.etenders.gov.ie (Section 2)
- Removed capacity barriers by requiring contracting authorities to ensure that any capacity levels they set for tenderers are relevant and proportionate to the circumstances of the particular contract (Section 4)
- Requested contracting authorities to allow applicants to self- declare their capacity to undertake the contract, and should seek verifications or evidence of such capacity only in the event of the tenderer being short-listed or coming under consideration for the award of the contract (Section 4)
- Prevented contracting authorities to use arrangements that involve potential tenderers having to pay so as to access opportunities to compete for public contracts. (Section 6)
- Promoted accessibility by allowing contracting authorities to avail of the possibility to award contracts in 'lots' where this can be done without compromising efficiency and value for money. (Section 9)

The National Procurement Service (**NPS**) and the National Public Procurement Policy Unit (**NPPPU**) within the Department of Finance have also devised a number of reports including '*Improving SME Access to Public Procurement*^{xxi} and '*Buying Innovation – The 10 Step Guide to Smart Procurement and SME Access to Public Procurement*^{xxii} which detail best practice for Contracting Authorities to include SME friendly initiatives into their tender designs.

UK Support

The support available for SMEs in the UK is offered at a decentralised level, with various local councils offering free tender resources packs, informational leaflets to interested suppliers.

A number of the UK councils have set up “How to Work with Us” websites, providing interested procurers with information on forthcoming tender opportunities and helpful tips on how to complete tender applications. Other councils, such as Islington Council in London have designed “Tender Resource Packs” for potential suppliers.

Unlike, the eTenders advertising website in Ireland, there is no such site in the UK designed to be a central facility for all public sector contracting authorities to advertise procurement opportunities and award notices.

However, there are a number of regional and local sites providing this service, such as;

- Sell2Wales; <https://www.sell2wales.co.uk/>
- Buy4Wales; <https://www.buy4wales.co.uk/buy4wales.aspx>
- e-SourcingNI; <https://e-sourcingni.bravosolution.co.uk/web/login.shtml>
- CompeteFor; <https://www.competefor.com/business/login.jsp>

Suppliers can avail of a wide variety of support and guidance documents in both the UK and in Ireland.

3.0 Chapter 3: Research Findings

3.1 Overview

In this chapter data from 239 firms that participated in the public tendering training programme is analysed. Analysis of the data is undertaken in respect of the following areas:

1. Firm characteristics - jurisdiction, size and age
2. Record of tendering for public sector contracts nationally and internationally
3. Success in tendering for public sector contracts nationally and internationally
4. Barriers experienced by firms when competing in the public sector marketplace
5. Supplier awareness of SME-friendly measures
6. Comparison of domestic tendering and overseas tendering
7. Improving the public procurement landscape for SMEs
8. Areas for Future Training
9. Impact of the Training Intervention
10. A comparison of UK and Irish participant firms

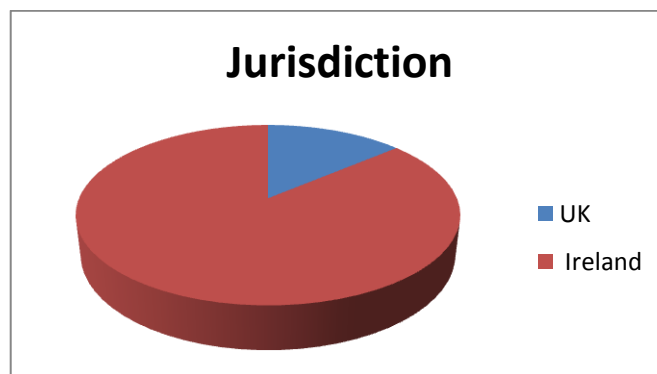
3.2 Training Participant Characteristics

Characteristics of Irish and UK firms that participated on ***Are Tenders on your Radar?*** training programme are described in the following sections.

Firm Jurisdiction

86% of the firms that answered the questionnaires are Irish-based. 14% of the respondents are UK based (Fig. 1).

Fig. 1: Is your firm based in England or Ireland?



Size of Firms

Firm size is assessed with reference to their number of employees. Consistent with European Union definitions, firms are classified as per Table 1.

Table 1: EU Classification of Enterprise Size

Enterprise Size Category	Number of employees
Micro	< 10 employees
Small	10-49 employees
Medium	50-249
Large	250+

Age of Firms

Training participant firms range in age from one year old to 268 years old. The mean age is 25 years. A more detailed breakdown of age by category is given in Table 2. It is evident that the training participant firms are in business for some time. Approximately two out of three firms are 11 years old or more, indicating a relatively high level of commercial experience.

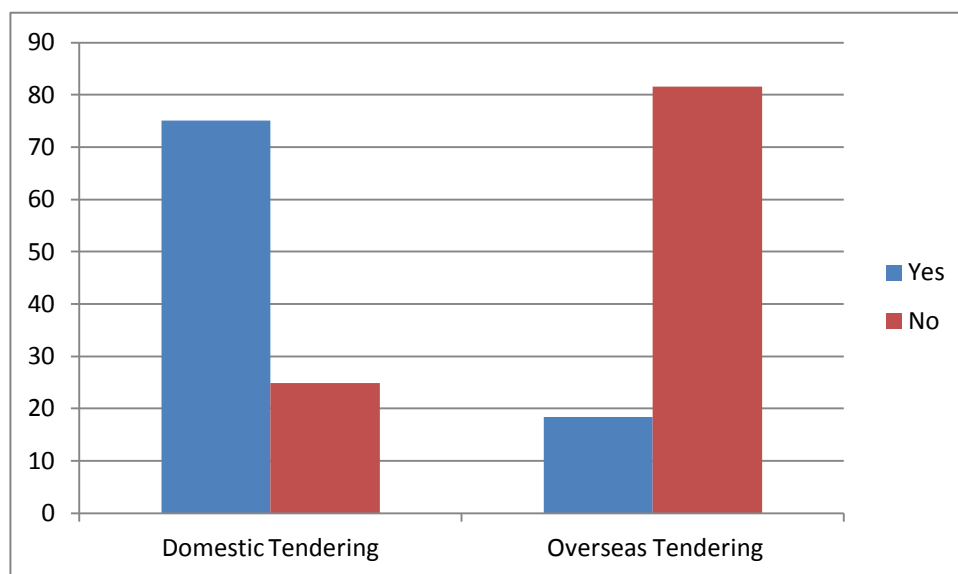
Table 2: Age Profile of Firms

Age Group	% of Firms
1-5 years	21.1
6-10 years	12.9
11-20 years	24.8
21-50 years	30.4
50+ years	10.8
	100

3.3 Tendering Experience

Three out of every four training participant firms have previously tendered for a public sector contract in their own domestic marketplace, either Ireland or the UK (Fig.3). This leaves a quarter of the participants with no previous record of tendering in their domestic market. The percentage of firms that has previously tendered for a public sector contract in a foreign jurisdiction is low. Approximately 18% has overseas public sector tendering experience versus 82% that has no such experience.

