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**Update on Council's Supplier Development Programme**

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**1.0 EXECUTIVE SUMMARY**

- 1.1. The Council is a member of the national Supplier Development Programme which aims to minimise any barriers for companies, particularly smaller businesses within our council area, in winning contracts from the council. The programme educates suppliers as to what is required of them to become a public sector supplier and provides them with the knowledge and skills required to complete the necessary paperwork for a tender process. This helps to ensure the sustainability of the local economy whilst also benefitting the council through providing access to those who can provide best value services.
- 1.2. The Procurement and Commissioning Strategy approved by Policy & Resources Committee on 20 August 2015 sets out that we will improve procurement processes and policies by "supporting local businesses and SMEs through closer working with Economic Development and by making our processes more streamlined and accessible". It reports an intention to work closely with SMEs, particularly those within Argyll and Bute. Our key measures include percentage of contracts awarded to SMEs and percentage of contracts awarded to local businesses and numbers of local suppliers bidding for business as a percentage of total bids received. The Sustainable Procurement Policy also has a key principle of maximizing the socio-economic and environmental benefits of locally sourcing goods and services, within the limits imposed by procurement legislation.
- 1.3. This report provides an update on the Supplier Development Programme work to date and provides information on proposed procurement surgeries aimed at supporting the local supply base of Argyll and Bute.

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**2.0 INTRODUCTION**

- 2.1. The Council is a member of the national Supplier Development Programme which aims to minimise any barriers for companies, particularly smaller businesses within our council area, in winning contracts from the council. The programme educates suppliers as to what is required of them to become a public sector supplier and provides them with the knowledge and skills required to complete the necessary paperwork for a tender process. This helps to ensure the sustainability of the local economy whilst also benefitting the council through providing access to those who can provide best value services.
- 2.2. The Procurement and Commissioning Strategy approved by Policy & Resources Committee on 20 August 2015 sets out that we will improve procurement processes and policies by "supporting local businesses and SMEs through closer working with Economic Development and by making our processes more streamlined and accessible". It reports an intention to work closely with SMEs, particularly those within Argyll and Bute. Our key measures include percentage of contracts awarded to SMEs and percentage of contracts awarded to local businesses and numbers of local suppliers bidding for business as a percentage of total bids received. The Sustainable Procurement Policy also has a key principle of maximizing the socio-economic and environmental benefits of locally sourcing goods and services, within the limits imposed by procurement legislation.

**3.0 RECOMMENDATIONS**

- 3.1 The committee notes the detail provided in this report and agrees to the proposals to augment this by holding quarterly procurement surgeries across the council area to supplement the work of the Supplier Development Programme.

**4.0 DETAIL**

- 4.1 The following highlights the level of support already provided to suppliers as part of the Council's Supplier Development Programme:
- We have a dedicated Procurement page on the Council's website which has specific FAQs and guides for suppliers;

- We subscribe to the national Supplier Development Programme to allow our local suppliers free membership to gain access to advice, local training and webinars to assist them to be tender ready;
- We have a close working relationship with our Business Gateway Team who offer support to bidders when completing tenders. All tender documents provide contact details for this support;
- Our closed tender process for works contracts up to £500k in value allows us to ensure that local suppliers win a high proportion of these;
- In closed tenders, we provide common brand names for goods being specified in the bill of quantities to support local small suppliers have an understanding of what is required. We make it clear that “equivalents” are equally acceptable;
- We hold “meet the buyer” events which allow suppliers to meet each other and develop networks and potential sub-contracting opportunities;
- We publish contract award notices on the portal as quickly as possible. This allows local suppliers the opportunity to contact the winning supplier to determine if they can become sub-contractors to them and share in the value of the contract awarded;
- For large value contracts wherever possible we require the winning contractor to offer sub-contracting opportunities to the local supply base.

4.2 Invites to register with the Supplier Development Programme have been issued to approximately 800 suppliers using all our contacts from Public Contracts Scotland (PCS) and the Council’s Health and Safety Approved Contractors List. In addition Business Gateway issued invites to a further 2,000 local suppliers and the Social Enterprise Team also issued invites to all members of their contact list. This has ensured the maximum coverage of local suppliers. In addition to the initial invites the Procurement and Commissioning Team also contacted local suppliers by phone and sent out reminder emails and letters to encourage them to join. As at June 2015, 115 suppliers have registered with the Programme.

4.3 Suppliers who have joined the programme (which is free to them) are able to gain free training and guidance on tender processes. They are able to access online training and can attend training events across Scotland. We have also arranged local Supplier Development events, the most recent being the “Maximising your tender score” event that we held in Oban. Feedback has been very positive which confirms the need for this type of work to support SMEs to grow and develop their knowledge of the procurement process.

