



Commissioning social research

a good practice guide

Second edition
Revised November 2002



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The Social Research Association (SRA) is the professional organisation for those involved in funding or carrying out social research. Details of its activities are on the back cover.

Copies of the guide

The guide can be downloaded free from the SRA's website:

www.the-sra.org.uk.

Printed copies are also available from the SRA secretariat (contact details left).

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Second edition

The first edition of this guide was issued in 1994. This second edition amplifies and updates the material in the light of subsequent events, feedback received and further deliberation on the issues. An SRA sub-committee was set up to review the first edition and decide how it should be amended. Fortunately some of the earlier sub-committee members were able to work together again, including the original author, Alan Hedges.

The revised draft was then submitted to a review panel, and has been further amended in the light of their comments.

Details on the composition of the Sub-committee and review panel are listed in Appendix A.

Future revisions

The Social Research Association hopes the guide will prove useful to both buyers and suppliers. Although this is the second edition, and we have

already consulted extensively, experience of applying it to real-life situations will certainly suggest ways of improving it. The SRA welcomes feed-back.

In future the guide will be updated from time to time. Dated revisions will be available free from the SRA's website.

Acknowledgements

Thanks are due to:

- All the members of the SRA Sub-committee set up to revise the Guide, who individually and collectively contributed ideas, text and comments on successive drafts.
- Members of the review panel, and others who took the trouble to comment on the consultative draft.

Alan Hedges
November 2002

This guide

Aims

This guide discusses ways of commissioning social research projects and choosing researchers, and makes recommendations about good practice. It is intended to inform and advise members, organisations commissioning social research, research practitioners and related professional associations.

The way in which buyers go about commissioning research is important, because it affects the quality and nature of social research provision – not only in the immediate project but also more generally and in the longer term.

Research buying practices vary considerably, and there is widespread concern among both buyers and suppliers of research about various aspects of the process.

The object of commissioning procedures should be to produce high quality, useful and cost-effective research by fair and accountable means, and to optimise the balance between these five factors. It is in the interests of both buyers and suppliers to make sure commissioning procedures are not too cumbersome or too rigid to enable this to happen.

Our firm belief is that the object of commissioning procedures should be to produce high quality, useful and cost-effective research by fair and accountable means, and to optimise the balance between these five factors. Where procedures are too cumbersome or too rigid the contractual tail sometimes seems to wag the operational dog, and it is in the interests of both buyers and suppliers to make sure this does not happen.

The guide begins with a brief summary of the main themes, and then looks at the commissioning process topic-by-topic. A brief list of good practice points is given at the end of each section, and a compendium of these lists is in Appendix B.

Scope and limitations

While many research buyers are experienced professionals, others may be relatively new to social research. The guide is *not* meant as a cookbook giving step-by-step beginners' guidance on how to buy research. It simply suggests principles for fair and effective buying, and discusses some of the underlying issues.

Of course research buyers have to operate within their own organisational contexts, and some of our good practice recommendations may not be feasible if they conflict with corporate requirements (or in the public sector with Government procurement policy or EC procurement rules). We hope nevertheless that raising the issues will encourage research managers to use their discretion as productively as possible, and where possible to influence their organisational framework in the longer term.

Inevitably the guide is addressed mainly to research *buyers*, since they largely control the contractual processes. Nevertheless we also make some recommendations about the role of research *suppliers*.

This guide relates to projects originated mainly or entirely by research customers who identify a research need and then go out to buy services to meet it. Some studies are originated by researchers who have a set of research interests, ideas or capabilities, define a project, and then seek funding for it. We welcome and encourage this latter approach, but it is not the subject of the present guide.

Terms used in the guide

The term '*researcher*' describes any organisation or individual who might be contracted to carry out social research – a university, research institute, market research company, freelance consultant, government agency, management consultant, and so on.

We have used terms like '*research buyer*' and '*research supplier*' in this guide, because they conveniently describe aspects of the relationship which are central to our theme. However we do it reluctantly, because such terms conjure up a picture of buying standardised commodities – not at all a suitable model for buying a skill-based service like research ([see section 1](#)).

We have preferred to use expressions like '*running a competition*' rather than 'going out to tender'. Words like 'tendering' imply a particular kind of competitive model, which is not always the most suitable to research buying situations. Similarly we have also generally used the term '*brief*' rather than common alternatives like 'invitation to tender' or 'specification of requirements'.

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Summary of the guide's main themes

This summary sets out the main underlying themes of the guide, whose implications are considered more fully in the main text (section references in brackets).

- 1. Nature of social research:** When someone commissions social research they are not buying an inert commodity but a highly variable service which depends heavily on the skills and performance of the researchers involved. **(1.1)**
- 2. The social research market:** The market for social research has evolved and expanded considerably in recent years. At one end of the spectrum there is a range of new buyers from organisations who have not traditionally used these methods, and in some cases have little in-house research experience. At the other end there are established high-volume users (like some government departments), who have a lot of experience but are sometimes yoked to procurement procedures designed for purchasing other types of goods, and not always well-suited to buying services like research. **(1.2)**
- 3. Balancing factors:** Successful research commissioning has to achieve a difficult set of balances between a wide range of factors – the quality, reliability and credibility of the project itself, the insights it provides, the usefulness of its outcomes, the value for money it represents, its timeliness and so on. The commissioning process itself needs to be fair and accountable as well as effective, and should keep the door open to new research talent, while at the same time maximising the value of the experience and momentum that established suppliers can provide, and rewarding them for good work. **(3.1, 4.1, 4.3)**
- 4. Direct and indirect competition:** The right kind of competition for research projects can be beneficial in many ways, but the wrong kind of competition can be stultifying. It is usual to run some sort of direct competition as a basis for choosing between possible suppliers. This is often a sensible approach, but there will be occasions where it is not appropriate – for example because there is an obvious choice of supplier, because the timescale is very urgent, or because the project budget is too small to warrant it. In such circumstances it should be perfectly acceptable to proceed by commissioning a chosen supplier without direct competition, because the normal competitive mechanisms of the market place will still operate. However, where this happens it is important to know the market, to negotiate good value, and to document the process clearly. **(2, 2.1, 2.2)**

5. **Limits of 'tendering' model:** Where a specific competition is to be run careful thought needs to be given to the way this should operate. Competitive tendering has been a common approach, whereby competitors are asked to cost a standard specification. This is not a very suitable model for buying a complex service like social research, certainly in its stricter forms. It tends to minimise supplier contribution to the design process and encourages an unsatisfactory arms' length relationship at the commissioning stage. If tendering is used it should be operated as flexibly as possible, and the word 'tendering' should not be treated as a portmanteau synonym for research commissioning. Creative thought should be given to other ways of letting contracts, along the lines suggested in this guide. (2.4, 2.6)
6. **Open and flexible approach:** SRA would like to see the centre of gravity move towards a more open and flexible approach, typically shifting the emphasis of the brief towards aims and objectives rather than methods, and maximising the opportunity for dialogue between buyer and supplier in developing proposals. This is the best way to ensure that the research commissioned is of high quality and provides good value for money. (2.4, 3.6)
7. **Developing a brief:** The guide outlines factors which need to be considered in developing a research brief. Buyers should think very carefully about what the research needs to achieve, about the resources of time and budget likely to be needed, and about any constraints or difficulties that the project is likely to encounter. It may be useful to consult potential suppliers before the brief is issued. The brief needs to inform suppliers fully about both the competition and the project. It is helpful to give some yardstick of scale or cost so that competitors do not waste time on unaffordable or inappropriate proposals. (3.2, 3.5)
8. **Importance of dialogue:** Dialogue between buyer and supplier is essential to good research, particularly at early planning stages. Approaches to commissioning should facilitate such dialogue – and certainly not inhibit it. The buyer's end of the dialogue should include end-users of the information as well as research specialists – and the supplier's end should include those who will be carrying out the work, not just senior staff who may not be closely involved in front-line activity. (2.4, 3.6)
9. **Costs of competitions:** At the stage where detailed costed proposals have to be developed the list of competitors should be kept short, otherwise scarce and expensive research resources are wasted in preparing abortive proposals – which ultimately have to be funded by buyers. Buyers should make sure that the cost of running a particular competition is kept below (say) 5% of the contract value – including their own costs as well as those of potential suppliers. Competition for small projects needs to be particularly streamlined. (3.3, 3.4)

10. **Open competitions:** Open competitions should normally be avoided as a way of actually letting research contracts, since these involve a lot of unproductive time for all concerned, and may not attract the best candidates. However they can sometimes be useful as a preliminary stage in larger projects – to explore the field before arriving at a final shortlist, or to allow a wider range of candidates to express interest and submit their credentials for shortlisting. European directives require some public bodies to run open competitions for certain larger contracts, but many social research projects will not fall within the scope of these requirements. Potentially-affected buyers will need to check their own position. (2.3, 2.7)
11. **Continuity and change:** A balance needs to be kept between the advantages of continuity where a supplier is performing well on the one hand, and the need to bring in fresh blood and give access to new talent on the other. Good work should be rewarded, and time and money can be wasted in perpetually going out to competition in situations where a mutually satisfactory momentum has been achieved. However new blood counters the risk of staleness or complacency, and new suppliers need a fair chance to prove their worth. (4.3)
12. **Timing:** Adequate time should be allowed both for the commissioning process and for the research itself. The best researchers are in short supply, and it is important to plan programmes to make sure that the right people for the project are available at the right time. Incipient research needs should be discussed as early as possible, so that relevant suppliers have good notice of likely requirements. Where projects are very urgent commissioning procedures need to be streamlined. (3.7)
13. **Value for money:** Value for money should be a central concern in research commissioning, but this should not imply exerting maximum downward pressure on costs. Under-funding a project is at least as wasteful as over-funding it – collecting poor-quality information is not cost-effective, and may sometimes prove very expensive. Good research yields more reliable and more useful information. True value lies in an optimum balance between cost and quality. More attention often needs to be paid to the quality side of the equation. (4.2)
14. **Intellectual property:** Buyers need to respect the intellectual property rights of suppliers who prepare unsuccessful proposals for them. Ideas and professional opinions are the stock-in-trade of researchers, and it is not reasonable to use these without acknowledgment and recompense. (4.4)
15. **Core message:** The guide argues above all that the contractual tail should not be allowed to wag the operational dog, as can easily happen where commissioning procedures are unduly cumbersome, rigid or legalistic. Where buyers are bound by unhelpful corporate procurement requirements they should explore what flexibility and discretion they have in the short term, and seek to initiate constructive reform in the longer term. (2.4, 3.10, 4.8)

1 About social research

1.1 The nature of social research

Social research is the process of systematically gathering, analysing and interpreting information about the behaviour, knowledge, beliefs, attitudes and values of human populations. It both contributes to and draws from the broader social science knowledge-base. Specific projects are often commissioned by public authorities and other bodies who operate in the public sector or serve the public good, as a basis for informing the planning, development and implementation of policy and/or of improving service delivery.

Social research projects vary widely, but buying such research is usually fundamentally different from buying materials, physical products or more cut-and-dried services.

Research involving human populations is intrinsically difficult:

- people are highly complex, and language is imprecise
- human beliefs, values, attitudes and motivations are hard to pin down
- memory is fallible, and research respondents are not always able or willing to report their feelings or behaviour accurately or honestly
- there are considerable statistical problems in drawing valid inferences about large and shifting human populations.

Researchers have to grapple with these problems in every fresh project. Research therefore cannot normally be reduced to a mechanical formula – good research needs craft skills, intelligent creativity in the way they are applied and ability to understand the way people think, feel and behave.

It follows that social research is rarely capable of being specified to a point where different suppliers could work almost interchangeably, with price and timescale as the only significant variables. If we drew a parallel between the social research industry and the construction industry we would conclude that researchers operate like architects as well as like building contractors. That is, they design the research as well as carrying it out. Indeed their architect-like role is usually the more important, because they deal more with ideas than with things. Even the objects they work with (like questionnaires, analysis schedules or reports) depend mainly on professional skills – and even if the overall project specification comes from the buyer there are typically many design-like features in its practical implementation.

1.2 The changing world of social research

The market for social research is extremely varied, and has been changing and expanding rapidly in recent years:

- More and more public sector organisations recognise that delivering services effectively depends on good information about their customers, stakeholders and staff, and on understanding their attitudes, beliefs, values, aspirations and behaviour. Social research feeds that knowledge and understanding.
- The government in recent years has urged service providers to consult and involve the public, and has laid duties of consultation on local authorities, which again demand understanding of stakeholder views and needs.
- There is increasing expectation that policies should be evidence-based, and the evidence needed for policy decisions may involve the social and/or the physical sciences.

These developments have brought an array of new commissioning bodies into the social research field. Alongside large regular buyers like some government departments and agencies we now find research being commissioned by local authorities (even the smaller ones), quangos, voluntary or community organisations,

public sector businesses, NGOs, charities, housing associations, NHS trusts and medical practices, and so on. Sometimes new buyers, small organisations or occasional purchasers have little if any in-house experience of research commissioning, and limited professional research resources.

The variety of social research suppliers has also grown. There are still the traditional research institutes and academic sources, and some universities and colleges have set up separate research businesses for this kind of work. But many suppliers from the commercial market research world have moved into the social research field, ranging from large, national organisations through specialist research businesses to individual freelance researchers. Some offer data analysis, fieldwork or consultancy as separate services. Some public sector organisations make their own in-house researchers available to work on commissions for others.

2 Competition for social research projects

Competition between research suppliers is welcome and healthy, providing it is sensibly handled. The *right* kind of competition:

- provides buyers with a good range of expertise to choose from
- helps to ensure that research costs remain competitive
- stimulates suppliers, and keeps them on their toes
- provides opportunities for new research suppliers
- reduces the risk of researchers getting stale or complacent
- stimulates creativity
- prevents customers and suppliers from drifting into cosy long-term relationships based more on habit than on objective appraisal of needs.

On the other hand the *wrong* kind of competition can lead to:

- lack of early dialogue between buyers and suppliers
- lower standards and corner cutting
- relegation of research skills in favour of selling skills
- inappropriate choice of suppliers
- demotivation of good potential suppliers
- expensive, poor quality or ill-focused research
- reduced opportunities for exchanging expertise between buyers and suppliers, and hence building capacity within the research sector.

2.1 Types of competition

There are three basic sets of choices to consider when commissioning social research:

- *direct* or *indirect* competition?
- *open* or *closed* competition?
- *formal* or *informal* competition?

Each of these is discussed below. In practice the distinctions are not always black and white – shades of grey are possible in degrees of directness, openness or formality. And there are some interactions between the three choices.

2.2 Direct and indirect competition

Competition may be direct or indirect:

- In **direct** competition two or more possible suppliers are asked to engage in a specific competitive process as a basis for awarding a particular contract. Typically a range of possible suppliers are invited to submit costed proposals from which a choice can be made ([see 2.2.1](#)).
- **Indirect** competition does not operate through this kind of direct competitive process, but through generalised market mechanisms. Suppliers compete for business in a general sense even where the buyer does not run a specific competition for a particular project ([see 2.2.2](#)).