Fig. 3: Previous Tendering Experience

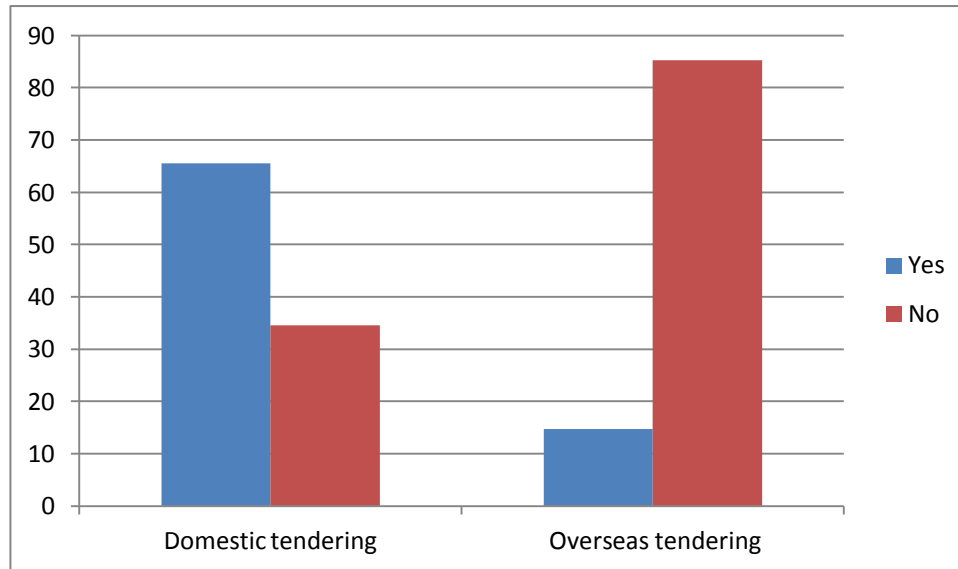


3.4 Tendering Success

The success rates for domestic and overseas tendering show considerable variation. Sixty five percent of firms report success in tendering for public sector contracts in the domestic market. In contrast, 15% of firms report success in tendering for public sector contracts in foreign jurisdictions. That

such a low percentage of success is recorded can, in part, be accounted for by the fact that many of the firms do not compete in overseas markets.

Fig. 4: Success Rates in Public Sector Tendering



3.5 Barriers in Public Sector Procurement

Training participant firms were requested to identify the main barriers confronting them as they compete for public sector business domestically or internationally. Specifically, eleven commonly identified barriers were listed and respondents ranked each barrier on a 1-6 scale, where 1 denotes most relevant and 6 denotes least relevant. Emerging from this exercise are the following results (Fig. 5).

1. 'Too high administrative burden' is the barrier most relevant to the training participant firms
2. 'Lack of knowledge about tender procedures' is the second most relevant barrier

3. The 'cost of preparing the proposal', 'too short time span to prepare the proposal', and 'unclear jargon used' are the third, fourth, and fifth most relevant barriers respectively
4. It is noteworthy that there is very little separating the eight most relevant barriers, with 'difficulty in obtaining information', 'the large size of contracts', and 'financial guarantees required' all posing challenges to firms
5. Of lesser relevance to firms is 'finding collaboration partners abroad' and 'discrimination against foreign tenders'. The fact that the majority of firms have no previous record of tendering abroad explains this finding to a large degree.

Recommendation

The tendering experiences of suppliers strongly suggest the need for relevant state agencies and public sector procurers to redouble their efforts to reduce the administrative burden reported by suppliers.

Additional Barriers

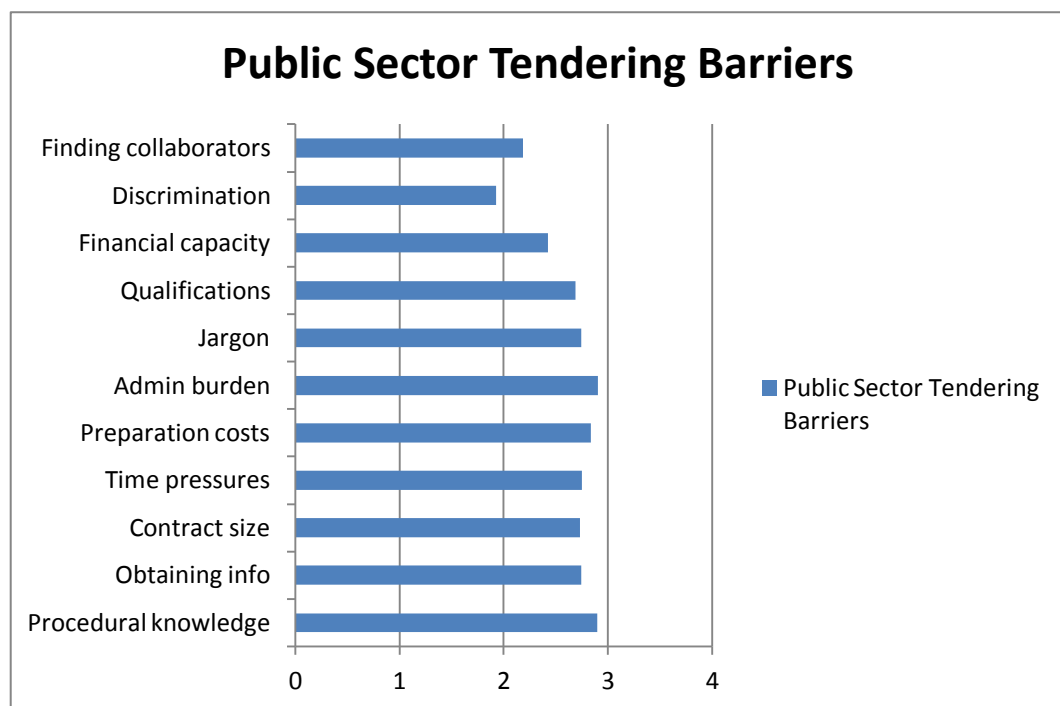
In addition to ranking eleven common tendering barriers experienced by firms, respondents also had the opportunity to specify other barriers relevant to their previous experiences. The barriers cited by firms relate to criticisms of public procurement regimes as well as acknowledgement of their own resource limitations.

For example, a lack of procurement skills across the public sector, risk aversion on the part of public sector procurers, and a failure by public organisations to comply with procurement legislation and policy recommendations are stated. Additionally, firms claim that too much

emphasis is placed on cost factors in the award of contracts, specifications can be difficult to understand, and unnecessary stipulations of previous public sector tendering experience are requested.

In reflecting on their own operations, firms identify resource and capacity limitations associated with small size as well as the opportunity cost to them of spending days or weeks preparing a tender when the odds of success are low.

Fig. 5: Barriers Experienced in Public Sector Procurement



3.6 Supplier Awareness of SME-friendly Measures

Awareness of SME-friendly measures among the training participant firms is low. In the majority of cases firms are not aware of, or are unable to

elaborate on, measures specifically targeted at facilitating SMEs in the public procurement marketplace in either the UK or Ireland.

However, a degree of awareness of SME-friendly measures among a minority of firms is in evidence. This awareness takes the following forms.

