



Recommended Practice for Using Tenders to Procure Public Affairs Services

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The Association of Public Affairs of the Czech Republic (APA) has put together the following recommendations for using tenders in the field of Public Affairs (PA) in 2021. The recommendations are based on the long-term experience of APA's members. In PA, tenders are not a standard or the most common way of choosing a service supplier. Therefore, when opting for a tender, the client should consider the differences between PA and other areas in which they may have more experience (such as PR, marketing, advertising, or legal services).

The recommendations below should not be seen as a binding or complete manual for tendering in the field of PA. Different PA agencies offer a wide range of services that vary significantly both in terms of expertise (from monitoring, through parliamentary lobbying, regulatory consultations, to organising specialised seminars) and the amount of time required. A key factor in setting up cooperation with a PA agency is the size, competence, capacity, and focus of the client's internal PA (government affairs, corporate affairs, external communication, etc.) team. For instance, a client with an internal PA department will have different needs than a client who outsources all PA services to an agency.

The Association of Communication Agencies (AKA) has prepared a high-quality Fair Tender Methodology ([in Czech](#)). A large part of this guide can also be applied to PA tenders if the specificities of this field are considered.

The following recommendations focus mainly on the procedural, evaluative, financial, and confidentiality aspects of tendering in PA.

Process

If a tender for PA services is deemed necessary, the client should take a fair, transparent, and predictable approach.

a) *Clearly specified client*

The client should have legal subjectivity. If the client is a grouping of several entities (coalitions are very common in PA), then a single entity or person with decision-making authority should deal with the PA agency. This can be, for example, a professional association or chamber, or a single company that is initiating the project.

b) *Clearly formulated subject*

The client should specify what degree of cooperation is required. The cooperation may concern just one project (e.g., a specific legislative proposal), or it can be more complex (such as monitoring, strategic consulting, lobbying).

c) *Openness and confidentiality*

The client should sign a mutual non-disclosure agreement (NDA) with the agency even before it pitches its proposal. Where possible and practical, the agencies entering the last round of the tender should be made familiar with some aspects of the potential client's internal strategy. That way they can adequately adjust their offers to the requirements of the client.

d) *Long-term relationship*

Cooperation in PA usually spans over several years, although cooperation on a project basis can take less than one year depending on the set goals and related factors (such as the length of the legislative procedure).

Criteria

The client should differentiate between project tenders (usually concerning a specific legislative proposal or another initiative) and strategic tenders (long-term cooperation) and adjust their evaluative criteria accordingly. While cooperation on a narrowly defined project may require deeper knowledge in the relevant field, the criteria for long-term cooperation should be more general.

a) *"Hard" criteria*

Basic information about the supplier, such as the type of legal entity, address, ownership structure, and market history, is available from open sources (e.g., corporate registry). The agency's commitment to APAA's Ethical Code should also be required as a part of these criteria.

b) *"Soft" criteria*

Competence of the agency as well as of its team members and collaborators. It should be taken into account that, because of the small size of the Czech market, the whole team of the agency will not always be composed solely of consultants who are the agency's full-time employees. Nonetheless, the client can require adequate documentation of the type of cooperation between the agency and the external consultant.

c) *Additional criteria*

The client should not require the participants of the tender to work for free. We particularly do not recommend making participation in a tender conditional upon the preparation of a complex strategy. However, an agreement to develop a complex strategy is acceptable and recommended for both parties, on the condition that the costs of this work are reimbursed.

Insurance

Insurance companies on the Czech market do not offer professional liability insurance for damages caused during PA consulting work. This is because, in contrast to the fields of advocacy or tax consulting, liability insurance is not legally mandatory for PA agencies in Czechia.

References

Given the highly confidential nature of PA services, the requirement to present references is problematic. PA services contracts usually do not allow the agencies to be open about the content, chosen instruments, goals, and results of the cooperation. This requirement can be replaced by one of the following:

- anonymised references
- indication of a person on a side of a previous client who can provide the future client with a reference by phone or email

Financial aspects

When evaluating the financial aspect of PA agencies' offers, the client should consider several specific factors. PA agencies possess unique know-how and, therefore, cannot (in contrast to PR and advertising agencies or law firms) work for several clients in the same field. This is also because, to promote the interests of their clients, they only deal with a limited number of stakeholders (a few dozen).

a) Remuneration

The remuneration for the agency is usually fixed and depends on the time commitment of its employees and/or external consultants and on their competence and experience. Hourly rates can also be opted for if used by the agency. In that case, it is appropriate to adjust the rates depending on the seniority of the consultants involved. More often, a monthly remuneration is used. It includes all of the agency's expenses as well as the full availability of pre-determined team members (account manager for daily communication, reporting, and monitoring, director for strategic planning and high-level lobbying) or external consultants.

b) External expenses

Besides the standard monthly remuneration, the client should also take into account the agency's direct expenses related to the cooperation (such as renting space for events, expenses for travel, translation, or expert evaluations/studies commissioned with the client's approval). The agency charges the client for these expenses based on conditions agreed beforehand and, if needed, substantiated with accounting documents from third parties.

c) Performance indicators

The client should take into account that cooperation that is only remunerated in case of success (so-called *success fee*) is not accepted by reputable agencies. The client should be aware that conditioning remuneration by the achievement of a specific result – use of a Key Performance Indicator (e.g., in the form of an enacted law, amendment, or decision) – may violate anti-corruption laws. Quantitative indicators such as how many stakeholders were contacted by the agency or how many events were organised are entirely unsuitable in PA, as such indicators have little relevance and do not reflect the actual results that were achieved.