2.2.1 Direct competition

If there are at least two suppliers who might be capable of carrying out a particular project equally well, then some form of direct competition between them will often be desirable. Indeed some organisations (like most government departments) are obliged to use direct competition unless in exceptional circumstances ([see 4.8](#)).

Direct competition has obvious appeal, because it appears to ensure both fairness and cost-effective buying. These are important criteria, and can be met by a suitable and well-run competition. But:

- direct competition is not always the best way forward ([see 2.2.2](#))
- and it needs to be appropriate in form and manner if it is to realise its potential advantages ([see 2.3-2.6](#) and [3](#)).

Strict competitive tendering is one form of direct competition – but by no means the only form, or necessarily the most suitable for commissioning social research (see 2.4.1, 2.4.2).

2.2.2 Indirect competition

A healthily competitive environment does not necessarily depend on subjecting *every* commission to *direct* competition. Markets commonly work mainly through *indirect* competition.

Buyers build up a store of information about their markets:¹

- general awareness of research costs, which enables them to judge whether a particular price is fair even when suppliers are not competing directly; and
- knowledge about the competences and characteristics of available suppliers.

Suppliers have a market-place incentive to perform well because they hope for future work from the research customer, so they will be constrained to deliver quality and value for money even for projects where there is no direct competition. Withholding future work is a powerful sanction, particularly for larger research buyers.

Both parties can also negotiate about methods, costs and timescales even where there is only one supplier in the frame.

Thus it is perfectly possible to buy cost-effectively in particular instances without direct competition, by using the normal mechanisms of the market place. We are not advocating this as standard practice, but it should be seen as a respectable and efficient option if properly managed and documented.

In some circumstances direct competition for a particular project is unlikely to be the best way forward – for example where it would clearly be advantageous to use one particular supplier on grounds of:

- a unique expertise or relevant experience
- b distinctive competence or special facilities
- c urgency or timetable pressures
- d access to confidential information not available to other suppliers, or ownership of a key dataset
- e significant momentum or continuity in a particular study (or series of studies).

In these circumstances it should be possible to justify a decision to use a single supplier who is clearly right for the job in hand (see section 4.1). It would be counter-productive (and unethical) to set up an *apparent* competition merely in order to be *seen* to be operating on a competitive basis. This would also be costly to the industry – and therefore ultimately to buyers.

Where contracts are let without direct competition buyer and supplier can work closely together from the outset. However, it is still important that everything is very clearly documented – not only so that everyone understands what is to be done, but also because accountability is especially critical where there has not been a competition. Buyers need to be able to:

- See and evaluate exactly what they will be getting for their money
- Show exactly what they have done and why if any question arises about the commission.

Even though there is no direct competition a brief should therefore be issued by the buyer as normal, and a costed proposal submitted by the supplier. Buyers must then judge whether the price represents fair value for money for the work specified. This is where knowledge of the market becomes important. In these circumstances it is reasonable for buyers to negotiate about price if they are not happy with what the supplier offers.

¹ Such expert knowledge of market prices and supplier competence can be sharpened by comparing notes with other research managers – particularly useful for less experienced buyers.

If there is any uncertainty about the proposals or costs these could be submitted to peer review.

There may of course be risks in suspending direct competition for an extended series of projects (see 4.3). It is part of a research manager's skill to judge where quality and cost-effectiveness is better served by direct competition – but it should not automatically be assumed that this is always the most appropriate way forward.

Good practice: direct and indirect competition

A

- ① Build up general experience of suppliers and costs as a guide both to developing shortlists and to choosing suppliers.
- ② Exchange notes with other buyers.
- ③ Decide whether there is an obvious and clear choice of researcher for that project, or whether you need to go to direct competition.
- ④ Avoid spurious competitions where there is really only one obvious supplier.
- ⑤ Do not assume that good buying *always* requires direct competition.
- ⑥ Even if there is no direct competition you should normally:
 - ▶ Issue a written brief and ask for written proposals in the normal way
 - ▶ Be particularly careful to document what is agreed, and why.

2.3 Open and closed competition

In practice buyers often decide to operate through direct competitions. These may be 'open' or 'closed':

- An **open** competition is advertised, and any interested parties can enter
- A **closed** competition is one in which only invited suppliers take part.

2.3.1 Open competition

Open competition may superficially sound attractive. It gives anyone a chance, opens the door to new blood, and imposes no prejudice on the buyer's part.

But in practice thorough-going open competition is not usually a good way of commissioning specific research projects.² The list of people responding may sometimes be very long, which means that a great deal of supplier time is consumed in formulating proposals, and buyer time in evaluating them. This makes it an expensive and unwieldy process (see 3.4). Good researchers (whose time is likely to be in demand) may well be put off by the prospect of a free-for-all between many competitors.

Experienced research buyers should know the most likely suppliers in their field well enough to draw up a shortlist, and less experienced buyers should consult colleagues in their own and other organisations if they do not already have this kind of expertise.

There are however some situations in which a sensibly-operated open competition can be used effectively. For example a research funder who is looking at a general theme rather than a specific defined project may invite suggestions from anyone who is interested about how this could be approached.

One of the best arguments in favour of open competition is that it keeps the door open to new blood, which is certainly vital (see 4.3). However there are various ways of achieving this other than through full-blooded open competition. For example some buyers:

- a Issue open invitations for people to express interest in a competition or a topic, and perhaps give a brief account of their ideas and credentials. This aids shortlisting, and can help to improve access to projects for new contenders without involving large numbers of research suppliers in extensive work.

² See 2.7 for a discussion of European regulations.

- b **Publish programmes outlining their research interests**, and invite suppliers (without commitment) to say which topics or projects they would like to be considered for, or to suggest other items for inclusion in the programme. However individual projects should then be commissioned through closed rather than open competition.
- c **Hold seminars or forums** at which they can discuss ideas and get to know potential suppliers.

All these approaches should be encouraged and extended.³

However it is important if the initial invitation is open that:

- i the amount of work that contenders are required to do at this stage is kept to a minimum – for example by asking only for expressions of interest, credentials or a brief outline approach
- ii a short-list is drawn up before detailed proposals are asked for – open competitions can be useful as a basis for shortlisting, but should not normally be used actually to commission projects, because this involves a substantial amount of work for all parties.

It is also important to respect the authorship of ideas which emerge at the open stage of a competition, because intellectual property issues can easily arise. If use is to be made of ideas submitted by researchers who are not awarded the contract then some form of payment should be considered (see 4.4).

Where open invitations or open competitions are used it is clearly important in the initial invitation or brief:

- To explain clearly from the outset how the competition is to operate, and what the buyer expects competitors to do.
- In particular to ensure that the responses provide the right kind of information about the competitors and their ideas to provide a sound basis for shortlisting.

2.3.2 Closed competition

Closed competitions are restricted to a short-list of invited contenders. These are recommended for most purposes on grounds of cost-effectiveness and efficiency (see 3.4). However, thought does need to be given to ways of opening access to new suppliers and encouraging new talent (see above, and 4.3).

Good practice: open and closed competition

B

- ① Generally avoid open competitions for specific projects, since these:
 - ▶ involve a lot of unproductive time
 - ▶ may not attract the best candidates.
- ② Ensure that open competitions yield enough information about contenders for effective shortlisting.
- ③ Encourage new blood by:
 - ▶ publishing advance programmes of research interests; and
 - ▶ issuing open invitations to:
 - express interest in projects; or
 - make brief outline submissions
 - ▶ then shortlisting for more detailed proposals.

³ Such approaches can be time-consuming and labour-intensive for buyers, but much less so than a fully open competition. They should also pay dividends, not only in improved access, but also in research quality.

2.4 Formal and informal competition

If competition for a particular contract is to take place, it may be conducted either formally or informally:

- **Formal competition** uses fixed procedures designed to produce a winner from a list of contenders.
- **Informal competition** proceeds by making less structured soundings of competences and costs as a basis for professional judgement.

2.4.1 Formal competition

It may be helpful to distinguish three kinds of approach to formal direct competition:

- 1 **Strict tendering:** Competitors are asked to make sealed bids for a tightly pre-specified piece of work. In its strictest form it usually involves:
 - giving a tight standard specification to a number of potential suppliers;
 - asking them to cost this specification in circumstances of confidentiality;
 - maintaining an arm's length relationship in order to keep the playing field level; and
 - awarding the contract to the supplier who puts in the lowest tender while showing they are competent to carry out the work satisfactorily.
- 2 **Modified tendering:** This starts from a similar basic model, but applies it more flexibly and informally – for example by encouraging discussion with competitors, and allowing them to suggest alternative methods. This is probably in practice the more common approach, although the extent of departure from the strict model varies. It is always preferable to strict tendering for buying social research for the reasons given below.
- 3 **Problem-based brief:** The brief sets out the aims, objectives and context of the research but does not specify a standard method (unless there is a particular methodological requirement). Competitors are normally free to propose and cost whatever methods they recommend.

The advantages and disadvantages of these three approaches are as follows:

- 1 **Strict tendering:** Strict tendering is one of the most rigorous types of formal competition. This model derives originally from industries in which suppliers provide standardised products with measurable specifications and little qualitative variation. It rarely fits the research process at all well (see section 1), and can be seriously inadequate. In practice social research buyers do not often apply formal tendering in its strictest form, but their assumptions and attitudes nonetheless often reflect this basic model, as do some of the systems imposed on corporate purchasing practice by procurement officers or others. The concept of strict tendering has therefore had an important (and in many ways malign) influence on the way social research is commissioned. We do not think there is ever a case for taking this approach, for the reasons set out below.

Strict formalised tendering has two important characteristics, both of which can have negative effects on the process:

- a Potential suppliers are usually held at arm's length until the contract is actually let.⁴ An arm's length relationship tends to:
 - minimise free discussion, and hence;
 - limit researcher understanding of the underlying information need and its policy context.

⁴ The argument is that having levelled the field by giving everyone the same brief, too much further dialogue with individual suppliers would prejudice impartiality. Sometimes buyers even feel constrained to report all exchanges of information to all competitors, for example, so that if one competitor asks questions the replies have to be passed to everyone else. As we argue in 4.4, this can discourage questions, because if these reflect their diagnosis of the problem suppliers know that it will be shared with their competitors.

This is important, because such understanding is necessary if researchers are to do their job properly. Social research is a non-standard product, and the way it is carried out is at least as important as the amounts of work completed and the nominal specification (see section 1). A good brief of course states the problem and gives the background to it, but full understanding can often only be achieved through dialogue (see 3.6), which the formal tender process tends to suppress. Thus the arm's length principle often stops researchers getting to grips with the real problem.

- b The buyer has to give the supplier a **detailed specification** to cost, since this is the basis for making bids. This has two effects:
 - i The approach tends by nature to produce a **method-oriented brief** rather than problem oriented – suppliers are invited to say how much they would charge for carrying out a defined process, rather than how they would tackle a given problem. This may be suitable in situations where the buyer actively wants to control the method, but not where a variety of ways forward might be worth exploring.
 - ii A tightly pre-specified project tends to **limit the supplier's involvement with the study design**. This is a loss, because research suppliers should normally be able to make an important design contribution – practitioners know the possibilities and limitations of their own techniques, and they can also bring to bear experience from other fields.⁵

Buyers often try to get round this limitation by inviting tenderers to suggest alternative schemes of their own as well as costing the scheme in the brief. This is sensible (and recommendable), but it does not entirely answer the case. It breaks down the apparent comparability on which formal tendering is based. If different suppliers recommend different alternative methods are these judged on their own merits, or is the choice still based on the standardised submissions – which may no longer bear much relation to what is actually going to happen? And do suppliers have enough understanding of the problem to make alternative suggestions if the tender is operated on an arm's length basis?

In the absence of in-depth pre-tender discussions researchers often find that it is only *after* they have won a contract that the real dimensions of the problem under study begin to come clear in the more relaxed dialogue that then takes place – but by this point they are sometimes locked into what has been agreed at the tendering stage (and is now enshrined in a formal contract). Even at that stage it should be possible for the parties to reach joint agreement if a different way forward seems advisable, and contracts should allow some scope for varying the study by mutual agreement (see 3.10).

Strict tendering also sometimes involves legalistic procedures (see 4.5), which can get in the way of effective research dialogue. These are rooted in the concept of fair and objective competition on a level racecourse, but many researchers suspect that the impartiality is sometimes more apparent than real, and that the horses may actually bear secret handicaps. The theory is that all competitors stand an equal chance of selection, depending only on their performance in the competition – but in reality there may be all sorts of other valid pre-existent reasons for preferring a particular competitor – like relevant experience, or previous performance (see 4.1). Sometimes suppliers even wonder if the outcome is largely pre-determined, and the 'competition' staged mainly for external show, or in compliance with organisational requirements – or whether the competitors have

⁵ This is not to say that buyers should not be able to contribute to the project design – and there may be cases where they have good reasons for wanting to control it themselves. There is a whole spectrum of possibilities from buyers doing all their own design work through to leaving it all to suppliers. The most fruitful approach however is likely to be some kind of partnership in design, and the commissioning process should facilitate this, not inhibit it.

been chosen to produce the desired result. If this were the case it would not only be wasteful of resources, but very unfair to ‘makeweight’ contenders who invest resources in a competition which (unknown to themselves) they have little real chance of winning.⁶

The ‘tendering’ model tends to be more appropriate for competitions where the project:

- is tightly specifiable;
- has little or no design or creative content; and
- could be as well carried out by any one of a number of suppliers.

Conversely it is least suitable for projects which are hard to specify in advance; need a creative or design input; or are particularly suited to a certain supplier.

- 2 Modified tendering:** In practice the strict approach to tendering is often modified to one degree or another – for example by enabling researchers to discuss the issues before submitting tenders, and by allowing them to propose methods other than those specified in the brief. Where formal tendering is practised such modifications are much to be recommended.

As we shall argue in 3.6, dialogue between buyer and supplier is crucial to good commissioning practice. It is of course important to make it clear in the brief how far there is scope for pre-tender discussion, or for proposing alternative methodology. Both parties should actively look for ways to reduce the distance which formal tendering procedures can create. The brief should actively encourage dialogue during the competition, and suggest ways of facilitating it. Buyers should invite contact, and researchers should follow up such opportunities to get a better understanding of the research need and its context.

Pre-tender discussion consumes time and resources for both buyer and supplier, but this should pay dividends in terms of enhanced understanding and commitment. It is, however another argument for limiting the number of competitors (see 3.2).

But formal tendering can still have limitations, even if practised more flexibly. For example it tends to discourage design-stage discussion with researchers before a brief is written, because in a tender situation it is the specification that provides the natural basis for making bids. Unless methods really need to be tightly pre-determined the brief should be as open as possible, to encourage researchers to get involved in shaping and designing the project. However, if the brief is completely open the term ‘tender’ starts to become meaningless. A broader approach will often seem preferable, as in the next option below.

- 3 Needs-based briefs:** Here the brief is focused on needs and outcomes rather than on methods. Competitors are briefed about the *problem* rather than the *solution*, and are allowed to make their own recommendations about method. The brief does not ask contenders to cost a standard specification, and only contains methodological suggestions or prescriptions insofar as the buyer wants to influence or determine methods in advance of hearing competitors’ recommendations.

