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ISO 9001:2008 and Tendering Facts and Fallacies

The importance of the ISO 9001:2008 and ISO 14001:2004 to the process of continues to be generally misunderstood. Fallacies, misleading information and advice continue to abound and is especially the case in some parts of the voluntary sector. The purpose of this paper is to clarify what these standards represent and their value to companies and charities involved in the process of tendering for public sector contracts.

What are Certification and Accreditation?

"Certification" refers to the issuing of a written assurance (The Certificate) by an independent external body that an individual or organisation has met a set of stated standards. This is used in education with regard to the meeting of stated standards of learning at level 2 or level 3, A level, etc.. The term is also important in tendering. It is one thing for a tenderer to claim that they have reached a certain standard in a particular area of their work, but the claim is stronger if it is certified by an independent external body. With regard to ISO 9001:2008 and ISO 14001:2004, certification confirms that, in the first case, management system, and in the second the environmental management system has been audited and verified as conforming to the requirements specified by the particular standard. This independent audit, verification and certification is provided by a Certification Company. There are over 70 such companies in the UK. The largest are CQS, BSI, LRQA, BVQI, NQA, SGS, QMS and Isoquar.

"Accreditation" is frequently used as an interchangeable alternative for Certification. **This is an error** which leads to inaccurate claims being made in tenders.

Accreditation refers to the formal recognition by a specialised Body (an Accreditation Body) that a Certification Company is competent to carry the certification in question. This may be ISO 9001:2008 or ISO 14001:2004 or refer to many other standards. Basically accreditation is the certification of the body which audits and issues the certificates.

Is Certification Necessary?

Any company or organisation may claim that they comply with the ISO 9001:2008 standards. There is no legal requirement for this compliance to be audit and certified. ISO produce and publish management standards. If an organisation or company is working to and met those standards then they have been achieved. In tendering a problem arises in providing the evidence that the standards have been achieved. This is where the Certification Company has a role to play in providing an independent audit, verification and certification of the claim of compliance with the standards. The certificate is therefore the evidence that the company or organisation is being managed in a manner which meets the standards set out in ISO 9001:2008. In the same way any organisation can put in place an environmental management system which meets the ISO 14001:2004 standard, but certification of compliance is the evidence which is needed for tendering purposes.

ISO 9001:2008 and 14001:2004 contribute to the body of evidence within a tender that the tenderer has the capacity and capability to enter into a contract with a public sector purchaser. Tendering is evidence based. Offering relevant certification is the proof that the contract will be managed in compliance with a named set of recognised



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standards. Failure to hold the standard means that there is no evidence that the required standards will be met and the tender is likely to be scored accordingly.

Why is Accreditation important?

The Certification Company may also choose to have themselves audited by an Accreditation Body. This is their proof and evidence for those whom they certificate that they are doing what they say they are doing and that the certificates which they issue are reliable. If a company or organisation issues certificates, but is not itself working to a recognised set of standards and subject to audit by an Accreditation Body then doubts may arise with regard to the reliability of the certificates issued. There are more than 70 Certification Bodies in the UK, each maintaining their own register of the companies they have certified. Not all are subject to external audit and verification. For tendering purposes what is important is that evidence exists that the Certification Company, and therefore the certificates issued, are reliable and meet recognised standards. These may be the British Standards (prefix BS) or those of the International Standards Organisation (prefix ISO). The latter is, in many cases aligned with the Independent European Certification (prefix IEC) standards. In order to provide evidence of reliability the recognised standard to which the Certification Company should be working is ISO 17021:2006. A certificate offered during a tendering process will carry more weight if the Certifying Company is itself audited and certificated as working to the ISO 17021:2006 standard.

So the role of the Accreditation Body is to act as an independent auditor which ensures that the Companies and organisations offering certificates are working to a common set of internationally recognised standards. Certificates provided by Companies and organisations who are not working to these standards are therefore likely to be less credible.

What is the ISO/IEC 17021 standard?

ISO 17021:2006 requires Certification Companies to deliver competent, consistent and impartial audit and certification of all types of management systems, including quality and environmental management systems. The standard requires a process-oriented approach paying particular attention to the competency of all parties involved in the certification process. It is this approach which underpins the reliability of the certificates which are awarded

How to choose a Certification Company

.Any organisation or business looking for certification of their compliance with a set of standards in any area of work needs to know that the body offering certification is complying with recognised industry standards. This means that the certificate issued will have a value and the systems certificated will be recognised as being reliable. Although certificates offered by a body which does not comply with a set of recognised standards may be fit for the purpose intended, this does not mean that objective review will confirm that the certificate awarded is reliable. The problem is that the standards to which the Certification Company is working are unknown to an independent assessor, therefore the certificate may not be regarded as reliable when tendering. This is where ISO 17021:2006 is important in the selection of a suitable company to certificate compliance with standards such as ISO 9001:2008. Therefore the essential criterion in selecting a company or organisation who is to award a certificate of compliance with a set of standards is – are they ISO 17021:2006 certificated? This is important for those assessing tenders, but also for the company or organisation being certificated. If the Certification Company holds the recognised standard, this provides confidence that the audit will be rigorous and also undertaken to a fixed set of recognised standards. In addition there will be confidence that certificate awarded has real recognised value..

The most important question to ask of any company or organisation offering a certificate of any kind relates to compliance with an internationally recognised set of standards – "do you hold ISO 17021:2006?" If they do not, then the certificate being offered will have limited value when tendering for public sector contracts. Also any value which the certificate does have is likely to decrease rapidly as competition increases.