1. Public sector bodies and enterprise support agencies that are proactive in providing information and assistance to suppliers.
2. Online portals that advertise available public sector contracts are identified as conducive to SMEs competing for public sector business – www.etenders.gov.ie in Ireland, for example.
3. Specific policy initiatives designed to create a 'level playing field' for all suppliers, large or small, experienced or newly established, is cited as a positive development. In particular, the Irish Department of Finance's Circular 10:10 is name checked a number of times.
4. General trends in public procurement, including: lowering of thresholds for the open advertising of contracts, greater transparency in the award and feedback system, more 'meet the buyer' events happening, some movement on the division of larger contracts into lots, greater availability of training interventions for SMEs.

3.7 Reported Experiences of Overseas Tendering

Training participant firms were questioned on their experiences of overseas tendering. Specifically, views were sought on whether tendering overseas is more or less complicated than domestic tendering. Mixed feelings are expressed. In some cases firms report positive experiences of tendering in overseas jurisdictions, believing it to be less complicated and cumbersome relative to their experiences of public procurement in their home marketplace. For others, the tendering process itself is neither more nor less complicated, although it is noted that additional costs for language translation or travelling

to foreign jurisdictions are likely to be incurred. It is also of interest that some firms are able to make use of local subsidiaries or commercial partners in tendering for available opportunities with the local public sector organisation.

Negative assessments of overseas tendering are also in evidence. For example, firms point to different legislative regimes that are in operation, different documentation requirements, bid bonds to be furnished, and a lack of a single contact point such as exists with www.etenders.gov.ie for the Irish public procurement marketplace.

Three qualifiers are attached to interpretation of these reported experiences.

1. Firstly, only a minority of firms have any experience of overseas tendering. As such, the number of observations provided by survey respondents is quite low
2. Secondly, the observations that are provided pertain to overseas tendering in general and not to specific countries or regions. Yet, significant variation exists across countries and across regions in public procurement.
3. Thirdly, the procurement practices of public sector organisations are by no means uniform, even within the one country. Therefore, the experiences of firms reported in this survey may be more a reflection of the particular procuring organisation than a national procurement regime per se.

*'More bodies to deal with
e.g. UK has several portals'
'Process is not more
complicated but taking part
in the process is more
expensive'
'Much less complicated and
cumbersome'
'Yes, different legislation to
be aware of and different
government structures'*

3.8 Improving the Public Procurement Landscape for SMEs

28

Training participant firms were invited to put forward their recommendations for improving the public procurement landscape in their own country – Ireland or Britain. Approximately 130 respondents offer one or more suggestions on how to make the public procurement landscape more accommodating to SMEs.

Reform of Public Procurement Regime

In the main, suggestions relate to the workings of the public procurement system and the difficulties smaller suppliers experience in attempting to navigate it. A more detailed breakdown of suggestions offered by type and frequency is provided in Tables 3.

Table 3: Suggested Reforms to Public Procurement Practice

Specific Reform Proposed	Frequency
Break larger contracts into lots	43
Simplify tendering process (incl. clearer award criteria/shorter tenders, standardised templates, less jargon, more time to bid)	37
Proportionate financial capacity requirements (incl. reduced turnover requirements)	19
Encouraging SMEs generally and take cognisance of need for job creation & regional growth	13
Better feedback	6
More accessible public procurers	5
Reduce emphasis on lowest cost (greater appreciation of innovation)	4

Total	127
-------	-----

Supply Side Interventions

A much smaller number of suggestions concern capacity limitations on the part of suppliers and the resultant need for supply side interventions - training SMEs in best practice tendering, for example. These are detailed in Table 4.

Table 4: Suggested Supply Side Interventions

Intervention	Frequency
Training for SMEs (incl. bid writing)	6
Ability to build consortiums	4
Total	10

Recommendation

The reforms suggested by suppliers, based on their experiences of tendering to date, highlight the following priority areas for policy makers and public sector organisations:

- Break larger contracts into lots where practical and feasible
- Make award criteria clear to suppliers from the outset
- Ensure financial capacity used in tendering competitions (e.g. specification of turnover:contract value ratio) are proportionate and relevant to the contract
- Provide constructive feedback to unsuccessful tenderers as a matter of course
- Engage more with the supply marketplace and make procurement a more visible function in the organisation

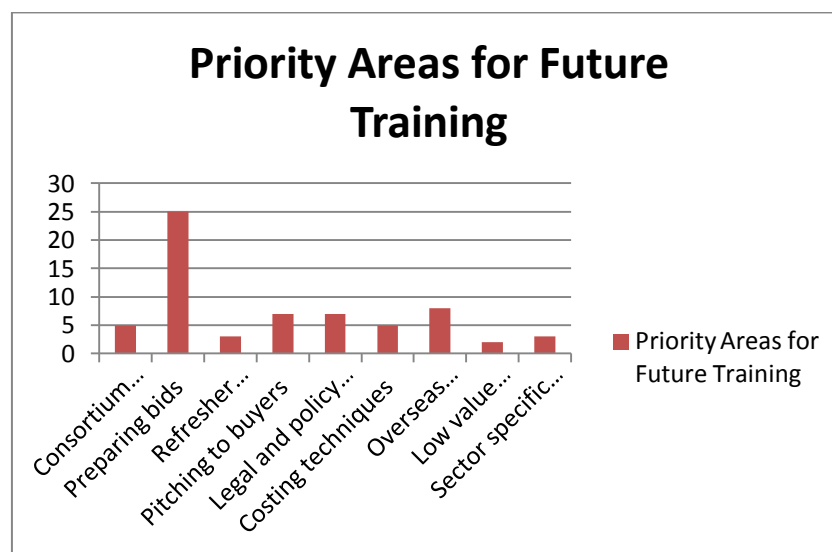
30

3.9 Areas Identified for Future Training

Approximately 65 specific recommendations are made by training participant firms in respect of future training programmes (Fig. 7).

1. Principally, firms express a desire for further training in bid preparation. Interestingly, in several cases a request is made for a workshop format in which participants would get to perform a simulated tendering exercise, or work on a procurement case study
2. Navigating the procurement markets of foreign jurisdictions and tendering to foreign based public sector organisations is another area in which firms express a desire for further training
3. Updates and information sessions on the legal environment as it concerns suppliers in the public procurement marketplace, how to engage with and pitch to public procurers, honing costing techniques, and forming a consortium are among the other main areas of interest for training and developmental purposes