This is often likely to be the most satisfactory approach unless the buyer has a good reason for wanting to define methods. Of course buyers then have to choose between diverse packages – but that diversity reflects the real world. It is a normal market-place decision – which of the different packages offered is best value at its price for the purpose in hand. The apparent comparability of the formal tender is largely artificial – in reality different suppliers *would* probably want to take different approaches, and have different skills and resources to bring to bear.

⁶ This is not necessarily to impute bad faith or corrupt practices. A ‘rigged’ competition is of course against the principles of fair competitive tendering, but research managers may sometimes be torn between professional criteria which argue for choosing a particular supplier and procedural requirements which demand a formal tender.

In this situation buyers still compete directly in the sense that they make formal costed bids which can be evaluated against each other, but they are free to get involved in research design and perhaps in problem definition.

Although we have presented the foregoing as three distinct approaches, in reality they are points on a spectrum ranging from strictly pre-defined specifications through to open and flexible briefs. There is a good deal of interesting ground (and potential overlap) between the second and third options ('modified tendering' and 'problem based' briefs). Our belief is that the system as a whole would benefit from moving down towards the 'open' end of this spectrum. Many professionals have misgivings about whether 'tendering' is an appropriate conceptual model for buying something as amorphous as research – particularly if applied in its strictest form.

However, in the public sector 'tendering' still tends to be the main (sometimes the prescribed) approach. Government departments work mainly through tenders, and the concept has therefore been widely influential – sometimes even seen as the 'proper' model, from which departures need to be justified. Indeed the word '*tendering*' is sometimes used loosely as a synonym for '*competition*', but the two concepts ought to be distinguished. It is unhelpful to use 'tendering' as a generic term for competition, because it is laden with procedural assumptions which might not always be appropriate. It would be helpful if the word could be applied more selectively, and only where it really fits the procedures used. As we have suggested, formal tendering is only one form of direct competition, and over-dependence on the concept inhibits constructive thought about other approaches to commissioning which are not only fair, cost-efficient and accountable, but which also enable researchers to get closer to the problem and participate more fully in the design.

The choice of competitive approach should as far as possible be driven by the research need and situation, and it should be handled flexibly, and with as much scope as possible for early-stage dialogue, mutual understanding, and researcher involvement in design. There may of course be a range of situations in which buyers will need or choose to specify a particular method – but they should guard against automatically slipping into this mode.

Good practice: formal competition

C

- ① Be aware of the problems and limitations of strict formal tendering.
- ② Do not automatically use formal tendering unless either:
 - ▶ it really meets the needs of the project; or
 - ▶ there is an overriding requirement to do so.
- ③ Try to avoid using the term 'tendering' unless this is specifically what you mean.
- ④ If a tendering process is adopted make it as flexible and 'supplier-friendly' as possible by:
 - ▶ breaking down the arm's-length principle and encouraging dialogue
 - ▶ facilitating full discussion of the issues before submissions are prepared
 - ▶ minimising formality in procedures.
- ⑤ Invite suppliers to collaborate in problem definition and design where possible:
 - ▶ involve them before the brief is finalised
 - ▶ encourage them to suggest alternative methods.
- ⑥ Researchers should take up opportunities for early discussion and involvement.

2.4.2 Informal competition

In informal competitions buyers still look at several possible suppliers for a particular project, but instead of making them all perform a standardised task in response to a detailed specification they investigate informally the competitors' merits, their qualifications for the job and their approach to designing and costing it.

Potential suppliers may be invited to come and discuss a problem – as a basis either for shortlisting or for making a final choice. Meeting face-to-face makes it possible to discuss their approaches and assess capabilities. It is also likely to be a useful way of achieving mutual understanding and an exchange of ideas about the best research design for the problem.

A choice of supplier can then be made and a proposal worked up in partnership between both parties. The supplier costs the agreed project, and this is negotiated as necessary.

It is not normally good practice to invite a large number of suppliers to come for interview as a basis for shortlisting, and shortlisting interviews should be used particularly sparingly for small-scale projects.

Public sector commissioning bodies are sometimes nervous of using more informal approaches because they are anxious about accountability and demonstrable fairness. It should however be possible to document contacts to show that the process has been genuinely competitive and fair to all participants, and that the decisions taken are professionally defensible (see 4.1).

Good practice: informal competition

D

- ① Consider using informal approaches to competition where possible.
- ② Discuss the research with potential suppliers rather than keeping them at arm's length.
- ③ Document contacts with suppliers to demonstrate the fairness and correctness of decisions.

2.5 Private sector practices

The commercial market research world provides private sector companies with information about the public as a basis for planning product development, marketing strategy, advertising and so on. This sector is typically less inclined to use full-blown formal tendering for buying research, except perhaps for very large continuous projects. General awareness of the 'going rate' for different types of research is part of a research manager's normal professional expertise, and research buyers tend to commission projects by drawing on their general knowledge and experience of prices, practices and the competence of different researchers. They may invite several suppliers to submit proposals, or just approach one where the choice seems obvious – the approach is normally pragmatic rather than procedural.

The brief is typically needs-orientated rather than method-orientated – 'What do we need to know?', rather than, 'What research process do we need to carry out?'. Methods are not usually tightly specified unless there are important reasons for doing so. The process is competitive – not because each commission is always based on a direct competition, but because suppliers know that their general standing with customers is based on price and performance project by project (see 2.2.2).

Private sector research managers are of course also accountable for their actions – they may lose their jobs if they do not perform well. But their performance tends to be judged against outcomes rather than procedures.

In contrast, public sector research-buying procedures sometimes seem to reflect the assumption that their main task is to counter the risk of inefficiency or dishonesty.

Public expenditure must of course be safeguarded and monitored (see 4.1) – but it seems strange when (as sometimes happens) an invitation to tender contains more information about the logistics and legalities of the tendering process than about the research problem to be addressed. Overly formal and legalistic language and conditions can get in the way of good understanding and co-operative relationships.

Good practice: private sector experience

E

- ① Build up experience about:
 - ▶ the costs of different types of research
 - ▶ the competences of different suppliers.
- ② Provide needs-orientated rather than method-orientated briefs where possible.
- ③ Make briefs and details of competition as ‘user-friendly’ as possible.
- ④ Judge the performance of research buyers by outcomes not by procedures.

2.6 A range of contractual relationships

Social research projects have typically been commissioned one at a time, with every fresh contract subject to a new direct competition. This is not always the best model:⁷

- First it means that a lot of time and money is consumed in repeated competitions, and this does not fit our fast-moving and budget-conscious culture. Policymakers sometimes need rapid information as a basis for policy decisions.
- Secondly it can limit continuity and momentum, because it is likely to increase the rate at which suppliers change between projects. This again does not fit with the growing need for continuity and evolution in policy development.

We have already suggested (in 2.2.2), that it is sometimes desirable to let specific contracts without direct competition where speed or continuity are of the essence, or where there is an obvious choice of supplier – unless this is prohibited by corporate policy. But a range of new commissioning models has gradually been developing, and it is worth briefly reviewing some examples of these:

- 1 **Framework contract:** In framework contracts buyers draw up a panel of approved suppliers on the basis of an initial competition – which may sometimes be open and perhaps advertised in OJEC (see 2.7). They can then choose whether or not individual projects awarded to contractors on the framework panel need to be subject to further competition, depending on the particular circumstances. Where individual projects go out to competition contractors not on the framework panel could still be invited to compete for them.
- 2 **Multi-stage contract with break points:** This is a contract for a large multi-stage study, where the buyer retains the option to decide whether or not to proceed with each successive stage.
- 3 **Strand contract:** A strand contract could be set up where a buyer plans to carry a sequential series of projects on the same set of issues (for example the launch of a major new policy initiative). The buyer may want to commission an initial project, but see how matters develop before deciding on whether or how to go ahead with the rest of the series. There could be a presumption in favour of continuity of supplier, depending on performance. In this case an initial competition would lead to a firm commission for the first project, with the buyer retaining the option of:
 - either commissioning further studies in the same strand without being obliged to go out to competition again while it is in progress
 - or going back to the market place if this seems advantageous for any reason.

⁷ This guide is essentially about commissioning specific projects, but one-off funding is only one approach to supply research needs – and in some cases not the best model.

- 4 **Call-off contract:** A call-off (or call-down) contract is used where a buyer expects to carry out a rapid sequence of projects on the same subject, but is initially only in a position to specify the first project in the series – subsequent studies may depend on the outcome of the first. The contract is based on an initial competition for the whole series, which enables the buyer to ‘call-off’ later studies from the same contract, so that time and resources need not be devoted to fresh competitions between each study. This facilitates rapid deployment of research resources, and provides momentum and continuity.
- 5 **Staged commission:** For major or long-running projects some kind of staged commission may be practicable. A supplier may be asked to carry out a feasibility study or pilot, with award of the full contract depending on performance at the preliminary stages. This gives the buyer a chance to assess performance and potential in advance of full commitment. This can even provide a basis for direct competition – several researchers can be commissioned to work on preparatory projects, with the full contract then awarded to the best performer.
- 6 **Rolling programme:** Another option for long-running projects is a rolling programme, in which one supplier is commissioned for (say) the first two to three years, with the possibility of going out to competition again at the end of that period.
- 7 **Core funding or partnership:** Where a buyer has a large volume of research to buy and wants to develop ‘intellectual capital’ or professional capability in a topic area then some kind of core-funding or partnership arrangement may be indicated.
- 8 **Parallel commissions:** If the outcome of the work is unusually important (and the budget large enough and timescale long enough) more than one researcher can be commissioned to work simultaneously and independently, using different approaches. This makes it possible to compare findings as well as hedging bets on choice of supplier.
- 9 **Joint working or consortia:** Sometimes with large or complex projects it may seem unlikely that one supplier could do an optimal job on all the elements, or that possibly useful specialist researchers might be excluded by the scale or scope of the operation. In such cases buyers may send out an overall brief but invite suppliers to bid for parts of it. Or they may want to promote and facilitate the formation of consortia, to bring diverse skills to bear on the study.

It is normally better to let suppliers form their own consortia. There is no harm in buyers suggesting possible linkages, but consortium members have to be able to work well together – arranged marriages brokered by the buyer may not lead to smooth and fruitful working. But if suppliers are to form their own consortia they need to know who else has been invited to submit proposals (see 3.5). Suppliers may also sometimes want to suggest consortia or collaborative working even where this was not envisaged by the buyer.

Research buyers should consider whether any of the above approaches would suit their needs. Any that seem worthwhile but do not fit existing corporate purchasing policy should be brought to the attention of their management or procurement colleagues. Other models will no doubt emerge in future, and both buyers and suppliers would do well to think creatively about approaches to commissioning which are likely to provide fair, effective and cost-efficient ways forward.

Good practice: contractual approaches**F**

- ① Recognise that regularly going out to competition on a series of individual disconnected projects is not necessarily the best approach to commissioning.
- ② Consider a range of possible commissioning models.
- ③ Try to develop approaches to commissioning which suit your particular needs for each project.

2.7 European regulations

The European Community (EC) has issued a series of directives about procurement by public bodies. The declared aim is to promote and develop open, fair and effective competition through:

- establishing a common set of practices and procedures
- ensuring that advance information about purchasing programmes and individual contracts is made available.

The rules are implemented in the UK through Statutory Instruments (SIs). The directive that may sometimes be relevant to research is the Services Directive (UK SI 3228/1993).

In practice the European directives will often not apply to social research commissioning. The rules are complex, and if research commissioners are in any doubt they should seek advice on whether their projects come within their scope. The essential features appear to be as follows.

- 1 The European Directives apply to procurement by a wide range of public bodies, such as local authorities, government departments and government agencies.
- 2 The rules only affect projects with an estimated value that exceeds a specified threshold. The threshold is reviewed every two years, but at 1st January 2002 it was just under £125,000 (€200,000). Public bodies must not deliberately understate costs or disaggregate projects simply in order to avoid complying.
- 3 'Research and Development' contracts where the results are to be published or will ultimately benefit the public are excluded. This probably covers the great majority of social research projects.

This means in summary that EU rules are only likely to affect research projects where *all* the following conditions apply:

- commissioned by relevant public bodies – e.g. government departments or local authorities
- worth more than the relevant threshold – as above, just under £125,000 at the beginning of 2002.
- entirely paid for by the organisation commissioning the work
- carried out entirely for the benefit of that organisation (i.e. where the results will not be published and will not benefit the public).

Where the rules do apply they oblige research commissioners to advertise programmes and projects in advance in the Official Journal of the European Community (OJEC), and to publish a Contract Award Notice in the same journal once a contract has been awarded. Timescales for advance publication are laid down.

The Directives allow for three different advertising procedures:

- **Open Procedure:** Any interested party must be sent the brief on request, and allowed to make a bid.
- **Restricted procedure:** The contracting authority has the right to choose who they will invite to compete for the project. It can only choose from those who respond to the OJEC Notice or any supplementary advertising in a trade or professional publication. There are rules governing such supplementary advertising, which:
 - must not be placed before the OJEC Notice

- must not contain additional information that is not in the OJEC Notice
- must refer to the OJEC Notice and its date.

This Restricted Procedure is generally used by Government Departments.

- **Negotiated Procedure:** Allows the contracting authority to negotiate a contract with one or more providers with or without following the rules on competition. It may only be used in a limited and tightly defined range of circumstances, which buyers would need to check in specific cases.

The main implications of these regulations for research commissioners are as follows:

- a Buyers need to be clear whether the regulations apply to their work or not. They should also be aware that in some cases this may be affected by the way the project is conceived or specified – for example its scale, or whether results will be published.
- b This needs to be established early on, since the need to advertise will tend to increase timescales for projects that come within the EC rules – in which case extra time will need to be built into affected projects.

Where timing is problematic there is an accelerated procedure that may reduce the advertising timescales, but the rules governing this are complex, and buyers would need to take advice about whether it applies in their particular case.

The procedures laid down in these rules would usually have resource implications – not only for scheduling, but also for buyer staff time, and for the cost of running the competition. Allowances need to be made for these from the outset where the rules apply.

Research managers are urged to study the rules, and to be clear whether they apply to their own projects. Where they do apply they must be followed, but buyers should:

- i be aware of their options under the rules
- ii use the Restricted Procedure rather than the Open Procedure wherever possible
- iii apply the rules as sensibly, flexibly and economically as possible in the light of the other criteria laid down in this guide.

In our view these rules should not be adopted as a good general model for buying social research, and should only be applied where their use is mandatory – which will not often be the case in commissioning research.

Good practice: EC guidelines

G

- ① Establish whether EC directives apply to your situation.
- ② Follow them if their use is mandatory, but not normally in other cases.
- ③ If they do apply then build them into your timetable and resource budgeting.
- ④ Use the Restricted Procedure wherever possible when operating under the rules, and operate them as sensibly and flexibly as possible.
- ⑤ Do not adopt these rules as a good general-purpose model for research commissioning.

3 Running a competition

3.1 Preparing for the competition

The objective of running a competition for a social research project is to achieve an optimal balance of the following factors:

- To produce a high quality project that is useful and achieves its objectives
- To settle on a price which is affordable and cost-effective for the buyer and fair for the supplier
- To establish a realistic timetable
- To choose the supplier most likely to deliver the above
- To achieve all this through a process that is transparent and fair to all the parties involved.

