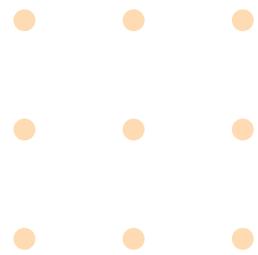




KNOW THE MARKET

WHAT DO WE NEED TO KNOW ABOUT MARKETS TO
GUARANTEE GOOD PROCUREMENT?



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INTRODUCTION

1

Over the seven or so years of its operation, PIANOo has learned that procurement generally pays scant regard to knowledge of the market. The focus has been on the legal quality of the procedure, which is, of course, an important consideration. PIANOo's 6th annual conference on public procurement is entitled "Make the market work for you". Against that background, we decided to publish this guide to obtaining knowledge of the market. It culminates in a 'Checklist for Market Knowledge in Public Procurement'. The checklist is an aid for public procurement staff. It is the initial version of a dynamic instrument, to be adapted in response to the practical experience of procurement staff.

The Market Knowledge Checklist highlights many points which can be important in learning about the market in preparation for a tendering process or public contract. The government buyer (procurement consultant) need not be familiar with all the points for consideration for every contract or invitation to tender. The points are meant largely as reminders, and offer the consultant a point of reference when amassing relevant market knowledge. We hope that the market knowledge checklist will help procurement staff to increase their market knowledge. We will be interested to hear how you get on with the checklist and will welcome any constructive comments.



INSINC NEWSLETTER, NOVEMBER 2010

In our poll in the September newsletter we put you on the spot and asked you

whether buyers make too little use of the knowledge of suppliers. We have rarely had such a clear result: 84% said yes, and just 16% said no. We think there could be a great opportunity here, for both buyers and suppliers. Buyers can extend their specialist knowledge through close and transparent cooperation, and this subsequently benefits both buyers and suppliers. The basis is mutual trust. The result of our poll also indicates that procurement staff can look critically at their knowledge levels, and are probably open to improving their professional skills.

In this brochure we talk about invitations to tender, purchasing and public procurement. Tendering is a process in which suppliers compete for a contract. Thus it is largely also a form of purchasing. We can no doubt learn a great deal from the way purchasing is carried out in the private sector. The job of the purchasing department of an organisation is to find the best players in the market to achieve the objective of the organisation. Which players can best promote mobility, support the elderly, assist people with disabilities, produce teaching material, optimise the working climate in offices, etcetera? The positioning of procurement within a public authority is another issue. In practice it varies from one organisation to another. Sometimes there are dedicated departments for tenders as well as procurement; sometimes procurement of works is separated from that of supplies and services. Responsibility for procurement (particularly of works) sometimes resides with a major department, but more often it is the domain of an administrative or supporting department. Gerco Rietveld made some salient observations about this in his book 'Inkoop, een nieuw paradigma' (Procurement – a new paradigm). The issue of how procurement should be positioned within a public authority could be the subject of another PIANOo brochure.

MARKET KNOWLEDGE

2

Market knowledge is essential to procurement. If you don't know what is available, you cannot formulate a good procurement request. In the private sector thorough knowledge of the market from which you are purchasing is one of the basic principles of procurement. This concept is far less developed in the public sector. Many public procurement staff will have some knowledge of specific markets, but only a few really big contracting authorities systematically develop and update market knowledge.

Category management, as now being developed for public procurement by Ministry of the Interior, is the perfect instrument for amassing market knowledge. Knowledge gathering about various markets is an intensive, time-consuming and sometimes expensive activity. It is impossible for a single contracting authority to be familiar with every market. However, it is possible for all the contracting authorities to pool their market knowledge, for example, on the PIANOo website.

The website offers a growing number of knowledge files on different markets. It should also be possible to gradually develop a sort of "which?" guide for public procurement: publishing accessible, up-to-date tables comparing prices, products and suppliers. For example: monthly or weekly lists of rates for cleaning, taxi hire, or consultancy. Or cost comparisons, for example between the cost of building and maintaining a kilometre of cycle track in Noord Holland with the equivalent in Limburg, or with WMO (Social Support Act) rates. Contracting authorities can continuously monitor the relevant markets, by visiting trade fairs, or organising their own fairs for suppliers to make presentations. Thorough knowledge of the market should not be used to make detailed technical specifications of your requirements: it is often better to give the market scope to find smart solutions to meet your needs. You can use your market knowledge to set up an adequate procurement procedure, and to make an expert evaluation of the offerings: it enables you to sort the wheat from the chaff.