Fig. 7: Priority Areas for Future Training



Recommendation

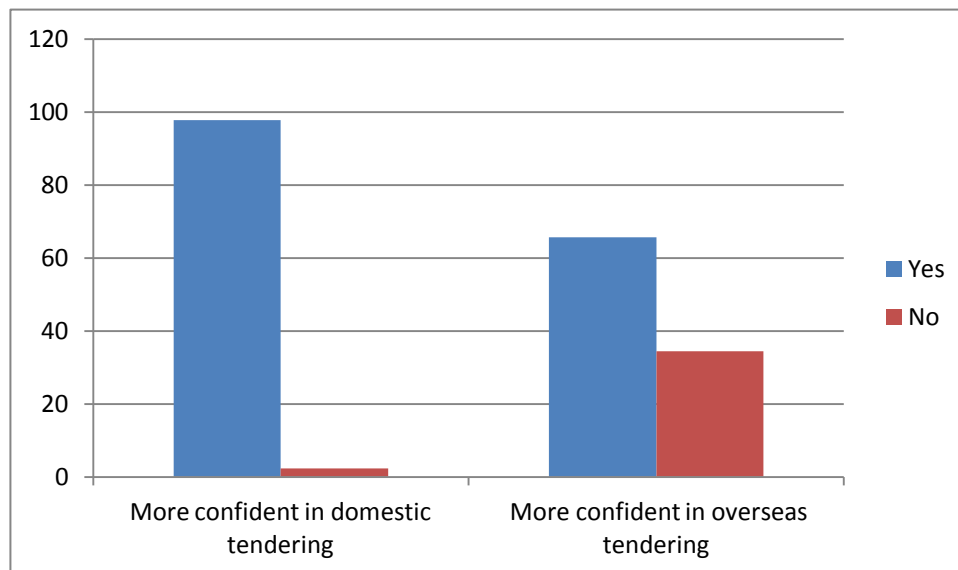
State agencies and associated organisations charged with supporting small scale suppliers are advised to be mindful of the areas identified by suppliers for their future training and development. However, it is also recommended that future training programmes emphasise the importance of non-tendering elements. Of relevance here is how suppliers should research their marketplace and how to communicate with and sell to public sector organisations. The focus on these areas is in recognition that public procurement is, like so many other areas of business, relationship-based. It is much more than filling out a tender form.

3.10 Outcomes of Tendering Training

On completion of the training intervention participants were questioned if they felt more confident in their ability to tender for public sector contracts at home or abroad.

1. For domestic tendering, the answer to this question is a resounding yes. Approximately 98% of respondents express a greater degree of confidence in their future ability to compete in their domestic public procurement market.
2. While not as emphatic, a sizeable majority also claim to be more confident in their ability to tender for public sector contracts overseas. Almost two thirds of respondents have greater confidence in competing for overseas public sector contracts subsequent to participating on the training programme. The other one third of respondents who are not any more confident does include firms for whom overseas tendering is not a business objective.

Fig. 6: Confidence in Future Ability to Tender



3.11 Comparison of British and Irish Training Participants

In addition to analysing data pertaining to 239 training participant firms, a comparison of British and Irish firm participants is also undertaken. This is carried out in order to assess the extent of similarity between suppliers from each jurisdiction. Specifically, British and Irish suppliers are compared with reference to:

- Previous tendering experience in their domestic market
- Previous tendering experience in overseas markets
- Record of success in their domestic market
- Record of success in overseas markets
- Confidence to tender domestically after completing training course
- Confidence to tender overseas after completing training course

Domestic Tendering Experience

The previous domestic tendering experience of British and Irish firms is represented in Fig. 7. For this question, training participant firms were asked if they had ever tendered for a public sector contract in their domestic

market. Approximately 69% of British firms answered in the affirmative compared to 76% of Irish firms. Thus, among the participants of the training programme, Irish firms have a slightly higher level of domestic tendering experience than their British counterparts.

Fig. 7: Previously tendered for public sector contracts in your domestic market?



Record of Success in Domestic Tendering

The record of success of Irish firms in domestic tendering is better than UK firms (Fig. 8). Approximately 67% of the surveyed Irish firms claim to have won at least one public sector contract with an Irish public sector organisation. This is in contrast to the 56% of UK firms who claim to have succeeded in winning at least one public sector contract with a UK public sector organisation.

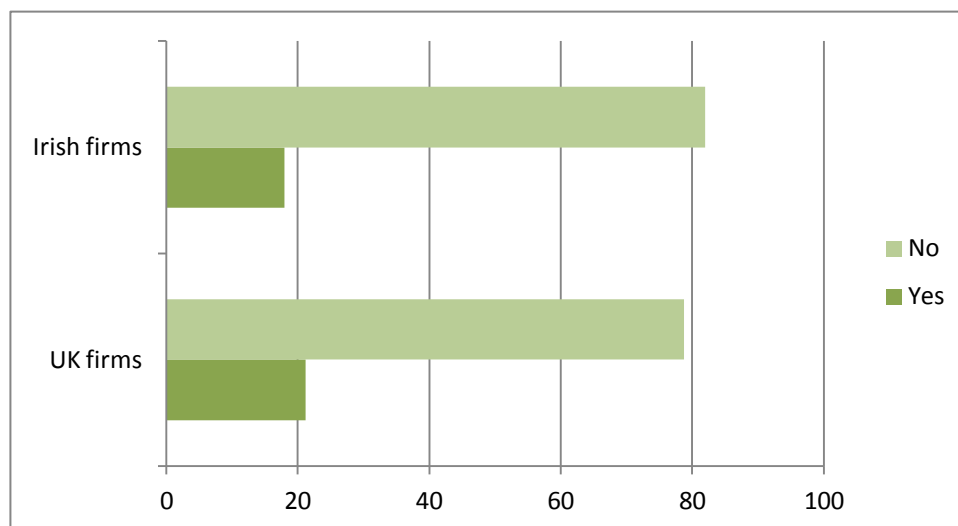
Fig. 8: Record of success in domestic public procurement market?



Overseas Tendering Experience

Among the training participant firms a marginally higher percentage of UK firms have tendered overseas than Irish firms (Fig. 9). The figure for UK firms is 21% while the comparable figure for Irish firms is 18%.

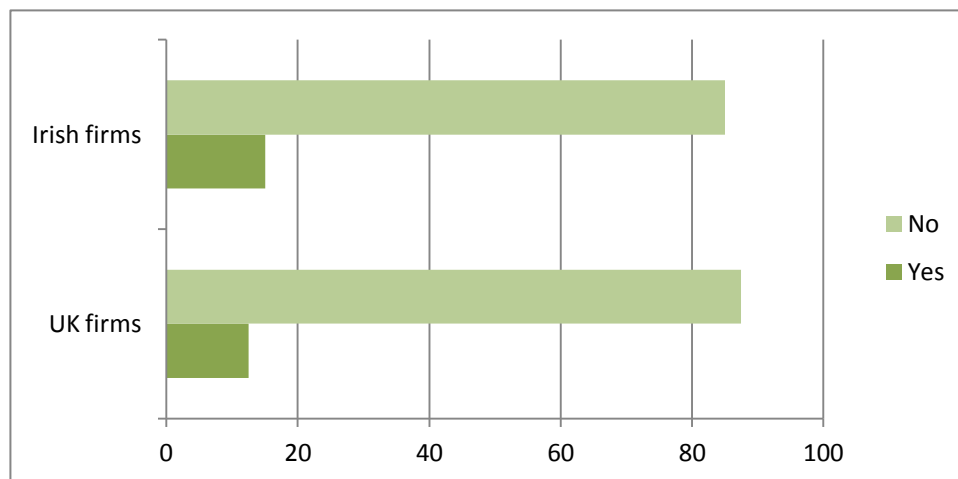
Fig. 9: Previously tendered for public sector contracts in overseas market?



