Busnes Cymru | Business Wales

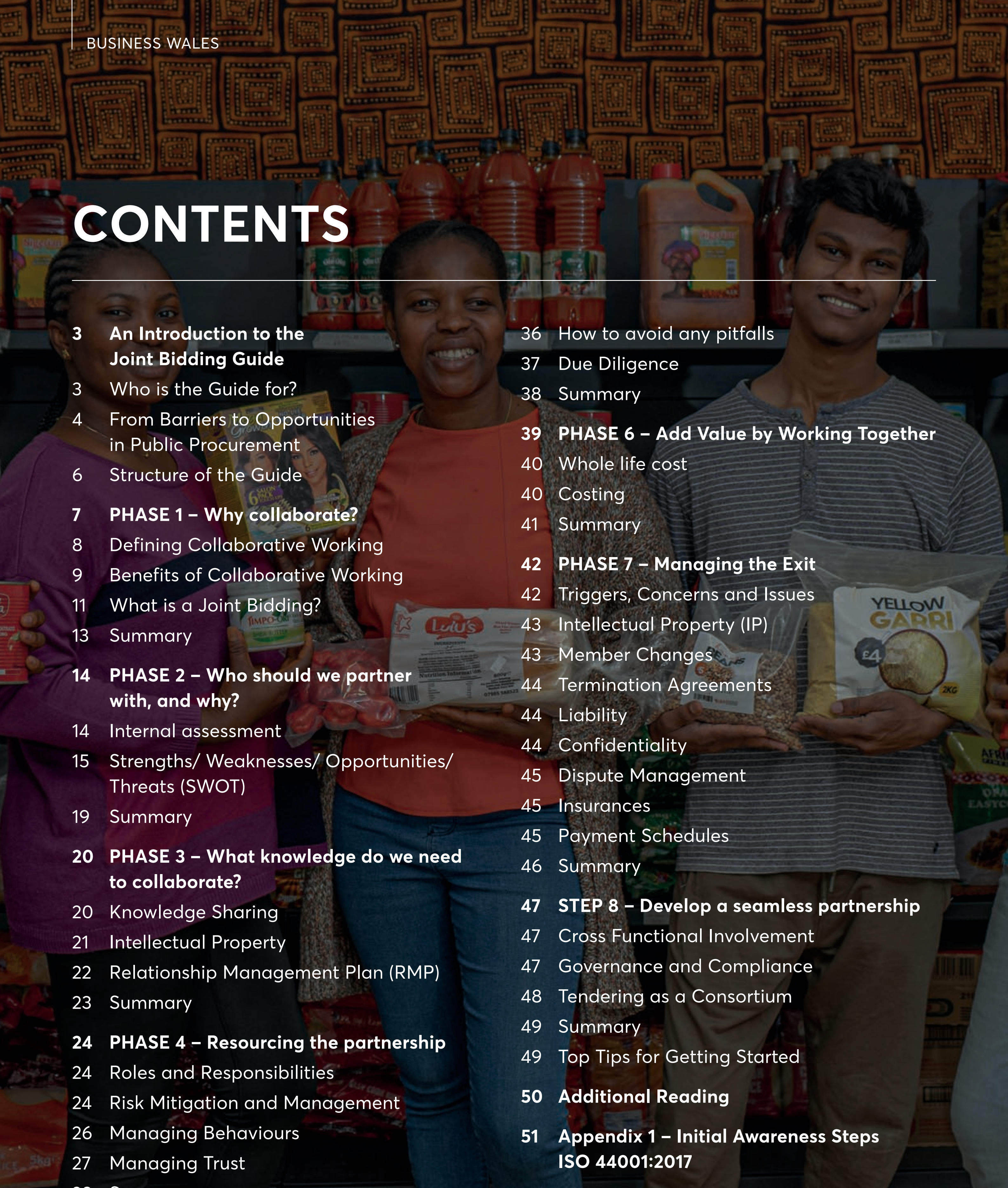
Power of Partnership: A Joint Bidding Guide for Suppliers

Collaborate to Grow your Business

03000 6 03000

busnescymru.llyw.cymru
businesswales.gov.wales

Llywodraeth Cymru
Welsh Government



CONTENTS

AN INTRODUCTION TO THE JOINT BIDDING GUIDE

The principles of joint bidding in Wales were first established in 2012 when a Joint Bidding Guide for buyers and suppliers was published by the Welsh Government. Public procurement often felt inaccessible to leaders of smaller businesses, largely due to contract values that exceed their annual turnover, the heavy administration burden of tendering, associated bidding costs, and the need to meet standards, accreditation, and other due diligence requirements. Twelve demonstration projects were commissioned by the Welsh Government in collaboration with contracting authorities in Wales revealing important lessons for buy and supply sides.

This Joint Bidding Guide (2026) emphasises the power of partnership by drawing on experience and the lessons learned since then to offer clear and practical guidance for suppliers in Wales. It focuses on partner selection, getting started, and the value proposition only gained from collaborative working. The guide is structured by eight phases for setting up and managing consortia.

Who is the Guide for?

The guide is designed for business leaders across all sectors of the economy. It will be valuable to stakeholders such as sole traders, leaders of Micro firms, SMEs (Small and Medium Enterprises) and VCSEs (Voluntary, Community-led and Social Enterprise)[1], consortia bid managers, consortia support teams, and anyone genuinely motivated by the prospects of new, collaborative ways of working. Although the guidance focuses primarily on tendering for public contracts, the core principles of collaboration and joint bidding apply equally well to opportunities in the private or third sectors. A separate guide is published for procurement professionals.

From Barriers to Opportunities in Public Procurement

In 2026 annual spend in Wales on the public procurement of goods and services is estimated at £11 billion, and Wales Procurement Policy Note (WPPN) 013 demonstrates the ongoing commitment by public bodies in Wales to remove barriers to tendering for SMEs and VCSEs.

Three new pieces of legislation open more opportunity for businesses in Wales and beyond:

- The Procurement Act 2023 came into effect from February 2025 and is hoped to provide greater opportunities for small business leaders as it enables greater flexibility for procurement professionals when designing the tendering process, and mandates a more simple, transparent and inclusive approach to the procurement of goods and services in Wales and the wider UK.
- In Wales, the Social Partnership and Public Procurement Act (Wales) 2023, closely aligns with the Well-being of Future Generations (Wales) Act 2015, and provides a mandate for a more socially responsible approach to the procurement of goods and services in Wales. Socially responsible procuremen[2] in Wales contributes to achieving a more equal, sustainable, and prosperous Wales. Keeping as much of the Welsh pound (£) in Wales and the desire to contract more with local businesses are critical measures for the Welsh Government to achieve longer term outcomes with the ambition to develop a more resilient economy in Wales.
- Since February 2025, The Health Service (Wales) Procurement Act 2024[3] has introduced a new Provider Selection Regime in Wales. The changes reduce bureaucracy by introducing a flexible and proportionate procurement system for health services delivered on behalf of the NHS in Wales.

In response to the new legislation, a Supplier Guide (2026) sets out SIX key requirements for suppliers to find, bid for and stand a better chance of winning public contracts.

STEP 1
Understand the public sector process

STEP 2
Be visible

STEP 3
Engage with supplier expos and meet the buyer events

STEP 4
Invest in your business

STEP 5
Tips on bid writing

STEP 6
Social responsibility for better outcomes

TIP *If you are new to public sector tendering, it is highly recommended that you read this guide first.*

[1] *Consortia working | Business Wales - Social Business Wales*
[2] *Socially responsible procurement*

Historically, smaller businesses faced numerous barriers when tendering for public sector contracts; this includes contract values that exceed their capacity, to insufficient insurance cover, and the significant time required to prepare and submit bids. In addition, scaling up operations and managing the supply chain often present challenges. However,

Welsh Government is focused on addressing these barriers for smaller businesses. Reforms in procurement mean that more opportunities are being made available to Welsh businesses of all types, levels of maturity and company size. Through Smarter Procurement[4] and a socially responsible procurement approach, the Welsh Government pledges to remove existing barriers such as ensuring a fair, open and transparent procurement process. This makes it easier for SMEs to talk with public buyers, and to be more transparent especially when advertising lower value contract opportunities below threshold (<£30k).

Sustainable economic growth is critical for people living and working in Wales and increased investment is likely to stimulate more business start-ups in Wales.

> *"Wales is set for increased economic growth, billions in investment and tens of thousands of new jobs supported over the next decade as a result of the UK Government's modern Industrial Strategy" (Monday 23 June, 2025)*[5].

It is well-documented that public procurement is an effective strategic lever of economic growth in the supply market. This guide focuses on the benefits of collaborative working leading to new business growth opportunities for business leaders in Wales.

Developing this guide involved interviews and workshops with multiple stakeholders based across Wales representing a range of industry sectors. The content builds on the existing supporting documents published by the Welsh Government and UK Government[6] listed at the end of the guide under additional resources. Expert knowledge from the Institute for Collaborative Working (ICW)[7] highlights the value added benefits of collaboration, and how to overcome some of the challenges with setting up and managing partnership working. This Joint Bidding Guide primarily focuses on developing the business case for collaborative working, partner selection, sharing knowledge and resources, selecting the appropriate structure for managing the consortium and overall, demonstrating the benefits of bidding jointly and seamlessly as an effective method for accelerating business growth in Wales.

Please note that the information set out in this and subsequent sections of the guide is not legal advice and is not intended to be exhaustive. Suppliers may seek their own independent advice as appropriate. It is important to remember that the law and regulations are subject to change, and further advice may be sought on individual cases. The information in this guide is current as of 6th February 2026.

[3] *https://law.gov.wales/health-service-procurement-wales-act-2024*
[4] *https://www.gov.wales/smarter-public-procurement-wales*
[5] *https://www.gov.uk/government/news/industrial-strategy-to-boost-growth-and-jobs-in-wales*
[6] *https://www.gov.uk/guidance/how-to-bid-for-government-contracts-as-a-consortium*
[7] *ICW https://www.instituteforcollaborativeworking.com/*

Structure of the Guide

Inspired by the ISO 44001:2017 Managing Collaborative Relationships[8] (refer to Appendix 1), the guide is structured using 8 STEPS as the main principles of forming supplier consortia.

8 PHASES TO COLLABORATE		OUTLINE OF CONTENT	PAGE
PHASE 1	**Why collaborate?**	Understand the wider context for collaboration – review strategy, mission, vision and values.	7
PHASE 2	**Who should we partner with, and why?**	Complete an internal assessment and review internal strengths and weaknesses, to appreciate the reasons for partnering.	14
PHASE 3	**What knowledge do we need?**	Knowledge transfer- recognise the types of data and information required for a project and how knowledge can be transferred between consortium partners.	20
PHASE 4	**Resourcing the partnership**	Partner selection is based on a capability and capacity assessment, roles and responsibilities.	24
PHASE 5	**How do we structure the partnership?**	Understand the structures for joint bidding, e.g., lead body model. Develop joint systems, processes and communications.	30
PHASE 6	**How will we add value?**	Understand the value proposition and how working jointly can enhance that.	39
PHASE 7	**Managing the exit**	What have we learned and how can we improve next time?	42
PHASE 8	**Mastering a seamless partnership**	Using a structured approach to build relations before being contract ready.	46
Additional Reading		A wider reading list for stakeholders interested in learning more about collaboration and joint bidding.	50

[8] *ISO 44001:2017 - Collaborative business relationship management systems — Requirements and framework*

PHASE 1 – Why collaborate?