**EXAMPLE:
PERSONAL
COMPUTERS**

According to the Ministry of the Interior a total of 974,000 people work in the public sector in the Netherlands. If

we assume that every civil servant has a PC and that a PC is replaced every five years, then the public sector needs to buy around 200,000 new PCs per year. At an average cost of € 300.-, the total outlay is € 60 million. There is no single place where contracting authorities can go for reliable independent information about this market. At best there is the consumer association, but that is not intended for professional use. Two full-time posts might be enough to continually update the relevant market information on PCs and make it available to all the contracting authorities. This information would reduce the transaction costs for each contracting body, lower prices and improve the match between demand and supply. It is not a complex business case. Two full-time posts would cost no more than € 200,000, which is 0.33 per cent of the 60 million outlay. Even if it led to a saving of just 1 per cent, the full time posts would have paid for themselves three times over. There may be a strong temptation to centralise the purchasing of PCs on the basis of that market knowledge, but there are serious drawbacks. Central purchasing can produce imbalances in the market by bundling the demand; small suppliers have less of a look-in; contracting authorities lose some or all of their freedom to purchase the services they see fit, coordination and harmonisation costs rise, and new audit and control facilities are required. However, if high-quality knowledge would be delivered from a central point (a centre of expertise) then each contracting body could find its own best balance between supply and demand.

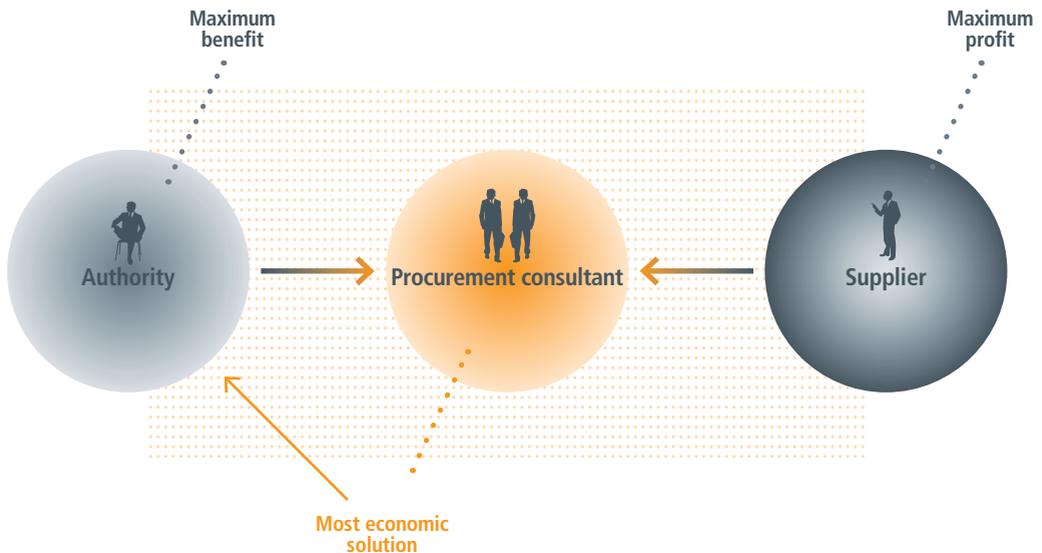
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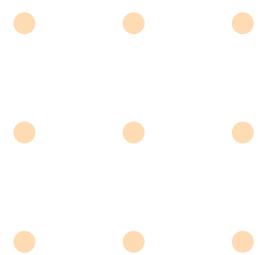
BY THE PROCUREMENT CONSULTANT

3

The buyer (procurement consultant) must find the best player in the market to achieve the objectives of his organisation. The buyer in this instance acts as intermediary between those setting the requirements, i.e. the department in his own organisation that needs something or wants to achieve something, and the market. Of course he is an intermediary on the side of his own organisation.

