

# Annex B

## Department specific progress and data

### SME Progress Report

Making government procurement more  
accessible to SMEs

# Department for Business, Innovation and Skills

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Implement the use of Prior Information Notices.

Internal workshop on Case for Change for BIS SROs.

Run an Open Procedure procurement (Sciencewise Programme).

### Spend Data

09/10	22% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£435m	£70m	16

### Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓ <sup>+</sup>
Publishing their procurement opportunities on Contract Finder	✓

### Highlights & Case Studies

- Agreed to use Open procedure procurement to feed into work on Pre-Qualification Questionnaires
- Two Open procedure procurements commenced
- Over 160 contract opportunities advertised on Contracts Finder
- 100% of procurement staff to undertake "LEAN" procurement training in calendar year 2012
- UKTI and £87m OJEU contract that was broken into Lots

# Department for Communities and Local Government

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Publish Pipeline Business Plan. (Now ongoing)*

*Improve Website Content. (complete)*

*Run a Lotted Procurement. Community Rights tender started*

*Product Surgeries*

## Spend Data

09/10	14% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£180m	£33m	18

## Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✓
<i>Publishing their procurement opportunities on Contract Finder</i>	✓

## Highlights & Case Studies

- Participated in two SME product surgeries with OGDs (on Case Management & Web Design)
- Working with Cabinet Office on promoting SME agenda into the wider public sector
- Volunteered to Pilot use of Open Procedure/ Lean tender
- Designed and used simplified selection information sheet for use with Open Procedure tenders

# Cabinet Office

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Improve SME participation in Cabinet Office managed frameworks.

Implement use of Proc Serve (Dynamic Marketplace).

Improve website content.

Government Procurement (within Efficiency and Reform Group) will pilot the open procedure on 7 significant procurements and 2 Lean pathfinder projects.

2x Product Surgery

## Highlights & Case Studies

- Delivered actions including Implementing use of Government E-Marketplace & jointly holding two product surgeries (on Case Management & Web Design)

Through GPS:

- 'The 'G Cloud' procurement framework has 260 suppliers with over 50% SMEs
- 42% of the supply chain spend of the Office Supplies contracts is with SMEs
- The central travel contract was broken into two lots and Redfern Travel, a UK based SME was awarded the domestic lot
- Deployed easy to use Government E-Marketplace for SMEs to bid for sub £100k contracts
- Published procurement pipeline
- Introduced standard terms and conditions
- Held a supplier day for catering/commercial refrigeration contract

## Spend Data

09/10	8% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£67m	£8m	12

## Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

# Department of Culture Media and Sport

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Improve website content (completed by 01/03).

Work with top suppliers to increase SME Participation in Supply Chain.

Ensure all low value orders consider SMEs.

Act as mentor to other departments on new procurement methods (effective immediately).

Promote SME use across DCMS family.

### Spend Data

09/10	27% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£263m	£50m	19

### Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

### Highlights & Case Studies

- Community Sports Programme, a voluntary sector SME, awarded contract for Youth in Design Exhibition which attracts thousands of attendees each year
- Completed actions to improve website content, promote SME use across the DCMS family and amend low value requisition form to ensure consideration of SMEs in the procurement process
- British Museum instigated a number of contracts with SMEs for high profile, highly attended exhibitions

# Department for Education

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*DfE will continue to ensure that our processes deliver value and that SMEs are not excluded because our processes are unnecessarily bureaucratic. We will strive to ensure all procurement practices and methodologies are as SME friendly as possible.*

### Spend Data

09/10	25% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£212m	£35m	16

### Highlights & Case Studies

- Jointly held two product surgeries (on Case Management & Web Design)
- Awarded £45m framework contract to Creative Choice, a newly formed 100% SME consortium

### Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✓
<i>Publishing their procurement opportunities on Contract Finder</i>	✓

# Department for Energy and Climate Change

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Improve website content.*

*Work with key suppliers to increase SME Participation in Supply Chain.*

## Spend Data

09/10	0.6% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£2,081m	£9m	0

## Highlights & Case Studies

- DECC have amended their procurement procedures and Pre-Qualification Questionnaires are no longer used for procurements below 100k
- All Procurement opportunities are now published on Contracts Finder as standard procedure

## Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✓
<i>Publishing their procurement opportunities on Contract Finder</i>	✓

# Department for the Environment, Food and Rural Affairs

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Work with 25 key suppliers to increase SME Participation in Supply Chain.*

*Revise internal processes and hold workshops on increasing SME access.*

*Product Surgery*  
*Improve website content.*

## Spend Data

09/10	10% 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£678m	£51m	7

## Compliance with Growth Review Commitments

*Eliminating Pre-Qualification Questionnaires below £100,000* ✓

*Publishing their procurement opportunities on Contract Finder* ✓

## Highlights & Case Studies

- Workshop for Women's Enterprise Connect in Dec '11 for women only SME business owners to understand requirements for engagement through Government contracts and Procurement routes
- Environment Agency using an assessment tool to identify SME potential Tier 2 suppliers through larger contracts over £25K
- Led on a workshop for the Civil Society Advisory Board (17th Jan) identifying ways in which we can enhance Civil Society involvement in delivery of Defra outcomes
- Plans in progress for a Product Surgery for SME suppliers in relation to Noise & Nuisance related procurement
- Core Defra engaging with largest suppliers (IT and FM providers) to encourage Tier 2 SME supply opportunities to compete for work projects
- Natural England engaging with larger suppliers to identify opportunities for SMEs



# Department for International Development

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Make Procurement documentation SME friendly.