The introduction to the guide has explained the evolving business economy and legislative landscape in Wales. This rapid tide for change indicates that there has never been a better time to consider the power of partnership by setting up a supplier consortium for accelerating growth opportunities in your business.

- The Well-being of Future Generations Act (Wales) 2015 underscores collaboration as one of the five important ways of working[9] to achieve the national objectives referred to as the well-being goals[10].

- The Procurement Act 2023 requires the removal of any barriers that prevent SMEs and VCSEs from tendering.

- Joint bids are increasingly encouraged by public sector buyers in Wales and provide a more equitable and flexible route to securing public contracts.

An effective strategy for growth involves collaborating with other suppliers to form supplier consortia and bidding jointly. Leaders of SMEs (small and medium enterprises employing <250 people) and VCSEs (Voluntary, community led and social enterprise) may consider pooling experience, knowledge, resources and capacity to stand a better chance of competing against larger organisations and winning more public contracts.

Although collaboration has become a strategic imperative in today's business environment, the ability to practice it effectively and unlock its full value is often misunderstood. Finding the right partners and forming a consortium takes time to set up and manage. This guide will show you how.

Defining Collaborative Working

The Institute for Collaborative Working[11] defines collaborative working as *"business relationships formed by committed organisations to maximise joint performance for the achievement of mutual objectives and creation of value."*

The ICW has published a Collaboration Playbook (2026) available on their website – refer to additional resources in this guide. The Playbook is designed for buyers, but in the spirit of transparency it may be worth a read as the guidance underscores the importance of buyers collaborating with supply chain members with emphasis on SMEs and VCSEs for delivering enhanced social value.

www.instituteforcollaborativeworking.com/Collaboration-Playbook

This Joint Bidding Guide will demonstrate how effective collaborative working relies on support, teamwork, trust, motivation, inspiration, innovation and effective communication for more successful outcomes.

More guidance from Business Wales on collaborative working can be found here: businesswales.gov.wales/responsible-business/topics-and-guidance/starting-a-business/collaboration

[9] 5 Ways of Working https://futuregenerations.wales/discover/about-future-generations-commissioner/future-generations-act-2015/

[10] Seven goals https://www.gov.wales/well-being-future-generations-act-essentials-html

[11] https://www.instituteforcollaborativeworking.com/About-ICW/What-is-Collaborative-Working

Benefits of Collaborative Working

Decision making during periods of uncertainty can feel overwhelming and isolating, and it is often difficult to know who to trust. Choosing to collaborate can deliver significant benefits to you as a leader, but also for your workforce and the wider business. It may even be a game changer for all the reasons outlined in Figure 1.

Figure 1: Benefits of Collaboration
(Source: NDA Guide to SME Collaboration)

Collaborating with partners can enable your business to benefit from additional resources, capacity, and skills. The power of partnership opens new doors to opportunities for business growth that working independently would not be possible. More information about the key benefits can be found in a research report published by Warwick University, 'Benefits realisation from collaborative working'[12].

The authors identify tangible benefits such as :

- improved business and operational performance
- increased business winning
- enhanced risk management
- innovation
- multi-million pound efficiencies
- increased client confidence and repeat business
- New product development.

There are also significant potential benefits from consortia delivery to the public sector including[13]:

- Improved responsiveness
- Reduced processing overhead costs
- Accelerate new and innovative ideas for products and services
- Building a dynamic network of suppliers
- Access to non-commercial partners (e.g., universities and colleges)
- Access to innovation funds (for which only the smaller SMEs may be eligible)
- Local economic development through growth of the local supply base.

Business leaders who embrace the principles of collaborative working recognise that achieving the right outcomes requires a structured approach – one that manages risk effectively, strengthens relationships, improves performance, and delivers enhanced value. This Joint Bidding Guide will explain how adopting a structured model (PHASE 5), rather than a loose or informal collaboration approaches, reduces risk and leads to greater overall value.

[12] *WRAP Collaborative Working_Report.pdf*

[13] *The Networked Enterprise: Competing for the Future through Virtual Enterprise Networks, Ken Thompson 2008*

What is Joint Bidding?

The Cambridge dictionary definition of consortium:

An organization of several businesses…joining together as a group for a shared purpose.

A joint bid is managed through a consortium and involves two or more business leaders bidding jointly.

TIP

There is no legal upper limit on the number of businesses that can bid jointly. However, the more partners involved, the more difficult the consortium becomes to set up and manage and could be perceived by the client as higher risk.

The UK Government offers limited guidance on how to bid as a consortium[14] but the consistent message is that when businesses cannot individually meet all the tender requirements, they may do so by bidding jointly.

For leaders of social enterprises, Social Business Wales offers guidance for a social enterprise when forming a consortium: https://businesswales.gov.wales/socialbusinesswales/consortia-working

Joint bidding requires business leaders to ensure clear alignment of objectives, well defined roles and responsibilities, and strong demonstrable trust between consortium members. A consortium must present itself as a seamless, unified bidder, particularly when competing against larger individual organisations in the tender process. In Phase 5 of the guide, the advantages and disadvantages of different collaboration structures are made clear, recommending the lead-body model.

Buying organisations can visibly signpost business leaders to relevant tenders that are suitable for joint bidding on the Sell2Wales website[15]. When advertising tenders, buyers are invited to tick a box if they wish to invite joint bids. It is also worth including that you are open to joint bidding opportunities in your business profile description on Sell2Wales so that other suppliers can find you.

A high quality joint bid requires thorough preparation from each consortium partner before it can be properly reviewed and assessed by the procuring party. Strong preparation is essential for successful outcomes. Therefore, buyers are encouraged to advertise opportunities for bidding jointly as early as possible in the tender process, e.g., UK1 Pipeline Notice and UK2 Preliminary Market Engagement stages.

Establishing your own reasons for collaborating is an essential first step. To help you establish the business case for forming a consortium, and to be more attractive to business partners, it is essential that you can describe your own organisation in clear unambiguous terms. You also need to establish the business strategy, values and mission / vision.

Business Wales offers guidance on developing your mission and vision statements: https://businesswales.gov.wales/socialbusinesswales/mission

The business strategy must be clear and easily understood internally and externally. Consider whether joint working part of your strategy already or will it need to be developed by your team.

If you don't yet have a strategy, mission and vision, or think it is time to refresh these, work with key stakeholders such as your organisation's senior management, leaders, customers, staff and suppliers to prepare your mission, vision and strategy. Then honestly assess your key competence and culture.

TIP

Use simple language that can be readily understood internally and externally by your potential customers and potential consortium partners.

Avoid trade jargon at all costs because it is often misunderstood or gets misinterpreted. More guidance on developing a strategy can be found here: https://www.gov.uk/write-business-plan

Consider the corporate culture - are you open, trusting and respectful of others? Are you prepared to work at your business relationships? How can you evidence that? Are you willing, and do you know how to share - people, knowledge, costs and financial surpluses? Are you prepared to help others develop outside your own organisation?

Some initial questions that you may reflect on in your organisation include:

- What are our core strengths in the business?
  - Do we fully exploit those strengths leading to business growth opportunities?
- What are our weaknesses or expertise lacking in the business that would enable growth opportunities?
- Do we face capacity challenges?
- What are our major objectives or goals – sometimes called the ***mission and vision***?
  - How do we plan to achieve these goals – often termed your ***strategy***?
- What is our traditional style of working with your customers and colleagues – our organisation's ***culture***?
- What are the ***values*** of the organisation? i.e., beyond the product or service, how have we built our reputation?
- Can we commit the time to set up and establish a strategic partnership?
- How would a strategic partnership work alongside the rest of the business?
- What percentage of turnover are we prepared to risk with a new joint agreement?
- Is our business ready for collaborative working?

If you can answer the above pointers and questions clearly then you are well placed to begin your journey selecting and building strong relations with other partners to successfully win and deliver joint projects. If you cannot answer most of the listed questions, your organisation may not be quite ready for collaborating, and investing time in joint bidding may not be best use of your time.

The Institute for Collaborative Working (ICW) offers a no cost self-assessment tool for SMEs, available here: https://www.instituteforcollaborativeworking.com/SME/Self-Assessment

[14] *How to bid for government contracts as a consortium - GOV.UK*

[15] *https://www.sell2wales.gov.wales/*

Summary

The benefits of collaborative working outlined in Phase 1 illustrate the case for joint bidding, a practical model that can help leaders of SMEs and VCSEs compete more effectively for higher value contracts. The procurement reforms in Wales and the UK means there has never been a better time to consider partnership working for delivering public contracts.

It is important to be clear on why and how your organisation would benefit from forming a consortium and bidding jointly for higher value contracts. It is equally important to realise how this would work alongside the normal day to day running of the business.

Some examples of successful joint bids include:

Transport for Wales tendering for running long distance bus routes. The lead partner acts as the main point of contact and other consortium delivery partners are located across Wales. The consortium approach offered the client reduced overall cost, greater efficiencies in running each route through the smooth coordination of consortium members. The arrangement also delivered standardised mobilisation of contracts, local employment opportunities for drivers, mechanics and cleaners, etc. and greater consistency of passenger experience.

Hardware and software companies forming joint agreements on technology frameworks. The collaboration reduces the risk of incompatible software and drives more innovative solutions. Overall it represents better value for money.

Civil and mechanical engineers bidding jointly for a turnkey construction framework. Collaborative partners ensure on time delivery and duplication of roles such as quality assurance. Partners already know each other so there is less risk of conflict. Smoother handovers, delivering greater efficiency and better overall value for money for the client.

PHASE 2 - Who should we partner with, and why?

Meeting potential business partners can take the most time. It is advisable to first consider existing suppliers. You already have experience of working with them but consider if there is value in partnering rather than subcontracting and the benefits this might bring. Business to business networking events organised by Business Wales (e.g., EXPO), Federation of Small Business, Wales, Chambers, Institute of Directors, Wales, and other discipline specific institutes (e.g., ICAEW), trade exhibitions (e.g., The Welsh Constructions Shows), or regional business clubs all bring excellent opportunities for those initial introductions. It is worth taking the time to attend some of these events and strengthen your network.

Internal assessment

One of the main challenges for SMEs and third sector organisations winning public contracts is the value (£) of some of the work packages being tendered. High value contracts may be disproportionate to the individual turnover of smaller businesses. This can also be an issue when bidding for private sector contracts.