Figure 1 The position of the procurement consultant





As figure 1 shows, there are two forces acting on the buyer. He operates in the area between the desire of the authority to obtain the best results for the least outlay and the reality of the market. The market has a price. Buying cheaply can be counter-productive. There is no such thing as a new Ferrari for € 20,000, no matter how much the customer might want one. The same applies to cleaning services: you can't pay less than the minimum wage - end of story. Since the buyer is familiar with the market, what he can do is hold discussions with the people setting the requirements to come up with alternatives.

In this way the buyer can bridge the gap between the authority and the suppliers. To do his job well he needs to have a sound knowledge of his own organisation as well as the market.

Knowledge is power: in this case, purchasing power. The more familiar the buyer is with the market he hopes to buy from, the better he can specify the demand and assess how well the supply meets the requirements of the organisation. The more familiar buyers are with the supply side the more clearly and accurately they can formulate their requirements. Buyers will also generally already have looked at alternatives. Suppliers will notice that they are dealing with knowledgeable buyers and will do their utmost to match their supply as precisely as possible to the wishes of the authority. That makes it easier to weed out the inferior offerings. Furthermore market knowledge makes the procurement consultant a more useful contact, not just for suppliers, but also for the clients, the contracting authorities.

**EXAMPLE:
HAND DRIERS**

Energy efficient electric hand driers are an alternative to paper towels. This alternative saves on the purchase of towels, saves on cleaning costs and produces less waste. Yet it is not an alternative the buyer will be offered by the cleaning company or the supplier of the paper towels.

**AIMS OF AMASSING
AND UPDATING
MARKET
KNOWLEDGE**

- Knowing what the market has to offer;
- finding ways of tightening or refining the procurement requirement;
- (pre)selection of potential suppliers, and
- drawing up a better, more complete invitation to tender and/or tender documents.

PROCUREMENT

AND MARKET KNOWLEDGE

4

Not every product to be purchased requires the same level of market knowledge. PIANOo commissioned EIM Business and Policy Research to describe the market knowledge that government procurement officers might need. To fulfil the brief EIM used the Kraljic matrix¹, (see figure below). Using this matrix we can see what market knowledge is important for which purchasing segments. The purchasing strategy and market orientation matrix can be used for:

1. focusing the buyer's time and attention on the supplies, services and works that are most important within the organisation;
2. analysing a procurement portfolio;
3. potential outsourcing of non-critical items and leverage items.

This guide focuses on the first point.

¹ Kraljic distinguishes four types of products. He orders them according to two criteria, namely:

- the extent of procurement (the supply risk) and
- the value of the products, services and works (the financial risk).

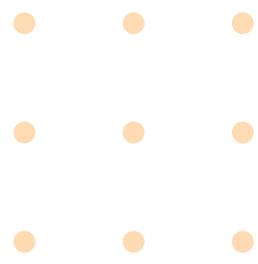
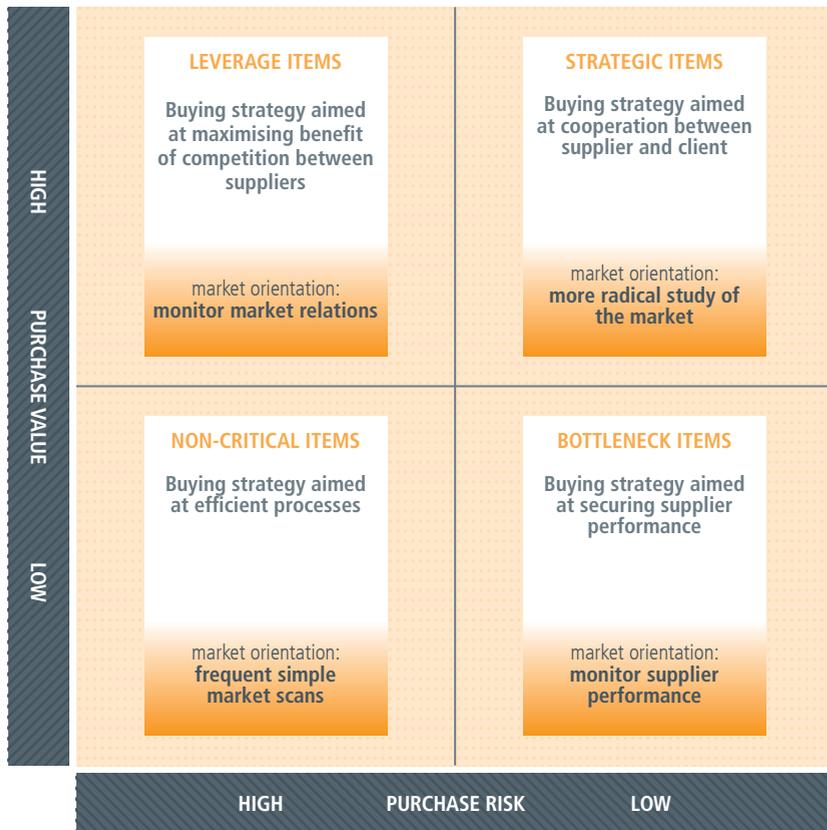