Record of Success in Overseas Tendering

Irish firms have a marginally higher rate of success than UK firms when it comes to winning public sector contracts overseas (Fig. 10). Fifteen percent of Irish firms report winning a public sector contract overseas in contrast to the 12.5% of UK firms that state likewise.

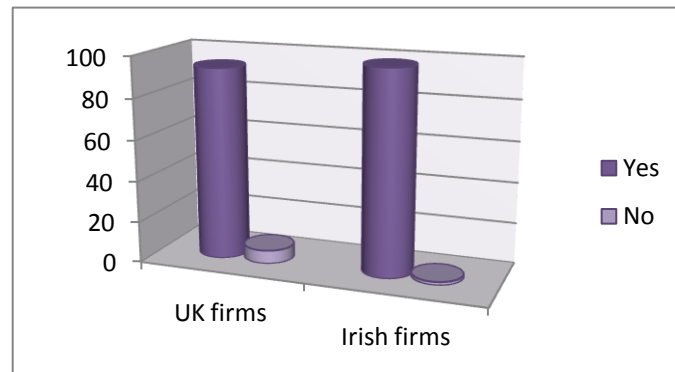
Fig.10: Record of success in overseas public procurement market?



Confidence for Future Tendering in Domestic Market

The salutary impact of the training programme on participants' confidence to tender domestically and internationally is reported in Section 3.10. Breaking this figure down by country, it emerges that Irish firms are more confident about their ability to tender for future domestic opportunities than UK firms, although the difference is not significant (Fig. 11).

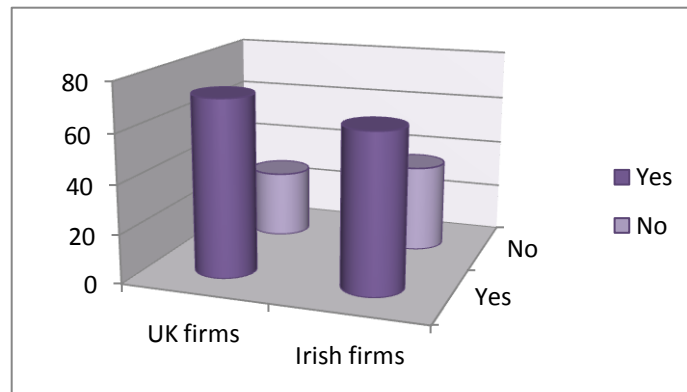
Fig. 11: More Confidence for Domestic Tendering?



Confidence for Future Tendering in Overseas Market

This situation is reversed in the case of confidence to tender for overseas contracts. On this dimension UK firms display a higher level of confidence (Fig. 12). After completion of the training programme 72% of UK firms assert that they are more confident as regards overseas tendering. However, only 64% of Irish firms claim the same.

Fig. 12: More Confidence for Overseas Tendering?



The promotion of cross-border trade is one of the pivotal objectives of the European Single Market. The extent to which a country awards contracts to

companies based abroad is primarily related to the size of the country and the size of its internal market. For example, countries such as Ireland, Luxembourg, and Malta award from 14 – 18% of contracts to companies based abroad, whereas larger countries such as France, Spain and the UK award less than 2% to foreign-based countries. Ireland on average awards 18% of total public contracts to foreign-based companies, with the UK awarding fewer than 2% to foreign-based companies. 19.85% of the direct cross-border contracts awarded in the UK are awarded to Irish suppliers, with 65.55% of the Irish direct cross-border contracts being awarded to UK companies.^{xxiii}

Public procurers in the UK and Ireland should strive to reduce the barriers to cross-border trade, by promoting the use of effective request for tender advertising, the inclusion of non-discriminatory and flexible qualification and professional criteria and through the encouragement of cross-border consortiums. Further training should be provided to suppliers struggling to sell into another EU Member States.

3.12 Conclusion

Analysing data from firms that participated on the ***Are Tenders on your Radar?*** training programme yield a number of interesting findings. In the majority of firms there is evidence of some domestic tendering experience. However, when it comes to tendering for overseas public sector contracts, less than 20% can claim any such experience. The success rate for domestic tendering among participant training firms is high. Nearly two out of every three training participants have succeeded in winning at least one public sector contract in their home market. The barriers that suppliers identify in this research are familiar. Too high administrative burden, lack of knowledge about tender procedures and the prohibitive resource cost of committing to prepare a tender rank as first, second and third respectively.

In the main, suppliers are not fully aware of a range of recently enacted reforms designed to make tendering more attractive and accessible to SMEs. Of the minority of firms with experience of overseas tendering, the accounts provide a mix of positive and negative perceptions. Suppliers are very forthcoming on what actions they would like to see taken to make public procurement more SME friendly. Breaking contracts into lots, simplifying the tendering process, and ensuring financial criteria are proportionate emerge as the main recommendations for improvement. Suppliers also display a keen awareness of their training and development needs. Obtaining detailed advice and training on how to prepare bids is by far the area which they prioritise. In comparing and contrasting Irish and English training participants, little difference is to be found in terms of their tendering experience, rates of success, or confidence levels for future tendering opportunities. Finally, a strong vote of confidence is given by suppliers to the effectiveness of Are Tenders on your Radar training programme. Almost all participants state that their confidence to tender for domestic public sector contracts opportunities has improved and two thirds state the same in relation to bidding for public sector work overseas.

4.0 Chapter 4: Best Practice Recommendations

4.1 Overview

Based on analysis of data obtained from training participant firms, recommendations are made for more SME-friendly procurement practice across both the Irish and English public sectors. These recommendations are divided into two sections. The first directly concerns public procurers. The second relates to the role that enterprise support agencies can perform in assisting the SME population to increase their participation in the marketplace for public sector contracts.

4.2 Recommendations for Public Procurers

The following recommendations are made for public procurement practice with a view to 'creating a level playing field' on which SMEs can compete for public sector contracts.

Table 5: Recommendations for Public Procurers

Recommendation 1	Redouble efforts to reduce the administrative burden for suppliers
Recommendation 2	Break contracts into lots
Recommendation 3	Ensure financial capacity criteria are proportionate
Recommendation 4	Clearer award criteria
Recommendation 5	Make themselves more accessible to suppliers
Recommendation 6	Provide meaningful feedback

Best Practice Recommendation One

Reduce Administrative Burden

Through the implementation of basic tendering reforms, the main barrier cited by suppliers – administrative burden – can be tackled.

1. Increase the use of standardised tender documents. This will enable suppliers to become more familiar with the questions to be answered and the forms to be appended to their tender. Irish public procurers should consider using the National Procurement Services' suite of standardised templates for medium to low risk procurement activities. Training participant firms included this among their main recommendations.
2. Earlier advertisement of available contracts gives suppliers a longer lead-in time to complete their tender submissions. Again, this is something which training participant firms express a desire for.
3. Minimise the number of questions asked of suppliers and be mindful of the resource constraints which micro and small enterprises operate under. Finding time to fill out paperwork for tenders inhibits micro enterprises from bidding in the first instance.
4. Eliminate jargon from tender documentation. Jargonistic language only serves to confuse and frustrate suppliers and leaves them with a negative impression of the public sector tendering process.
5. Where appropriate, procurers should facilitate electronic submission and evaluation of tender applications.