This is most likely to happen if the research buyer does some careful homework in advance before launching the competition. Key tasks at this point are:

- Thinking clearly and carefully about the role and purpose of the study, and hence about the requirements it will need to meet.
- Deciding how far there are particular methodological requirements which need to be specified in the brief, or how far suppliers should be left to advise about methods
- Considering their organisation's timing needs and constraints, and how these may balance with what is likely to be practicable and achievable
- Giving similar consideration to the resources available, and the likely costs
- Assessing what their own organisation or other gatekeepers will need to contribute to the project, and what they and their colleagues can realistically achieve
- Analysing any risks or difficulties which might threaten the outcome of the project in terms of substance, cost or timing
- Identifying a small number of organisations that are best qualified to compete for the project in terms of skills, experience and competence.

It is important to tell contenders who will be the person responsible for the competition, and who they should approach for further information. This needs to be a named person who will be available during the competition period, who understands both the research need and the context within which the project will operate, and who has sufficient authority to decide how to respond to queries.

It is also important to clarify the role you want research suppliers to play, and the relationship you would like to have with them. Do you want to be involved in the supplier's work, and if so how far?

Social research buyers need to take account of any over-riding requirements which might affect the way they go about commissioning projects. These would include:

- any corporate policies or procedures within their own organisation ([see 4.8](#))
- applicable European directives or any other relevant regulations ([see 2.7](#)).

In thinking about how to approach commissioning the project the emphasis should be more on eventual outcomes than on procedures. It is of course important to get the commissioning process right, and if public money is involved it is also important that it should be accountable and transparently fair. But the main focus should be on meeting the ultimate criteria – useful and high-quality information at a cost-effective price.

Good practice: Running a competition**H**

- ① Before launching a competition for a social research project think clearly and carefully about:
 - ▶ its aims and requirements
 - ▶ the constraints it needs to work within
 - ▶ potential risks or difficulties it faces.
- ② Focus mainly on achieving the best and most cost-effective outcome.

3.2 The research brief

The research brief is a crucial element in running a competition. It should tell research suppliers what the commissioning organisation wants and needs in relation to the proposed study, and set the ground rules – both for the competition and for the ensuing project.

A good brief is likely to generate focused and relevant proposals with the minimum of fuss, but a poor brief can lead to uncertainty or confusion during the competition itself and/or to proposed projects which will not meet the real objectives, or will not be efficient and cost effective in doing so.

Research briefs therefore need to be of high quality. A good brief should (among other things):

- Be clear, concise, and unambiguous
- Communicate a full and true understanding, not only of the purpose and objectives of the research, but also of its background and context
- Set out any constraints or requirements – whether of method, scale or budget, timescale or other factors
- Provide any information or other background material which will help researchers understand the problem or issues under study, and/or which might be useful in designing or carrying out the work
- Make it clear how the competition will work, and what is required from contenders.

It is normally preferable to focus on the objectives and the outputs required rather than the methods, unless there are particular methodological requirements that need to be met. The latter may apply (for example) in studies which have to be comparable over time, where methods need to be kept constant. In most cases, however, methods should be open to discussion between commissioners and researchers, and should not be overspecified. Research contenders should have a very clear understanding of what the commissioning body is trying to achieve, but should feel free to suggest the best method of achieving it.

It is clearly for buyers to decide what they are trying to achieve, but dialogue about aims and objectives as well as methods can also sometimes be useful. Commissioning organisations can sometimes be so close to their own problems that they do not formulate these in the most helpful way. The questioning perspective of an outside consultant can sometimes help to refocus aims and objectives as well as methods.

Buyers often like to ask suppliers to cost a standard specimen specification so that they have a comparable basis for looking at costs across suppliers. This has an obvious appeal, but can be counter-productive. It tends to skew the emphasis of the competition towards carrying out defined projects rather than solving problems, and we have argued that this is not desirable unless there are good reasons for pre-specifying method. It reduces the contribution researchers can make to basic project design, and can inhibit creative thinking about other approaches if there appears to be a preferred method. It can also involve suppliers in an artificial costing exercise where the specified method is not one they would actually recommend.

What the brief should say will depend on the particular circumstances and needs of each project, but it would normally include the following elements:

- Purpose – why the information is wanted
- Objectives – what information is wanted
- Issues and scope – what are the essential requirements and limits of the enquiry
- Timescale – when things need to happen by (a realistic timetable, covering both competition deadlines and the project itself)
- Size of project – some yardsticks of scale or cost (see below)
- Performance and quality – how will high standards be assured?
- Outputs required – reports, presentations, dissemination events etc
- Management – how the project will be managed by buyer and supplier
- Evaluation criteria – how proposals will be assessed
- Any particular requirements for the scope, content or format of proposals
- Skills needed – the skills and experience required from researchers
- Any requirements for references or evidence of bona fides
- Background note – any other essential information for competitors to be aware of.

It is good practice to include the evaluation criteria in the project brief. This is good for fairness and transparency, and helps research suppliers know how best to pitch their proposals to meet the buyer's requirements.

If the buyer would only consider commissioning researchers with particular resources, experience or other characteristics this must be made very clear in the initial brief. This applies even where suppliers are only invited to express interest, but even more where full costed proposals are sought. It is particularly important for open competitions, in which large numbers of suppliers might otherwise be wasting their time.

Buyers as well as suppliers need to be aware of any ethical or regulatory requirements which might affect the methods or scope of the research, and must consider these carefully in developing their brief. These include (for example) researchers' professional codes on the one hand, and legal constraints like the Data Protection Act.

Buyers will need to make clear in the brief whether they:

- Are buying a service or a project
- Want a single project or a succession of projects
- Can contract all the work in advance or want to operate in stages
- Are expecting one supplier to do all the work, or will need a number of suppliers working together in a consortium or a package of subcontracts.

Any relevant terms and conditions which the buyer will attach to the contract should be clearly declared – and suppliers should reciprocally make clear any terms and conditions that attach to their proposals.

Careful thought is needed about budgets, and there must be a realistic relationship between the needs of the project and the money available to fund it. There is no point in suppliers spending time to develop and cost methods that are simply beyond the budget. It is unproductive and wasteful for both buyers and suppliers if submissions are simply not affordable, or not appropriate in scale.

It is therefore good practice to give competitors at least a ball-park idea of scale and/or budgetary constraints,⁸ otherwise there must be a large element of guesswork by suppliers. Yardsticks may be provided in various ways:

- a maximum budget;
- broad or narrow budgetary ranges;
- the desired level of performance (e.g. statistical precision)
- the expected volume of work (e.g. sample size, questionnaire length, etc.).

⁸ Time constraints may also sometimes be relevant to scale if they restrict the amount of work which can be completed in the time available.

If the budgetary situation is genuinely very open such yardsticks may be unnecessary – but it seems sensible to declare any constraints or requirements. Buyers sometimes fear that if they quote a budget bids will rise to match it. However, indicating scale or budgets in this way does not reduce competition, because suppliers still need to provide optimum value for money within the given parameters in order to win.

Some organisations have procurement rules that inhibit disclosure of budgets. Buyers in these organisations should talk to procurement colleagues to find the best ways of indicating the expected scale of projects.

In relation to reporting it is important to clarify:

- Whether a draft report is expected – revisions to drafts can affect both cost and timing
- Whether and how it is intended to publish or disseminate the findings, and who will be responsible both for doing this, and for budgeting resources
- Whether an oral debrief is needed – this can be a valuable tool for exchanging information and ideas, but costs need to be budgeted.

It is good practice for buyers to get an experienced researcher who is unfamiliar with the project to read the draft specification before it is issued, to ensure that it is clear and unambiguous. Where there is a clear shortlist of possible contenders it may also sometimes be useful to show them the brief at a draft stage – partly again to check that it comes across clearly, but also to make it possible to incorporate their comments before the competition proper starts, and to establish a basis for further dialogue.

Because buyers often have to follow a set procedure for commissioning research it is tempting to issue a standard set of rules with every brief. This is fine provided those rules are indeed germane to every single project and to be followed in all cases – but it is misleading (for example) to state automatically with every brief that a shortlist of bidders will be invited to present and discuss their proposals at an assessment meeting if this is sometimes not the case.

It is reasonable for buyers to satisfy themselves about the resources and bona fides of competitors if they have any doubts about these, but some suppliers find themselves routinely and repeatedly asked to supply the same information to the same customers. Organisations which buy a lot of research could build up databases of core information about regular suppliers. They would then only need to ask for such information where they want to update or expand their data, or where the supplier is new to them. If the competitors are all known and reputable any necessary checks could be reserved for the successful bidder, and carried out just before a contract is issued.

Good practice: the brief

- ① A clear brief is crucial to the success of a competition and the subsequent project.
- ② Above all make sure that contenders understand:
 - ▶ What the project is intended to achieve
 - ▶ The constraints and parameters within which it needs to operate
 - ▶ Whether there is to be a competition, and if so how it will work and what they have to do.
- ③ Focus briefs more on aims and objectives than on methods, unless there are specific methodological requirements.
- ④ Give some general yardstick of scale or budget where possible.
- ⑤ Provide a named contact – someone who understands the project and will be available during the competition.
- ⑥ Do not routinely ask for large amounts of background information about suppliers, and build up databases about suppliers you deal with regularly.

3.3 Number of competitors

In closed competitions it is good practice to keep the number of competitors to a reasonable minimum. The number invited should be proportionate to the value and complexity of the project. There should rarely be a case for approaching more than four or five for the largest projects, three or four for a fairly large project, and two (or at most three) for smaller projects.

Inviting larger numbers of submissions:

- is not cost-effective (see 3.4) because it:
 - inevitably wastes a lot of supplier time by ensuring there are a lot of unsuccessful competitors;
 - consumes a lot of resources at the research buyer's end in managing and evaluating the competition;
- may well deter good researchers who feel the chances of success in a large competition do not justify the cost and time involved; and
- tends to deter early dialogue, because of the time involved at the buyer's end (and the low probability of success at the supplier's).

The size of the possible field of contenders is also a consideration. A field where there are only two real possibilities only justifies two invitations, even for a large project. Buyers should never simply throw in names to make up numbers.

It is not good practice to invite a large number of organisations to compete simply on the ground that the buyer does not know the field well. It would be better to have a preliminary informal short-listing process (see below), or to take advice from more experienced colleagues.

Buyers sometimes use longer lists because they are not sure whether those invited will actually submit proposals until it is too late to invite further bids if some drop out. This seems unsatisfactory from both parties' points of view. It should normally be possible for researchers to say fairly quickly whether or not they will be competing, and they should be asked to declare their intentions early enough for the buyer to replace any drop-outs. Some may still have to withdraw at a later point, but this should be exceptional – although the notes on mutual commitment in 4.5 should also be considered.

Researchers are not always good about telling commissioners quickly that they aren't able to submit proposals. They need to be remember that this is important, otherwise buyers will be driven to invite more submissions to allow for drop-out. Sometimes their decision is indeed difficult – particularly if they already waiting to hear the outcome of previous bids. This should be easier if contenders are given advance notice of the invitation, and plenty of time to prepare their proposals (see 3.7). Dialogue before invitations are issued is likely to be useful in this context.

When invitations to enter a closed competition are issued it is good practice to tell potential competitors how many suppliers are being approached. Contenders need to be able to assess the business case for committing themselves to the time-consuming and expensive process of entering a competition, and their chances of success are inversely proportional to the number of contenders.

Where open competitions have to be carried out they may sometimes generate much larger numbers of competitors. In this case there must be some mechanism for choosing a short-list according to the above criteria before potential suppliers are asked to do extensive work on preparing costed proposals.

If buyers want to increase the number of researchers approached about a given project the best way of doing this is to invite expressions of interest as a basis for shortlisting (see 2.3.1).

Good practice: numbers of competitors

- ① Buyers should do their homework in advance, identifying organisations with the expertise required.
- ② Limit the number of competitors:
 - ▶ normally 2-5, depending partly on project size.
- ③ Let contenders know how many others have been invited to bid.
- ④ Ask those invited to state early on if they do not intend to compete.
- ⑤ Researchers should state their bidding intentions as early as possible.

3.4 Cost efficiency

The process of letting a contract in itself involves cost. The more players, and the more elaborate the process, the higher that cost will be. At 2002 prices it might cost a research supplier anything between £2,000 and £10,000 to submit a fully worked-out and costed proposal, depending on the nature of the project. If we take £5,000 as a typical cost the implication is that inviting four suppliers to compete would in gross terms absorb £20,000 of researcher resources; inviting 10 people would absorb £50,000 – of which nine-tenths would by definition be wasted.

In the long run research customers have to foot the bill for abortive as well as successful proposals, since suppliers must build a margin into their costs for preparing unsuccessful proposals.

This does not count the cost of running a competition at the buyer's end, which can also be considerable. The lengthier the process and the more competitors involved the higher these costs will be. Every additional competitor probably involves at least an extra day of buyer time – more if several colleagues are involved in interactions. These factors are not always costed – but they represent a real consumption of resources.

It cannot be right or efficient to adopt a competitive process in which the costs of running the competition exceed the value of the contract – as must often be the case where small, one-off contracts get caught up in cumbersome tendering mechanisms modelled on multi-million pound government projects from completely different purchasing fields. In such circumstances the form of competition clearly reduces cost-effectiveness rather than enhancing it. The aggregate costs of running a competition should be no more than (say) 5% of the contract value at the outside, including both supplier and buyer costs. Care should be taken to tailor the scale and form of a competition to the scale and nature of the contract. The logic of this is that full-blown competitive tendering mechanisms are not appropriate for projects costing less than, say, £30,000 at current rates. In those circumstances the list of competitors should be very short, the process should be simple and informal, and proposers should only be asked for a brief discussion of how the project would be carried out and what the costs would be.

If the cost of the proposed competition would be disproportionate to the value and complexity of the project, buyers should either consider a less onerous form of competition or dispense with direct competition for that project. If prevented from doing this by corporate procurement requirements they should raise the issue with their purchasing or management colleagues, and make a case for a more suitable buying strategy.

All this again argues strongly for keeping the list of competitors short, at least at the point where detailed formal proposals are produced.

Good practice: cost effective competition

K

- ① Be aware of the likely costs of competition:
 - ▶ to your suppliers
 - ▶ to yourselves.
- ② Choose a form of competition that relates the likely costs of letting the contract to the size of the overall budget.
- ③ Aim to keep the aggregate costs of a competition below about 5% of the contract value – including your own costs as well as those of invited suppliers:
 - ▶ Make sure that competitions for projects whose budget is less than about £30,000 are kept very simple and inexpensive.
- ④ Keep the list of competitors as short as possible to avoid wasting resources.
- ⑤ If you need to start with a longer list, avoid asking for expensive detailed submissions until you have narrowed it down to a shortlist.

3.5 Informing competitors

Where researchers are taking part in a competition (particularly a formal one with rigid procedures) it is important to let them know that this is the case – and to explain the rules clearly, so they know:

- what is expected of them; and
- how their submissions will be judged.