The guide has already explored the benefits of collaborative working, and it is worth reflecting on some of those when considering partner selection. The benefits of collaborating identified include the pooling of financial resources, problem solving, combining expertise and skills, sharing responsibility and gaining credibility. Larger contract opportunities may initially appear more suited for larger organisations than SMEs or third sector organisations can fulfil separately, but if these organisations come together to form consortia this can be of benefit to you as it will increase the competition for larger contracts. This may also be due to your clients making assumptions about SMEs' or social enterprises' capability to deliver larger contracts. Thankfully the changes in the procurement legislation are changing these perceptions and public buyers are actively encouraged to remove barriers and engage with SMEs and VCSEs as noted in Wales Procurement Policy Notice WPPN 013 (Wales) and Public Procurement Notice PPN 002 (England). These document links are added at the end of the guide under additional resources.

Knowing your core strengths and acknowledging areas where you are weaker will help you to identify the right business partner/s. Establishing a consortium can enable your organisation to apply for more tendering opportunities that may otherwise be out of reach.

TIP

It is easy and tempting to rush this process when there are deadlines looming, but partner selection is essential to get right. Choosing the wrong partner can have a detrimental impact on the delivery of the contract and your business reputation.

Strengths/ Weaknesses/ Opportunities/ Threats (SWOT)

The SWOT framework is one of the most applied toolkits but frequently misunderstood. People often complete the 2 x 2 matrix independently without recognising the links between them.

Figure 2 shows how the SWOT matrix should work.

INTERNAL	EXTERNAL
STRENGTHS e.g., innovative healthcare solution	**OPPORTUNITIES** e.g., exploit new tender opportunities and diversify distribution channels. This leads to higher volume sales, improved company/brand reputation and the opportunity to increase profit margins.
WEAKNESSES e.g., marketing the innovative solution	**THREATS** e.g., slow sales means that research and design costs may not be covered and profit margins remain slim. Slim margins only work when volume demanded is high.

Figure 2: SWOT Matrix showing dependencies between internal and external factors

To illustrate how this matrix is helpful in partner selection, an organisation's weakness is an opportunity for introducing a partner – e.g., your weakness may be their strength - your strength may be their weakness.

This approach to partner selection means that you are collaborating on complementary strengths and weaknesses. It provides the solid basis for effective collaboration as there is a mutual benefit gained by each partner.

TIP

Partners may not initially see the value of completing this activity, and you may find that some partners do not continue. Completing a joint exercise like this is evidence of the ability and likely commitment from each partner to share and discuss matters openly. It is better to lose people now than half way through a contract delivery.

Business partners collaborating on similar strengths may lead to concerns over intellectual property and this can slow down the development of trust and knowledge sharing. This often leads to competitive rather than collaborative behaviours. However, this scenario can work for a contract delivery that requires reaching a greater geographical spread.

For example, a healthcare solutions organisation based in South Wales may seek to partner with a business based in North Wales. Care would still need to be taken on cultural alignment and having clear mission and vision statements as mentioned earlier becomes critical. When you start to map these across the partner organisations it is easier to see where conflict may occur.

TIP

You can use this exercise to build stronger relations – arranging a face to face meeting using whiteboard, flip charts and post it notes can bring more energy and wider discussion into the room. This exercise can be hosted by an external facilitator or managed internally. A SWOT table can be completed online using a shared filing system such as SharePoint or Google Documents. Applications such as Microsoft Whiteboard or Trello allow you to use online post it notes but it is more difficult to initiate conversations and engaging dialogue online.

SWOT offers a flexible toolkit, and the exercise can be as simple or as sophisticated as you like. Think about the contract value and consider applying proportionality to make best use of your time and effort.

- A simple SWOT will identify a list of strengths and weaknesses for each organisation.
- A more sophisticated approach to SWOT will consider strengths and weaknesses in different functions or departments in the business.

Use tables like these (Table 1) to help you start the discussions.

YOUR ORGANISATION	STRENGTHS	OPPORTUNITIES
Operations		
Human Resources		
Finance		
Marketing		
Information Technology		
PARTNER ORGANISATION 1	**STRENGTHS**	**OPPORTUNITIES**
Operations		
Human resources		
Finance		
Marketing		
Information Technology		

Table 1: SWOT analysis by business function and for each consortium member.

Once you have collected evidence from each consortium partner to get started, you can develop horizontal comparisons like this with examples populated:

	Your Organisation	Partner 1 Micro business	Partner 2 Social Enterprise	Partner 3 Private Sector	Partner 4 Sole Trader
STRENGTHS	New product development, manufacturing and engineering product development, manufacturing and engineering	Marketing, branding	Work experience for vulnerable communities	Logistics and distribution	Financial management and or accountancy
WEAKNESSES	Marketing and branding / HR	Financial management	Operations	Marketing / HR	Branding

Table 2: Comparison between consortium members

Consortium working offers new opportunities to bring diversity and even social value in to your partnership working.

- For example, a healthcare solutions business may not have the expertise of public sector tendering – one of the partners may include a sole trader representing ethnic minorities offering specialist bid and report writing skills.
- Artificial Intelligence (AI) is increasingly being adopted but this requires specialist knowledge. One of the partners may be a computer science expert or an IT solutions micro business that employs apprentices from the local college.
- A social enterprise or charity make excellent partners bringing enhanced social value contributions to your proposal and a learning opportunity for the business.

Summary

There are endless possibilities when forming a consortium. A natural place to look for potential partners is within your existing supply chain. You may have previously subcontracted work to them, but through a consortium arrangement you can bring them in as more equal partners. This not only strengthens business relations but reassures the client that collectively you offer the full range of expertise needed to deliver to the highest standard.

When forming a consortium you may already have a contract opportunity in mind, or you may prefer to establish the right partners before being contract ready. The latter approach is more advisable.

Take time to develop the relationship first, before you are contract ready. By adopting this longer term approach you will be able to present stronger evidence in your tender submission, trying to build the client's confidence in your ability to deliver and increase your chances of winning the contract. Now that you understand your core strengths for each of the consortium members, you should identify relevant information or knowledge that you require to deliver a contract collaboratively.

PHASE 3 – What knowledge do we need to collaborate?

Knowledge Sharing

When building the business case to form a consortium, it is important to consider data and knowledge sharing. Clearly defining and openly communicating the information you are willing or unwilling to share is a critical early step to any partnership. This needs to be discussed before delivering a contract.

One of the easiest ways to start this process, is to ask consortium members to use a spreadsheet to list the knowledge areas or documents they need to make the consortium effective and question the knowledge they are prepared to share with all consortium members. Once each partner completes this exercise, all the points can be merged into one document and shared for further discussion.

Table 3 illustrates how the knowledge sharing process might start.

Industry Standards Standards	Regulatory Requirements	Partnering Programmes	Product Strategy	Business Plans	Strategic Plans
Product Information	Market Research	Patent Applications	Research & Design	Outcomes and Impact	Investment Plans

Table 3: Knowledge Mapping Exercise

An important consideration for any knowledge shared is, how will knowledge sharing enhance the collaborative relationship? It can go wrong when partners are expected to share data and knowledge, and this is not reciprocated fairly between partners. There may be a fear that data can be exploited if the sharing process is not managed well. Consortium members are encouraged to populate a table like this.

Headings can be adjusted and the number of rows to accommodate items extended.

Knowledge takes many forms, and in business people immediately think about data. Being expected to share your business strategy or a longer term business plan with partners isn't always a given. Some leaders may consider this as commercially sensitive information and be reluctant to share it.

Other forms of knowledge may include sales plans, customer or client data, finance plans, market research and marketing plans, cost data and supplier agreements, accreditations and standards. There are strict regulations around sharing confidential information such as customer or client data.

Information on GDPR General Data Protection Regulation can be found here: https://businesswales.gov.wales/topics-and-guidance/starting-a-business/start-and-business-planning/general-data-protection-regulation

Agree how your key documents will be managed and controlled. This includes not only core project documentation, but also correspondence and commercial documents shared between consortium members. Establishing a dedicated email address or using a secure e-portal for document storage and version control can be an effective approach.

Intellectual Property

When discussing data and documents, it is entirely acceptable for one of the partners to decline. Recognising this early helps to set realistic expectations between consortium partners from day 1.

This is a list of some of the issues with Intellectual Property (IP) you might encounter and might want to initiate early discussion with your partners.

Background IP – when forming a consortium, all members should formally record the IP they are willing to share and the terms of sharing (e.g., license or transfer). Doing this early provides clarity and reduces the risk of disputes. Preparing a license agreement in advance is advisable and may involve an agreed fee. You should determine whether members may continue using their own background IP independently to avoid competition issues.

Consortium IP - this refers to the integration of your consortium members' Background IP into a coherent system for your consortium. Before submitting your bid, the consortium should record any jointly created material as Consortium Background IP. Decide who will own any IP developed by the consortium, how it may be used, and whether members may use it outside the bid or resulting project. Co-ownership may not be a desirable option; in the absence of some other agreement between members co-ownership will, in general in the UK, only allow the co-owners to exploit the jointly held rights themselves and will not permit them to assign or licence (or even arguably to subcontract) to third parties, without the consent of the other members.

Consortium Background IP working with the Customer - many public sector contracts include provisions requiring forward licensing of the suppliers' Background IP where it is critical to the contract delivery. This is intended to prevent supplier lock-in, which can expose the client to unreasonable charges once the contract ends. This is a common issue with software development or installation. Your consortium agreement must therefore allow such forward licensing where necessary. More on IP is mentioned in Phase 7 of the guide, Managing the Exit.

TIP

Early discussions about data, documentation and commercially sensitive information are better managed face to face. Knowledge sharing is one of the most likely conflict areas in any collaboration. If you meet in person, you will find it easier to discuss any nervousness around sharing. You will also be more aware of non-verbal behaviour in these discussions. Plan for situations where a member holding back critical IP withdraws. This is why early conversations are important.

Relationship Management Plan (RMP)

Once you have worked through Phase 2 and Phase 3 you will have collated commercially sensitive documentation to support the development and management of the consortium. A relationship management plan (RMP) offers a tried and tested framework for collecting pertinent information for the consortium members. Periodic review of the RMP takes risk out of the relationship and focuses more on prevention and mitigation than management. A basic form of RMP has also been developed for procurement professionals. You can request a copy of this when registering interest at the tender notice stage.

TIP

There are plenty of RMP templates and applications available on the internet to get started. Otherwise, contact Business Wales for more guidance:

https://businesswales.gov.wales/topics-and-guidance/starting-a-business/start-and-business-planning/collaboration

Summary

Effective collaboration takes time and effort. Building trust is essential within a consortium. Understanding the knowledge that you are prepared to share and the knowledge that you hope to gain from consortium partners is one of the earliest stages of developing trust within the consortium.

It is essential to discuss and agree early on data protection regulations and issues around developing, managing and storing commercially sensitive information.

Further considerations are required to store the new information so that every partner can access it fairly. Confidential or commercially sensitive information can be filed with password access or be limited to certain email addresses.

These measures are essential to ensuring that data and knowledge sharing strengthens trust rather than undermines it.

