

Mystery Shopper Cases July – October 2012

CONTRACTING AUTHORITY COMPLAINT AGAINST	ISSUE WITH PROCUREMENT	DESCRIPTION OF COMPLAINT	OUTCOME OF CASE / RECOMMENDATIONS
Westminster City Council	Invitation to Tender (ITT)	A supplier was disqualified for a below threshold score on Personnel & Subcontractor role questions.	The Council considered that the wording in their ITT was clear, but taking account of the concerns raised, is keeping the wording of their ITTs under review to ensure clarity and transparency for their wide range of suppliers.
Department for Work and Pensions (DWP)	Pre-Qualification Questionnaire (PQQ) / Financial Requirements	A mystery shopper raised concerns about a £9 million minimum turnover threshold which was applied in a procurement for DWP's Data Access, Processing and Analytics Framework.	We discussed the issues with DWP who are reviewing their approach to assessing suppliers' financial strength. The Cabinet Office used the evidence from this case and others to develop new instructions for procurers on financial assessment of suppliers - http://www.cabinetoffice.gov.uk/resource-library/procurement-policy-note-0112-use-pre-qualification-questionnaires
Southampton Council	Pre-Qualification Questionnaire (PQQ)	A supplier raised concerns about the complexity of a PQQ used in a construction contract.	The Council and their procurement agent had already reviewed their PQQ documentation and had simplified the process for companies who hold appropriate health and safety accreditation.
Metropolitan Police Authority	Pre-Qualification Questionnaire (PQQ)	We received 2 referrals regarding the PQQ for the Apollo / Supply of Software Application Development and Support project. Both suppliers raised concerns about the length and relevance of some questions and also the level of insurance required.	The Metropolitan Police took on board our recommendations to review and improve their standard PQQ to make it more streamlined in line with the Cabinet Office model PQQ. We discussed the next stage of their project with them and they committed to take our recommendations into account in its next stages.
National College (a former agency of	Tender evaluation and scoring	A supplier raised a concern that the timescales given by National College for	National College explained that they had received two bids within the timescale they had given for responses and felt

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the Department for Education)		receipt of supplier responses to a tender they had issued were un-reasonable.	that this was sufficient for a competition. Cabinet Office challenged this and, to avoid sub optimal competition in future exercises, recommended that if less than three suppliers bid for any procurement in a supply-rich market the work is not continued without considering why more suppliers are not interested. DfE accepted this recommendation. National College has been an Executive Agency of DfE since 1 April 2012.
Eastern Shires Purchasing Organisation (ESPO)	Specification	A supplier was concerned that in a tender document for a design and printing contract the specification was different to what was advertised, including the pricing structure.	Cabinet Office recommended that in future procurements, thorough pre-market engagement should be undertaken. This should ensure that the requirement is ready and there is a reduced need for clarification and the avoidance of technical issues being raised by bidders or changes being made to documents. This should lead to a shorter and smoother procurement process. ESPO accepted this recommendation.
Slough Borough Council	Pre-Qualification Questionnaire (PQQ)/ Financial Requirements	A supplier raised concerns about financial turnover requirements within a PQQ.	Cabinet Office made a number of recommendations which the Council accepted. They agreed that for future procurements they would complete advertising notices for the Official Journal of the European Union with all relevant information and amend the turnover requirement dependent upon the nature of the procurement.
Halton Borough Council	Selection and award	A supplier raised concerns about the selection and award stages of a procurement for the supply of vehicle parts. In particular they were concerned about the winning bidder's capability to perform the contract and the assessment of value for money when the contract was awarded. They also raised concerns about the contract being awarded without a fixed pricing structure.	The Council explained that they were satisfied that the winning bidder met the requirements of their selection process. When they assessed value for money, although in some instances the unsuccessful bidders' pricing was cheaper, the winning bidder (in line with the tender documents) had offered a volume related rebate. Given the Council had not adopted a fixed pricing structure, we recommended that the contract is managed very carefully, with frequent benchmarking of the market to ensure it delivers value for money. The Council accepted this recommendation.

