

Introduction

This series of Top Tip Guides has been produced to support Third Sector learning providers so that they will be better informed on key issues and the use of effective standard practices.

Bidding as a Consortium - Top Tips

1. The Charity Commission states: “Trustees of a charity have a duty to consider **regularly** whether the charity could be more effective at achieving its objects by collaborating or merging with other charities”.
2. Find out from the relevant commissioners and/or procurement officials whether a consortium approach will be welcomed.
3. It is possible that the consortium will have to have its own legal structure. www.bwblip.com is a good source of advice.
4. Choose your consortium model carefully! Will it be:
 - a. A new organisation established to manage a contract
 - b. One organisation taking lead responsibility for a contract
 - c. An external, non-delivering organisation taking the lead
5. Draw up a Consortium Agreement as the governing document to protect the organisations involved. This should cover:
 - a. Staffing and resources of consortium
 - b. Rules for admission of new members
 - c. Rules for expulsion of members
 - d. Appointment of Chair and/or lead organisation
 - e. Rules for changing the Agreement
 - f. Financial arrangements
 - g. Etc!
6. Is the consortium to be used for only one bid? Or forever?
7. Identify any conflicts of interest between consortium members. The venture may lead to further work which could be undertaken separately or together - what if this leads to competing against each other for contracts?



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8. Ask your accountant whether VAT will apply to the consortium. If it does, how will this be dealt with?
9. Conduct a competitor analysis – who are you likely to be bidding against? What do they do that your consortium doesn't? And what does the consortium do that no other organisation does? This will be your USP

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Definitions

- **Procurement** - The process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment. It commonly involves purchase planning, standards determination, specifications development, supplier research and selection, value analysis, financing, price negotiation, making the purchase, supply contract administration, inventory control and stores, and disposals and other related functions.
- **Bidding** - The act or process of making bids; an offer; a proposal of a price, as at an auction.
- **Consortium** - An association or a combination, as of businesses, financial institutions, or investors, for the purpose of engaging in a joint venture.

Resources

- **NCVO** www.ncvo-vol.org.uk/commissioningandprocurement includes Commissioning and procurement: step by step. This section introduces commissioning and procurement, explaining the processes, purpose and terminology of commissioning public services from the voluntary and community sector (VCS). It includes an excellent further reading list.
- **NAVCA's** [Local Commissioning and Procurement Unit](http://www.navca.org.uk/stratwork/positions/procurement) (LCPU) provides practical information, advice and support in this area
www.navca.org.uk/stratwork/positions/procurement
- **ACEVO** (<http://www.acevo.org.uk/Services+Resources>) has a range of support services to help third sector organisations become more efficient and effective. Support is available for a range of areas including Impact Reporting, Partnership Programme; Working with Local Authorities; Full Cost Recovery; Income Generation; Procurement and Commissioning of public services; Consortia Support
- 'User Led Organisation (ULO) Consortium Toolkit' is intended to provide a reference for developing or fully fledged ULOs considering adopting a consortium approach, with a particular focus on the legal and constitutional aspects of consortium development. It includes useful information on common consortia models and sample agreements.
http://www.thinklocalactpersonal.org.uk/library/Resources/Personalisation/SouthWest/ULO_Consortium_Toolkit.pdf