Best Practice Recommendation Two

Break Contracts into Lots

Of the 127 recommendations made by the training participant firms for improvement of public sector tendering, 43 concern breaking contracts into lots. Taking this step opens up opportunities for micro and small enterprises to compete for public sector business. Thus, where practical and feasible, public procurers should endeavour to break up large contracts into lots. It is not only the supplier population that stands to benefit from dividing large contracts into smaller lots. SMEs with nice expertise become available to public sector organisations through this approach.

Best Practice Recommendation Three

Proportionate Financial Capacity Requirements

It is a common complaint of suppliers that public procurers often set financial capacity and insurance criteria that are disproportionate to the nature of the contract. This issue re-surfaces among the training participant firms. Hence, there is need for public procurers to ensure that financial and insurance capacity conditions attached to a contract are proportionate and justifiable. Too high financial capacity requirements – stipulating that turnover must be a multiple of the value of the contract, for example – mitigate the participation of micro enterprises and newly established enterprises. Effectively, this same enterprise cohort gets locked out of the market. While risk management is a crucial aspect of professional procurement practice, this need not come at the expense of ensuring that micro enterprises and newly created enterprises have a chance to compete.

Best Practice Recommendation Four

Clearer Award Criteria

Suppliers need to know what exactly they are being evaluated on in the tendering process. In several instances suppliers that participated in the training programme highlighted frustration over a lack of clarity on award criteria. Public procurers therefore need to make sure that on all contracts award criteria are both clear and precise. Not only is this in the interests of suppliers. If there is confusion surrounding the award criteria, the tenders which suppliers submit will most likely reflect this confusion and uncertainty. Public procurers are encouraged to evaluate tender applications on a variety of criteria under the *Most Economically Advantageous Tender* (MEAT) criteria and are discouraged from using the *Lowest Cost* evaluation regime.

Best Practice Recommendation Five

Accessibility of Public Procurers

Identifying and communicating with public sector procurers has long been a difficulty encountered by suppliers tendering for public sector contracts. The results from this research show that it remains an issue for the firms that complete the tendering training programme. To overcome this barrier experienced by suppliers, particularly suppliers relatively new to public sector tendering, it is recommended that public sector organisations make publicly available contact persons for supplier inquiries inside and outside of competition periods. Furthermore, participating in or even organising 'meet the buyer' events are a very effective means for public procurers to engage with the supply marketplace. Such 'meet the buyer' events afford suppliers of all sizes and from all sectors the opportunity to learn more about available public sector opportunities. Moreover, pursuing this course of action would help to de-mystify the tendering process for suppliers and afford both buyers

and suppliers the opportunity to identify areas in which they can do business together.

Best Practice Recommendation Six

Feedback

Feedback from public procurers concerning why suppliers were unsuccessful in winning a particular contract represents a vital learning opportunity for firms. It is for this reason that greater feedback provision on the part of public procurers is highly recommended. That a desire for better feedback is expressed by training participant firms reinforces the need for effective feedback mechanisms.

4.3 Recommendations for Enterprise Departments and Agencies

Central to enhancing the capability of suppliers to compete for public sector contracts is the provision of targeted training. The benefits of training intervention for suppliers is evident from the results of this research on the 239 firms that participated in a tendering training programme rolled out across Ireland and England. On completion of this training programme 98% of participants expressed increased confidence in their ability to tender domestically and approximately 67% expressed increased confidence in their ability to tender for contracts overseas.

What is also of relevance for those charged with enterprise support are the training areas identified by suppliers themselves as conducive to their chances of success in the public procurement marketplace. Principally, suppliers would like to see training tailored to bid preparation. This is clearly an area in which suppliers are still struggling with and require further assistance. Notably, many of the firms that participated in the training

programme under evaluation specifically proposed workshops in which participants practised the preparation of a simulated tender bid – a simulated tender exercise, in other words. Relatively, suppliers also raised the prospect of a workshop format in which case studies of successful and unsuccessful tenders could be analysed and discussed in the presence of a professional tendering consultant. As such the following recommendations are made.

1. Further training is required for suppliers new to, or active in, the public procurement marketplace
2. Training should focus on the minutiae of preparing a bid and use real life tendering scenarios, including simulated tendering exercises and case studies, to support suppliers' skills development in this area

4.4 Conclusion

Several recommendations are made on foot of evaluation of the characteristics, behaviours and opinions of suppliers that participated in Are Tenders on your Radar tendering training programme. These recommendations are practical and actionable. Six recommendations are addressed directly to public procurers. These recommendations range from redoubling efforts to reduce the administrative burden for suppliers to breaking contracts into lots and making themselves more accessible to suppliers to providing meaningful feedback to unsuccessful suppliers as a matter of course. In addition, it is recommended to government agencies charged with supporting enterprise, particularly small indigenous enterprise, that ongoing, bespoke tendering training is required if progress is to be made in increasing the participation rates of SMEs in the public procurement marketplace and raising their chances of success.

5.0 CHAPTER 5

5.1 Summary and Conclusions

The objective of the report was to design a **Best Practice Guide** for public procurers to encourage procurers to structure their procurement procedures in a manner that facilitates increased participation by small and medium size enterprises. The suggested best practice techniques are outlined in Chapter 4.

The recommended techniques and practices encourage Irish and UK procurers to consider the full procurement process rather than on focusing primarily on the administrative tendering function. The Guide encourages procurers to rethink their spending behaviours and to consider including initiatives that will increase SME competition.

Public procurers should consider integrating the suggested recommendations fully or partially into existing or new public procurement plans. The inclusion of the recommendations may lead to greater participation, competition and transparency in the Irish, UK and European public markets.

Annex 1: Copy of questionnaires that were sent to companies

SME access to public procurement Programme Training Days							
Name:				Company:			
Email:				Date:			
ABOUT YOUR COMPANY Name: _____ Number of Employees: _____ Sector: _____ Year of Creation: _____							
YOUR COMPANY & TENDERS							
1) Have you ever bid for public sector contracts?							
	Yes			No			
In the United Kingdom							
Overseas							
2) If you have already bid for public sector contracts overseas please mention the countries?							
3) Have you ever won public sector contracts?							
	Yes			No			
In the United Kingdom							
Overseas							
4) If you have already won public sector contracts overseas please mention the countries?							
5) In your opinion, what are the main barriers to bid for public sector contracts in the United Kingdom & Europe? Please rate them from 1 to 6 – From the most relevant to the least relevant							
Lack of knowledge about tender procedures	1	2	3	4	5	6	
Difficulties in obtaining information	1	2	3	4	5	6	
The large size of contracts	1	2	3	4	5	6	
Too short time span to prepare the proposal	1	2	3	4	5	6	