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Dorset Police	Procurement Strategy	A supplier raised concerns that a requirement for a case and custody IT system had not been advertised.	We asked why this contract had not been advertised through a procurement portal such as the Bluelight system, as this requirement was below the EU threshold. Dorset Police explained that the system procured needed certain credentials which only two accredited providers have and thus entered into a short term contract with one which they stated complied with the National Police Improvement Strategy. We asked whether this strategy had been checked for compliance and if they could confirm who the two compliant suppliers were but they did not provide us with that information.
Buckinghamshire County Council	Procurement strategy	A supplier questioned the Council's approach to the procurement of a replacement website. They believed the value in the Contract Notice ranging from £300,000 to £1,000,000 was too high and that this would be a contract where an SME could add value.	The Council provided an explanation of how the contract value was estimated and provided information that 24 of the 26 suppliers who submitted a PQQ were SMEs and therefore did not consider that the tender disadvantaged SMEs. Cabinet Office recommended to the Council they take a look at the G Cloud Framework. The Council considered G Cloud but did not think it was suitable for this procurement.
Bromsgrove District & Redditch Borough Councils	Pre-Qualification Questionnaire (PQQ)	A supplier raised concerns about the transparency of scoring and approach to assessing suppliers' financial strength in a PQQ used in a heating installation contract.	Cabinet Office recommended that specific marks and weightings of questions should be made known to suppliers when PQQs are issued to suppliers. We also recommended that a more holistic approach to the assessment of suppliers' financial capability should be adopted rather relying on a turnover limit. The Council accepted these recommendations.
Marketing Blackpool / Blackpool Council	Procurement strategy	A supplier raised concerns that a tender for the staging of a concert had not been advertised.	The Council explained that they had put a contract in place at short notice and had not advertised it. Even though leisure and entertainment contracts are not subject to the full rigour of the EU procurement rules, we recommend that they are openly advertised to ensure value for money. The Council committed to putting a framework agreement in place to ensure that this would not happen again.

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Government Procurement Service (GPS)	Process favours larger suppliers	A supplier expressed concern about the Government Procurement Service's (GPS) strategy effectively closing the door on SMEs who wish to supply services to the forthcoming tender for the supply of temporary and fixed term locum doctors (including GPs).	GPS clarified the position, explaining that the framework for Locums has several in-built SME elements, including a supply chain contractual obligation that 25% of subcontractors should be SMEs. This information was passed back to the mystery shopper who made no further comment.
Great Ormond Street Hospital/Haringey Primary Care Trust (PCT)	Procurement Strategy: Direct Award	A mystery shopper raised concerns that a contract for an Independent Management Review for a Serious Case Review had not been tendered openly.	The Trust did not have records of the process used to let this contract. Cabinet Office recommended that all documents relating to procurement processes should be retained in line with the Trust's records management policies. The Trust accepted this recommendation.
Lincolnshire Police	Supply Chain: access to sub-contracts	A supplier of security and energy management products raised concerns that a contract for facilities management services with a major prime contractor did not enable small firms to participate in the supply chain.	We suggested to Lincolnshire Police that a greater understanding of how G4S have built the supply chains on the Facilities Management contract should be maintained. This is to ensure that G4S continue to provide value for money and continue to be transparent about where the FM goods and services come from and continue to be transparent about opportunities to supply Lincolnshire Police. G4S can be more transparent about any supply chain gaps and how sub contractors are found by advertising on Contracts Finder, these recommendations have been passed to G4S as the provider of the service and Lincolnshire Police as the purchasers of that service. G4S responded by explaining that potential providers are identified through market research and their own internal database of organisations through the use of Supplier Diversity Europe.
NHS Information Centre (part of the Department of Health)	Frameworks as the favoured procurement process	A supplier who supports the Health & Social Care Information Centre telephony platform was advised by the Department of Health that in future these services would be procured through a framework agreement. In order to continue supplying these services they would	The value of the requirement had increased due to a change in the scope of the work, which meant that in compliance with the government's centralised procurement strategy, the requirement would have to be procured through a GPS framework agreement. This chosen route allowed the incumbent supplier (an SME), to participate in