PHASE 4 - Resourcing the partnership

Roles and Responsibilities

Once the collaboration objectives and knowledge sharing requirements have been agreed, it becomes essential to define roles and responsibilities.

Think back to when promises or contractual arrangements have been broken, or more generally expectations were not met. Often it is not the product or service at fault, instead it is the way we manage the relationship, how we communicate and set expectations. One important rule is to never over promise. It can cause reputational damage that is difficult to put right.

In the first instance, the consortium needs a champion or leader. The international standard for managing collaborative relationships (ISO 44001) recommends appointing a Senior Executive Responsible (SER) to provide the strategic oversight and accountability within the consortium.

In the same way that knowledge and data are identified and shared, any resources that could be jointly utilised such as labour, machinery, tooling, office equipment, vehicles and other assets should be discussed at an early stage. Having these conversations upfront strengthens the joint value proposition, builds trust between partners, and helps establish clear expectations from the outset.

The dependency factor in a contract is another important consideration. When thinking about the impact of partnering on the day to day running of the business, it is useful to estimate what proportion of overall business turnover the contract would represent. This assessment is critical. If the percentage is high, entering a consortium approach may introduce additional risk. If the percentage is low, a consortium approach may be a less risky approach to start your collaboration journey until relationships are strengthened by working together.

Risk Mitigation and Management

Once you start to formulate a resourcing plan, it is important for consortium members to consider risk, both internal and external to the consortium. It is recommended to follow a recognised and consistent approach to risk planning, to ensure it is both comprehensive and well structured. You may have your own approach to risk planning, ranging from an advanced process to a simple list created as you review a tender. A thorough Risk Management approach should contain the following 5 key stages as illustrated in Table 4:

1. Risk identification	2. Risk analysis	3. Risk mitigation	4. Risk planning and resourcing	5. Risk monitoring and reporting
Refer to the PESTEL framework to get started on identifying external risks	Sometimes termed risk assessment or risk evaluation	How you will handle the risk; Reduce or eliminate; Avoid; Transfer; and absorb or pool	Including contingencies (time, resource, money)	Including tracking, occurrence, action and review

You may use different terminologies and minor variations in the sequence and sub-activities to adapt the table for periodic review and assessment. For the SER, an initial joint bid risk assessment should be carried out on behalf of the potential consortium as part of opportunity assessment. The earlier the work is done, the easier it is to update when the pressure of the bid cycle begins.

Using the popular PESTEL framework, these are some of the likely risks that could jeopardise the successful outcome of the partnership. Populating a table like this will help to get you started with your risk mapping exercise.

Political	Buy side culture, historical behaviours, willingness to accept joint bids, Inertia.
Economic	Failure to deliver, failure of suppliers, cash flow, new types of contingencies.
Societal	End user acceptance, level of trust, delivery standards, capacity to share.
Technological	Use of technology, failure of management systems.
Environmental	Management systems, Increased carbon footprint.
Legal	Sustainability, equal opportunities, tender process compliance, modified form of contract, legacy issues.

Table 5: PESTEL risk mapping

TIP

The completed table can be inserted in the RMP and should be reviewed periodically, at least every six months.

Where there is risk, there may also be opportunity. Gaps and surprises tend to occur where one member of the consortium becomes ill, leaves the partner organisation or is not fully sharing its information or trying to gain some form of advantage. These behaviours can impact on communication and trust with unpredictable consequences. The end goal is to have a robust Master Project Risk Plan as illustrated in Table 6.

Type of Risk	Likelihood (1 Low - 5 High)	Impact (1 Low - 5 High)	Action or Response (prevention, reduction, transferences, acceptance, contingency)	Opportunity
e.g., Partner falling ill	2	5	Ensure everything is documented for someone else to pick up. Use a shared email account to prevent communication getting lost.	Widening of skills across the consortium.

Table 6 Master Project Risk Mapping

TIP

The completed table can be inserted in the RMP and should be reviewed periodically, at least every 3months throughout the duration of the contract or project.

Managing Behaviours

In collaborative relationships, people often focus on shared systems and processes. The reality is that effective collaboration is underpinned by the behaviours of individual partners. When these behaviours are not shared or contradict, this can lead to relationship breakdown and conflict.

The key competencies, skills and behaviours that support collaborative working can be agreed and evaluated periodically for review. Here are some examples in Table 7.

COMPETENCIES	SKILLS	BEHAVIOURS
Complementary skills set	Analytical	Cooperative
Experienced in respective field	Collaborative working	Effective communicators
Previous team project working	Research intensive	Acceptance of change
Understanding of the public policy landscape	Practitioner experience	Demonstrates leadership

Table 7: Behavioural assessment for the consortium

TIP

You could use a simple RAG (red, amber, green) process for assessing these periodically. Different partners may have varying perceptions on the scoring of these, so it makes a good discussion point at meetings.

Managing Trust

One of the most significant challenges when forming a consortium is establishing trust and understanding how to assess it. Trust operates at three levels: your own and your colleagues' individual capacity to trust; your organisation's culture, shaped by leadership values; and the influence of both on your willingness to share ideas, systems, resources, people, risks and rewards.

Covey (2006), a US researcher, designed a trust matrix that is well suited for managing trust in consortia arrangements (Figure 3). The key to a high performing consortium is the challenge of ensuring good judgement via the analysis of trust. The goal of what is termed *Smart Trust*™ is to operate as far as possible in the top right quadrant. Be cautious of members who fall to the bottom left and right.

TIP

You could use post it exercises to open difficult conversations about trust. Trust is so rarely spoken about, but one of the most critical behaviours for project success.

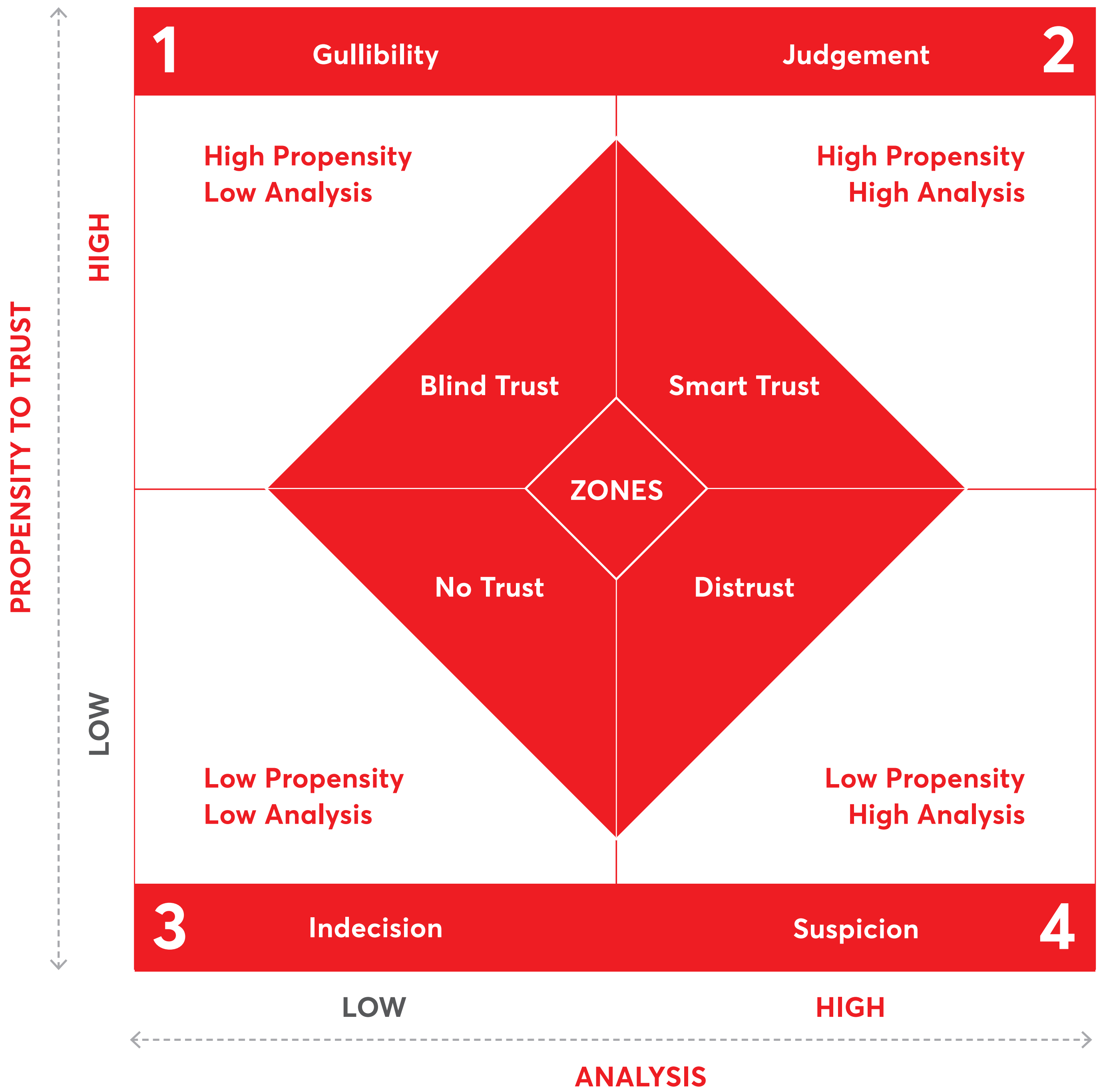


Figure 3: Smart TrustTM Matrix[16]

[16] *From The Speed of Trust, Stephen MR Covey (2006) pp 290*

Summary

Resourcing the partnership requires early discussion and agreement by consortium partners on three main areas: the pooling and sharing of assets; risk mapping; behavioural analysis.

When the pooling and potential sharing of assets in the consortium are agreed, a list should be generated for the RMP to help set expectations later in the contract delivery. This will be updated periodically by the SER. Similarly, the risk mapping exercise to assess the macro environment should be updated in the RMP.

Behaviours are often overlooked but the reality is that good behaviour drives effective collaboration performance and poor behaviour may lead to conflict.

The proportionality rule should apply to these factors, and time and effort should be relevant to the contract value.

PHASE 5 - How to Structure the Partnership

Collaboration types

Although many organisations describe their work as 'collaborative', the term can mean very different things in practice if not clearly defined.

The Competition and Markets Authority (CMA) classify collaboration agreements as two approaches: 'horizontal' or 'vertical'. This depends on the relationship between the parties involved.

Type of Relationship	Description
Vertical Agreements	Involve businesses operating at different levels of the supply chain, such as a food producer, food processor and a school.
Horizontal Agreements	Occurs between businesses that operate in the same industry sector and at the same level of the supply chain (meaning that they are direct competitors) – e.g., multiple potato farmers supplying product to schools across Wales.
Vertical Agreements	Involves businesses operating at different levels of the supply chain, such as a potato farmer, a manufacturing processer, and a distribution company.

Table 8: CMA classifications

Collaborations between businesses are often horizontal agreements, but both types can raise legal issues depending on how they affect competition. Horizontal collaborations are usually where the consortium is formed between business leaders from similar or complementary businesses.