Figure 2 **Buying strategy and market orientation matrix for each purchasing segment**



Source: EIM 2011, based on Kraljic (1983)

EIM distinguishes four purchasing segments, each with its own market orientation and buying strategy:

4.1 ROUTINE (NON-CRITICAL) ITEMS: CARRY OUT FREQUENT, SIMPLE MARKET SCANS

Routine purchases present few purchasing problems. They have a low per unit value and there are alternatives in terms of type and delivery. There is little added value in competition between suppliers. The buying strategy in this case focuses on standardisation, efficient logistics and administration processes and bundling of purchases using framework agreements, which reduces the purchasing effort required. This applies to the purchase of office supplies, for example.

MARKET ORIENTATION FOR ROUTINE PURCHASES

Market orientation and knowledge for purchasing routine items focuses on researching other (new) suppliers, their range (what they

supply) and price trends in the items to be purchased. It is also possible to attempt joint purchases with other (public) organisations to negotiate lower prices for higher volumes. Here too, technological developments can be important in offering potential alternatives to the organisation. Not every purchase request needs to be completed routinely. The added value of the procurement officer can be precisely that ability to offer the client alternatives. By having the right market knowledge the procurement officer can make a critical evaluation of the purchase request and optimise it.

4.2 LEVERAGE ITEMS: MONITOR MARKET RELATIONS

Leverage items may be available from many different suppliers. Changing suppliers is relatively simple. The greatest purchasing advantage can be obtained by maximising competition. Striving for multi-year framework agreements raises the value to be purchased and reduces the purchasing effort required per product. This provides greater leverage. The strategy for leverage items is to maximise competition. Examples include park maintenance and computers.

MARKET ORIENTATION FOR LEVERAGE ITEMS

Market orientation for the purchase of leverage items must focus on researching other (new) suppliers, their range (what they supply), and price trends in the items to be purchased. It is also possible to attempt joint purchases with other (public) organisations to negotiate lower prices for higher volumes. Technological developments must also be monitored. They can be important in offering alternatives to the organisation.

4.3 BOTTLENECK ITEMS: MONITOR SUPPLIER PERFORMANCE

These products represent little monetary value, but supplies are vulnerable. Here again, there is little added value in competition. Buying strategy must concentrate on securing the supply. This can be done for example by trying to gain a priority position with suppliers and making sound initial agreements with suppliers concerning further deliveries. This applies to spare parts, for example.

MARKET ORIENTATION FOR BOTTLENECK ITEMS

Good market research prior to purchase and tailoring the purchase request properly to the requirements of the client ensures that we have as few bottleneck items as possible. Identifying the market options and suppliers in good time and seeing whether sound agreements can be made about further deliveries and ongoing supply of spare parts, for example, and subsequent repeat research by an agency can ensure that bottleneck items are largely, if not entirely, excluded from the purchasing portfolio.

4.4 STRATEGIC ITEMS: BROADER MARKET RESEARCH

These products are generally of great value to the organisation, but can only be obtained from a single supplier or a limited number of suppliers. This situation may arise because of monopolies in the market, but may also be due to decisions made by the organisation in the past. The strategy to follow here is therefore to strive for intensive long-term cooperation with the supplier. A partnership must be established with the supplier with negotiations based on openness, arguments and facts. If there are suitable opportunities alternative products and suppliers may be sought to reduce the purchasing risk. Examples of strategic items include specialist software, or the operation of a sports hall.