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		have to partner with another supplier registered under an existing framework agreement which they believed would increase the cost of services to the Health & Social Care Information Centre.	the competition via a reseller. A sub-contracting arrangement was implemented between the GPS framework agreement supplier and the incumbent supplier.
Skills Funding Agency (SFA)	Financial requirements	A supplier was concerned that the SFA have a £500,000 minimum contract threshold and were increasing it to £2 million.	The SFA confirmed that no increase in the minimum contract level is planned. Cabinet Office recommended they review the appropriateness of maintaining a blanket Minimum Contract Level as soon as possible and also consider encouraging their prime contractors to advertise their sub-contracting opportunities on Contracts Finder. The SFA will consider these recommendations as part of their review of minimum contract levels.
Cabinet Office	Transparency: assessment and scoring	A supplier to the Cabinet Office's Mutuals Support Programme raised concerns that a selection process to short list suppliers was based on random selection and quotas.	Due to the high level of interest, the Cabinet Office was concerned that there would be a disproportionate impact for both itself and suppliers if all 29 suppliers who expressed an interest in this low value contract were invited to tender. Following this referral the Cabinet Office reviewed their approach and asked potential suppliers for their views. Suppliers were, by a small margin, in favour of keeping opportunities open to all interested in bidding (with random selection the preferred method for those who supported a reduction in the number of bidders for sub £20,000 contracts). Therefore all new opportunities above £10,000 (excluding any which are procured via pan-government frameworks) are advertised on Contracts Finder (in line with the Government's transparency commitments, see link below) and available to all suppliers that wish to participate, thus eliminating selection. https://update.cabinetoffice.gov.uk/resource-library/guidance-transparency
British Council	Financial requirements	A supplier raised concerns regarding a contract with the British Council for "Drupal Design and Development Services". The	The British Council replied that it was not its intention to exclude any supplier on the basis of insurance, and as a result of representations from suppliers (including the

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		supplier had been asked to accept terms and conditions which require excessive levels of insurance. They had already supplied the contracting authority with their insurance documents at PQQ stage and did not understand why they proceeded to ITT without being warned that this would be an absolute requirement.	mystery shopper) the British Council revisited its insurance requirements and reduced these by between 50% and 90% for the contract in question. British Council generally does not use insurance as evaluation criteria except on the occasions it is a legal requirement for the procured goods or services.
Government Procurement Service (GPS)	Assessment and scoring	A supplier raised concerns about the assessment and scoring of a tender for an e-learning contract.	When we investigated the specification we found that the mystery shopper had misunderstood the type of expertise that was required.
Liverpool City Council	Transparency	A Chartered Surveyor specialising in flood protection for houses and homes was finding it difficult to access opportunities from various Local Authorities who had received government grants for flood defence works.	Liverpool City Council explained they decided for transparency to split the surveys and works contracts. The survey contract was for less than £20K and the works contract was between £180k - £200K. The Council supplemented the names of interested suppliers with those from the EA procurement framework, the National Flood Forum and Blue Pages. Before the procurement process started, the Council called a range of suppliers, including those suppliers who had expressed interest via the portal, to enquire if they were interested in tendering for the works. Our mystery shopper gave us positive feedback about Liverpool's approach.
Cumbria County Council (working with Carlisle Council)	Transparency	A Chartered Surveyor specialising in flood protection for houses and homes was finding it difficult to access opportunities from various Local Authorities who had received government grants for flood defence works.	The Council explained that their tenders are openly advertised through a free-to-use electronic portal and are widely promoted. In addition to this, their previous suppliers are alerted to opportunities and they work closely with a range of business support organisations to ensure potential suppliers are aware of opportunities and the tender / award process. The Council accepted that they had not applied their normal standard in this case, due to technical problems, but assured us that their processes have been improved to prevent a recurrence.