- 4.4 The Procurement and Commissioning Team along with Business Gateway will be working to develop the training schedule for the Supplier Development Programme for the coming year to ensure a wide range of training is offered to the SMEs within Argyll and Bute taking into account all feedback received.
- 4.5 The table below shows that the percentage of council business being bid for and won by SMEs and local businesses is growing:

<b>Local and SME Bids/Wins</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 YTD</b>
% Bids by local companies	-	23%	31%
% Contracts awarded to local companies (National average in 2014/15 was 21%)	37%	34%	39%
% Bids by SMEs	-	82%	79%
% Contracts awarded to SMEs	87%	85%	83%
<b>Local wins by tender type</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16 YTD</b>
% local wins - Open/restricted tenders		19%	40%
% local wins - Quick Quotes		42%	38%

- 4.6 The following tables show that where local companies actually tender for a contract, they have a particularly good success rate:

<b>Tender Type 2014/15</b>	<b>No. of tenders receiving local bids</b>	<b>No. of tenders won by local supplier</b>	<b>Success rate</b>
Open/restricted	18	9 (10 local suppliers/awards)	50%
Quick Quote	56	39 (45 local suppliers/awards)	70%

<b>Tender Type 2015/16 (YTD)</b>	<b>No. of tenders receiving local bids</b>	<b>No. of tenders won by locals suppliers</b>	<b>Success rate</b>
Open/restricted	18	13 (25 local suppliers/awards)	72%
Quick Quote	21	16 (21 local suppliers/awards)	76%

- 4.7 The use of Meet The Buyer events for project specific prior market engagement on large contracts offers an ideal opportunity to generate supplier interest in forthcoming tenders and to obtain feedback on sourcing strategies. These events are a useful adjunct to the Council's involvement in the Supplier Development Programme. The Council will shortly be tendering for two significant contracts in Rothesay and Dunoon as part of the CHORD regeneration programme. In support of these forthcoming contract opportunities, we held two "Meet the Buyer" events at the end of June. The events were publicised through a number of channels including the council website and social media, Supplier Development Program events pages, Public Contracts Scotland Prior Information Notice and by direct email to businesses in the Argyll in Bute area and through engagement with local Members.
- 4.8 The events included presentations on the project scope, key requirements and planned contracting and procurement approach, along with details of support available from Business Gateway and the Supplier Development Program. This was followed by a Question and Answer session and an opportunity to network with presenters and other attendees.
- 4.9 The event in the Queens Hall Dunoon took place on 23 June. Eleven companies (5 local) registered to attend and nine (3 local) showed up on the day as set out below:

<b>Company</b>	<b>Region</b>	<b>Attended</b>
Protan	Cheshire	Yes
Stewart McNee	Argyll and Bute	No
HF Electrical	Glasgow	Yes
WH Kirkwood	Inverclyde	Yes
George H Currie Blacksmiths	Argyll and Bute	Yes
Cowal Building & Plumbing Supplies	Argyll and Bute	Yes
Oban Electrical Services	Argyll and Bute	Yes
Instarmac Group Plc	Glasgow	Yes
Robertson Construction Central Ltd	Falkirk	Yes
Argyll Property projects	Argyll and Bute	No
Fire Risk Design	Glasgow	Yes

- 4.10 The Rothesay Pavilion event took place on 25<sup>th</sup> June. Nine companies (3 local) registered to attend and six (2 local) showed up on the day. Details below:

<b>Company</b>	<b>Region</b>	<b>Attended</b>
Protan	Cheshire	Yes
CBC Ltd	Glasgow	No
George Hanson	Argyll and Bute	Yes
Cowal Building & Plumbing Supplies	Argyll and Bute	Yes
Oban Electrical Services	Argyll and Bute	No
Instarmac Group Plc	Glasgow	Yes
PD Edenhall Ltd	Cheshire	Yes
Robertson Construction Central Ltd	Falkirk	Yes

WH Kirkwood	Inverclyde	No
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- 4.11 Feedback was obtained through discussion with attendees. Most attendees found the events to be extremely helpful in enabling them to understand the nature of the forthcoming tenders and the extent to which they were likely to present an opportunity either for direct contracting or as a subcontractor to a main contractor. Of the two events, the Rothesay event had the greater percentage of attendees likely to bid as main contractors.

### **Future Proposals**

- 4.12 In addition to continued promotion of the Supplier Development programme, the Procurement and Commissioning Team along with Business Gateway colleagues are proposing to hold quarterly procurement surgeries in the various localities of Argyll and Bute. These surgeries will relate to specific upcoming tender opportunities and will provide the opportunity for the relevant service staff to provide information to local suppliers so they a better understanding of the forthcoming procurement process.
- 4.13 We would propose that these surgeries would be held in Oban, Campbeltown, Lochgilphead, Dunoon, Rothesay and Helensburgh and that suppliers must book an appointment in advance.

## **5.0 CONCLUSION**

- 5.1 The Council's Supplier Development Programme is a programme that helps small and medium sized enterprises (SMEs) to opportunity to grow and diversify through procurement. It aims to improve their performance in winning contracts with public sector organisations through offering information, support and training events.
- 5.2 This is necessary for the development of SMEs within Argyll and Bute to ensure the continued development of the supply base within Argyll and Bute whether that may be as main suppliers or sub-contractors.

## **6.0 IMPLICATIONS**

- 6.1 Policy: This supports the Council's procurement and commissioning strategy.
- 6.2 Financial: None – we already subscribe to the Supplier Development Programme.
- 6.3 Legal: None
- 6.4 HR: None
- 6.5 Equalities: Ensures equality of opportunity to all sizes of businesses.
- 6.6 Risk: Reduces risk of smaller local businesses being

unsuccessful in winning council business though lack of understanding of tender processes.

6.7 Customer Service: None

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**Policy Lead – Councillor Dick Walsh**

7 October 2015

**For further information contact:**

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