MARKET ORIENTATION FOR STRATEGIC ITEMS

When purchasing strategic items the necessary market knowledge will often be obtained through market

consultation. The market must of course be researched in advance, along with any market players that may be important for the organisation. Market consultation can be used to evaluate solutions and ideas offered by market players during a phase in which this information can still be used in drawing up the specifications. The aim is to use the qualities, knowledge and experience of the market players to develop an idea or specifications for the procurement. Market consultation takes place prior to a tendering procedure and is not binding on either party. It is conducted with complete openness and without obligation. Market consultation can be followed by a technical dialogue. This concerns testing specifications, requirements and criteria against the market. This dialogue is applied in situations in which the contracting authority is still unsure about its formulations and has not yet made any announcement.

AMASSING AND STORING

MARKET KNOWLEDGE

5

We can safely assume that good knowledge of the market is essential for public procurement staff. However there are still some unanswered questions.

These questions are:

- What information or market knowledge should I actually be amassing?
- How do I, as a buyer, amass the right market knowledge?
- And what points should I be aware of when collecting that information?
- And what precisely is the market?

We often have to take a broad view of the market if we want to explore all the alternatives and make a well-founded choice, as demonstrated by the simple example of the paper towels and electric hand driers. The demand that needs to be met is hand drying, but there are several alternatives even for something so simple, each with its own pros and cons. It is up to the procurement consultant to make the right choice in conjunction with the contracting authority.

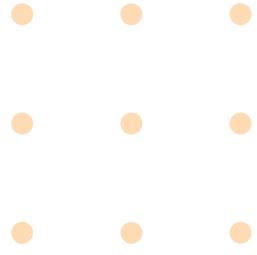
The market knowledge checklist is intended to give you a few pointers. For ease of use the checklists are divided into three parts:

- the **Market Knowledge Checklist** for amassing information at market level;
- the **Product Knowledge Checklist** for products (read also services and works);
- the **Company Knowledge Checklist** for specific suppliers.

5.1 AMASSING MARKET KNOWLEDGE PRIOR TO THE PROCUREMENT PROCESS

In public procurement there is often an inventory or preparatory phase prior to the start of the procurement process. During this phase buyers and clients work together to:

- list the requirements;
- identify relevant developments in the organisation and also in the field of the product to be purchased;
- explore the market;

- 
- check availability of alternatives, such as internal procurement, self-sufficiency or outsourcing;
 - write a notification of intent for the procurement.

To an extent the above activities come under the heading of amassing market knowledge.

How can you obtain market knowledge prior to the procurement process? Knowledge of relevant markets must be systematically gathered and updated. Trends and markets that buyers regularly have to deal with must be monitored. That can be done by attending trade fairs, reading trade journals and scanning suppliers' websites. This can add substance to the buyer's role as an adviser. The contracting authority and the procurement consultant can join forces at an early stage to determine how best to define the requirements of the authority.

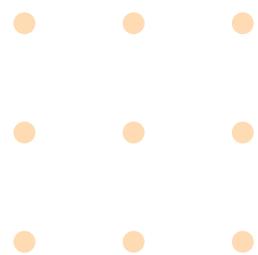
Market consultation

The scenario outlined above is not yet reality. Often the client will not involve procurement staff until a later stage. Then there may be too little time to gather the necessary information and explore alternatives. However, now and again a tendering procedure may be preceded by a market consultation, in which the market players are asked to share knowledge and experience with the client and to examine the feasibility of proposals. They are also asked to help in drawing up the specifications. In the case of complex works or innovative products, the detailed specifications can be evaluated in a technical dialogue with the market players. In this way the necessary market knowledge can be obtained for large procurements of complex products.

Procurement market research

However, the most commonly purchased products are not complex. Even when buying these products it is worthwhile having sufficient market knowledge and insight. The procurement consultant can carry out a brief market study to determine what to buy, the specifications required, how the market in these products works, what the prices are and which suppliers might be suitable. This research is carried out through a combination of desk research and conversations with suppliers or intermediaries.

This market research reveals which of the potential suppliers seem best equipped to meet the requirement of the organisation. These suppliers receive an invitation to tender. When selecting suppliers the tenders received are compared in the light of award criteria.