Competitors should be given fair and equal access to information about the project and its background, and encouraged to ask questions. The brief should clearly identify the contact point for information. This should be someone who has the knowledge and authority to handle questions that arise, whether substantive or procedural – and who will be available during the competition.

A common issue is whether information requested by one competitor should automatically be passed on to others. This can be a tricky decision. Some information clearly *does* need to be shared between competitors, certainly if it materially affects the brief – but automatic circulation of any information requested by any competitor simply discourages potentially valuable dialogue. The ability to analyse problems and ask penetrating questions is part of a researcher’s stock-in-trade, and their insights should not be handed to competitors. The normal presumption should be that information is only shared where it materially changes the issued brief.

As noted in 3.4, it is good practice to disclose the number of suppliers who have been invited to take part in a competition. In some cases it may also be helpful to divulge the names of contenders,⁹ so they have a chance:

- to assess the competition
- to form partnerships or consortia – particularly for projects that are very large, or that need a wider range of skills than a single supplier could normally offer.

As already suggested it is normally good practice to provide some kind of yardstick of scale or cost to minimise abortive effort in preparing unaffordable proposals. This is discussed more fully in 3.2.

After the competition it is good practice to notify both successful and unsuccessful contenders as soon as possible, since this is important to their workload planning. Any suppliers ruled out before a final decision is made should be told at once, rather than being kept dangling until everything is settled. At the very least, if protracted negotiations are required with the favoured bidder before a contract can be signed, other bidders should be informed that they are not the favourite.

⁹ Identifying competitors can be productive in some situations, but some government departments object to this for fear of collusion. If identities are to be disclosed it is good practice to declare this in the brief, and to allow competitors to say if they do not want their participation known.

It is good practice to give feedback to unsuccessful competitors, telling them frankly and clearly *why* they did not win the contract, because this helps them to develop and improve their service. But researchers should accept that competitive judgements are inherently relative – the fact that another submission was preferred does not necessarily mean that there was anything definably wrong with their proposal.

Good practice: informing competitors

L

- ① Make it clear whether suppliers are involved in direct competition.
- ② Clarify the rules, timescale and evaluation criteria for the competition.
- ③ Tell those invited how many other contenders there are.
- ④ Consider identifying the contenders, at least for large or complex projects.
- ⑤ Give every competitor the same basic brief, and notify them all if this changes.
- ⑥ Provide a named point of contact for further information.
- ⑦ Give competitors fair and equal access to information – but also enable them to develop their ideas with you on a confidential basis.
- ⑧ Try to give general yardsticks of scale or budgetary constraint.
- ⑨ Inform both successful and unsuccessful competitors as soon as possible.
- ⑩ Give feedback on the quality of submissions, and tell unsuccessful competitors of any particular reasons why they did not win.

3.6 Improving dialogue

It is important to find ways of encouraging dialogue between potential suppliers and buyers from the outset, because this will improve:

- mutual understanding
- the quality of research design
- supplier involvement and commitment
- the buyer's ability to assess the capabilities and approaches of possible suppliers.

We have suggested that highly formalised tendering tends to discourage fruitful dialogue ([see 2.4.1](#)). Buyers will often do better to:

- a recognise that they are buying highly variable packages of ideas, experience, skills and resources; and
- b set out to *benefit* from those variations rather than trying to minimise them.

Unless the project is unusually cut-and-dried the chosen form of competition should allow for direct dialogue as early in the process as possible, and certainly before making binding decisions about methods or suppliers. Face-to-face dialogue is usually much more satisfactory, although inevitably more time-consuming.

Short-listed contenders should be actively invited to talk to those responsible for commissioning before proposals are designed and written. The shortlist should be small enough to make this practicable without taking an unreasonable amount of time on either side ([see 3.3](#)). Discussions of this kind have several important advantages:

- They are likely to improve potential suppliers' grasp of the research need, even if the written brief was clear and thorough
- They also reciprocally improve the buyer's understanding of what the various possible suppliers have to offer
- They foster a valuable climate of dialogue and co-operation, which should enrich the whole project.

It is tempting to try to kill several birds with one stone by inviting all the contenders to a joint briefing meeting. This is not likely to be satisfactory, since the competitive relationship between suppliers is likely to inhibit frank discussion. It is normally better to have separate talks with each competitor.

Dialogue is just as important for small projects as for large, but here it is particularly important to contain the costs of the competition. In that case dialogue should as far as possible replace extensive paperwork (subject to the need to have key elements properly documented), and some of it might more economically be carried on via phone and email.

Really fruitful dialogue is only likely if the relevant people are present on both sides of the table. Buyers should expect to meet the people who would actually be working on the research from the supplier’s side; and on their own side they should consider whether the involvement of policymakers or other end-users of the research findings would help clarify the problem and its background.

Good practice: improving dialogue

M

- ① Choose forms of competition which promote early dialogue between buyer and researcher.
- ② Encourage discussion from the outset, and invite contenders to discuss the project before they prepare proposals.
- ③ Involve researchers in problem analysis and design where possible.
- ④ Involve the end-users of the research where possible.
- ⑤ Meet the key people who will actually be working on the project.

3.7 Timing factors

The tempo of much public sector work has increased in recent years, resulting in more pressure on timescales. Insofar as this results from policymakers wanting to take prompt action on the findings it may be welcome, but it can put the research programme under stress. Researchers (managers as well as practitioners) have a duty to speak out if they think the allotted timetable will compromise quality. Buyers should do their best to ensure that end users of research realise how long it takes to do a proper job.

a Time for proposals and competitions: Formal competition takes time to carry out. If there is a tight timetable care must be taken that the time spent letting the contract is not disproportionate to the time available for carrying it out. The period allowed for preparing proposals should also be adequate and proportionate to the time allowed for buyer decision-making. It can again be frustrating to have to prepare proposals very hurriedly, and then have to wait a long time for a decision – particularly if a lengthy competition leaves even less time to do a proper job.¹⁰

If researchers are given little time to prepare proposals they cannot think them through properly. This may damage the quality of their recommendations – and may even result in invitations being turned down. Thinking time is one of the most important aspects of any research project. You should normally allow reasonable time for proposals to be developed and discussed – at least 2-3 weeks for the smallest, simplest and most straightforward project, and 5-6 weeks for large or complex ones. Eight weeks may be necessary where major projects involve negotiating partnerships and alliances to bring together different skills and experience from a number of organisations.

Giving advance notice of a request for proposals helps – an invitation arriving cold may catch researchers unable to respond at a busy moment. Suppliers may sometimes be able to move faster if they have advance notice that a brief is coming, since this gives them a chance to arrange their commitments.

Sometimes you may need to get things moving very quickly for unavoidable practical reasons, because urgent or unforeseen needs arise. In that case you need a rapid form of competition – or even to suspend direct competition if speed is

¹⁰ It helps if the reasons for delay are clearly explained.

paramount. Ring your researchers to explain the situation and see what they can deliver. Work through direct dialogue rather than arms-length written negotiations (but take care to document the decisions). Contractual arrangements like framework, call-off or strand contracts can facilitate rapid action (see 2.6).

Researchers need to be given a reasonably firm date when competitions will be decided and contracts awarded, because they need to plan their own workloads and revenues. Sometimes buyers insist on an early deadline for proposals, but then fail to make a decision themselves by the stated date. Workload planning is then difficult for researchers, since they still have no idea whether they will win the competition, or when they will be able to start work if they do.

Before starting a competition buyers should be clear that they can meet their side of the timescales set out in the brief – both in relation to the competitive process and to the conduct of the subsequent research commission. This means they should have preliminary dialogues with colleagues or other key players and ensure real commitment to the project and the timetable before issuing the brief.

Good researchers are in demand. The best people for a particular project may well not be available at short notice. Some degree of mutual advance planning is advisable – and unless the timescale is generous this does not sit easily with the notion of submitting everything to last-minute tendering.¹¹

- b Time for projects:** Allowing time at the commissioning stage is important, but realistic timescales for actually carrying out the work are also necessary. Too much pressure on time (as on cost) is likely to damage quality – less thinking and creativity, more shortcuts. Rushed work may often be poor value, and promising more than can be delivered to the end customer only gets research a bad name.

Research timetables can be affected by unforeseen circumstances, particularly where projects depend on the voluntary cooperation of gate-keepers in other organisations who may have limited or no interest in the study. One of the arts of developing a good brief is to assess and allow for risks of this kind – and where possible to neutralise them by securing the co-operation and interest of gate-keepers and other key players (whether inside or outside the commissioner's own organisation). Buyers should base their timetables on experience rather than hope. A good rule of thumb is to double the time that you think a project should reasonably take.

A brief should indicate how far timetables are tightly constrained by external needs, or how far there may be flexibility. However researchers should not interpret 'flexibility' as a licence to procrastinate.

It is good practice to ask for a detailed timetable showing how the programme of work will be sequenced. This is valuable in highlighting pinch points in the timetable that can put delivery of the project at risk.

¹¹ Bid deadlines in formal tender invitations are often specified to the hour, to protect the confidentiality of bids. This may be justified for larger contracts, but it makes even arbitrary deadlines seem immutable, which could deter good contenders.

Good practice: timing**N**

- ① Anticipate future research needs as far as practicable.
- ② Give researchers as much advance notice as possible.
- ③ Be realistic in setting competition timetables – about what can be expected both from suppliers and from your own organisation's response to them.
- ④ Allow reasonable time for proposals to be developed and discussed:
 - ▶ at least 3 weeks even for fairly small and straightforward projects
 - ▶ 5-6 weeks for large or complex ones.
- ⑤ Don't spend so much time on the competition that the actual work gets rushed.
- ⑥ Specify contractual timetables in advance – and stick to them.
- ⑦ Be prepared to simplify or short-circuit competitive procedures in urgent projects where rapid completion is of the essence.
- ⑧ Assess risks and be realistic about the amount of time necessary to carry out the work properly, and be prepared to justify this to your final customer.
- ⑩ Indicate how far timescales are rigidly constrained.
- ⑪ Make sure you can meet your side of the contractual timescale.

3.8 Cost quotations

There needs to be clear mutual understanding about various aspects of price estimates submitted by researchers:

- how far ahead a price holds good if work is only commissioned after a delay.
- how price will vary over the life of long-running or repeated projects.¹²
- how far component parts of a proposal can be separately commissioned without affecting price – if only part of the proposed work is authorised the project's fixed costs have to be recovered from a narrower base.

The most common practice is to work with *fixed-price contracts*. This is likely to suit most cases, although other arrangements might sometimes be appropriate. However, many aspects of the research process are difficult to cost precisely in advance, and there is always an element of approximation. Clear mutual understanding of the circumstances in which the quoted cost may vary is therefore important. The following factors may be relevant:

- a It would normally be accepted that prices should rise if the customer changes the specification or makes unforeseen stipulations which increase cost – although these effects should be pointed out by the supplier and agreed by the buyer before the variations are implemented, rather than left to later negotiation. The same would be true in reverse if specification changes reduce costs.
- b It is often less clear how far charges may be increased if the work simply becomes more difficult than could reasonably have been foreseen; or who bears the risk of unforeseeable contingencies (like booked fieldwork being wiped out by freak weather). Both parties should do their best to assess risks and identify possible contingencies. Researchers should clarify points like these as far as possible in their proposals and terms of business, and both parties should ensure that they have a common understanding of these matters.
- c It would not be reasonable for suppliers to increase charges simply because they had underestimated the cost, where neither of the above circumstances apply. It is certainly not acceptable for suppliers to try to win a competition by putting in a very low bid (or unrealistic timetable) which they then intend to increase once the project is commissioned.

¹² Bearing in mind that researchers' costs (like those of most professions) have tended to increase faster than RPI.

- d Because research costing is inevitably approximate the actual costs on a particular project may be higher or lower than anticipated even given competent costing and no shifting of goalposts. Over a series of projects these fluctuations will tend to even themselves out. If a fixed price has been fairly agreed the buyer should not expect price reductions because of cost under-runs any more than the supplier should expect to increase prices because of over-runs – except as in (a) and (b) above. This is particularly true if applied to parts of the project, where buyers have asked for proposed costs to be broken down between different elements of the research. Such breakdowns can be useful to a buyer, because they show how different competitors plan to allocate their resources, but again research costing is not an exact science, and under-runs on some elements balance over-runs on others. It is not normally reasonable for buyers to hold suppliers to account for expenditure in each individual breakdown category at the billing stage. It is perfectly possible to work instead on a variable price or cost-plus basis if this suits both parties, but if so it should be clearly agreed in advance – and should operate fairly and equally in both directions.

Research customers sometimes ask suppliers to cost several alternatives. This is reasonable, and can be useful – but the number of options should be limited because estimating is a time-consuming (and therefore expensive) process. This also applies to breakdowns of the quoted price. If a buyer wants costs broken down for a multi-option project it should be enough to ask for only one option to be broken down. If a different option is finally chosen it would then be reasonable to ask for that option's costs also to be broken down at the commissioning stage, but buyers should not expect a detailed breakdown for every single option.

It is reasonable for buyers to ask for the charging rates of different grades of staff and the amounts of time expected to be spent by different grades.

Buyers should make clear whether any budgets include VAT. Different suppliers may have different obligations about charging VAT. It is therefore more equitable to compare VAT exclusive prices – but where buyers cannot reclaim VAT the inclusive figure represents the real resource cost. Buyers should clarify their policy about the treatment of VAT. It should also be established who bears the risk of a change in VAT rates during the project. Suppliers need to make clear whether their costs are liable for VAT, whether it is included in quotations and invoices, and the amounts of any VAT involved.

Any change in either direction to the agreed costs during the life of the project must be explicitly agreed and clearly documented – in advance as far as practicable.

Good practice: quotations

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- ① Clarify:
 - ▶ the basis of prices
 - ▶ the grounds on which charges may rise above or be held below estimates
 - ▶ who carries the risk of unforeseeable difficulties (or benefits from unforeseen savings)
 - ▶ the VAT situation.
- ② Do not expect suppliers to cost a large number of complex options and breakdowns.
- ③ Researchers should ask approval for overruns before incurring extra expenses.

3.9 Price negotiation

It is of course possible to negotiate about prices even if there is no direct competition, or if competition is purely informal. Price negotiation can be effective even if only one supplier is involved (perhaps in some ways *more* effective).

However if a project is awarded after formal competition, then it is unreasonable to negotiate subsequently with the aim simply of reducing the price. It is legitimate to hold negotiations after a contract has been awarded in order to modify the programme of work (and hence potentially the price) to deliver a project that best meets the requirements and is affordable. It is not legitimate simply to pressurise the supplier to do the same amount of work for a lower price unless:

- *either* it has been made clear from the outset that this will happen
- *or* the prices quoted clearly seem unreasonable.

Conversely it is unacceptable for researchers to try to renegotiate the price of an awarded contract except where there are reasonable grounds for doing so as discussed in 3.8.

Good practice: price negotiation

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- ① It is reasonable to negotiate over costs where there has been no formal competition.
- ② It is also legitimate to negotiate about optimising the programme of work after the award of a contract, which may have cost implications.
- ③ But it is not normally acceptable simply to try to negotiate cost reductions after a formal competition unless:
 - ▶ this has been made clear from the outset;
 - ▶ all bids are clearly unsatisfactory; and/or
 - ▶ all competitors are allowed to resubmit.
- ④ Nor is it reasonable for suppliers to try to renegotiate prices unless there are valid grounds for doing so.