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Dover Council	Transparency	A Chartered Surveyor specialising in flood protection for houses and homes was finding it difficult to access opportunities from various Local Authorities who had received government grants for flood defence works.	The Council explained that the works contracts were well publicised by the Environment Agency's main website and a national advert through trade journals as a result of which they received a great deal of contact from specialist contractors expressing an interest to be invited for this scheme.
Cornwall Council	Transparency	A Chartered Surveyor specialising in flood protection for houses and homes was finding it difficult to access opportunities from various Local Authorities who had received government grants for flood defence works.	The Council explained that the works contracts were well publicised by the Environment Agency's main website and a national advert through trade journals as a result of which they received a great deal of contact from specialist contractors expressing an interest to be invited for this scheme.
Wakefield Council	Transparency	A Chartered Surveyor specialising in flood protection for houses and homes was finding it difficult to access opportunities from various Local Authorities who had received government grants for flood defence works.	<p>The Council explained that due to the more specialised nature of the products, the quotes for the supply and installation of various products were sent to a selection of seven companies that had previously expressed an interest in the Council's work and they were considered in discussions with neighbouring authorities to determine who was the most suitable.</p> <p>The Council also explained that for flood risk related matters, companies can contact the Land Drainage Section and also the Council's Procurement Section for advice. All of Wakefield Council's tenders (including supplier information), are managed through the regional Supplier and Contract Management System (SCMS). Suppliers can register on the system (free of charge) through the following link: http://scms.alito.co.uk.</p>
Hertfordshire County Council	Transparency	A Chartered Surveyor specialising in flood protection for houses and homes was finding it difficult to access opportunities from various Local Authorities who had received government grants for flood defence works.	The Council explained they had not procured directly any flood protection works because all their activity had been focused on the development of the local flood risk management strategy and getting the necessary information ready to facilitate this. Therefore there had not been any opportunities for the supplier to apply for works and it would

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			<p>be unlikely the Council would be procuring any in the financial year.</p> <p>The Council also explained that the supplier can register on their procurement portal at anytime by going to http://supplyhertfordshire.g2b.info.hpf . Any supplier can set themselves up to receive an email alert on relevant tender opportunities as they are published.</p>
Department of Work and Pensions (DWP)	Frameworks as the favoured procurement process	A supplier raised concerns about an IT contract which they did not believe had been advertised.	DWP explained that the contract was awarded through the existing 'Government Gateway' contract. Cabinet Office agreed that the contract was awarded in a legitimate fashion.
Great Ormond Street Hospital (GOSH)	Financial assessment and length of contract	A mystery shopper raised concerns about a procurement exercise for electronic records management, including the duration of the contract and the approach to financial appraisal.	<p>We explored a range of issues with GOSH, including the length of the contract, the use of the Competitive Dialogue procedure and the approach taken to financial appraisal. We recommended that GOSH apply the guidance in the Supplier Financial Appraisal guide which calls for a more holistic approach to assessing the financial capacity of suppliers to perform a contract. The guide recommends asking suppliers for no more than two years' of accounts or other financial evidence if those are not available.</p> <p>GOSH responded by stating they ask for three years' of accounts or alternatives if they are not available.</p>
Dukefield Ltd on behalf of the Crescent Purchasing Consortium (CPC).	Frameworks as the favoured procurement process	A mystery shopper raised concerns that a proposed framework agreement for printing and related services would cover the same services as a Government Procurement Service (GPS) framework. The mystery shopper also queried Dukefield's role in the procurement.	CPC explained that they have developed this framework because their members did not think the GPS framework met their needs and stated that alternative frameworks that meet the needs of potential users are compliant and do represent value for money. CPC explained that Dukefield's role is to operate in the procurement field either in a consultancy role or as an outsourced provider of procurement services. Dukefield contract manage

