

## Fact Sheet 3 – Commissioning & Procurement

**Commissioning and procurement is becoming increasingly important as a way of enabling organisations to provide local services and secure new income streams. A number of third sector organisations may not be fully aware of commissioning and procurement, and the opportunities and benefits that exist.**

Recent policy developments show that the climate is changing for the sector, and in the future more services will be tendered. This means that contracts will become the norm and grants will become less common, which will provide more opportunities for third sector organisations to engage in commissioning and procurement. For example, the public sector spends in the region of £175 billion each year on goods and services. This represents a significant market and a significant opportunity.

### What Is Commissioning?

Commissioning is the whole process of purchasing by the public sector from third parties covering goods, services and capital projects. For example, this may include writing a specification, and subsequently inviting and evaluating tenders.

### What Is Procurement?

Procurement is the strategic back office function to support this process ranging from market research to legal support to administrative requirements to ensure efficiency. The mutual aim of both commissioning and procurement is to secure best value.

### Public Sector Contracting

A wide range of public services are delivered by, or through, the public sector. Contracting by the public sector is about delivering a service, such as the supply of goods, through a third party that is able to deliver that service more efficiently than the public sector could do. This usually means the third party can prove they have the expertise and ability to

deliver at a higher quality or more cheaply than the public sector could achieve itself. The public sector is not a single entity as it includes a number of identifiable elements, for example:

- Central Government
- Local Authorities
- National Health Service
- Key public services such as the Police and Fire Service

### What Do They Purchase?

The public sector purchases a wide range of products and services. Examples include childcare, recycling, grounds maintenance, security, advertising, social care and training. If you provide any of these, then commissioning and procurement could represent a real opportunity for you to generate income.

### Is Commissioning and Procurement Right For You?

There can be no doubt that public sector contracting represents a valuable opportunity. However, you will need to consider whether it is the right option for your organisation. There are also a number of key questions that you should ask yourself when thinking about commissioning and procurement, which are as follows.

- Does your organisation have the right capacity or skills to deliver public services?
- Does the tender fit with your organisations aims, objectives and strategy?
- Are you ready to make the cultural changes that might be needed?
- Do you know where information regarding tender opportunities is advertised?
- Do you have all the relevant policies and procedures in place?
- Can you provide outcomes?

For further details about how Pulse Regeneration can help, please contact us.

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## Fact Sheet 3 – Commissioning & Procurement (Cont)

### What Can You Supply?

Once you have decided that commissioning and procurement is the right option for your organisation then you need to consider what goods and services you can supply to the public sector. The goods and services that you can supply will depend on your organisation, its purpose, its skills, its existing activity, its experience and its aspirations. There is a growing procurement market with a wide range of options. The key questions to ask are as follows.

- What can we supply that the public sector will want to buy?
- Can we supply the goods and services at a higher quality and more efficiently, effectively or cheaply than our competitors?

### Getting Tender Ready

After deciding what goods and services you can supply to the public sector there will be a range of tender information that will be required. For example, it is important to have appropriate insurances in place, such as Public Liability, Professional Indemnity, Employers Liability, and Fidelity Guarantee Insurance. In addition, it is essential for your organisation to have a number of policies and procedures in place and also to have quality management system in place.

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