3.10 The contract

At some point the buyer and supplier reach agreement and the research is commissioned. Both parties need to be clear when this point has been reached (see 4.5). Both parties are then fully committed, and work may proceed.

Some form of written agreement is then needed. This should be first and foremost an enabling document which facilitates the timely completion of high quality, useful and cost-effective research projects. Clarity and relevance are more important than legal form.

Government departments typically (but not invariably) have a formal legal contract. Formal contracts are not normally necessary unless required by the buyer's organisation. Many research projects proceed quite happily with a simple exchange of proposals and letters.¹³ A legally-binding contract exists (for example) if both parties merely agree a letter written by the supplier saying what they propose to do, what the project will deliver, how long it will take and how much it will cost.

It is of course good practice to spell out what has been agreed very clearly on paper. Specifications and mutual expectations should be clearly set out, and any departures from these which may subsequently be agreed should be recorded. However, working detail is best kept out of any formal legal contracts, since otherwise even minor

¹³ Formal contracts are unusual in private sector research. Decisions tend to be made rapidly, and work often begins as soon as oral agreement is reached. The absence of extended formal competitions tends to increase flexibility for both parties, and rigid contractual processes would inhibit this.

procedural changes can entail cumbersome contract variations. If both parties are agreed that a change of specification is the best way forward while a project is under way then contractual formalities should not impede this.

A form of contract should not just be taken off the shelf. Some standard contracts are bloated with chunks of general legalese that have little relevance to what is actually being bought, and simply get in the way of proper consideration of what is operationally important for that particular project.

Disputes are more likely to arise about the research itself and way it is carried out than about general contractual relationships. This means that:

- Contractual documents should focus particularly on aligning mutual understanding and expectations about what actually has to be done and what the project needs to achieve.
- Good project management is important:
 - to minimise the risk that the work will fail to meet the buyer's expectations
 - to give early warning if this does happen.

Buyers and suppliers therefore need to think hard, not just about what the research aims to achieve, but also about the relationship between them that will assure its quality. The important criteria are that:

- Both parties should be clear about what has been agreed, and what is now expected on both sides
- The agreement should clarify what would happen in various contingencies if problems arise, and should be clear enough to be judicable in the (hopefully unlikely) event of a major dispute or breakdown of relationships
- There should be scope for making any sensible adjustments to the specification which may become advisable as the project progresses by mutual agreement, without having to make formal legal contract variations.

Everyone concerned needs to be clear what has been agreed and what is to be done, but a degree of flexibility is always valuable in research projects. Problems or opportunities which were not apparent at the time the initial specification was drawn up often appear as work progresses. Sometimes early experiences or findings suggest it would be useful to take a different path. It is important to be able to adapt constructively – rigidity is the enemy of good and cost-effective research, and it would be bad practice to press on with a specification which no longer seems appropriate simply because it is laid down in the contract. The written agreement should build in a degree of flexibility, although the buyer will normally want to reserve the right to approve changes to specification in advance.

Where such modifications do not affect time or cost and are accepted as being in the best interests of successful project completion there should be no problem in accommodating them, although they need to be spelt out and agreed. Where they do have time and costs implications this is clearly likely to be more problematic. Because flexibility to meet unfolding circumstances can be important in research projects it is useful to have contingency resources which can be called on if an important need for extra expenditure emerges during the study – but suppliers need to realise that there are budgetary constraints, and should not in any case use any flexibility as an excuse for trying to lever up charges or extend timescales.

Any terms or conditions on either side need to be expressed, but as far as possible these should be relevant to the work in hand rather than compendious standard documents compiled for other purposes.

Where the project is carried out by partnerships or consortia the agreement needs to make clear the roles, responsibilities and liabilities of the various parties involved.

At all events the contractual tail should not be allowed to wag the operational dog. Any contractual material should be relevant and user-friendly. A three-page brief accompanied by 20 pages of standard contractual detail does not strike the right note – particularly if parts seem irrelevant, obscure or even threatening in tone.

- ① There should be a clear written agreement which spells out what is to be done, the agreed time and cost framework, and relationships and mutual responsibilities between buyer and supplier.
- ② This should be clear and detailed enough to act both as:
 - ▶ an operational route-map to guide and control the conduct of the project
 - ▶ a judicable basis for sorting out any disputes or problems which may arise.
- ③ Such a clearly-defined written agreement constitutes a contract. Over-formal or bulky standard legal documents can be unhelpful, and should be avoided unless required by organisational policies at the buyer's end.
- ④ Agreements should be flexible enough to allow for sensible and mutually agreed modifications to specification without cumbersome legal renegotiations.

4 Other issues

4.1 Accountability

Public sector research customers are quite properly concerned with accountability.

Statutory bodies are accountable for spending public money, and they must be able to show they are using it wisely and efficiently. Their procedures must protect them from suspicion and prevent corruption or abuse. Decisions on suppliers must be (and be seen to be) fair. It may be necessary to demonstrate to colleagues or to the administrative system in the buyer's organisation (perhaps even to the public) that money has been fairly and wisely spent.

Formal tendering has commonly been the orthodox response to these needs, but as we have already argued:

- a spurious competitions where there is a compelling (but unacknowledged) reason for choosing one particular supplier are *not* fair (see 2.4.1).
- b less formal methods of competition than tendering can be both effective and fair – but need to be carefully operated and documented by the commissioner in order to ensure good value and satisfy accountability (see 2.4.2).

Choosing a research supplier is inevitably a complex affair, in which intangible factors have to be weighed and balanced. Cost comparisons may be fairly obvious, but much more subjective judgements have to be made about factors like:

- technical and craft skills (questionnaire and sample design, interviewing, analysis, reporting)
- analytical power and insights
- creativity and originality
- experience (general and within the field)
- quality, and quality control
- integrity and honesty
- reliability
- ability to deliver to time and budget
- credibility and reputation
- ability to communicate
- substantive knowledge and experience within the topic area.

Buyers who make a practice of accepting the lowest bid come what may will overlook these factors – and this policy is not likely to deliver long-run quality or value for money. Cost effectiveness, not cost, is the right criterion.

Decisions based on such factors (although extremely important) may sometimes seem difficult to justify to someone who is not familiar with the parties involved, and who may be influenced primarily by cost considerations. But making professional judgements is a key part of the research manager's role and expertise. If decisions are honestly and sensibly arrived at they should be defensible, even where they are not reached through direct competition. There should be no inhibition about defending a justifiable decision to award a particular contract to a particular supplier without competition on grounds such as that they have been used before, have produced excellent work, are acknowledged experts in the field, and so on.

One way of supporting and informing the professional decisions of research managers is to submit proposals to referees or to peer review.¹⁴ This can be particularly useful where:

- choice of supplier seems unusually important and/or unusually difficult
- it is particularly important to be able to demonstrate the fairness of the process or justify the decision (for example where only one supplier is approached)
- research expertise within the buying organisation is limited.

Going to referees consumes time and resources for the buyer, and is therefore mainly suitable for major projects.

¹⁴ Referees can also have a useful role in quality control once projects are commissioned, and subsequently in post-project evaluation (which should provide guidance for future contracts).

Referees can be used with formal or informal types of competition. Even where there is no direct competition references can be taken, and samples of previous work requested, where the supplier's work is not already familiar.

It is good practice to evaluate completed projects, and to feed relevant conclusions back to suppliers.

Good practice: accountability

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- ① Be prepared to justify awards based on limited or informal competition.
- ② Use referees, peer reviews and/or references where second opinions are needed.

4.2 Value for money

Much emphasis is rightly placed on getting value for money. However, the phrase is sometimes simply used to mean exerting downward pressure on prices.¹⁵

This can be counter-productive, since cost is only one component in the value for money equation. The quality, performance and ultimately the usefulness of research is the other component – at least as important, but harder to assess, and often harder to demonstrate publicly. Cheaper research may be *less* cost-effective:

- if quality of data or usefulness of outcome are sacrificed to price – in that case it would be better to do a smaller volume of good research than to compromise quality.
- if low-cost operation is less competently managed or executed the buyer may have to spend more time intervening in the process.

More attention needs to be paid to ensuring cost-effectiveness by *optimising* the balance between low prices on the one hand, and the value, productivity and reliability of the information on the other. *Increasing the value of the output* is as important to cost-effectiveness as *keeping the cost down*. Research suppliers (and methods of competition between them) should be chosen with *both* sets of factors in mind.

Research quality is particularly threatened if corporate cost-control systems apply crude quantitative criteria to research buying. Decisions may then be made to satisfy unit cost standards, rather than to ensure true cost-effectiveness. Research is not a commodity which can be bought effectively by the yard (see section 1). In these circumstances it is particularly incumbent on research managers to defend and give voice to the need for basic quality – which, because it is not easily measured, may otherwise lose out to inappropriate cost control pressures.

Value for money also involves making full use of researchers' knowledge and experience during the competitive process. Suppliers may sometimes be able to come up with better and more cost-effective ways of approaching the problem than those envisaged by the buyer's brief. The form of competition should encourage rather than inhibit fresh thinking of this kind.

Good practice: value for money

S

- ① Look for ways of increasing the productivity, performance and value of research rather than just cutting cost.
- ② Be prepared to defend research quality.
- ③ Do not maintain research volume at the expense of quality.
- ④ Do not accept the cheapest bid unless it offers best value.

¹⁵ Government purchasing guidelines state that contracts should not be awarded solely on a lowest-price basis, but there may nevertheless in practice be pressures in that direction.

4.3 Continuity and change

How far is it desirable to develop long-term relationships with particular research suppliers? This is a difficult issue, which customers must decide in relation to their own situation and needs, trying to balance the factors listed below.

- a Advantages of long-term relationships:** There are various advantages in long-term relationships – for example:
- i Good working relationships between supplier and customer take time to develop – and once developed can be extremely productive
 - ii Accumulated expertise in the topic or field is valuable
 - iii Continuity can build up valuable momentum
 - iv Comparability over time may be served by continuity of supplier
 - v Using familiar suppliers cuts the risk involved in going to an untried source
 - vi Familiarity with the field and with each other may keep costs down because it takes less time to get up to speed.
- b Rewarding good work:** It seems both equitable and efficient to reward suppliers who do good work with further projects. It is clearly in the customer's interest to go back to someone who has performed well, and this is in turn likely to motivate good performance by suppliers. This seems common-sense, and is an important part of the way in which true market-place competition works. Any method of competition which inhibits it is neither fair nor cost effective.

However this notion seems to worry some buyers who:

- feel that fair competition means that all competitors must be judged purely on their proposals and not on previous performance; and
- are anxious to avoid being seen to favour a particular supplier.

Such views can in effect penalise those who do good work.

- c Disadvantages of continuity:** There can also be disadvantages in too much long-term continuity:
- i Familiarity may turn to staleness – researchers may lose their edge if they – feel they know the answers already; or – become complacent about being reappointed to future contracts.
 - ii New influences and ideas may be locked out
 - iii Customers who are publicly accountable for their choice of supplier may feel embarrassed at awarding a long stream of contracts to the same few researchers
 - iv Researchers who depend on one funder may be more vulnerable to pressure.
- d Access to research projects:** Another important problem with long term relationships is that they can limit new suppliers' access to contracts. If access is restricted to those already on the inside track then:
- new researchers have little chance to break in;
 - there will be little new blood (and a consequent risk of staleness); and
 - even established researchers may find it hard to move into new fields.

Whatever method of competition is chosen, thought should be given to ways of opening the door to new talent. Simply lengthening the list of competitors is *not* a good way of doing this (see 3.3). Open competition (which allows anyone who is interested to take part) also has drawbacks, although again open invitations to express interest in forthcoming projects can be valuable (see 2.3.1).

There are many ways of opening doors to new talent. A few examples are listed below:

- a** Some research customers publish their general research interests in advance, explaining not only what projects they propose to fund, but more broadly what information needs and interests they have. This is good practice, and can lead to mutually beneficial meshing of interests.

- b Some buyers go further, and invite a range of possible suppliers to submit their own suggestions about future work – either as specific projects or broad themes. This also can be valuable – not only because it may generate useful ideas, but also because it widens the range of engagement with potential suppliers.
- c Customers could make a practice of inviting someone new to compete alongside more familiar names – as long as this does not become merely a token gesture, or pointlessly swell the number of competitors. Small projects may offer an opportunity to try out new suppliers.
- d Generally keeping eyes and ears open for new suppliers is important – for example by consulting colleagues from other fields; attending conferences and reading papers; consulting directories; visiting possible new suppliers or inviting them in for discussions (either in general or about a particular project); and so on.
- e Short of holding a full open competition buyers can invite researchers to submit brief expressions of interest and statements of credentials, on the basis of which they can draw up a shortlist of people who will be invited to enter a full competition. It is reasonable to approach a longer list of people in that context, since they are not involved in so much work. The requirement must be kept simple, but the responses need to furnish enough information about the suppliers and their approaches to facilitate meaningful shortlisting, otherwise the exercise becomes pointless.

However, researchers who want to break into a new field should make themselves known to buyers, and make sure that their capabilities and credentials for the work become known. It is unrealistic for researchers without a track record to expect buyers to seek them out if they do nothing to market their abilities. Buyers are also under time pressure, and may have limited scope for hunting out well-hidden talent.

Good practice: continuity and change

T

- ① Reward good work by taking past performance into account when:
 - ▶ deciding whether to stage a competition
 - ▶ drawing up short-lists
 - ▶ assessing proposals.
- ② Develop fruitful long-term relationships; but also be alive to:
 - ▶ the risks of staleness
 - ▶ the need to allow access to newcomers.
- ③ Promote access for new suppliers by:
 - ▶ publishing future projects and programmes widely and inviting expressions of interest
 - ▶ looking for ways of involving new talent.

4.4 Intellectual property

Intellectual property problems can arise when various suppliers put time into formulating attractive solutions to research problems but then don't get the contract. Who owns those ideas? Are buyers entitled to use ideas from unsuccessful suppliers?

Clear mutual understanding about these matters is important. Researchers often fear that a customer who approaches a number of potential suppliers may in effect (whether intentionally or unintentionally) be picking their brains free of charge, and that the ideas they submit may be taken up by the buyer even if they do not get the work.

If the brief calls for original thought by the researcher the short-list should be kept very short, and customers should respect the sources of ideas.

However, this problem can arise even where the brief does not seem to ask for original thought. Unless projects are unusually cut-and-dried researchers often are (and should be) asked to make methodological suggestions. One contender might make a major contribution to thinking about project methods. This should count heavily in their

favour in the final decision about the contract – but will not always be decisive. For example one competitor may seem to have better ideas but less competence to carry them out – which faces the buyer with a difficult choice between:

- a giving the contract to the researcher who came up with the idea, although not otherwise apparently suitable;
- b passing the idea on to a more favoured competitor and keeping quiet about it;
- c negotiating a payment to the unsuccessful researcher for the idea;
- d asking two suppliers to work in partnership, or constructing some sort of consultancy arrangement;
- e ignoring a good idea altogether on the grounds that it would be unethical to ‘steal’ it from an unsuccessful competitor.