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			the framework on behalf of CPC. We acknowledged that alternative frameworks to those provided by GPS can provide value for money and that the use of Dukefield in managing contracts and procurement processes is legitimate. We found no fault with their approach in this case and we ensured that GPS received feedback about their framework.
Hull & East Yorkshire NHS Trust	Bureaucracy of the whole process	A mystery shopper raised concerns about a contract for the repair of Surgical Instruments. As the incumbent supplier they found out at short notice that a new contract was being put in place. They also had concerns that they were asked to complete three separate tenders to reflect three potential contract lengths.	<p>The Trust explained that they had asked for three different tenders so they could test the market to establish the optimum length of contract. We believed this approach was burdensome for suppliers and made the following recommendations:</p> <ul style="list-style-type: none"> • to conduct pre- procurement engagement prior to advertising the requirement. This could be done by asking the market and also talking to neighbouring NHS bodies. Cabinet Office's lean procurement work suggests that effective pre-competition engagement leads to smoother and faster procurement processes see http://gps.cabinetoffice.gov.uk/node/1106/lean-sourcing. • to establish contract length before advertisement and go to market with that if at all possible. • the contract manager to advise incumbent suppliers when a contract or other arrangement is coming to an end, with clear signposting as to what the incumbent supplier should do to compete for the new contract or arrangement if there is to be one. This approach enables suppliers to plan their business without giving incumbents an advantage over other suppliers. <p>The Trust accepted these recommendations.</p>
Manchester City	Pre-Qualification	An SME raised concerns that a PQQ used for	In response to our recommendation the Council committed

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Council	Questionnaire (PQQ)	a grounds maintenance contract was inappropriate, both in terms of content, complexity and number of questions, for a contract of this type and size.	to implement the use of the Cabinet Office's standard core PQQ as a basis for future procurements.
Houses of Parliament	Pre-Qualification Questionnaire (PQQ) / Financial Requirements	A supplier raised concerns about a PQQ for a contract to supply catering services. They were particularly concerned about the requirement to have three years' of accounts and turnover above a certain threshold.	We pointed the Parliamentary procurement team towards Procurement Policy Note 01/12 - http://www.cabinetoffice.gov.uk/resource-library/procurement-policy-note-0112-use-pre-qualification-questionnaires . The Parliamentary team reviewed their procedures and have removed the requirement for suppliers to be able to demonstrate that they have a turnover of 3 times the contract value for future non-critical business requirements.
Ministry of Defence (MoD)	Pre-Qualification Questionnaire (PQQ): Accreditation	A supplier raised concerns about the need for quality accreditation in two similar MoD contracts for the supply of protective goggles. The supplier explained that they did not have the full quality accreditation set out in the advertisement but that participants in their supply chain were accredited.	We recommended that in future procurements of this type the MoD should set out the full scope of any required accreditation and its required level within the supply chain. Specific details regarding acceptable alternatives (particularly international standards) should be clearly detailed with a rationale supporting this decision. The MoD accepted these recommendations and also offered to meet with the mystery shopper to discuss with them in more detail their approach to quality to help the mystery shopper better position themselves for future procurements.
Coventry University Higher Corporation	Pre-Qualification Questionnaire (PQQ) / Financial Requirements	A mystery shopper raised concerns about the insurance levels and approach to the appraisal of suppliers' financial strength in a contract for a European Regional Development Fund project.	We referred the University to the Cabinet Office's Supplier Financial Appraisal guidance. It recommends the use of a range of measures to assess financial capability. It recommends asking for two years' accounts rather than three and that the risk is assessed on the basis of business judgement rather than the simple application of turnover limits. It recommends that contracting authorities should not rule out a supplier unless there is clear evidence that the

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			supplier's financial position places public money or services at unacceptable risk. The University agreed to these recommendations and also to consider including insurance as a contractual condition (rather than at PQQ stage) on a case by case basis going forward.
Greater London Authority (GLA) / Transport for London (TfL)	Technical issues searching for tender opportunities	<p>A mystery shopper raised concerns about TfL's e-procurement website which the GLA is using for all tender submissions. In particular they were concerned about:</p> <ul style="list-style-type: none"> · too many e-procurement manual interfaces in the process (taking data from one e-procurement system and then manually entering it into another system). · lack of information generated to bidders from the e-procurement system. · poor timing of the competition. · TfL underestimated the amount of submissions that they would receive - unrealistic for the competitive market of the London region. 	GLA/TfL acknowledged that they had underestimated the volume and the amount of bidders that would log onto the system and that the timing of their event was poor in that it occurred just after a bank holiday and the e-procurement help desk was not open. We recommended that TfL should look at the lessons learnt from this exercise and the criticisms levelled at TfL around submission dates and we recommended that for all future procurements TfL come up with a defined project plan for each project that considers the length of the procurement, relevant dates that identify holidays both in the UK and abroad and that the use of any helpdesk facility is not going to be hampered. TfL agreed to take steps in line with our recommendations for future e-procurements.
Rotherham NHS Foundation Trust	Wasteful procurement exercise	A mystery shopper raised concerns that a proportion of lots advertised in a medical consumables contract had not been awarded and this had wasted his time.	The Trust said that most lots were awarded but some had not been because the responses received from the tendering process did not provide value for money. They offered to de-brief the mystery shopper on the individual lots he had tendered for.
North Somerset Council	Frameworks as the favoured procurement process	A mystery shopper was concerned that the Council was awarding construction contracts without any tendering or competition.	When we investigated the Council told us they are using a single supplier framework agreement which was openly tendered and advertised. They also supplied evidence that this approach is delivering significant value for money and the Cabinet Office construction team confirmed they regard use of this framework as good practice. We found no fault

