

A guide for procurers

The view of the British Security Industry Association is that the use of e-auctions is not best suited for sourcing security guarding solutions. Security guarding provides a service rather than a product and is therefore subject to variables that an e-auction may not cover.

The provision of security guarding has many different component parts, unlike for instance the procurement of 'nuts and bolts', and so the use of an e-auction may not be appropriate for such a purchase.

Advice to procurers

For those organisations who feel e-auctions are still the route for their own procurement, it is strongly recommended that a visit is made to each potential supplier to gain an understanding of the support that can be offered, to discuss the holistic security solution and to evaluate staff welfare, training and accreditations.

E-auctions can be appropriate provided the potential suppliers have a clear and comprehensive brief that includes all the elements of the service required. To obtain the best results, and to offer a level playing field to your prospective suppliers, it is recommended that the terms of the e-auction be very prescriptive and include all direct and indirect costs involved including wages, holiday, sickness, National Insurance etc. Ultimately TUPE may dictate many of the employment costs and conditions which must then form part of any eventual agreement. Failure to provide the required level of detail may lead to subsequent unforeseen and additional costs.

It is important to note that an e-auction process will not reveal the qualitative element from the service provider and therefore should only be used once an in-depth analysis of/visit to the company has taken place. This should include an appreciation of the background of the company and its operations. It is recommended that you should specifically look at the way it handles its people in relation to training, welfare, management support, development and terms and conditions of employment. Some companies may deduct costs from their staff for uniform, licensing and other hidden costs and you should make sure you are aware of each potential suppliers approach on these issues. Take time to understand the service providers' accreditations, what they mean, and how they can bring added value to the service.

The qualitative aspect is very important as many procurement teams will look purely at cost and this will not reflect the quality of service provision that is a major factor in the purchase and more importantly, the delivery. If your own organisation does not have the experience and knowledge to evaluate this area of the process, then it is recommended that you appoint a suitable person to conduct this task. A BSIA representative would be happy to talk you through the differing supplier accreditations and what they bring to your business.

On the next page is a table of the areas your tender should cover to help ensure a common base for tender whilst minimising the possibility of unexpected hidden costs.

Subject	Criteria	Breakdown	Remarks
Staffing levels	Numbers by position and total hours.	Cost per hour by position.	Separate all the different ranks, hours and pay rates.
N.I. contributions			Can differ slightly, so set rate for cost exercise.
Holiday pay			Dictate minimum requirements.
Training costs	Show all included training.	Breakdown each element by a fixed cost (it matters not if correct for the tender exercise).	The will include first aid, fire, conflict management etc.
Equipment	Be prescriptive on equipment to be supplied for the supplier.		Will include such things as vehicles, PCs, first aid, patrol tools and office equipment and importantly uniform.

In conclusion, once you have conducted your e-auction exercise it is good practice to revisit your top three and hold individual face-to-face discussions. On many occasions the best bid is not the cheapest and again the qualitative aspects must be borne in mind.

Further information on the BSIA and the criteria its members must pass in order to join the Association can be found at www.bsia.co.uk or via calling 0845 389 3889.

The BSIA operates an 'Invitation to tender scheme' to assist with your tenders. If you would like more details, please contact the BSIA via 0845 389 3889.

Details on TUPE are available via www.bsia.co.uk. See under 'publications' form 263 'TUPE Regulations – A Clients Guide'.