There is no simple answer – but buyers should be sensitive to the problem, and fair in their dealings. They should be aware that researchers are in the business of selling ideas and experience at least as much as facilities for actually carrying out research. While it is reasonable to expect suppliers to display ‘samples’ of their ideas before purchase, it is not reasonable to make free use of these without acknowledgement or compensation.

On the other hand researchers themselves must be clear and consistent. If they want to be judged on the quality of their thinking they must be prepared to display it – and face up to any ‘intellectual property’ problems involved. They should expect to cast a certain amount of intellectual bread on the waters. But this does not mean that buyers may expect suppliers to do substantive work in advance of a commission. If they want this they should be prepared to pay some kind of development fee. Thus fully detailed questionnaires, sample designs or topic guides should not be expected at the stage of writing speculative proposals. Suppliers should simply be asked to provide outlines or broad approaches at that point.

Research buyers may of course want to tap the ideas and experience of a number of researchers, if they have an important and difficult project where the development of suitable methods and approaches is critical. In such cases they should either pay for proposals to be developed, or buy consultancy time from the researchers, without prejudice to any subsequent contract which may be awarded. It could then be understood from the outset that the customer would ‘own’ the ideas and have a subsequent right to use them.

It is *not* fair or reasonable to develop a methodology in dialogue with one researcher, and *then* decide to put it out to competition, unless:

- i the situation is made clear from the outset; and
- ii the costs of the first researcher’s development time are met.

The same applies if a researcher puts time into working up a grant application to a commissioning organisation which then decides to put the study out to tender without compensating the proposer for their ideas or their time.

Once a project is completed it can sometimes be unclear who owns the methods, ideas and data – or even what it means to say that someone ‘owns’ them. For example, how far does the buyer have the right to use methods or instruments developed during the study in future projects carried out by other suppliers? And does this extend to (say) detailed programming for computer-aided interviews?

Even if it is agreed that the buyer ‘owns’ the data this does not confer unfettered rights either to have it or to use it:

- Data may not be transferred to buyers in any form that breaches confidentiality, or in violation either of legal requirements (for example in relation to Data Protection), or of professional or ethical codes.
- Researchers also have the right to be consulted if results are to be published in forms other than their own report, in order to satisfy themselves that the presentation is not unfairly selective or otherwise misleading.

Issues like these are important to clarify in advance, and ownership should be covered in the agreement.

Good practice: intellectual property**U**

- ① Discuss issues affecting the ownership of ideas with suppliers.
- ② Compensate unsuccessful competitors if you use their ideas.
- ③ Commission small consultancy projects (or offer to pay for proposals) if you want several suppliers to do development thinking in parallel.
- ④ Do not go out to competition *after* getting one supplier to do extensive development work – unless they have explicitly paid for that as a separately commissioned project.
- ⑤ Clarify and agree ownership of ideas, data and methods in advance as far as possible – and also the implications of ‘ownership’.

4.5 Mutual commitment

In any contract negotiation there comes a point where the parties are committed to each other. The exact point is not always explicit or precisely definable, and the two parties may sometimes have different expectations. It is important to avoid misunderstandings.

For example, there is often a point in advance of a firm written contract when it is assumed that a commitment has in effect been made, and work is scheduled or begun. Such assumptions should be explicit and shared by both parties.

If legal processes are protracted, real world activity may need to begin well before exchange of contracts, on the basis of an informal statement of intent from responsible officials. Yet some contract terms contain explicit warnings that no liability is accepted for work done before formal exchange. Researchers may then find themselves asked to do things on the informal level that they are warned not to do on the formal level. This is unreasonable because they must then either:

- go ahead, and put themselves in a legally untenable position; or
- refuse to move in advance of a firm contract, which delays the work and may offend their client.

At some point costs of various kinds begin to be incurred. Researchers accumulate time costs once they start work, and may have to commit themselves to external costs once interviewers, sub-contractors or other suppliers are firmly booked. Once this point is reached cancellation charges may be involved if the contract does not subsequently proceed. Again both parties need to be clear about this.

An expression of commitment in principle can enable work to begin in advance of a formal contract, although again it is important to establish how far responsibility for costs is accepted in the event of a breakdown. A buyer may be happy to authorise limited expenditure in order to get things moving, but still reserve the right to decide not to proceed with the whole project until a firm contract is agreed. Once more both parties need to be clear just what is and is not authorised at different points in time, and on what basis.

If competitions for research contracts typically involve three or four suppliers, then clearly researchers typically need to enter three or four competitions for every one they expect to win. Because they cannot afford to fall idle they may therefore make simultaneous submissions for more contracts than they could handle if they won them all. Suppliers offer to do work to a specified timescale in their submission, but the length of the competitive process may mean that by the time a decision is made they may have received other commissions which affect availability. The more people involved in competitions, and the longer the competitive process, the more of a problem this is likely to be.

There are also opportunity costs if suppliers who are waiting to hear whether a piece of work is firmly commissioned are invited to take another project in the interim –

taking on the new work may compromise their ability to carry out the original study, but turning it down leaves them out of pocket if the original prospect does not eventually materialise.

Buyers should not expect researchers to commit themselves finally to being able to do the work to a particular timescale until they are ready to commit themselves to asking the researcher to go ahead.

Buyers increasingly ask suppliers to specify in their submissions which staff will work on a project. This is understandable (and indeed desirable in itself), because what they are buying is largely the people and their skills and experience, and they need to ensure that the team is not weakened by inappropriate delegation or substitution (see 3.6). If researchers field senior people to win a contract they must make it clear in advance how far these will actually be working on the project.

Conversely buyers have to realise that research organisations have to juggle their professional resources – offering to make specific allocations of personnel in various bids before they know what their ultimate workload will be. It is also hard to guarantee that named individuals will remain with the organisation throughout the life of a contract – in which case there should be a commitment to replace with someone of equivalent competence and standing. The issue of what happens if uniquely qualified staff leave is ultimately insuperable, but:

- suppliers should make it clear at the outset if there is any serious doubt about the continued availability of staff; and
- efforts should be made to secure continuity if key people do leave during the run of a contract.

The best researchers tend to be in demand, and buyers who want good people working on their projects should give as much notice as possible, and commit themselves at an early stage.

Cases have been reported where a competition has been run and a supplier chosen for research which had no approved budget, and for which funding could not subsequently be found. It should always be made clear from the outset if a project is purely speculative in this sense. Researchers also then have a duty to tell any sub-contractors they ask to quote for the proposed study. Suppliers may sometimes be willing to put in speculative bids, but they should know in advance that this is what they are doing.

There should be shared expectations about what would happen if commissioned projects are cancelled. There are two main situations:

- a where cancellation does not arise from any incompetence on the supplier's part it would normally be reasonable to expect the buyer not only to meet all costs expended or committed up to that point, but also to pay some compensation for loss of business (depending on the situation and its likely effects on the supplier).
- b where cancellation arises from the supplier's inability to complete the work satisfactorily the issue of compensation is not likely to arise, and liability for outstanding costs would need to be negotiated according to circumstances.¹⁶

¹⁶ It is clearly in the interests of both parties that unsatisfactory performance is discussed and (where possible) rectified as early as possible, and that costs which buyers are not happy to meet should not be left to go on mounting.

Good practice: mutual commitment**V**

- ① Make it clear to researchers how far you are committed to them at different stages.
- ② Give early authorisation to incur limited costs if it is important to get things moving.
- ③ Recognise that *both* parties can keep their options open until they are *both* ready to make a mutual commitment – researchers should not have to commit themselves to being available until you are ready to commit yourself to offering them the contract.
- ④ Avoid unnecessary formalities in contracts where possible.
- ⑤ Minimise timing conflicts between formal contracts and real world needs.
- ⑥ Make it clear from the outset if funding is not already secured.
- ⑦ Researchers should:
 - ▶ be prepared to specify who will work on the project
 - ▶ make substitutions only:
 - with the buyer's agreement; and
 - by staff of equivalent quality and suitability
 - ▶ make clear in advance any likely limits to the availability of key staff
 - ▶ do their best to secure continuity if key staff do leave.

4.6 Reporting and publication

However well a study is carried out its value will be limited unless its findings enter the policy bloodstream. This requires an effective process of 'knowledge transfer' – not only between researchers within the buying and supplying organisations, but also involving users and potential users of the findings. Reporting and dissemination should be considered from the outset – partly because they have cost and timing implications, but also so that the whole process is structured to ensure that the information is properly understood, used and made available.

An oral debrief can be valuable:

- It helps to get the research findings across to buyers – especially to policy colleagues or other users who have to take action on findings but may not have specialist research experience.
- It provides a forum not only for presenting findings, but also for discussing them and exploring their implications.
- It can sometimes be a way of getting early feedback on key findings while written reports are still in preparation.

However, time and cost resources need to be budgeted if there is to be a debrief. Buyers should normally expect to pay if they ask for extra unprogrammed debriefs.

Full written reports usually take longer and are expensive to prepare, but they have a vital role if the information is to be thoroughly mined, disseminated and available for future use – and also in the context of accountability.

The extent to which written reports are expected to be submitted in draft and then modified in detail can affect costing assumptions, since extensive redrafting can be an expensive process.¹⁷ If drafts are required this will also have implications for timescale. Clearly no-one can foresee the need for redrafting due to supplier incompetence, and researchers should bear any costs which might arise for this reason – but there should be a clear understanding from the beginning about:

- general expectations and procedures for report approval;
- any particular requirements about format and style of presentation.

¹⁷ Costs can also rise if it takes a long time to approve drafts, because researchers lose momentum.

Extensive redrafting requirements also raise the question of authorship. The report will normally go out under the researcher's name, and its content should remain the researcher's responsibility. It is reasonable for the buyer to make sure that the report is clear, sound, unambiguous and to the purpose, but changes in substance should not be requested except on valid research grounds. Researchers should of course resist any pressure to revise valid findings or conclusions to make them more congenial to the buyer – but they also should be aware of the policy context, and present their material with reasonable tact and sensitivity.

As suggested in 4.5, it is also reasonable for researchers to expect to be consulted where buyers publish selected or paraphrased results from the project, to ensure that the material is fairly presented.

Whether or not the report is to be published or disseminated (and if so when, by whom and on what terms) is not in itself a matter for this particular guide. It should however be clarified in principle at the commissioning stage – because it may have cost or regulatory¹⁸ implications, and is important to many researchers. Responsibility for the cost of publication and dissemination needs to be established.

Good practice: reporting and publication

W

- ① Clarify and harmonise expectations about:
 - ▶ whether there should be oral debriefing
 - ▶ submission of written reports in draft
 - ▶ any specific reporting requirements (including format and style)
 - ▶ researchers' right of vetting the way in which the buyer publicises the research findings in other forms
 - ▶ whether results are to be published or otherwise disseminated – and by whom.

4.7 Terms of payment

General terms of payment should be made clear to both parties in advance, although arrangements may be left flexible in detail.

Costs start to clock up as soon as work begins. It is reasonable to expect researchers to have a certain amount of working capital in order to fund work in progress, but they should not be expected to remain out of pocket for long.

A common arrangement in the private sector is to pay a proportion of costs on commissioning, a proportion on completion, and one or more instalments at agreed interim stages. This is equitable and normally satisfactory – but not always workable for organisations like government departments, who may be obliged to pay in arrears. In this case monthly payment in arrears seems a good general model. Payment by stages when defined milestones are reached is another possibility. Whichever approach is taken, the arrangement needs to be appropriate to the scale and duration of the project – and clearly understood by both parties.

It is reasonable to retain some of the cost until the work is satisfactorily completed, but the amount retained should not be disproportionate to the balance of risk. If the work is all but complete and there is no reason to doubt that it is satisfactory then only a nominal retention is justified. If the report seems seriously unsatisfactory a larger retention may be in order, but it is not right to keep back a large sum for minor fine tuning – particularly if the buyer takes a long time to approve the draft.

If agreed invoices are not paid promptly this causes financial strain for the supplier, and ultimately increases costs. Payment within a month of receiving a due invoice should be normal practice. It is certainly not good practice to hold up invoicing or payment to meet quarterly departmental cycles.

¹⁸ For example, in some cases publication might affect VAT liability, or whether a project comes under EC directives.

With fixed-price contracts buyers are entitled to know which elements of the work are covered in the invoice so they know what they are paying for at each stage, but they should not normally expect detailed breakdowns of the costs invoiced. With variable-cost contracts they are entitled to know the amount of time charged at different rates, and to a breakdown of any expenses charged.

Researchers should invoice work to time at the stages agreed - buyers can experience budgetary problems if this is not done.

Good practice: payment terms

X

- ① Clarify terms of payment in advance.
- ② Do not expect researchers to carry large costs for long periods.
- ③ Make sure that any retention of funds at the end of a project is commensurate with the outstanding work.
- ④ Agree how quickly invoices should be paid when due – and stick to that.
- ⑤ Suppliers should invoice promptly at the agreed times or stages.

4.8 Handling corporate requirements

Procedures for letting social research contracts are not always entirely at the discretion of research managers. There may be laid-down corporate requirements (particularly in government and large organisations) within which managers have to operate.

Before launching a research competition those responsible for commissioning should clearly familiarise themselves with any relevant policies, procedures and practices which might affect or constrain how they go about it. It is important to read any written guidance and to talk to the key colleagues involved, so that the roles and responsibilities of the different players are clearly understood. If any formal training is available then it is good practice to participate in it before starting a competition.

This is not to say that any such corporate framework should necessarily be accepted passively or followed slavishly. Some organisations have procurement policies designed for purchasing very different types of goods or services, and these might not necessarily be an effective model for commissioning research. Research managers should therefore try to ensure that any such laid-down procedures are conducive to good practice. Where this is not the case they should do their best to change them if possible – or at least to argue the case, and say why research would benefit from a different approach. So long as unsatisfactory procedures exist research managers should explore how much latitude they have to vary them – and if they must use the procedures as laid down they should at least try to operate them in a sensible and user-friendly way. It may be wise to make suppliers aware of any corporate requirements which might stand in the way of good practice.

Good practice: corporate requirements

Y

- ① Try to influence organisational buying policy if necessary, so that it recognises the special needs of research commissioning.
- ② If this is not possible explore how far laid-down procedures are mandatory and inescapable.
- ③ Where there is little latitude try to operate the set procedures as flexibly and openly as possible.
- ④ Be frank with suppliers about any difficulties of this kind.

Appendix A

Sub-committee and review panel

The SRA sub-committee set up to revise this guide and produce this second edition was made up as follows:

Sally Dench	Senior Research Fellow, Institute for Employment Studies
Alan Hedges	Independent research consultant
Keith Kirby	Principal Research Officer, Office of the Deputy Prime Minister (ODPM)
Ian McDonald ¹⁹	Formerly MORI, and former Chair of SRA Public Affairs Committee
Nick Moon	Divisional Director, NOP Research
Carol Riddington	Technical Director, MVA and Vice Chair of SRA
William Solesbury	Independent Research consultant

The original guide was published in 1994. It was prepared by an earlier SRA sub-committee made up as follows:

Bob Barnes	OPCS (now Office of National Statistics, ONS)
Alan Hedges	Independent research consultant
Roger Jowell	SCPR (now National Centre for Social Research)
Keith Kirby	DOE, Social Research Division (now ODPM)
Susan McRae	PSI
Nick Moon	NOP
Michael Warren	COI
Justin Russell	Mental Health Foundation

Alan Hedges chaired the first sub-committee, and was largely responsible for drafting and assembling the original 1994 guide, and subsequently redrafting this 2002 revision according to the suggestions made by the sub-committee and reviewers.