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			with their approach.
Foreign & Commonwealth Office (FCO)	Terms and conditions of contract and similar existing contract available	A small supplier decided not to bid for a contract for the provision of payroll services for diplomatic missions in central Europe. The supplier raised issues around financial guarantees and contract conditions and also pointed out that the Department for International Development (DfID) had a similar contract and suggested that should have been used.	We explored the issues raised with the FCO. They confirmed that they had engaged with DFID but decided that the existing DFID contract could not be used as it did not meet FCO's specification. We recommended that for future contracts of this type they engage DfID in discussion regarding combining requirements for the provision of similar services and stressed the importance of pre-market engagement more generally. The FCO accepted these recommendations. We also recommended FCO ensures the terms and conditions adopted in a procurement do not disadvantage SME bidders. FCO made some concessions so as not to discourage SME bids but maintain the terms and conditions they adopted were necessary based on the complexity of the requirement.
NHS Bradford	Short term contract for medical services	A mystery shopper questioned the award of a contract for GP services to a contractor where there were questions over the use of premises to deliver the services and the possibility that patients may have to be transported to a neighbouring surgery.	The trust explained that a short term contract had to be put in place at short notice to ensure continuity of service. Expressions of interest were sought from a wide range of suppliers and a competitive process was undertaken pending the national advertisement of longer term arrangements to commence in 2013. As these are Part B services (which do not have to be procured using the full extent of the Public Contracts regulations) we were satisfied with the procurement process the Trust undertook but reminded them to ensure that contract details were posted in the Official Journal of the EU if the value of the contract exceeded the Part B services threshold. The Trust confirmed that it was not necessary for the contractor to transport patients.
London Borough Tower Hamlets	Abandonment of a procurement exercise	A mystery shopper raised concerns about the procurement exercise for a framework agreement for construction consultancy services. The framework was cancelled 5	We explored these issues with Tower Hamlets and issues concerning the tendering portal which had been used for the procurement. We recommended that the Council:

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		<p>months after the tender closing date because the "structure of the contract was out of step with current market conditions". The mystery shopper believed that because this was a framework for four years and that market conditions for consultants would not be significantly different in a 5 month period there were not adequate grounds for its cancellation and subsequent re-advertisement.</p>	<ul style="list-style-type: none"> • carry out a risk assessment for any future procurement of a similar nature. • should carry out a full review of their tendering portal with the aim of identifying any potential issues with future procurements and that the portal will be stress tested to ensure that the system is fit for purpose. • contact our mystery shopper to help draw this particular issue to a close. • should invite all potential bidders to a face to face “warm up” meeting to clarify the current situation and how they will be expected to respond to the new procurement. This is in line with the Cabinet Office’s standard lean operating processes which we recommend are adopted by contracting authorities. These place a heavy emphasis on pre-competition market engagement - http://gps.cabinetoffice.gov.uk/node/1106/lean-sourcing - to help address the concerns of the supply market caused by the previous cancellation. <p>The Council accepted these recommendations.</p>
Witney Town Council	Invitation to Tender (ITT)	<p>A mystery shopper raised concerns about the procurement of a design competition for Witney Corn Exchange. They were concerned the architects firms shortlisted would have to provide three concepts and a lengthy report for no remuneration which would become the property of the Council. They were also concerned that no budget for the project had been established.</p>	<p>We recommended that the Council should review their current position on Intellectual Property Rights (IPR). Cabinet Office policy is that IPR ownership should remain with the party best able to exploit it and on that basis we recommended the IPR of the unsuccessful submissions should remain with the designer. We also recommended that in future procurements, the Council should be transparent about estimated contract values and this should be made clear at the start of the process. Any request for submissions should be proportionate to the value of the contract being tendered for and, in the case of architectural design contracts, in line with RIBA guidelines. The Council accepted these recommendations.</p>

