

Tool: Template for market study report

Purpose

- To define realistic and unbiased tender requirements, assist in the choice of tender method, facilitate planning and budgeting, inform tender evaluation through the collection and analysis of information on the market structure, suppliers' capabilities and price trends.
- It may also be used to assess the validity and justification of potential changes in contract clauses in the post-award phase of the procurement cycle.

Public Procurement
Principle: **Efficiency**
Procurement Stage:
Pre-tendering
Audience: **Procuring Entity**

Description

A template for a market study report provides a means to document and file information collected and analysed by procurement practitioners during the pre-tendering phase of the procurement cycle. Standardised templates help to ensure that information can be readily shared between procuring authorities, as is recognised as a good practice in market studies, and to serve as materials in training programmes.

Market studies serve to collect information as input to the procurement of goods, services and works for all tender methods. Such information generally includes at a minimum: the market structure, suppliers capabilities and price trends. The information can be used by procurement practitioners as input to define procurement requirements, select the appropriate tender method, analyse and evaluate proposals/submissions from bidders/suppliers and better determine the outcome of the best solution in terms of outcomes, price and risk.

The advantages of a market study are:

- To increase awareness of the characteristics of the market and recent market developments or trends that may affect competition for the tender or that may make collusion more likely (e.g. small number of suppliers, standardised or simple products, little or no entry, etc.).
- To collect information on suppliers, their products, prices and cost structures. If possible, a comparison of prices offered in business-to-business procurement is recommended.
- To collect information about recent price changes. This will help procurement practitioners to be informed about prices in neighbouring geographic areas and about prices of possible alternative products.
- To collect information about past tenders for the same or similar products.

- To coordinate with other public procuring authorities who have recently purchased similar goods, services or works to improve the understanding of the market and suppliers.

A market study may also be used to solicit ideas and opinions on the feasibility of particular requirements and the capability and capacity of the market to deliver (see Template to Solicit Supplier Information tool). Market studies can be tailored to also collect and analyse information on possible second-order objectives (e.g. innovation, environmental and social) as input into designing tenders and validating proposals/bids.

Box: Generic template for a market study report

Overview

When was market study conducted?

Were files from previous similar tenders accessed?

- Yes, please outline tender number.....
- No, please outline reasons.....

Was information collected using

- Desk-based research
- Solicitation from private market participants

If desk-based research was conducted, what sources were accessed?

If there was a direct solicitation from private market participants, how were these identified? How many were contacted? How many responded?

If external consultant(s) were used to estimate prices or costs, did they sign a confidentiality agreement?

Survey results

Market analysis (number of suppliers):

Supplier analysis (capability):

Supplier analysis (price):

Aside from value-for-money, were any particular criteria given as part of the market study?

- Environmental
- Social
- Innovation
- Other

Further Resources

Office of Government Commerce (United Kingdom) (2008), [Introduction Public Procurement](#), Office of Government Commerce, Norwich.

OECD (2009), "[Guidelines for Fighting Bid Rigging](#)" (Available in 15 languages).