The spectrum of collaborative structures relevant for SMEs and VCSEs is tabled overleaf. Examples are populated (the supply of food to schools) to help contextualise and improve your understanding.

Type of Collaboration	Activity
Informal Networking	Local farmers, grower and community food organisations such as community interest companies (CiCs) share insights on seasonal availability, school meal demand and upcoming tender opportunities.
Coordination	Involves more structural alignment of activities such as coordinating delivery times, planning school term time peaks in demand and matching with the harvesting schedules.
Cooperation	Different organisations work together such as jointly supplying vegetables, sharing the transport to washing facilities and then to schools.
Partnership working	Clearly defined roles to collectively achieve a full supply of food in schools. VCSE may lead on food education activity in the classroom.
Consortium working	Food producers, school caterers, and community food organisations supply multiple schools under a single governance and framework agreement.

Table 9: Types of collaboration

Structures for managing consortia vary from a loose coupling, to setting up a more formal arrangement to becoming legally bound. The loose coupling ‘hub and spoke’ model is NOT encouraged for tendering as it is not robust enough for public contracts. No further explanations are provided.

The **Lead Body Model** works well when time scales are tight. With the right support it can be established quickly. The lead body model works particularly well for SMEs and VCSEs that benefit from partnering with larger organisations acting as the lead body.

A summary of the advantages and disadvantages of the Lead Body Model are presented in Table 10.

Advantages of Lead Body Model	Disadvantages of Lead Body Model
It is a model that public sector bodies are used to working with and their procurement processes and management systems are geared up to work around this model.	The financial and legal responsibilities may fall with the lead body; hence you need to identify an organisation willing to take that risk.
Gives the buy side a single point of access for services to be delivered.	The sub-contracted members of the consortium could feel disenfranchised as it is not an equal partnership.
Can be pulled together relatively easily if working within a tight timescale.	Small organisations may still be at a disadvantage. Due to their size they would not be able to tender as the lead body so would have to act as a sub-contractor body.
Smaller organisations can benefit from scale of working with larger partners who can act as lead body.	A change in ownership or management at the lead contractor may impact the sub-contracting and future collaboration arrangements.

Table 10: Advantages and Disadvantages of Lead Body Model.

Refer to Figure 4 which illustrates the 'one member, one vote' system. This reduces the risk of a perceived power imbalance across consortium members. For the public sector buyer, this structure provides a single point of contact while still allowing for all consortium partners to be paid at the same time.

Figure 4: Lead body model

This model is highly influenced by the openness and trust operating within the consortium. If the lead body is open and shares key information such as the team's resource plans, the project's cost models, equitable distribution of profits or surpluses it can be a highly effective approach.

The final legally bounding model is called the **Special Purpose Vehicle (SPV) model**. This is an advanced form of structure for collaboration. It is one step short of a merger. As it tends to be a legal entity it has related reporting, financial and governance arrangements. It is more commonly used for large contracts where there may be the requirement to donate, create or acquire high value assets. Hence it appears in the construction sector relatively frequently for design build and operate (DBO) or design build finance and operate (DBFO) type contracts with multiple partners. Its challenge is winning the first contract using its own data and systems i.e. pre-existing track record.

SPVs may directly employ staff. Staff dedicated to the project can also be seconded from the membership or recruited on fixed term contract arrangements. Each entity has its own business portfolio and the SPV has another.

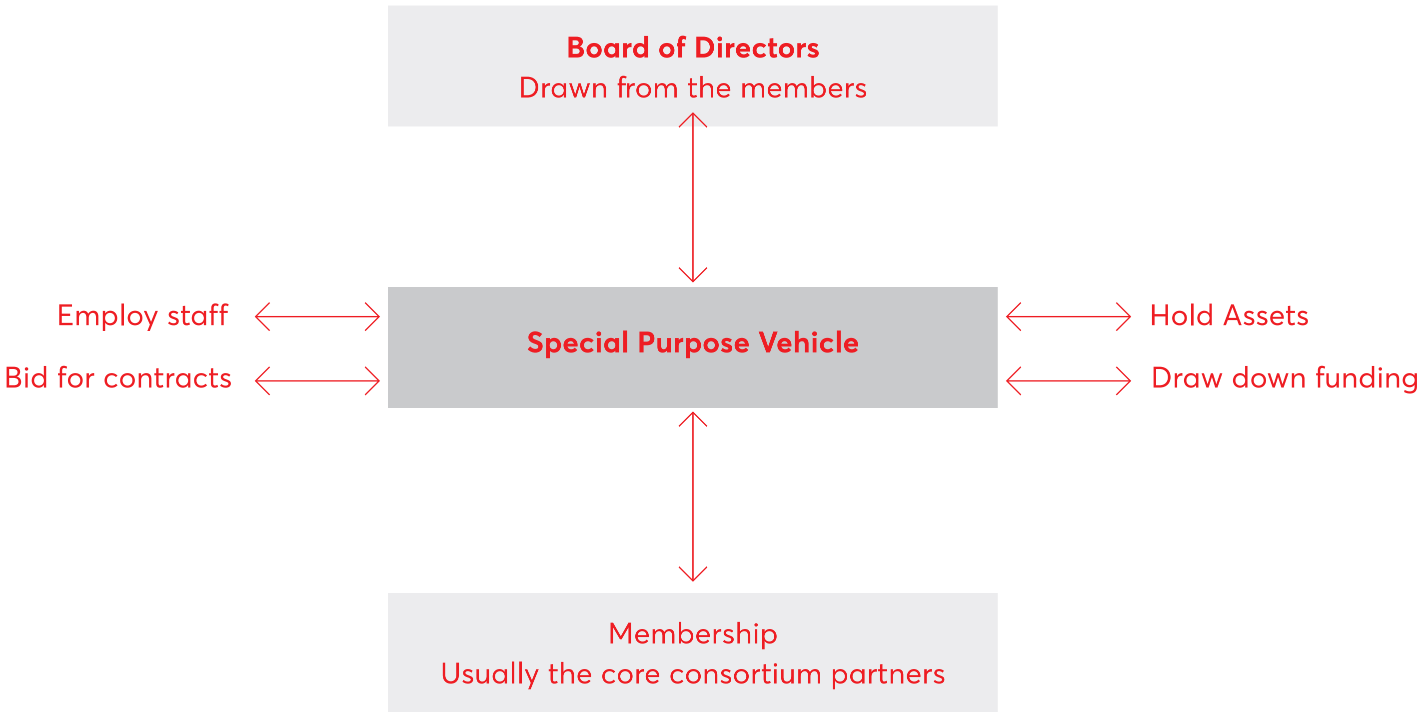


Figure 5: Special Purpose Vehicle Model

Table 11 summarises the advantages and disadvantages of SPVs.

Advantages of SPVs	Disadvantages of SPVs
Promotes more of an equal partnership amongst the members.	Can be difficult to attract funding as no track record of delivery at start-up phase.
Once established can be used repeatedly to deliver new initiatives and bid for contracts.	Lack of understanding of the model by commissioners/procurers.
The model can be flexible. If agreed, not all members need be involved in delivery, for example.	Could create additional costs for the founding members. This needs to balance against the proposed return.
Membership can be expanded if additional skills and/or coverage is required.	No one partner has direct control. This could put off those who like to operate in this manner.
Can be established using a not-for profit legal structure or can be more commercial.	Can be time consuming to establish, hence can be challenging when working to a tight timescale.

Table 11: Summary of Advantages and Disadvantages of SPVs.

If you intend to bid as an SPV it would be helpful to discuss this with the client at the PP01 Procurement Pipeline stage, and ideally before any selection and award criteria and scoring methods are finalised. The buying organisation cannot preclude any form of consortium from bidding for a contract and will need to ensure that its procurement takes account of the collective experience and track record of organisations party to the SPV. The downside of this model is that members may not have a long trading history as the legal collaborative entity.

Competition Law

In most situations, collaboration between businesses does not raise any competition law concerns but it is still prudent to be aware of Competition Law. The CMA guidance[17] was updated in July 2025 and explains the benefits and pitfalls to be aware of when collaborating with another business.

The UK requirements for collaboration are covered by the Competition Act 1998, which prohibits any activity that prevents, inhibits, or distorts competition. Contravention of this legislation could have serious implications for organisations generally and for the members of their governing bodies such as Trustees.

An example of a possible contravention of the Competition Act might be a group of organisations, all of whom deliver the same service, collude with a purpose to remove competition.

There are two prohibitions under Competition Law.

Chapter I

Agreements between businesses that prevent, restrict, or distort competition such as agreements to fix prices, restrict production, carve up markets, and share certain types of confidential information, such as prices. 'Bid-rigging' falls into this category. This is when bidders make a secret agreement, for example to not bid against one another, increase their prices or to share the work, in order that they both gain financially.

Chapter II

An agreement that prohibits conduct that amounts to an abuse of a dominant position.

Anti-competitive agreements and cartels will always be of concern and can apply in any market, but problems may arise if the development of a consortium has the potential to gain a dominant position in a market and thus behave in a monopolistic manner or as an oligopoly, seeking to control the market.

The CMA website offers detailed guidance on how a dominant position would be defined:

> *"a company is unlikely to be dominant if its market share is less than 40 per cent or if it is unable to behave independently of the normal constraints imposed by competitors, suppliers and buyers."*

Although formally defining a market can be technically complex, buyers and consortia members should be able to get a good feel for this based on experience and market research.

[17] *https://www.gov.uk/government/publications/collaborating-with-other-businesses/collaborating-with-other-businesses*

Forming a consortium could cause you to become dominant in markets which are difficult for newcomers to enter. For example, there may be discreet geographical assets for delivery such as care homes, health care facilities, and waste disposal facilities. In these types of markets, it may not be cost-effective for a buyer to seek services from further afield. Market dominance can also emerge where there has been a traditional geographic boundary for service delivery such as regional based voluntary services, which may have been previously largely grant-funded.

Being dominant in the marketplace is not illegal but abusing that position is.

Examples of potential abuse include charging excessively high prices, offering different prices or terms to similar customers, or refusing to supply an existing customer without good reason.

Being in a dominant position can make it easier for a consortium to fall foul of the Chapter I prohibition on anti-competitive agreements. A consortium should not seek to create an exclusive delivery arrangement where the delivery partners can only bid through the proposed consortium. You should not attempt to set up non-compete agreements that create artificial ring fences, geographic boundaries or try to restrict future related bidding and delivery partner activity. Any explicit or tacit agreement not to 'compete on someone else's patch' can fall foul of the Chapter I prohibition. The case or argument for forming a consortium always must include but not restricted to the improved seamless coordination of different expertise areas to enable smoother handover and pooling of resources and skills. This delivers better value for money to the client.

Please note that mergers giving rise to a potential reduction of competition in a market need to be approved by the UK competition authorities. There is information available from the CMA on merger regulations.