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Department of Energy and Climate Change (DECC)	Wording of advertisement	A mystery shopper saw a tender advertised but in place of a title it listed four companies. They were concerned they may be preferred suppliers. The tender was then replaced by another, with a correct title and no mention of the four companies.	We contacted DECC who were already aware that a mistake had been made, which they were trying to resolve with Business Link who administer the Contracts Finder website. Within the next few days Business Link replaced the erroneous version. It remains unclear whether the error originally occurred in DECC or Business Link.
Sheffield Teaching Hospital NHS	Transparency	A mystery shopper raised concerns that internal cardiac defibrillators and pacemakers were being procured without a properly advertised contract being in place.	The Trust told us that delays had been caused by a shortage of staff and lack of funding for replacements. They have re-advertised their requirement in OJEU but have now been forced to re-tender again due to an error by another bidder. We suggested that they make use of existing framework agreements, which would provide a procurement route made in accordance with the Public Contract Regulations and pointed them towards the standard lean operating processes which are published on the Cabinet Office website should they wish to run their own procurement. The Trust said they considered existing frameworks did not represent best value for money and they had been applying lean principles for several years.
Braintree District Council	Transparency	A supplier raised concerns about two separate tenders they made to the Council. They were told by the Council's procurement consultants that they would be recommended for both projects but did not hear formally and later discovered that contracts had been awarded to other suppliers.	The Council investigated the mystery shopper's concerns. A procurement consultant had been managing this procurement for the Council. The Council could find no evidence that the mystery shopper had been told that they would be recommended for these contracts. The Council reviewed their procurement management arrangements and have brought these activities in-house. They have apologised to the mystery shopper for the confusion and arranged a full de-brief on the reasons why they were not awarded the contracts.
Barts and the London NHS Trust	Prompt Payment	A supplier raised concerns about late payment of invoices.	The Trust explained that work had been undertaken without relevant purchase orders being in place. They have now raised retrospective purchase orders and cleared the arrears. They have also been tightening their internal

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			processes.
Cabinet Office	Prompt Payment	A supplier asked if he could send e invoices in respect of the IT contract he is carrying out as it would be more efficient for him.	The Cabinet Office made arrangements for the SME to send e invoices.
Government Procurement Service (GPS)	Transparency	Two suppliers who had been invited to apply for the new 'Agile route to market' by GPS complained that they had been supplied a set of documents which did not align with efficiency, transparency, fairness, SME-friendly and minimal bureaucracy.	GPS clarified the position, explaining that ARM (Agile Route to Market) was not a framework, but a sourcing tool. This information was passed back to the mystery shopper who made no further comment.
Department for Business, Innovation and Skills (BIS)	Previous experience in Government contracts	A supplier received a lower mark in a selection exercise because they did not have experience of delivering central government contracts.	The Cabinet Office's model pre-qualification questionnaire places an equal emphasis on relevant public and private sector experience. This approach enables suppliers with relevant experience who have not previously supplied the public sector to compete for contracts. BIS agreed to adopt this approach going forward.
Imperial College Healthcare NHS Trust	Prompt Payment	Two small suppliers raised concerns about delays in payment of invoices.	The Trust ensured that all outstanding invoices were paid and committed to tightening their internal processes to ensure these problems did not re-occur.
Government Procurement Service (GPS)	Frameworks as the favoured procurement process	A supplier raised concerns about the extension of a framework agreement for interim personnel.	GPS explained that the framework was originally let by DWP but had been novated to them. It had been extended to its maximum 4 year period but a further extension until 31 March 2013 was then arranged to ensure continuing service provision whilst a replacement deal is put in place.
Heart of England NHS Foundation Trust.	Favoured larger suppliers	A supplier raised concerns that he would have to pay a fee to be registered on the PETO procurement system, which the trust is adopting.	The Trust explained that free registration is available for suppliers registering up to ten products or services and the mystery shopper is taking up that option. The Trust stated that they would not have supported PETO without the offer of free access for 10 products.