Cost of preparing the proposal	1	2	3	4	5	6
Too high administrative burdens	1	2	3	4	5	6
Unclear jargon used	1	2	3	4	5	6
High qualification levels and required certification	1	2	3	4	5	6
Financial guarantees required	1	2	3	4	5	6
Discrimination against foreign tenderers	1	2	3	4	5	6
Finding collaboration partners abroad	1	2	3	4	5	6
Other (Please specify)	1	2	3	4	5	6
6) If you have already tendered overseas, have you found the process more complicated? Please explain.						
7) In your opinion, how could the situation be improved for small businesses? E.g. dividing contracts into lots; limiting financial guarantees requirements.						
8) Are you aware of any measures that have been taken by public authorities to make the process more SME-friendly? If yes, please specify.						
10) Following this training day do you feel more confident about bidding for public sector contracts?						
	Yes		No			
In the United Kingdom						
Overseas						
11) What topics would you like to be covered in the future?						
ABOUT THE COURSE CONTENT/STRUCTURE						
1) How would you rate the following? 1= Strongly Disagree 2= Disagree 3= Agree 4= Strongly Agree						
<i>Course Content/Structure</i>						
Course objectives were clearly stated and easy to understand	1	2	3	4		

Course materials were clear and easy to understand	1	2	3	4
Course length was appropriate for the content covered	1	2	3	4
Course Delivery				
Opportunities for interaction and questions from participants were provided	1	2	3	4
The trainers were knowledgeable about the subject area	1	2	3	4
General				
The classroom was comfortable, clean and conducive to learning	1	2	3	4
The course was relevant to my current role	1	2	3	4
Overall the course met my expectations	1	2	3	4
2) What part of this course was the most useful?				
3) Have you any suggestions for improving this course?				
4) Any other comments/suggestions				

Annex 2: Irish National Procurement Conference

Event Programme:	
SME Access to Public Procurement Conference	
16 February 2012	
National Procurement Conference – Ireland	
Alexander Hotel, Dublin 2	
8.00	Registration
9.00	Welcome by Chair, Peter Brennan, Chairman, Bid Management Service
9.15	Opening Address Brian Hayes TD, Minister of State at the Department of Public Expenditure and Reform, with special responsibility for the Office of Public Works
9.35	Procurement Trends Ireland, UK & EU <ul style="list-style-type: none">Vincent Campbell, Head of the National Procurement Service, Office of Public Works (OPW), "The Irish Procurement Landscape"Alison Riley, Hampshire County council Procurement: "Learning from the UK Experience"Richard Hall, Managing Director, EISC Ltd, "The principles of public procurement in Europe"
10.30	Conclusions: lessons that can be learnt from each others
Q&A	
10.45	Coffee Break
11.00	Opportunities for Irish SMEs within the public sector – Case studies <ul style="list-style-type: none">David O'Halloran, Director, Head of Sales & Marketing, Willis-Selling intangible services to the public sectorCatriona Walsh, OSD / Sinead Healy, Nova language solutions, the Importance of consortiaGerry Rooney, Baker Tilly Ryan Glennon – Winning Contract

	lot with the DAA
11:50	Q&A
12.00	Breakout Sessions
	<ul style="list-style-type: none"> Colin Borland, Director, Bid Management Services – Northern Ireland, Tendering in Northern Ireland (Ascot Suite)
	<ul style="list-style-type: none"> Mary O'Halloran, Senior Procurement Manager, National Procurement Service, OPM, Getting your slice of Irish Public Procurement Opportunities (Aston 4)
	<ul style="list-style-type: none"> John Swords, Assistant National Director Procurement Head of Portfolio & Category Management, HSE (Aston 3)
	<ul style="list-style-type: none"> Declan McDonnell, Head of Procurement, Bord na Móna (Annesley Suite)
13.15	Networking Luncheon
14:00	END
	Event Stands:
	- Winning in Tendering - David McKeivitt, Senior procurement research specialist, DCU;
	- OPW;
	- Enterprise Europe Network;
	- Other EEN Procurement Projects;
	- EI - Orlagh Murphy

Annex 3: UK National Procurement Conference

Are Tenders on Your Radar?
Do you want to source, understand and win public sector
Business?
UK and Irish Procurement Opportunities
Thursday August 9th 2012

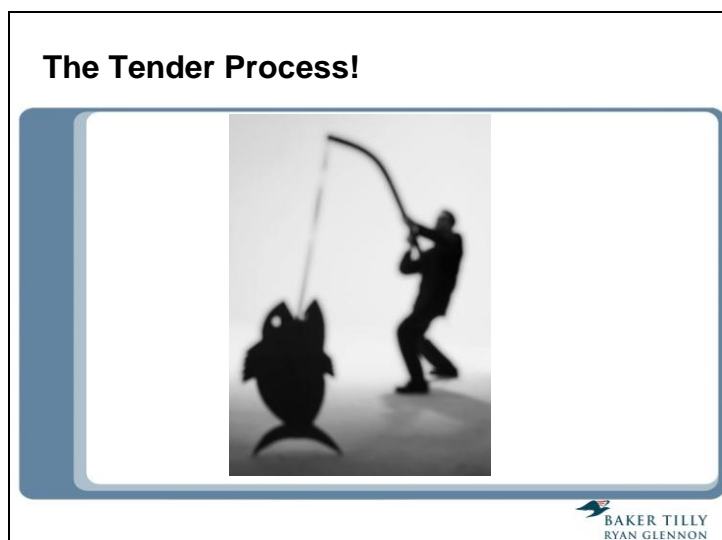
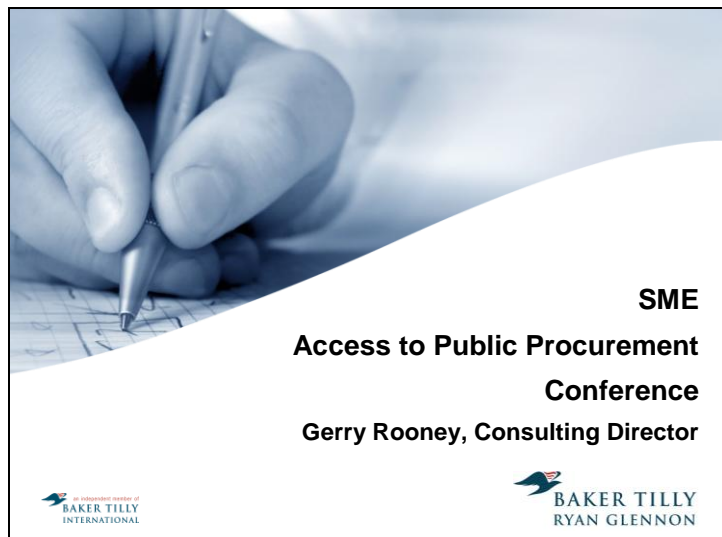
Time		
8.30 - 9.00	Registration and Breakfast	
9.00	Welcome by Chief Executive, Hampshire Chamber of Commerce	Jimmy Chestnutt
9.15	Procurement Trends in the UK	Southampton County Council procurement team
	Getting your slice of Irish Public	Mary O'Halloran, Senior Procurement Manager, National Procurement Service, Ireland
	Procurement Opportunities EU Trends in Procurement	Richard Hall , Head of the EU working group
10.00	Q&A	
10.30	Procurement - SME ways to win	Bill Foster, EU Bid writer and assessor
11.00	Coffee	
11:20	2 Case Studies	Tim Colman, Partnership Working Limited, Federation of Small Businesses
		Paul Stewart, Wessex Translations
11.50	Other Procurement Issues Selling in Ireland Procurement, Online Tools	UK Trade and Investment

13.00

END

Annex 4: Case Studies

Number One: **Gerry Rooney, Consulting Director**. Baker Tilly Ryan Glennon. SME Access to Public Procurement Conference”.