Accreditation Bodies in the UK

There are several Accreditation Bodies operating in the UK. These include UKAS (United Kingdom Accreditation Service) and the IAB (International Accreditation Board). UKAS is not an arm or department of government but is a company registered in the UK No 03076190, incorporated 30/06/1995; the IAB is registered in the USA and therefore has a much broader perspective of the standards which are International in nature. IAB is a collective member of the International Personnel Academy and accredits Certification Companies in a number of countries across the world: the list is extensive and includes Germany, Holland, USA, Norway, Italy, Sweden, Canada, Philippines, China etc.. This is the point of an ISO standard, it is internationally recognised throughout the world and across Europe, not just in the UK.

Certification Companies MUST BE Accredited by UKAS

Certificates issued by UKAS are being promoted by a number of agencies as somehow having more "value" at tender appraisal than those awarded by other Accreditation Bodies. **This is not the case**

The points to be covered and the standards to be met are set within the particular standard. Certification confirms whether or not the company or organisation being certified complies with the stated standard. Provided the Certification Company holds ISO 17021:2006, then this is all that is necessary to ensure that sound evidence of certification is provided in a tender. Some organisations say of UKAS that "It is the only such accreditation body that the Government recognises". This appears to mean that all other Accreditation Bodies do not meet standards set by Government.

This is not the case.

It is not for Government to approve an Accreditation Body, indeed to do so and favour one company providing accreditation services over another would be likely to be contrary to competition law. The Secretary of State has confirmed that "it is up to the market to decide on quality issues. The Government can only advise and encourage best practice". In a speech supporting a campaign for accreditation awareness Lord Sainsbury said "It is for business to make their choices" .

The following are therefore fallacies:

- The value of certificates issued by a certification company accredited by one Accreditation Body is in some way better or more value in tender appraisal than that issued by another Body is incorrect. Provided the Certification Company holds ISO 17021:2006 that is all that is required. **It would be prudent to avoid obtaining certification of any kind for tendering purposes from a company or organisation which does not hold ISO 17021.2006;**
- UKAS is the only Accreditation Body which is recognised by UK Government. **This is not strictly true.** In 2009 EU required each Member State is required identify one National Accreditation Body. This requirement may be the subject of legal action. In the UK the Government appointed UKAS as the National Accreditation Body under a Memorandum of Understanding dated 8th December 2009. But the Memorandum states that notwithstanding the position of UKAS within the UK, *The Secretary of State*

will encourage the recognition of certificates issued by those national accreditation bodies with whom UKAS has agreed mutual recognition arrangements. In any case the MoU clearly states that the contents are not legally binding. It should also be noted that Business Link have said that it recognises that for many businesses and market sectors, the additional cost and delay of certification from a UKAS accredited Certification Body is not commercially worthwhile and that certification from a reputable certification company may be more appropriate. **UKAS is not the only Accreditation Body offering certification in the UK, indeed certification companies which have an interest in international business may decide to use a different accreditation body. Provided that the Accreditation Body is able to certify Certification Companies with ISO 17021:2006 compliance that is all that is required.**

- The claim that "some PQQs refer specifically to UKAS accredited certification" would be likely to be challenged by other Accreditation Bodies. UKAS is simply a UK company and such wording could be claimed to give UKAS competitive advantage. Indeed this is at odds with Government advice. Policy Note 19/09 of 19.08.09 The OGC advise purchasers that **"contracting authorities should not make registration or accreditation with a particular fee-based accreditation body or organisation a condition for bidding for a contract"** This extends to any fee based accreditation system so may well extend to EXOR;
- a certification company helping an organisation to be comply with the standards and then certifying that these have been reached is not "conflict of interest" . This process goes on every day in classrooms across the country, and indeed it is the basis upon which qualifications such as NVQ and those offered by the Open College Network are Based. The OCN course tutor teaches and then marks the work of the student. This is a standard procedure followed in many certification processes. **This emphasises the importance of the Certification Company holding the ISO 17021:2006 certification to confirm that the standards and procedures used in the process are compliant with the requirements.**
- Sometimes it is suggested that there is a problem with a certification being completed in short timescales such as 30 days. This is a fallacy with which some umbrella bodies appear to agree. Why short timescales to certification are a problem are not explained. In numerous cases a company or organisation are already following the standards set out in ISO 9001:2008 and/or ISO 14001:2004. In a well managed company this level of compliance may have been in place for a number of years. The point of certification is that this compliance with the standards has been audited and verified. If there is current compliance with the standards there is no reason why following an audit, this cannot be certified immediately. **In numerous instances with well managed companies and organisations this process can be completed quickly and easily. If this is the case why should the process take longer, and as a consequence become expensive. Having undertaken the checks suggested earlier in this paper, the quickest, easiest and therefore cheapest route to certification should always be used, particularly if back office savings are to be achieved.**

The key facts concerning ISO 9001:2008 and 14001:2004 certification:

- a company or organisation may comply with the ISO 9001:2008 and ISO 14001:2004 and state that they do so in a tender. The difficulty in tendering terms is that the statement does not provide evidence of compliance;
- in order to provide clear and unequivocal evidence to the purchaser as part of a tendering process that your company or organisation operates its organisational and environmental management in compliance with internationally recognised standards, then the ISO 9001:2008 and ISO 14001:2004 are essential. Whilst other standards may claim to do this, it is the certainty of the ISO certification process which will win in any competitive tendering situation.

- UKAS accreditation of the certification company is not a necessity – what is essential is that the company or other certification organisation is itself ISO 17021:2006 certified.
- the time taken to become accredited is not relevant – a well run company or organisation is likely to be operating management system which are compliant with the standards so certification will be a rapid process. If the evidence of compliance is readily available certification can be achieved very quickly, often in less than 30 days.