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Bradford Council	Specification	A mystery shopper was concerned that in a vehicle parts procurement they had to quote for genuine as well as non genuine parts.	The Council met with the supplier and committed to taking account of their concerns regarding the use of genuine parts in a new procurement, as well as concerns expressed by other interested suppliers. Bradford has committed to take into account the concerns of all suppliers regarding the issues raised.
Ministry of Justice (MOJ)	Non-acceptance of e-invoices	A supplier raised concerns about being able to submit electronic invoices.	The MoJ arranged for invoices to be submitted electronically. They said their ability to receive invoices electronically from across their supplier base remains under development, but they will always try to assist SMEs in circumstances such as these.
Government Procurement Service (GPS)	E-procurement system	A supplier raised concerns because a pre-qualification questionnaire (PQQ) submitted via the GPS e-procurement portal was not evaluated due to technical problem.	GPS confirmed that there were no technical problems with their e-procurement portal and that the PQQ submitted was incomplete. The problem appeared to be with the bidder's submission. GPS commented that they have to be careful to treat all bidders equally. We found no fault with this approach.
Rural Payments Agency	Frameworks as the favoured procurement process	A mystery shopper asked why the Rural Payments Agency was not using a GPS framework agreement when replacing the multi functional device and colour printing equipment.	The Agency explained they already have a contractual arrangement in place for this type of equipment.
Broxbourne Council	Contract Award	A mystery shopper was concerned that a preferred bidder for a Strategic Housing Market Assessment (SHMA) project had submitted an abnormally low bid and was not financially robust.	The Council decided to abandon this procurement and re-run it for reasons unrelated to the mystery shopper referral. We pointed them towards the Supplier Financial Appraisal guide and PPN -01/12 http://www.cabinetoffice.gov.uk/resource-library/procurement-policy-note-0112-use-pre-qualification-questionnaires as they will be carrying out a thorough financial appraisal of suppliers in their new procurement.
Greater Manchester NHS	Frameworks as the favoured procurement	A supplier was concerned that they were unable to bid for an IT software and services	Greater Manchester NHS had decided to procure by calling off from a framework agreement. They alerted potential

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	process	contract.	suppliers of these services that this was their procurement strategy to enable those suppliers who were not party to the framework agreement to partner with suppliers who were party to the framework as potential sub-contractors. We approved of Greater Manchester's efforts to open up their potential supply chain but only a short period of time had been allowed to enable relationships to be formed. We recommended that pre-competition engagement and signals to the market are made as early as possible in future projects to enable consortia and other supply chain relationships to form. Greater Manchester NHS accepted this recommendation.
South East Grid for Learning (SEGfL)	Pre-Qualification Questionnaire (PQQ) / Financial Requirements	A mystery shopper raised concerns about a turnover limit being applied in a framework agreement for broadband services	<p>In this procurement SEGfL believe the size of potential contracts would lead them toward contracting with larger suppliers and are encouraging smaller suppliers to participate in supply chains.</p> <p>We drew the Cabinet Office's Supplier Financial Appraisal guidance to SEGfL's attention and discussed whether a more holistic approach to financial appraisal could be taken. The Cabinet Office is developing further advice to procurers on financial appraisal and SEGfL committed to take this into account in future procurements.</p>
Sefton Borough Council	Tender evaluation and scoring	A supplier had been de-selected during the selection phase of an open procedure on the basis of questions concerning health and safety.	The Council had received other concerns from suppliers concerning the scoring of the selection stage and decided to re-run the selection stage.