

# Differences between Private and Public Procurement



On average the UK Government spends

**£292 billion**

a year, more than a third of all public spending, on procuring goods, works and services from external suppliers. If you're looking to make the move from private into public tendering, here's a quick guide.

All public procurement in the UK is governed by the Public Contract Regulations 2015. These regulations ensure public procurement encourages free and open competition and value for money

## Private Sector

For-profit businesses which are owned by individuals

## Public Sector

Typically, not-for-profit organisations owned by central, national and local governments

### Transparency

No requirement for private businesses to share information about their procurement process

Must be fully transparent with clear audit trails showing they have adhered to PCR 2015



Award of contracts lies with the decision makers who are not accountable to external review

Procurement that has not followed the regulations may be challenged and even prevented

What does this mean?



### Marketplace

Freedom to choose who they inform of their procurement needs, and who to do business with

Contracts must be made publicly available online, and all valid proposals considered



Can award contracts at any time without the need to consider other interested suppliers

If a supplier is able to meet the tender requirements, they must be given equal consideration

What does this mean?



### Payment Terms

No restrictions on when businesses have to pay their invoices

Invoices must be paid within 30 days of receipt - they also cannot go bankrupt, so you will always get paid



Companies have the power to dictate when they will pay suppliers, which can delay payment

Public buyers will always issue payment within 30 days of receiving an invoice

What does this mean?



### Support for SMEs

Focused on making a profit and are likely to choose firms who can offer greater discounts

The public sector wants to work with smaller businesses, working to ensure 33% of all procurement is awarded to SMEs by 2022



Smaller businesses cannot always afford to compete on price with larger companies

SMEs play a vital role in the economy and the government aims to support them by making their entry to market easier

What does this mean?



### Feedback

No requirement to consult with suppliers or provide details of why they awarded the work elsewhere

All interested suppliers will be provided feedback on their submissions



Suppliers may not be informed of what led to the chosen supplier, or have the opportunity to learn and develop for future

Feedback helps businesses understand what buyers are looking for and identify any areas of improvement that could be made

What does this mean?

Tenders Direct eliminates your need to search for public tenders by collating every UK and ROI notice in one place, and alerting you to those relevant to your business.

To find out more

visit [tendersdirect.co.uk](http://tendersdirect.co.uk) or call 0800 222 9009