



Consortium and Supply Chain

By Andrew White and Grace Power

What is consortia bidding?

Why set up a consortia and what are the benefits?

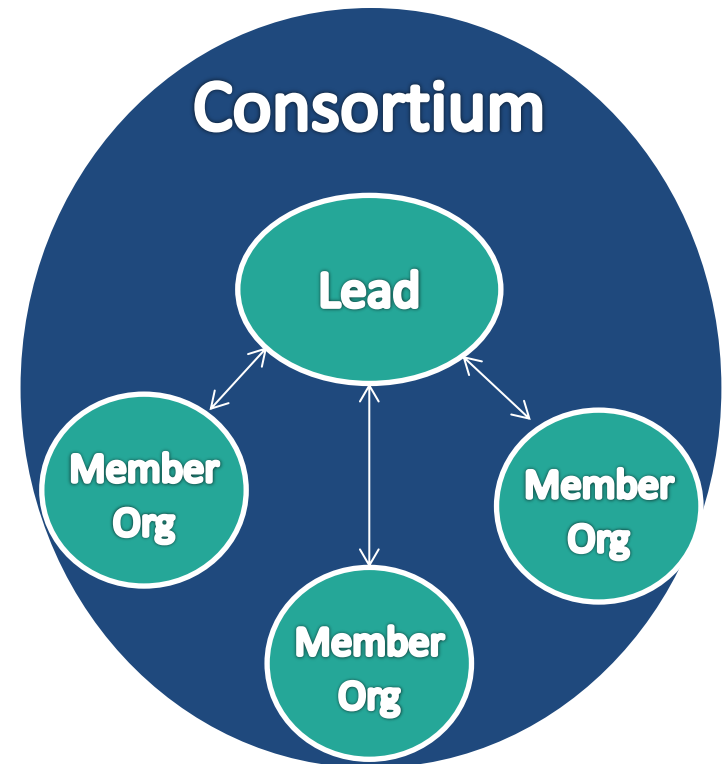
What are the issues/challenges?

Supply Chain Engagement

Key things to consider

What is Consortia Bidding

- Two or more organisations come together
- Already established consortium or group of bidders
- Loose arrangements (subcontracting arrangements)
- Public Procurement Law – Public Services Contract Regulation 1993, SI_1993/3228



Why set up a consortia and what are the benefits?

Why?

- Capacity to deliver a new contract
- Insufficient experience in some areas
- Geographic coverage
- Financial backing/shared costs
- Specialist technical skills

Benefits

- Reduce overheads
- Improve training and development
- Increase service coverage
- Additional contract opportunities
- Develop longer term relationships

What are the issues/challenges?

Agree roles and responsibilities of members

Contract Management – who, what and when?

Financial backing, sustainability and insurance

Competition Law – sharing of information – anti competition

Agree actions if lead party or individual parties fail to perform

Always consider an exit strategy if things don't work out

What type of consortia?

Who are your key partners and who selects them?

Key Points

What terms do they operate under?

Who manages the supply chain?

Key things to consider?

Be clear on motivation for setting up consortia – what could future hold – exit strategy?

Consider the type of consortia – formal/informal - governance

Allocate time to identify the risks and challenges involved

Think about capacity issues and future effects on your organisation

Consider what additional skillsets or expertise other partners hold that you don't

Time needed to manage arrangements to gain benefits