How to avoid any pitfalls

The best way to address potential issues around competition law is via strong policies and procedures covering Governance, Risk Management, Resource Allocation, Membership, Confidentiality of Information, Competitive Bidding, Conflict of Interest and Anti-Bribery. Using a specialist bid manager to prepare the estimate, who would ensure that commercially sensitive information is ring-fenced vis-à-vis the other parties, can help keep data at arm's length. Take specialist advice. If you are in any doubt, ask for such specialist advice because the SER for the Consortium will have legal liability. It is also recommended that you seek specialist advice on the drafting of such policies and procedures and appropriate Consortium Memoranda, Articles of Association and Member's Partnership Agreements.

Please note: It is not good practice or advisable for business leaders to tender individually and as part of a consortium (or multiple consortia). You should plan to bid only once.

Due Diligence

One of the challenges of creating a consortium is the level of sharing key information. Often the initiator is only shown the positive information during the consortium creation process. Sometimes there are hidden performance deficiencies that can increase risk, and this can impact on the decision about information-sharing between members. The greater the trust that exists, coupled with sound governance over non-disclosure outside the consortium, the larger the potential to mitigate risk.

Three forms of due diligence checks should be maintained.

Financial Due Diligence

It is recommended that your potential consortium leaders read this guide and Appendix 2 to understand the likely cost implications of setting up a consortium. The sooner your potential members share key accounting information the better. Consider the following points:

1. How you will create the hybrid profit and loss, balance sheet and acid test ratio?
2. How will you cover for your financially weaker or recently created members?
3. How will potential cash flow challenges be handled (larger contracts often require greater input prior to payment and sometimes have retentions, bonds or penalties)?
4. What is your fallback position for the financial failure of a member (are other members prepared to lend it money or take over its delivery)?
5. It is recommended that you seek relevant credit references to assess the degree of financial exposure and risk you are prepared to consider. For non-incorporated or sole trader members ask for relevant accounting and banking references.

Performance Due Diligence

Often the supplier questionnaires will ask for references, and they may also ask about any history of claims. It is therefore important to have a transparent and open approach to this information. Here are some key questions to ask and to share:

1. Can your potential partner provide two recent good references for the provision of similar services?
2. Are they prepared to let you discuss their performance with their client? If not, why not?
3. Can they provide relevant certifications for standards (ISO 9001 for example), training and development, equipment, data protection, health and safety inspections, for example?
4. Are there any recent claims from public sector clients that have been upheld involving either penalties or legal action (especially prosecution under key areas such as health and safety, data security, HMRC recovery, criminal activities of any nature)? If so, ask the potential partner to state them, as they may be grounds for abandoning the proposed partnership.
5. Have any retentions been taken or damages paid for non-delivery, poor delivery, re-work, contract determination or breaches of contract terms? If so, ask the potential partner to state them. Are they sufficiently severe to reconsider the potential partnership?

Legal and Insurance Due Diligence

As your team will need to provide a variety of legal and insurance documentation the sooner you collate this, the better. It is recommended that you:

1. Ask for the data submitted to Companies House on ownership, formation, management changes and finances. Point out that this is available at a cost anyway and is public domain information.
2. Ask to see a copy of the VAT certificate and note the VAT reference.
3. Ask for current copies of relevant insurance certificates to be held within the potential consortium and updated whilst the organisation remains a member. The key documents are Employers Liability, Public and Product Liability (where relevant), Professional Indemnity, plant and equipment (where relevant) and general insurances such as buildings and contents in case your own equipment is moved to your partner's premises.

These are a few recommendations. They are similar to the due diligence you should be carrying out on your own supply chain for larger contracts, and they reflect the same questions you should be prepared to answer from your clients. The quicker the data is provided the easier it will be to formulate the Relationship Management Plan and populate relevant e-portals to assist the joint bid.

These potential risks and issues should all be addressed by the SER, documented and reviewed every six months in the RMP as explained in PHASE 4.

Summary

PHASE 5 has highlighted a range of structures for collaboration that can be considered by the leaders of potential consortia. Each structure has its advantages, and some have challenges.

To get started, the Lead Body Model is the recommended approach for public contracts. The Special Purpose Vehicle Model takes longer (>18 months) and is costly to set up a separate trading entity.

Business Wales hosted seeding events in 2025 – 2026. If you missed these, look out for recordings of the key messages for suppliers to get started on the collaboration journey. For teams with limited experience on corporate governance and collaboration, advice is available from appropriate bodies, which includes: Business Wales, Social Business Wales; Social Firms Wales, Cwmpas, Wales Council for Voluntary Action; the Competition and Markets Authority; public sector procurement teams and advisors where appropriate. Seek advice from accounting and legal professions when required.

PHASE 6 - Add Value by Working Together

Whole life cost

Wales Procurement Policy Note (WPPN) 001 states that Procurement is *"the process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment"*.

With increasing pressure on organisations to assess the whole-of-life cost in their products, including the ultimate disposal, it is important to cost the impact of both maintenance and disposal into the target cost estimate.

For example, the significant costs now involved in decommissioning UK nuclear power stations are evidence of a poor understanding of whole-of-life costing by the designers and former owners of these assets. Nuclear decommissioning has now become a multi-billion pound legacy challenge for the UK government.

The drivers here include minimising the total cost of ownership, from the client's perspective. Consortia members should take the full design, build, maintain and disposal costs on board at the concept stage. It is important to explain how and why you are estimating these costs in your bid to ensure the buy side is comparing bids effectively.

Costing

Every project or service your consortium bids for should be based on a sound and equitable cost estimate, tailored to the buy side's specification and/or pricing requirements. The whole concept of costing is market driven and uses competitive intelligence and customer inputs rather than the traditional accounting and engineering cost plus model. There is a strong pull on value management and value engineering processes to define a hierarchy of customer needs to wants. Therefore, always cost what is needed ahead of what is wanted.

TIP

Refer to Appendix 2 in this guide for the costing calculations tables. These can be as simple or as sophisticated depending on the contract value and level of risk.

Your consortium's project or service features and deliverables can only be incorporated if the customer is willing to pay for them. Additional features must provide additional benefits to enhance the Customer's Value for Money. If it is needed and it costs you, do not give it away for free. If is not needed, then do not cost it into the Consortium's estimate as this may make you uncompetitive.

There are other options such as fee based, time and expense, or rate based. These approaches are more common for multi-project programmes and frameworks, where the specification is less definitive at the time of starting the procurement process. Construction and related complex projects such as major ICT installations may also use a Bill of Quantities. Whichever type of price you are asked to prepare there are three recommendations for consortia costing:

1. **Fully understand your members' and consortium's total cost base**, including any future legacy costs such as enhanced insurance or inflation on future services.
2. **Ensure you estimate suitable cost contingencies** as either cost or time cost, sufficient to cover your consortium's joint risk plan. These may be included in your team's estimate or separately stated for a contingency budget held by the buy side. You must be explicit to avoid either double counting or omission; and,
3. **Agree your consortium's approach to marking up** member costs, consortium level costs and an equitable profit/surplus[18]. Treat everyone fairly and proportionately.

In addition, agree how revenues from your consortium's contract be apportioned? Will the different members have a common approach to pricing their services? If they do not, they should, otherwise it could cause serious conflict. For example, if one member is adding on overheads and another is pricing at direct cost they will expect different levels of cost mark-up. Will there be any funds retained centrally, for example as contingency or for the Lead Member's project/risk management and on-going insurance costs?

A major project on costing and estimating for consortia (termed Virtual Enterprises) was jointly commissioned by the EU and a former UK Regional Development Agency to prepare a finance manual for virtual/extended enterprises. The key recommendations on good estimating and costing practices for extended enterprises such as consortia were:

A fair price expectation with no cross subsidy. Customers should expect to pay for all the services they use, accurately costed and priced, including all relevant overheads. Otherwise there is an inappropriate expectation of cross subsidy from 'other customers' or the Consortium's members' balance sheets.

Only relevant overheads apply. Cost only relevant member overheads for a consortium. Do a team estimate for your members' relevant overheads rather than allowing the individual member's own/usual mark ups on their direct costs for your consortium estimating model. Otherwise you are duplicating non-contributing management costs. For example, the bid and subsequent project do not need full recovery costs for a Managing or Sales Director from each member; otherwise it will not be competitive. Do include relevant consortium management, financing, insurance, selling and bid costs that need recovering. Mark these up too.

Look at internal transfer costing fairly. No single consortium member should estimate to exceed its own total overhead costs without the other members' agreement. This is about transparency to cover the situation where additional effort, resources and expenses are incurred by a member on behalf of the consortium. Examples of this are a Lead Member increasing its insurance costs, financing an external Bid Director and/or Project Manager for the Consortium.

Good quality collaboration and cost transparency within a consortium can produce the same project or service at a more competitive end price for the buy side as well as make significant savings. This gives the best value for money and sustainability for all.

Hence open book costing for your consortium should give you commercial advantage even though under PA 2023 there is a shift away from heavily weighting costs (Most Economically Advantageous Tender) to focusing on value (Most Advantageous Tender).

Price led Costing

The main principle here is that the market price determines the target cost.
This can be stated as a simple equation:

Target Price = Target Cost + Target Profit/Surplus.

Therefore:

Target Cost = Target Price (determined by the market or buy side) – Target Profit/Surplus

The profit or surplus is determined by the financial requirements of the Consortium for its relevant sector.

Summary

During the tender process expect to be questioned about whole life cost and use of circular economy materials in contract delivery.

The procurement reforms mean that tenders are mainly weighted less on lowest cost and more on highest quality. reliability and sustainability. Nevertheless, even if cost is not highly weighted it is important to prevent conflict to establish the overhead costs of running the consortium and ensuring these are divided equally between all partners.

It is likely that each partner has different profit margins so the SER will need to agree and document the consortium rate, one that is agreeable by all and does not disadvantage any consortium members.

STEP 7 - Managing the Exit

Triggers, Concerns and Issues

Once the knowledge sharing has been agreed between consortium partners it is possible to establish the risk areas that should be managed when the project ends. If you leave the exit strategy until near the end of the project duration, members attention will have started to drift, and the commitment will be less than when the project started. Some key considerations for designing an early exit strategy include:

- Leaders or key personnel leaving the organisation or going on long term sick
- Financial arrangements and the management of shared resources such as computer equipment and labour
- The impact of project closure on the client and other key stakeholders
- How to manage assts and intellectual property
- Business continuity

Start by drawing a table or use a spreadsheet with the key considerations and encourage the team to agree how to address each point. Document it in the Relationship Management Plan and review periodically through the project duration as some factors may change over time.

Possible exit triggers	Key concerns	Process issues
•	•	•

No	Key Issue	Agreed Arrangement	Nominated lead person
1			
2			
3			

Intellectual Property (IP)

New IP from working with the Client
Some contracts require that all new IP developed during the project is to be owned by the client. You must assess whether this is reasonable and whether it restricts your consortium's future trading. Raise the issue early on with the client at a market engagement event or following the enquiries process.