If the tenders still do not optimally match the requirements, it is necessary to negotiate with the chosen supplier (or the best two or three suppliers). These negotiations cannot be conducted in larger tendering processes. Thereafter the final choice is made and the contract is drawn up.

5.2 SEGMENTS OF MARKET KNOWLEDGE: THREE CHECKLISTS

The segments of market knowledge the government purchaser needs to amass are shown in the three checklists included in paragraphs 6.1 to 6.3. The main factors to be included in the market research are indicated below for each checklist:

CHECKLISTS

Checklist for market knowledge

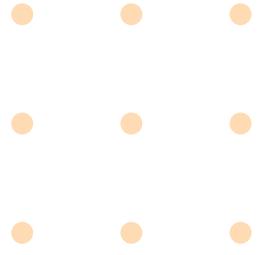
- Macro-economic factors
 - economic growth, price trends, cost trends in wages and raw materials, market shares, etc.
- Meso-economic factors
 - (technological) developments within a specific sector, trends, important companies within the sector

Checklist for product knowledge

- Product factors
 - price/cost composition, degree of standardisation, delivery times, green credentials, sustainability, etc.

Checklist for business knowledge

- Micro-economic factors
 - individual business: financial position / characteristics of suppliers, etc. Quality certifications, sustainability of enterprise / CSR, level of innovation etc.



The checklists are intended as dynamic instruments. Experience will indicate whether they are adequate and what additions and improvements could be made.

You will find examples for some markets on the PIANOo website (in Dutch): the checklist has been completed for the cleaning market insurances market, removals, catering and more.

5.3 WHAT DO WE DO WITH THE MARKET KNOWLEDGE WE HAVE AMASSED?

The collected knowledge is now generally stored in two ways:

- in the procurement files and
- in the heads of the people concerned.

We recommend systematically storing the amassed market knowledge for each relevant procurement market. It is also useful to update this knowledge with current developments that procurement staff come across in the course of their activities. As already mentioned, this knowledge can easily be shared with all other contracting authorities in the Netherlands. The knowledge is obtained using public funds and can thus be used to benefit other public expenditure. It is also by definition public information, as long as market research has not degenerated into commercial spying. Information provided confidentially in tenders remains confidential in principle. However, contracts entered into are in principle public, including quantities, rates, prices etc.

It is conceivable that a website could be developed which makes all this information available, organised according to subject matter/market. It would then be possible to analyse trends, make comparisons, create market profiles, etc. In the age of the internet the knowledge of one public servant can thus be shared with another at the touch of a button.