53


Context- Who We Are





- A top ten firm of accountants and business advisors in Ireland
- Client as Partner
- Staff of approx 75
- Offices in Dublin, Birr and Galway, Baker Tilly Mooney Moore member firm in Belfast
- International association
- Growing HR Consultancy
- Public Sector Offerings




Process




- E- Tenders Website- notice alert
- Review with team- project manage tender process
- Do your homework- learn about the organisation and it's needs
- Respond to tender requirements as per RFT- avoid a boilerplate approach
- Review Scoring System- write your tender to meet these requirements and demonstrate your strengths. Select what you can do best
- Demonstrate previous experience
- Costs




Process




- Short listing- presentation to demonstrate how you understand and meet their requirements, sample materials, and explain who you are
- Opportunity to Build a relationship
- Flexibility and costing
- Share what you know, and ask for clarification
- It can be time consuming and is at the pace of the buyer, but its worth it



Outcome



- Award of Tender !
- Pilot Programme– testing and flexibility
- Generally costs are non negotiable
- Placed on a number of Lots- our key programme runs out once a month/ every other month
- DAA- have a well resourced support and are very experienced in tender process.
- DAA are a good client to work with, professional staff and approach.





Number Two: *Catriona Walsh and Sinead Healy*. National Procurement Day



**Fáilte Ireland**
National Tourism Development Authority

**OSD**
OmniScience Design Ltd
Creating Solutions since 2000


**translationloft**

National Procurement Day

Presenting: Catriona Walsh & Sinéad Healy

Thursday 16/02/2012



Contacts 



Who we are

- SME based in Carlow
- Team of 6 in-house project managers backed by external team of 50+ approved translators/reviewers with subject matter expertise

What we do




- Quality-driven translation services to Irish businesses seeking to internationalise their service offering:

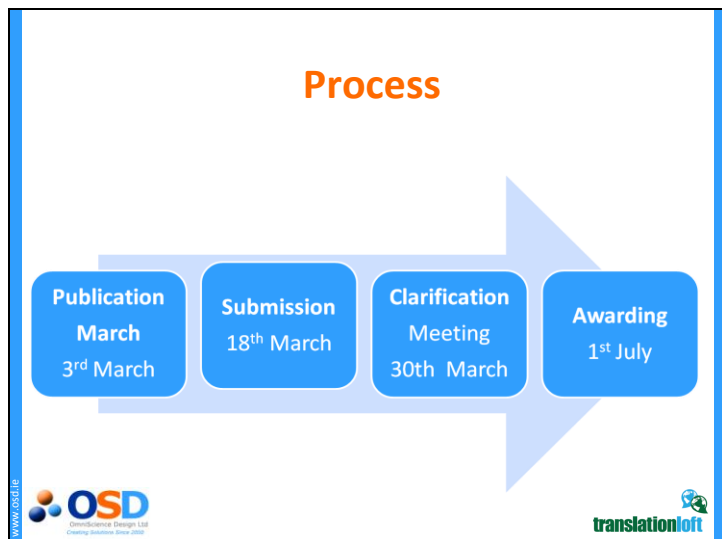
Areas of expertise	Services
<ul style="list-style-type: none">• Marketing• Tourism• IT• Finance• Technical documentation	<ul style="list-style-type: none">• Translation• Website localisation• Multilingual SEO/SEM• Software localisation• Third-party language review• Transcreation• Terminology management



Process

- **Buyer: Fáilte Ireland**
 - National Tourism Development Authority
- **Tender: Single Party Framework Agreement (SPFA) for Web Internationalisation Support**
 - Localisation of web content for US, UK, French & German markets
 - Search engine optimisation (SEO)
 - Professional translation and localisation of web pages, SEO content and standard email templates







OmniScience Design Ltd
Creating Solutions since 2000

Outcome


What OSD gained from the experience

- New service area
- New skills and experience acquired
- Successful new partnership


www.osd.ie



OmniScience Design Ltd
Creating Solutions since 2000



translationloft




translationloft

Outcome


What Translation loft gained from the experience

- Opportunity to showcase our services
- Presence in Irish public sector
- Endorsement from Irish public body will help win customers abroad


www.osd.ie



OmniScience Design Ltd
Creating Solutions since 2000



translationloft




Outcome

Advice for others contemplating public procurement tenders

- Size does not matter!
- Know your own strengths and be clear about what you can offer
- Be confident about your business relationship with your partner

Opportunities Don't Pause They Pass...



ⁱ Under EU law (Recommendation 2003/361/EC), the category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an

annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro. This definition has been used systematically in this report.

ⁱⁱ Green Paper on the modernisation of EU public procurement policy

Towards a more efficient European Procurement Market. European Commission. COM(2011) 15 final

ⁱⁱⁱ Under EU law (Recommendation 2003/361/EC), The definition of an SME covers all enterprises with less than 250 employees and equal to or less than either €50million turnover or €43million balance sheet total. Micro-enterprises are the smallest category of SME, with less than ten employees and a turnover or balance sheet total equal to or less than €2million.

^{iv} Europe 2020 is the EU's growth strategy for the coming decade. The EU has set five ambitious objectives - on employment, innovation, education, social inclusion and climate/energy - to be reached by 2020. http://ec.europa.eu/europe2020/index_en.htm

^v See Annex 1

^{vi} The definition of an SME covers all enterprises with less than 250 employees and equal to or less than either €50million turnover or €43million balance sheet total. Micro-enterprises are the smallest category of SME, with less than ten employees and a turnover or balance sheet total equal to or less than €2million.

^{vii} Report from the Commission to the Council and the European Parliament. Minimising regulatory burden for SMEs Adopting EU regulation to the needs of micro-enterprises. COM(2011) 803 final
Green Paper on the modernisation of EU public procurement policy

Towards a more efficient European Procurement Market. European Commission. COM(2011) 15 final

Europe 2020 is the EU's growth strategy for the coming decade. The EU has set five ambitious objectives - on employment, innovation, education, social inclusion and climate/energy - to be reached by 2020. http://ec.europa.eu/europe2020/index_en.htm

^{viii} EIM. (2011) Do SMEs create more and better jobs? Available at; http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm

^{ix} Green Paper on the modernisation of EU public procurement policy

Towards a more efficient European Procurement Market. European Commission. COM(2011) 15 final

^x Evaluation of SMEs' access to Public Procurement Markets in the EU. DG Market and Industry. Final Report 2010

^{xi} How to Engage and Trade with the Public Sector? A Guide On – for Irish Social Enterprise (2012) ACTION project and Winning in Tendering project. Available at; <http://www.winningintendering.eu/resources/irish-social-enterprise-guide.321.html>

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