Consider the potential value of any new IP as part of your bid risk analysis and seek legal advice before accepting the client's terms. Check the licensing agreement and whether you need to buy it back at the end of the contract.

IP on Termination
Your consortium is unlikely to exist and trade forever, so it is important to decide what should happen to the Consortium IP on termination.

How will any IP be split between the members? Will any of the members require a licence of any Background IP of another member following termination? On what terms would such licences be granted?

There may well be different "exit routes", each with different consequences in terms of the vesting of any Intellectual Property.

Member Changes

The more parties involved in your consortium, the more likely it is that one of them will ask to leave or be asked to leave. Your Consortium Agreement and RMP will need to ensure the departing member still has access to any technologies, assets or products they have brought in to help with customer delivery. Changes to consortium membership could trigger obligations to notify the buying organisation, which may then need to carry out some reassessment of your consortium because of the changed circumstances.

Liabilities - the liabilities of a departing member need to be dealt with effectively or your remaining members could end up with unforeseen additional liabilities. In the being 'asked to leave' case there needs to be robust mechanisms, after due process, for replacing a consortium member that is not fulfilling its contract obligations, or which has ceased trading.

Future revenues - your Consortium Agreement should clarify the position regarding future revenues and Consortium IP. It is recommended that your consortium designs an effective exit strategy at the outset and all your members sign up to this. This is best practice and a key recommendation of ISO 44001:2017 relating to exit strategy parameters and assessment.

Termination Agreements

It needs to be as clear as possible at the outset what could trigger the end of your consortium. This is particularly important with development projects which can enter a potentially long-term support phase, possibly involving only a subset of the members or a single member.

It may be logical to make the member with the continuing support responsibilities your Lead Member and contracting party. It needs to be clear where responsibilities, costs, warranties and claims rest for this. Again, design your team with the end in mind and assess the exit plans as part of the risk analysis.

Liability

Establish with the consortium partners who holds the liability and how it will be shared. This will vary depending upon the legal formation of your consortium. It is one of the most important issues to consider at the outset, as failure to agree how liabilities should be shared between consortium partners can sometimes be a showstopper. Frequently buyers will ask for what is termed joint and several liability to indemnify themselves and allow the buy side to pursue each or all consortium members for redress. This then leaves the members to sort out the consequences amongst themselves, which you will need to do either within your own consortium agreement, or by seeking specific insurance. It can be particularly problematic where the consortium members vary in size.

Take advice from Business Wales or Cwmpas if this is requested as part of your contract and be prepared to discuss it with the procurement team at the earliest opportunity. If you set up your project with specific work packages review how they will integrate.

Confidentiality

Within your Consortium confidential and business sensitive information will need to be shared in confidence and remain confidential and not misused (deliberately or accidently) outside of the purposes for which it was shared. It is recommended that members use a non-disclosure agreement at the start of the consortium creation stage to cover each other's commercial interests.

Clause 8.3.4 of ISO 44001:2017 states that:

"The organization shall ensure a defined process and clear guidelines are in place to capture and manage knowledge creation and sharing between organizations within collaborative business relationships (including existing knowledge and lessons learned from both internal and external sources). This shall include, where appropriate, designating areas which are to be protected from unintended knowledge transfer to collaborative partners."

Dispute Management

Sometimes even with the best planning things can go wrong and disputes need to be resolved. Once a dispute goes to lawyers it can be very costly and time consuming and could effectively destroy the day to day working and viability of your consortium. Therefore, there needs to be clear internal processes and escalations procedures to resolve disputes with the legal option being the final one. Legal disputes will adversely impact your consortium and by connection your members' reputations, especially with your consortium's customers.

Insurances

One of the motivators for collaborative bidding is the ability to pursue and win larger contracts. However, larger contracts sometimes require new insurance or additional cover for items such as Professional Indemnity, Product Liability, Public Liability, Employers Liability, Cyber Security and General Insurance. These may be:

- Required or increased by your consortium due to the potential contract size and risks, as part of risk transfer under your risk plan; or
- Requested by the procurer to a level beyond the thresholds currently held by your individual consortium members. You should assess if this is reasonable and discuss it with the procurement team before you prepare your bid. The procurement team may be listing standard terms for its organisation and have some flexibility to change. On the other hand, it may be unable or unwilling to accommodate your suggestion.

Your consortium members may need to acquire additional insurance cover. You need to be very clear as to the length of the on-going future indemnity period for which this insurance might have to remain in force. This could be a significant factor in your future profit/surplus projections and so it needs to be costed in. It depends on who is the Lead Member, your consortium's legal structure and whether there are joint and several liability clauses proposed to be within the final contract. Often the Lead Member or the consortium itself needs headline level insurance cover for larger contracts.

Insurers' terms of business often ask for information on major bids up front to assess the premiums and levels of cover needed. Levels of insurance are therefore important to assess as early as possible. A pre formed consortium has time and opportunity to obtain a quote and negotiate.

Payment Schedules

One of the significant changes with procurement reform is settlement terms. All contracting authorities in Wales and England must pay invoices within 30 days. Contracting authorities must report annually on the extent to which they have met that target. The UK Small Business Commissioner is campaigning for 30 day payment to be applicable regardless of industry sector. The campaign is called Free the Founder due to SMEs spending an average 86 hours chasing late payments by clients. A 10-point pledge has been set up by the Commissioners

Office for larger corporates to ensure fair treatment of SMEs with regards to payments and cashflow. Links are provided under additional reading.

What does the agreement with the buying organisation propose? Will all parties be paid at the same time, in quick pay when paid sequence or do some parties expect or require payment before the Lead Member has been paid by your consortium's customer? This is typical for goods and services, equipment, travel costs, rentals and your members' suppliers who are not part of your consortium. Managing cash in an equitable and transparent manner is critical to trust and for some members to meet their legal commitments on salaries and tax. For contract values over £2 million, public bodies in Wales are able to implement a project bank account (PBA) approach to enable transparency and prompt supplier payments.

Summary

There is no doubt that consortium working offers multiple benefits for the individual partner, the partner organisation, the public buyer, the end user and the wider Welsh economy. However, setting up the joint working agreement takes time and effort. It requires full cooperation by all partners to agree a joint management plan with joint objectives and clearly defined roles and responsibilities. Designing the exit strategy at the start reduces the risk at the contract management stage. It also underpins the communications plan, stakeholder mapping and forms part of the consortium's due diligence checks. Figure 6 illustrates the roadmap for the consortium.

<table>
<tr><th colspan="4">Executive Management (SERs)</th></tr>
<tr><th colspan="4">Joint Management Team</th></tr>
<tr><th colspan="2">Joint Objectives</th><th colspan="2">Joint Objectives</th></tr>
<tr><td colspan="2"></td><td colspan="2"></td></tr>
<tr><th colspan="4">Organisational Objectives</th></tr>
<tr><th>Objectives</th><th>Objectives</th><th>Objectives</th><th>Objectives</th></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><th>Roles and responsibilities</th><th>Roles and responsibilities</th><th>Roles and responsibilities</th><th>Roles and responsibilities</th></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><th colspan="4">Processes / Systems</th></tr>
<tr><td colspan="4"></td></tr>
<tr><th colspan="4">Contracting Arrangements</th></tr>
<tr><td colspan="4"></td></tr>
<tr><th colspan="4">Core Principles and Behaviours</th></tr>
<tr><th colspan="2">Principles</th><th colspan="2">Behaviours</th></tr>
</table>

Figure 6: Joint working Road Map

STEP 8 - Develop a seamless partnership

Cross Functional Involvement

It is essential to involve all your relevant consortium members when developing a full target cost, to avoid problems with later changes. They each need time to engage internally within their own organisations. A consortium approach is a business decision, not just one department. This also reduces the need for estimate reviews on cost grounds. It enables the delivery processes to be more effectively planned. There needs to be a 'champion' within your consortium to ensure continuity and consistency of evaluation on cost. This is usually the Bid Director, and the mantle is passed to the SER or Project Manager when you win the contract.

Governance and Compliance

When bidding jointly as a consortium you need to appear seamless on paper. This requires members to consider all eight phases set out in this Joint Bidding Guide. There needs to be clearly defined and agreed roles and responsibilities at the outset. This makes it easier to manage at the end of the contract. It also reduces duplication and inefficiencies that lead to unnecessary costs.

The consortium members should share the workload and keep a record of who is responsible for doing what, and by when, as part of your bid plan and during the proposed future project delivery in the form of a Collaboration Agreement. An agreement can start as a very short document of shared intent. At its best, populate a Relationship Management Plan (RMP) template. The main purpose of developing your Collaboration Agreement is to ensure that there is a common understanding between your consortium members about the purpose, scope, benefits, risks and liabilities within and for your proposed team.

By the time your consortium is ready to submit a joint bid, your agreement needs to have been further developed to include your intended approach to managing all points discussed in this guide.

Tendering as a Consortium

Register Online
As noted in the Supplier Guide on the Procurement Act 2023, it is essential that ALL suppliers register with Sell2Wales and the Central Digital Platform. As a consortium member, you may complete this task separately to ensure you are notified of a wider range of contract opportunities. The client will run due diligence checks on all consortium members, a process made easier and quicker if all partners are registered on both digital platforms.

Plan
Under the new procurement regulations, contracts over £2million, but in some cases much lower value (£),will be advertised through pipeline notices up to 18 months in advance of the formal tender process. This enables enough time to meet and develop a consortium proposal. It normally takes at least six months to set up a consortium. It takes much longer to set up a Special Purpose Vehicle Model.

Premarket engagement
It is mandatory for contracting authorities in Wales to increase the opportunities for early engagement with suppliers. They need to evidence that SMEs and VCSEs are invited to encourage a more inclusive and socially responsible procurement approach. These events are normally advertised on Sell2Wales and the Business Wales events page, or the individual contracting authority's webpage and newsletter. Protect time to attend these events as important information will be shared and you will have the opportunity to discuss consortium bids with the client.

Tender once
It is important to decide early on whether you will tender as an individual organisation or as a member of a consortium. It is not good practice to tender twice as you are exploiting market competition by having inside commercial information from both proposals.

If you have a pre-formed consortium then you will need to agree who will register for the opportunity and apply for the prequalification or tender documentation on behalf of your consortium. It is strongly recommended that this is one of:

1. The Senior Executive Responsible (SER) from your consortium's Lead Member, or
2. An appointed Bid Manager with collaboration, planning, writing, estimating and project management skills as well as the time to lead your team's bid, or
3. A member of your consortium's potential management team who is likely to be on the team for implementing the project should you win it.

All these people should have the relevant interpersonal skills, commitment and knowledge to lead the assessment of the tender documentation and prepare a Bid document for the consortium to consider and approve.

Summary

The Supplier Guide has offered 8 practical PHASES to form a consortium with the aim of bidding jointly and winning more contracts and accelerating business growth. When set and managed well, consortia working offers great personal satisfaction and brings wider benefits to the organisation.

