

Procurement Policy Note – further measures to promote Small Business procurement

Information Note 05/11 11 February 2011

Issue:

1. This note provides information to contracting authorities on new government measures announced by the Minister for the Cabinet Office on 11 February at an SME strategic supplier event.
2. Small and Medium-sized Enterprises (SMEs) are a major cornerstone of the UK economy, and the Government wants to ensure SMEs can compete on an equal footing for public sector contracts.
3. These further measures are in response to a No.10 online consultation where small businesses have been providing information about problems they face when bidding for public sector work.
4. The measures build on those announced in November and December to make bidding for government work faster, easier and cheaper.

Dissemination:

5. Please circulate this Procurement Policy Note (PPN) within your organisation, agencies, non-departmental public bodies (NDPBs), and any other bodies for which you are responsible for.

Scope:

6. This PPN applies to Central Government including departments, their agents and agencies and all Non-Departmental Public Bodies (NDPBs).

Package of Measures:

- a. Launch of Contracts Finder, which will be used to publish procurement and contracting information in one place, including procurement opportunities, tender documents and contracts. <http://www.contractsfinder.businesslink.gov.uk/>
- b. Introduction of a new Crown Commercial Representative to build more strategic dialogue between the government and smaller suppliers
- c. Launch of 'SME Product Surgeries', to enable selected SMEs to 'pitch' innovative products and services to a panel of senior procurement and operational

professionals from central government and the wider public sector

- d. Findings of the 'Lean' Review of the procurement process and announcement of pathfinder projects which will use the Lean approach to conduct their procurement much faster than current norms.
- e. Pre-qualification:
 - For all procurements in common commodities, systems will allow suppliers to provide their prequalification data once – and not submit the same data time and time again
 - For all central government procurements under approximately £100,000 (the EU threshold), we will seek to eliminate PQQs entirely, with procurers free to choose the best route to market for the individual circumstances
 - For larger procurements we will move towards greater use of the "open procedure" - thus eliminating a separate selection stage early on in the process
- f. From March all departments will be required to publish a set of specific, targeted actions to increase their business with SMEs.
- g. Departments will be required to adopt greater use outcome based specifications as much as possible and not to over specify. For our most significant projects in government the Major Projects Authority in the Cabinet Office will systematically assess whether the specification has been gold plated and whether it is sufficiently based on outcomes. We will also seek to break requirements up into 'micro lots' where practical.
- h. Launch of an interchange programme to get secondees from business into procurement teams and get civil servants out into the commercial world, with the intention of government learning from the best of private sector practice.
- i. Launch an extended the Supplier Feedback Service so suppliers can tell us where there are still issues with procurements deterring SMEs, which we will take up.
- j. Launch two new ways for suppliers to hold us to account:-
 - 'mystery shopper' – where suppliers can tell us if they see a tender they don't understand and we will challenge procurers to be more transparent and open.
 - SME Panel – to hold us to account on delivering these measures
7. Baroness Eaton, Chair of the Local Government Group, has announced support for these measures and the intention of Local Government to make their opportunities available on Contracts Finder and adopt the standard, simplified pre qualification questionnaire.

Next Steps:

8. We will be in contact with departments over the coming weeks to work together on implementation of these measures, including implementation deadlines.

Further information:

9. Press Release and the speech can be accessed via following links.

<http://www.cabinetoffice.gov.uk/news/government-opens-contracts-small-business>

Background:

10. These measures build on previous announcements made on 1 November and 1 December by the Minister for the Cabinet Office.

http://www.cabinetoffice.gov.uk/newsroom/news_releases/2010/101101-openup.aspx

<http://www.cabinetoffice.gov.uk/news/cabinet-office-ministers-speech-supplier-summit>

Contact:

11. If you have further questions, please do not hesitate to contact the ServiceDesk on 0845 000 4999 or via ogcservicedesk@cabinet-office.gsi.gov.uk