CHECKLISTS

MARKET KNOWLEDGE, PRODUCT KNOWLEDGE AND COMPANY KNOWLEDGE

6

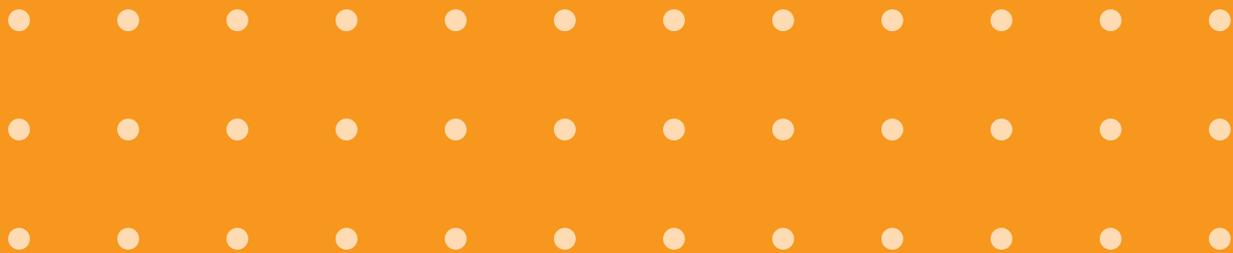
6.1 Checklist for market knowledge

Theme	Motivation	Points to consider	Potential sources
Description of the market	<ul style="list-style-type: none"> → Obtain insight into the market → Which business model is used (how are the profits obtained?) 	<ul style="list-style-type: none"> → Description of the market → Position of market in sector → Standard business types → Particular specialities → Type of business model of companies 	<p>Banks (Trends & Figures, Rabobank, ING), Sectoral organisations, Ondernemerschap.nl, CBS, Suppliers, Conferences, Trade fairs</p>
Type of suppliers in the market	<ul style="list-style-type: none"> → Estimate of market power of contracting authority (monopoly/oligopoly) → Seeking alternative channels → Ensuring a level playing field → Is there a role for SMEs or is the market covered by large companies? → Can market players make a suitable offering on their own, or only with other players? 	<ul style="list-style-type: none"> → Number of tenderers → Joint ventures → Scale → Market shares by type → 5 Largest suppliers in sector → 5 Main niche players (quality bidders) → Geographic location of bidders 	<p>Banks (Trends & Figures, Rabobank, ING), Sectoral organisations, Ondernemerschap.nl, CBS, suppliers, Market consultants, Chamber of Commerce/ Register of companies, REACH (Bureau Van Dijk)</p>
Type of Market conditions	<ul style="list-style-type: none"> → How is the balance of power in the market? → Is it a buyers' or sellers' market? → Do competitive forces present opportunities or threats? 	<ul style="list-style-type: none"> → Concentration → Intensity of competition → Nature of competition in sector → Alternative supply channels → Nature of competition outside sector 	<p>Banks (Trends & Figures, Rabobank, ING), Sectoral organisations, Ondernemerschap.nl, CBS, Suppliers, Market consultants</p>
Dynamics of the market	<ul style="list-style-type: none"> → Obtain insight into the market. → Is the market expanding or contracting? → If contracting, are there alternatives? 	<ul style="list-style-type: none"> → Entry and exit → Entry threshold → Trend in numbers of suppliers over time → Trends in market shares 	<p>Banks (Trends & Figures, Rabobank, ING), Sectoral organisations, Ondernemerschap.nl, CBS, Suppliers, Market consultants, Chamber of Commerce/ Register of companies, REACH (Bureau Van Dijk)</p>

Theme	Motivation	Points to consider	Potential sources
Trends within the sector	<ul style="list-style-type: none"> → Prevention of dumping of out-of-date products → Development or R&D contracts? → What can the market players do? 	<ul style="list-style-type: none"> → Concentration of tendencies → Specialisation → Broader range → Technological innovation → Social innovation → Strategic market innovation 	<p>Banks (Trends & Figures, Rabobank, ING), Sectoral organisations, Ondernemerschap.nl, CBS, Suppliers, Market consultants Conferences, Trade fairs, EIM</p>
External influences	<ul style="list-style-type: none"> → What developments are affecting the market that could technically or substantively influence the products, services or works? → What developments could potentially influence prices? → Which (other) large purchasers are active in this market and what influence can they exert on the suppliers? → Are there opportunities for cooperation/joint ordering with other contracting authorities? 	<ul style="list-style-type: none"> → Influence of suppliers → Influence of purchasers → Influence of legislation → Influence of technological development → Influence of changes in government policy → Influence of trends in society 	<p>Banks (Trends & Figures, Rabobank, ING), Sectoral organisations, Ondernemerschap.nl, CBS, Suppliers, Market consultants NL Agency (Syntens), TNO, EIM</p>

6.2 CHECKLIST FOR PRODUCT KNOWLEDGE

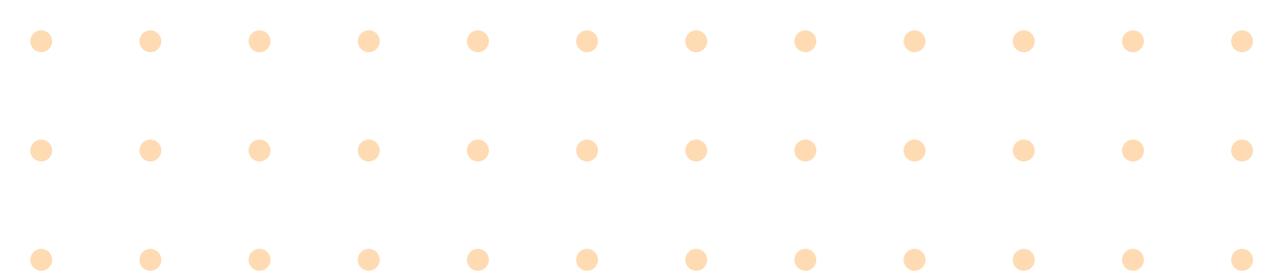
Product / service / works	Motivation	Points to consider	Potential sources
Description of product / service / works 1	<ul style="list-style-type: none"> → Look for products / services / works that best meet the needs of the client → If possible offer alternatives for consideration → With the client, decide which product and alternatives need further specification? → What are the going rates (level of prices)? 	<ul style="list-style-type: none"> → Product / service / works (description) → Product / service / works (necessary qualities) → Product / service / works (any required certifications) → Major bidders (incl. current supplier) → Most recent innovations → Low budget alternatives → High-end alternatives → Price ranges: low budget → Price ranges: high-end → Movement of prices in recent years 	Suppliers, Conferences, trade fairs, trade journals, previous experience, other (public) bodies, CBS
Description of product / service / works 2	(inventory of alternatives as in 1)	(inventory of alternatives as in 1)	idem