The revised 2002 draft was circulated to a **review panel** consisting of

Sue Duncan	Government Chief Social Researcher, Cabinet Office Strategy Unit
Christine Roberts	Group Head, COI Communications
Professor Robert Walker	Professor of Social Policy, University of Nottingham
Professor Roger Jowell	International Director, National Centre for Social Research
Janet Lewis	Former Research Director, Joseph Rowntree Foundation
Ceridwen Roberts	Senior Research Fellow, University of Oxford, current Chair of SRA

We are also grateful to the following for their comments and advice:

Mike Davis of the Office of Government Commerce (OGC), who kindly commented on section 2.7 on European Directives
The Professional Standards Committee of the Market Research Society
Jonathan Grant, Research Leader, Rand Europe

The guide was further revised in the light of the comments made by the above reviewers, to whom our thanks are due.

¹⁹ Ian McDonald stepped down from the working group when he left MORI in the middle of 2002 and was replaced by Carol Riddington.

Compendium of good practice points

The summary below contains a compendium of the lists of good practice points found at the end of each section of the guide. These are not intended to stand alone – they are only simplified check-lists and appear in the same order as in the guide. A more complete discussion of the types of competition and the full reasoning behind the good practice points is in the text of the guide itself (section references in brackets are in the header to each list).

The prefatory note ‘Terms Used in the Guide’ (page 6) explains some of the terminology used in the guide. For example, the expression ‘**running a competition**’ is used rather than ‘**going out to tender**’. Words like ‘tendering’ imply a particular kind of competitive model, which is not always the most suitable to research buying situations. Similarly we have also generally used the term ‘**brief**’ rather than common alternatives like ‘invitation to tender’ or ‘specification of requirements’.

Section 2 Competition for social research projects

This section discusses different types of competition for research commissions, and some different types of contractual relationship.

Good practice: direct and indirect competition (2.2.2)

A

- ① Build up general experience of suppliers and costs as a guide both to developing shortlists and to choosing suppliers.
- ② Exchange notes with other buyers.
- ③ Decide whether there is an obvious and clear choice of researcher for that project, or whether you need to go to direct competition.
- ④ Avoid spurious competitions where there is really only one obvious supplier.
- ⑤ Do not assume that good buying *always* requires direct competition.
- ⑥ Even if there is no direct competition you should normally:
 - ▶ Issue a written brief and ask for written proposals in the normal way
 - ▶ Be particularly careful to document what is agreed, and why.

Good practice: open and closed competition (2.3.2)

B

- ① Generally avoid open competitions for specific projects, since these:
 - ▶ involve a lot of unproductive time
 - ▶ may not attract the best candidates.
- ② Ensure that open competitions yield enough information about contenders for effective shortlisting.
- ③ Encourage new blood by:
 - ▶ publishing advance programmes of research interests; and
 - ▶ issuing open invitations to:
 - express interest in projects; or
 - make brief outline submissions
 - ▶ then shortlisting for more detailed proposals.

Good practice: formal competition (2.4.1)**C**

- ① Be aware of the problems and limitations of strict formal tendering.
- ② Do not automatically use formal tendering unless either:
 - ▶ it really meets the needs of the project; or
 - ▶ there is an overriding requirement to do so.
- ③ Try to avoid using the term ‘tendering’ unless this is specifically what you mean.
- ④ If a tendering process is adopted make it as flexible and ‘supplier-friendly’ as possible by:
 - ▶ breaking down the arm’s-length principle and encouraging dialogue
 - ▶ facilitating full discussion of the issues before submissions are prepared
 - ▶ minimising formality in procedures.
- ⑤ Invite suppliers to collaborate in problem definition and design where possible:
 - ▶ involve them before the brief is finalised
 - ▶ encourage them to suggest alternative methods.
- ⑥ Researchers should take up opportunities for early discussion and involvement.

Good practice: informal competition (2.4.2)**D**

- ① Consider using informal approaches to competition where possible.
- ② Discuss the research with potential suppliers rather than keeping them at arm’s length.
- ③ Document contacts with suppliers to demonstrate the fairness and correctness of decisions.

Good practice: private sector experience (2.5)**E**

- ① Build up experience about:
 - ▶ the costs of different types of research
 - ▶ the competences of different suppliers.
- ② Provide needs-orientated rather than method-orientated briefs where possible.
- ③ Make briefs and details of competition as ‘user-friendly’ as possible.
- ④ Judge the performance of research buyers by outcomes not by procedures.

Good practice: contractual approaches (2.6)**F**

- ① Recognise that regularly going out to competition on a series of individual disconnected projects is not necessarily the best approach to commissioning.
- ② Consider a range of possible commissioning models.
- ③ Try to develop approaches to commissioning which suit your particular needs for each project.

Good practice: EC guidelines (2.7)**G**

- ① Establish whether EC directives apply to your situation.
- ② Follow them if their use is mandatory, but not normally in other cases.
- ③ If they do apply then build them into your timetable and resource budgeting.
- ④ Use the Restricted Procedure wherever possible when operating under the rules, and operate them as sensibly and flexibly as possible.
- ⑤ Do not adopt these rules as a good general-purpose model for research commissioning.

Section 3 Running a competition

Section 3 discusses the various factors involved in running a competition.

Good practice: Running a competition (3.1)

H

- ① Before launching a competition for a social research project think clearly and carefully about:
 - ▶ its aims and requirements
 - ▶ the constraints it needs to work within
 - ▶ potential risks or difficulties it faces.
- ② Focus mainly on achieving the best and most cost-effective outcome.

Good practice: the brief (3.2)

I

- ① A clear brief is crucial to the success of a competition and the subsequent project.
- ② Above all make sure that contenders understand:
 - ▶ What the project is intended to achieve
 - ▶ The constraints and parameters within which it needs to operate
 - ▶ Whether there is to be a competition, and if so how it will work and what they have to do.
- ③ Focus briefs more on aims and objectives than on methods, unless there are specific methodological requirements.
- ④ Give some general yardstick of scale or budget where possible.
- ⑤ Provide a named contact – someone who understands the project and will be available during the competition.
- ⑥ Do not routinely ask for large amounts of background information about suppliers, and build up databases about suppliers you deal with regularly.

Good practice: numbers of competitors (3.3)

J

- ① Buyers should do their homework in advance, identifying organisations with the expertise required.
- ② Limit the number of competitors:
 - ▶ normally 2-5, depending partly on project size.
- ③ Let contenders know how many others have been invited to bid.
- ④ Ask those invited to state early on if they do not intend to compete.
- ⑤ Researchers should state their bidding intentions as early as possible.

Good practice: cost effective competition (3.4)

K

- ① Be aware of the likely costs of competition:
 - ▶ to your suppliers
 - ▶ to yourselves.
- ② Choose a form of competition that relates the likely costs of letting the contract to the size of the overall budget.
- ③ Aim to keep the aggregate costs of a competition below about 5% of the contract value – including your own costs as well as those of invited suppliers:
 - ▶ Make sure that competitions for projects whose budget is less than about £30,000 are kept very simple and inexpensive.
- ④ Keep the list of competitors as short as possible to avoid wasting resources.
- ⑤ If you need to start with a longer list, avoid asking for expensive detailed submissions until you have narrowed it down to a shortlist.

Good practice: informing competitors (3.5)**L**

- ① Make it clear whether suppliers are involved in direct competition.
- ② Clarify the rules, timescale and evaluation criteria for the competition.
- ③ Tell those invited how many other contenders there are.
- ④ Consider identifying the contenders, at least for large or complex projects.
- ⑤ Give every competitor the same basic brief, and notify them all if this changes.
- ⑥ Provide a named point of contact for further information.
- ⑦ Give competitors fair and equal access to information – but also enable them to develop their ideas with you on a confidential basis.
- ⑧ Try to give general yardsticks of scale or budgetary constraint.
- ⑨ Inform both successful and unsuccessful competitors as soon as possible.
- ⑩ Give feedback on the quality of submissions, and tell unsuccessful competitors of any particular reasons why they did not win.

Good practice: improving dialogue (3.6)**M**

- ① Choose forms of competition which promote early dialogue between buyer and researcher.
- ② Encourage discussion from the outset, and invite contenders to discuss the project before they prepare proposals.
- ③ Involve researchers in problem analysis and design where possible.
- ④ Involve the end-users of the research where possible.
- ⑤ Meet the key people who will actually be working on the project.

Good practice: timing (3.7)**N**

- ① Anticipate future research needs as far as practicable.
- ② Give researchers as much advance notice as possible.
- ③ Be realistic in setting competition timetables – about what can be expected both from suppliers and from your own organisation's response to them.
- ④ Allow reasonable time for proposals to be developed and discussed:
 - ▶ at least 3 weeks even for fairly small and straightforward projects
 - ▶ 5-6 weeks for large or complex ones.
- ⑤ Don't spend so much time on the competition that the actual work gets rushed.
- ⑥ Specify contractual timetables in advance – and stick to them.
- ⑦ Be prepared to simplify or short-circuit competitive procedures in urgent projects where rapid completion is of the essence.
- ⑧ Assess risks and be realistic about the amount of time necessary to carry out the work properly, and be prepared to justify this to your final customer.
- ⑩ Indicate how far timescales are rigidly constrained.
- ⑪ Make sure you can meet your side of the contractual timescale.

Good practice: quotations (3.8)**0**

- ① Clarify:
 - ▶ the basis of prices
 - ▶ the grounds on which charges may rise above or be held below estimates
 - ▶ who carries the risk of unforeseeable difficulties (or benefits from unforeseen savings)
 - ▶ the VAT situation.
- ② Do not expect suppliers to cost a large number of complex options and breakdowns.
- ③ Researchers should ask approval for overruns before incurring extra expenses.

Good practice: price negotiation (3.9)**P**

- ① It is reasonable to negotiate over costs where there has been no formal competition.
- ② It is also legitimate to negotiate about optimising the programme of work after the award of a contract, which may have cost implications.
- ③ But it is not normally acceptable simply to try to negotiate cost reductions after a formal competition unless:
 - ▶ this has been made clear from the outset;
 - ▶ all bids are clearly unsatisfactory; and/or
 - ▶ all competitors are allowed to resubmit.
- ④ Nor is it reasonable for suppliers to try to renegotiate prices unless there are valid grounds for doing so.

Good practice: contracts and agreements (3.10)**Q**

- ① There should be a clear written agreement which spells out what is to be done, the agreed time and cost framework, and relationships and mutual responsibilities between buyer and supplier.
- ② This should be clear and detailed enough to act both as:
 - ▶ an operational route-map to guide and control the conduct of the project
 - ▶ a judicable basis for sorting out any disputes or problems which may arise.
- ③ Such a clearly-defined written agreement constitutes a contract. Over-formal or bulky standard legal documents can be unhelpful, and should be avoided unless required by organisational policies at the buyer's end.
- ④ Agreements should be flexible enough to allow for sensible and mutually agreed modifications to specification without cumbersome legal renegotiations.

Section 4 Other issues

This final section considers a range of other specific issues which are important to consider in commissioning social research.

Good practice: accountability (4.1)

R

- ① Be prepared to justify awards based on limited or informal competition.
- ② Use referees, peer reviews and/or references where second opinions are needed.

Good practice: value for money (4.2)

S

- ① Look for ways of increasing the productivity, performance and value of research rather than just cutting cost.
- ② Be prepared to defend research quality.
- ③ Do not maintain research volume at the expense of quality.
- ④ Do not accept the cheapest bid unless it offers best value.

Good practice: continuity and change (4.3)

T

- ① Reward good work by taking past performance into account when:
 - ▶ deciding whether to stage a competition
 - ▶ drawing up short-lists
 - ▶ assessing proposals.
- ② Develop fruitful long-term relationships; but also be alive to:
 - ▶ the risks of staleness
 - ▶ the need to allow access to newcomers.
- ③ Promote access for new suppliers by:
 - ▶ publishing future projects and programmes widely and inviting expressions of interest
 - ▶ looking for ways of involving new talent.

Good practice: intellectual property (4.4)

U

- ① Discuss issues affecting the ownership of ideas with suppliers.
- ② Compensate unsuccessful competitors if you use their ideas.
- ③ Commission small consultancy projects (or offer to pay for proposals) if you want several suppliers to do development thinking in parallel.
- ④ Do not go out to competition *after* getting one supplier to do extensive development work – unless they have explicitly paid for that as a separately commissioned project.
- ⑤ Clarify and agree ownership of ideas, data and methods in advance as far as possible – and also the implications of ‘ownership’.

Good practice: mutual commitment (4.5) V

- ① Make it clear to researchers how far you are committed to them at different stages.
- ② Give early authorisation to incur limited costs if it is important to get things moving.
- ③ Recognise that *both* parties can keep their options open until they are *both* ready to make a mutual commitment – researchers should not have to commit themselves to being available until you are ready to commit yourself to offering them the contract.
- ④ Avoid unnecessary formalities in contracts where possible.
- ⑤ Minimise timing conflicts between formal contracts and real world needs.
- ⑥ Make it clear from the outset if funding is not already secured.
- ⑦ Researchers should:
 - ▶ be prepared to specify who will work on the project
 - ▶ make substitutions only:
 - with the buyer's agreement; and
 - by staff of equivalent quality and suitability
 - ▶ make clear in advance any likely limits to the availability of key staff
 - ▶ do their best to secure continuity if key staff do leave.

Good practice: reporting and publication (4.6) W

- ① Clarify and harmonise expectations about:
 - ▶ whether there should be oral debriefing
 - ▶ submission of written reports in draft
 - ▶ any specific reporting requirements (including format and style)
 - ▶ researchers' right of vetting the way in which the buyer publicises the research findings in other forms
 - ▶ whether results are to be published or otherwise disseminated – and by whom.

Good practice: payment terms (4.7) X

- ① Clarify terms of payment in advance.
- ② Do not expect researchers to carry large costs for long periods.
- ③ Make sure that any retention of funds at the end of a project is commensurate with the outstanding work.
- ④ Agree how quickly invoices should be paid when due – and stick to that.
- ⑤ Suppliers should invoice promptly at the agreed times or stages.

Good practice: corporate requirements (4.8) Y

- ① Try to influence organisational buying policy if necessary, so that it recognises the special needs of research commissioning.
- ② If this is not possible explore how far laid-down procedures are mandatory and inescapable.
- ③ Where there is little latitude try to operate the set procedures as flexibly and openly as possible.
- ④ Be frank with suppliers about any difficulties of this kind.

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The Social Research Association was founded in the UK in 1978 to advance the conduct, development and application of social research.

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- **to encourage the development of social research methodology, standards of work and codes of practice**

- **to review and monitor the organisation and funding of social research**
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