Benefits of a Consortium to the Business

- Improved problem solving and sharing responsibility
- Sharing relevant skills and expertise in a way that complements one another in terms of the tender and in relation to delivery
- Increase efficiency by the pooling of resources
- Accessing experience or competencies that you might not otherwise have in terms of service delivery and which they cannot afford to buy in just to secure the contract
- May help drive down product / service cost
- Shared development costs – that might represent a significant reduction in overheads in relation to the contract
- Risk associated with entering a marketplace is spread across the partners
- Partners who collaborate can expect improved financial rewards.

Here follows some top tips for getting started.

Top Tips for Getting Started

Understand the clear business case for your organisation to form a consortium.

- Allocate a Joint Bidding Champion role to someone in your organisation to ensure full support for the changes required.
- Assess the readiness of your organisation to collaborate.
- Gather and learn from case studies of lessons learned and examples of successful collaboration.
- Consider whether to implement the ISO 44001:2017 standard in your organisation.
- Assess how Joint Bidding policies fit alongside your other key organisational policies.
- Create a Consortium Agreement or Relationship Management Plan and keep it updated through the duration of the contract.
- Evaluate the impact of working as a consortium versus individually.
- Consult with a Business Wales advisor or for VCSEs, consult with Cwmpas or Social Business Wales.

ADDITIONAL READING

Business Wales – Collaboration available at; https://businesswales.gov.wales/responsible-business/topics-and-guidance/starting-a-business/collaboration

Business Wales - Innovation and Collaboration available at; https://businesswales.gov.wales/topics-and-guidance/develop-innovative-ideas-organisations-products-or-services/collaboration

Chambers (Wales, various locations) available at; https://www.britishchambers.org.uk/locations/chambers-wales-south-east-south-west-and-mid/

Chambers of Commerce (North) available here: https://wcnwchamber.org.uk/

Consortia Bids and collaboration, available at; https://www.star-procurement.gov.uk/About-us/Docs/STAR-MTB-2026-Consortia-bids-and-collaboration.pdf

Federation of Small Business (Wales) available at; https://www.fsb.org.uk/membership/support-near-you/wales

Free the Founder Fair Payment Code available at; https://www.smallbusinesscommissioner.gov.uk/news/sbc-weekly-update/free-the-founder-2/

Guide to SME Collaboration available at; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/475681/Guide-to-SME-collaboration2014.pdf

Institute for Collaborative Working (ICW) Playbook available at; https://www.instituteforcollaborativeworking.com/Collaboration-Playbook

Institute for Collaborative Working, The Partner available at; https://www.instituteforcollaborativeworking.com/News-&-Events/The-Partner

Institute of Directors (Wales) available at; https://www.iod.com/locations/wales/

SME and VCSE targets (PPN001) available at; https://www.gov.uk/government/publications/ppn-001-sme-and-vcse-procurement-spend-targets

Social Value framework (PPN002) available at; https://www.gov.uk/government/publications/ppn-002-taking-account-of-social-value-in-the-award-of-contracts

UK Government – Guide to SME Collaboration available at; https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/475681/Guide-to-SME-collaboration2014.pdf

Wales Procurement Policy Notes available at; https://www.gov.wales/procurement-policy-notes

APPENDIX 1 – Initial Awareness Steps ISO 44001:2017

Action Step	Comments	Criticality
Understand the organisation and its context (Cl 4.1)	Understand the full potential for outsourcing delivery of your goods and services including collaborative delivery.	Recommended
Collaborative business relationship management system (Cl 4.4)	Understand the full potential for outsourcing delivery of your goods and services including collaborative delivery.	Essential
Creation of Value (Cl 4.5)	Determine where consortium-based delivery can add value to your organisation. This should consider relevant legislation such as the Well-being of Future Generations (Wales) Act 2015.	Recommended
Leadership and commitment (Cl 5.1)	Your top management should understand and ensure the implementation of new and updated procedures and systems for collaboration. They should also ensure the correct training is delivered for key people such as procurement executives and the Senior Executives Responsible (SERs) for service outsourcing and delivery.	Essential
Policy (Cl 5.2)	You will need to upgrade your policies to allow for joint bidding. For example, assess how your policies on procurement, Value for Money (VfM), and future sustainability are impacted.	Essential
Senior Executive Responsible (Cl 5.3.3)	You should select someone with overall responsibility for the contract; the Senior Executive Responsible (SER). The SER must understand the relevant procedures and systems to allow for consortium-based delivery.	Essential

Action Step	Comments	Criticality
Actions to address risks and opportunities (Cl 6.1)	You should start with a basic list of headings to collate your initial list of risks and opportunities. This will then develop as you progress and eventually be integrated with that of the joint bidding team. (see Chapter 12).	Essential
Collaborative business relationship objectives and planning to achieve them (Cl 6.2)	A master project plan for delivery is recommended. You can start with an outline. This should allow time for advertising and any joint bidding teams' formation period.	Recommended
Identification of opportunities for collaboration (Cl 6.3.2)	List by key area where consortia can add value to your organisation. For example: growing capacity, shared savings, required technologies, logistics, facilities, knowledge and reputation.	Recommended
Creating and updating (Cl 7.5.2)	It is essential that you create a list of documents and procedures to be upgraded before you commence joint working.	Essential
Record of collaborative competence (Cl 7.5.4)	Who do you already know and work with? How do you work together? Is the relationship already working effectively? What is the potential for building stronger bonds for working on larger projects with current SME suppliers?	Recommended
Corporate Relationship Management Plan (Cl 7.5.5)	Like a Supplier Development Plan, a Relationship Management Plan (RMP), should become an important part of your future joint working toolkit.	Essential

APPENDIX 2 – Costing Models for Consortia

Item	Rate £	Consortium Item Cost £	Member 1 Sub-total £	Member 2 Sub-total £	Member 3 Sub-total £
Relevant purchases	At input purchase cost	A(t)*= A1+A2+A3	A1	A2	A3
Direct labour	At direct labour cost per day	B(t)*= B1+B2+B3	B1	B2	B3
Project/Service Management	At direct labour management cost per day	C(t)*= C1+C2+C3	C1	C2	C3
Indirect allowances on purchases	At a Consortium *agreed* mark up % (or rate)	D(t)*= D1+D2+D3	D1	D2	D3
Indirect allowances for managing labour	At a Consortium *agreed* mark up % (or rate)	E(t)*= E1+E2+E3	E1	E2	E3
Indirect allowances for Project/Service Management	At a Consortium *agreed* mark up % (or rate)	F(t)*= F1+F2+F3	F1	F2	F3
Other Consortium agreed indirect allowances	At a Consortium *agreed* mark up % (or rate)	G(t)*= G1+G2+G3	G1	G2	G3
Agreed expenses and disbursements	At Consortium *agreed* rates	H(t)*= H1+H2+H3	H1	H2	H3

Item	Rate £	Consortium Item Cost £	Member 1 Sub-total £	Member 2 Sub-total £	Member 3 Sub-total £
Bid preparation costs	At Consortium *agreed* rates	I(t)* = I1+I2+I3	I1	I2	I3
Member Risk Allowance	As defined in Member Risk Plan	J (t)* = J1+J2+J3	J1	J2	J3
Member level financing and insurance costs	As *agreed* in the Consortium Management Plan	K(t)*= K1+K2+K3	K1	K2	K3
Other required membership costs	At Consortium *agreed* rates	L(t)* = L1+L2+L3	L1	L2	L3
Sub Total		**M(t) * = Sum A(t) to L(t)**	**M1= Sum A1 to L1**	**M2= Sum A2 to L2**	**M3= Sum A3 to L3**
Agreed Consortium Members' mark up	**X%** as *agreed* in the Consortium Management Plan	N (t) = M (t) times X%	N1 = M1 times X%	N2 = M2 times X%	N3 = M3 times X%
Member Level Prices		**= M (t) + N (t)**	**M1+N1**	**M2+N2**	**M3+N3**
Consortium Level Costs					
Consortium Set Up Costs	At cost (to be reimbursed to pre formation funding Members)	O			
Consortium Level Risk Allowance	As *agreed* to be pooled in the Consortium Level Risk Plan	P			

Item	Rate £	Consortium Item Cost £	Member 1 Sub-total £	Member 2 Sub-total £	Member 3 Sub-total £
Consortium Level Costs					
Consortium Level Financing Costs	At financing or commercial bond rates (if applicable)	Q			
Other required Consortium Costs	As *agreed* in the Consortium Management Plan	R			
Consortium Level Cost Sub Total		**S (t) = O+P+Q+R**			
Any Required Consortium Level Mark Up	**Y%** As agreed in the Consortium Management Plan	T (t) = S (t) times Y%			
Consortium Total		**= M(t) + N(t) + S(t) + T(t)**			
Notes: A(t)* means the total of each members costs = A1 + A2 + A3					

Item	Rate £	Consortium Item Cost £	Member 1 Sub-total £	Member 2 Sub-total £	Member 3 Sub-total £
Relevant purchases	At financing or commercial bond rates (if applicable)				
Direct labour	At direct labour cost per day				
Project/Service Management	At direct labour management cost per day				

Item	Rate £	Consortium Item Cost £	Member 1 Sub-total £	Member 2 Sub-total £	Member 3 Sub-total £
Indirect allowances on purchases	At a Consortium *agreed* mark up % (or rate)				
Indirect allowances for managing labour	At a Consortium *agreed* mark up % (or rate)				
Indirect allowances for Project/Service Management	At a Consortium *agreed* mark up % (or rate)				
Other Consortium agreed indirect allowances	At a Consortium *agreed* mark up % (or rate)				
Agreed expenses and disbursements	At Consortium *agreed* rates				
Bid preparation costs	At Consortium *agreed* rates				
Member Risk Allowance	As defined in Member Risk Plan				
Member level financing and insurance costs	As *agreed* in the Consortium Management Plan				
Member level financing and insurance costs	As *agreed* in the Consortium Management Plan				

Item	Rate £	Consortium Item Cost £	Member 1 Sub-total £	Member 2 Sub-total £	Member 3 Sub-total £
Other required membership costs	At Consortium *agreed* rates				
Sub Total					
Member Level Prices					
Consortium Level Costs					
Consortium Set Up Costs	At cost (to be reimbursed to pre formation funding Members)				
Consortium Level Risk Allowance	As *agreed* to be pooled in the Consortium Level Risk Plan				
Consortium Level Financing Costs	At financing or commercial bond rates (if applicable)				
Other required Consortium Costs	As *agreed* in the Consortium Management Plan				
Consortium Level Cost Sub Total					
Any Required Consortium Level Mark Up	**Y%** As agreed in the Consortium Management Plan				
Consortium Total					
Notes: A(t)* means the total of each members costs = A1 + A2 + A3					

Busnes Cymru | Business Wales

Print ISBN 978-1-80853-033-3

This document is also available in Welsh.
We welcome correspondence and telephone calls in Welsh.

03000 6 03000

busnescymru.llyw.cymru
businesswales.gov.wales

Llywodraeth Cymru
Welsh Government