6.3 CHECKLIST FOR COMPANY KNOWLEDGE

Companies	Motivation	Points to consider	Potential sources
Description of company 1	General information → Which collective agreement governs the company? So you can determine which wages and derived hourly rates are reasonable) → How does the company make its money? (Premium on the wage costs, premium on purchase prices for the product, premium on raw materials + labour)	→ Name, address and other contact data, website, legal form → Directors, board, marketing/sales dept → Business development / history in recent years → Business model (How do they make their money?) → Price level, prices and rates	Personal contacts, company website, annual reports, Chamber of Commerce/Register of companies, company information bureaus (Dun & Bradstreet, Graydon etc.), banks (trading information), market consultancy, conferences, trade fairs, trade journals, sectoral organisations, other authorities / government bodies, research reports, LinkedIn.com, Google.com, etc.
	Financial position (Avoid financial surprises) → Can suppliers continue to meeting their obligations over the course of a long contract?	→ Turnover / employees → Financial data (annual reports) → Financing structure of company in relation to potential cooperation with the client authority → Important ratios (solvency, liquidity, productivity, profitability)	
	Which markets do they serve? → Experience in public contracts?	→ Main customers → Main sales markets → Main suppliers	
	Degree of innovation → Trendsetter or follower? → Is there scope for co-makership?	→ Particular specialities / patents → Key innovation objectives	

Companies	Motivation	Points to consider	Potential sources
	<p>Quality aspects, (present and past) performance and customer satisfaction</p> <ul style="list-style-type: none"> → What quality is normal? → Is the desired quality actually offered? → How was your own previous experience with this supplier? → Are there other clients with experience of this supplier? 	<ul style="list-style-type: none"> → Quality marks, (ISO) certification → Measurements of past performance → Other approvals 	
	<p>Social aims</p> <ul style="list-style-type: none"> → Can social objectives be taken into account in the proposed contract? → Are the desired social objectives met? 	<ul style="list-style-type: none"> → Corporate Social Responsibility → SME involvement (direct/ indirect) → Social return → Environmental aspect → Education / training opportunities 	
	<p>Jurisprudence</p> <ul style="list-style-type: none"> → Is the company or has it been involved in cases that could damage the image of public authorities ? 	<ul style="list-style-type: none"> → Involvement in award of contract disputes → Involvement in issues surrounding integrity → Involvement in / suspected of cartel formation 	
Description of company 2	As for company 1	idem	idem



COLOFON

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We welcome your comments on the content of this publication and will incorporate them into subsequent editions. You can send your reactions to Kees.Tazelaar@pianoo.nl

The checklist in this publication is also available separately as a handy reference tool. It is available from the PIANOo.nl website, where you can also see an example. The example has been completed for the cleaning market. It will shortly be followed by an example for removals.

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PIANOo is part of the Dutch Ministry of Economic Affairs



PIANoo regards market knowledge as an essential part of public procurement and tendering. Know your market! The more a client knows about the market, the more effective his procurement will be. The more familiar he is with the market in which he acts the better he can formulate a procurement request, and assess whether the offerings are in line with the objectives of the organisation. Against that background, PIANoo decided to publish this guide. It culminates in a 'Checklist for Market Knowledge in Public Procurement', an aid for public procurement staff. The Market Knowledge Checklist highlights many points that can be important in learning about the market in preparation for a tendering process or public contract.