Improve communication methods with SMEs.

Develop additional actions following improved Management Information.

## Spend Data

09/10	% of 3 <sup>rd</sup> Party Spend with SMEs Not Known**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£419m	£151m	36

## Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

## Highlights & Case Studies

- DfID has linked its own supplier portal to Contracts Finder to ensure that all published opportunities are as visible as possible to all suppliers
- Enhanced supplier portal to capture more detailed information on SME spend
- DfID actively engages with SMEs and defines its procurement policies and processes at events such as the British Expertise Seminars

# Department for Health

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Improve website content.*

*Review of category spend and associated strategies to identify further opportunities for SMEs.*

*Run an Open Procedure procurement.*

*Run a procurement that is broken up into smaller lots.*

*Work with Cabinet Office on desktop instructions for supplier selection.*

*Implement use of Proc Serve (Dynamic Marketplace).*

### Spend Data

<b>09/10</b>	18% of 3 <sup>rd</sup> Party Spend with SMEs**		
<b>Year</b>	<b>3<sup>rd</sup> Party Spend</b>	<b>SME Spend</b>	<b>%</b>
<b>Q3 11/12*</b>	£748m	£67m	9

### Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✓
<i>Publishing their procurement opportunities on Contract Finder</i>	✓

### Highlights & Case Studies

- 3 pilot procurements undertaken via the Open Procedure
- 2 pilot procurements undertaken where the contracts have been broken into lots
- Running the procurement for Injectable Opioid Treatment contract as a SME friendly lean pilot including holding a Supplier Open Day
- Publishing all live opportunities on Contracts Finder
- Review of internal operating procedures leading to better SME engagement
- Review of category spend has been undertaken and work is underway to develop SME involvement in those categories

# Department for Transport

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Improve website content.

Product Surgery.

DVLA supplier events to outline future pipeline of business.

Attract niche suppliers to DSA Test Theory Contract.

Improve HA procurement processes to make more SME friendly.

Increase SME opportunities in technical & engineering framework.

## Spend Data

09/10	3% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£1,984m	£47m	2

## Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

## Highlights & Case Studies

- Improving information for suppliers on DfT website and the introduction of an enquiry point.
- Product Surgery worked extremely well, model and lessons learnt have been disseminated more widely. A second surgery is under consideration
- Held a number of supplier days to cover a wide range of contract types, including the DSA Theory Test, FM sub-contracting opportunities, ICT, DVLA Front of Counter Service and Research & Technical services. A range of suppliers (including SMEs) attended

# Department for Work and Pensions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Implement commercial framework for the Work Programme.

Product Surgery (ICT)

Work with 45 key suppliers (c80% of spend) to increase SME Participation in Supply Chain  
 Revise category strategies to support SMEs  
 Communications (pipeline of business, meet the buyer, PINS etc)

## Spend Data

09/10	12% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£2,571m	£316m	12

## Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

## Highlights & Case Studies

- Identified 5% of spend with SMEs in the supply chain
- Actions to promote increased business with SMEs has been part of DWP Commercial Strategy since 2002
- Work Programme – 1,100 SMEs and third sector organisations expected to deliver elements of the Work Programme
- SME identification currently being built into future eProcurement System solution
- First Government sub contracting opportunity on Contracts Finder was published by a DWP supplier (Capita Resourcing)
- SME Champion appointed in Oct 2011
- SME event held with key suppliers in Nov 2011 - Crown Rep for SMEs Stephen Allott attended and presented
- Joint DWP/HMRC 'EXPO' held in Feb 2012 – focusing on IT services in the Universal Credit area. DWP will evaluate its success to help inform future use of product surgeries

# Foreign and Commonwealth Office

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Review of Invitation To Tender & Pre-Qualification Questionnaire documentation.*

*Work on large overseas frameworks to increase SME participation.*

### Spend Data

09/10	3 <sup>rd</sup> Party Spend with SMEs Not Known**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£461m	£30m	7

### Highlights & Case Studies

- Jointly held a product surgery (on Case Management)
- Participated in the SME Consortia workshops
- Most recently, two security guarding contracts have been awarded to an SME
- SMEs awarded places on the Construction professional services framework

### Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✓ <sup>+</sup>
<i>Publishing their procurement opportunities on Contract Finder</i>	✗

# Home Office

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Standardise procurement processes and procedures.

Improve website content inc. dedicated inbox for SME enquiries

Product Surgery.

Identify areas of repetitive spend and & develop methods to maximise SME participation.

2<sup>nd</sup> Product Surgery L&D

### Spend Data

09/10	2% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£2,024m	£126m	6

### Highlights & Case Studies

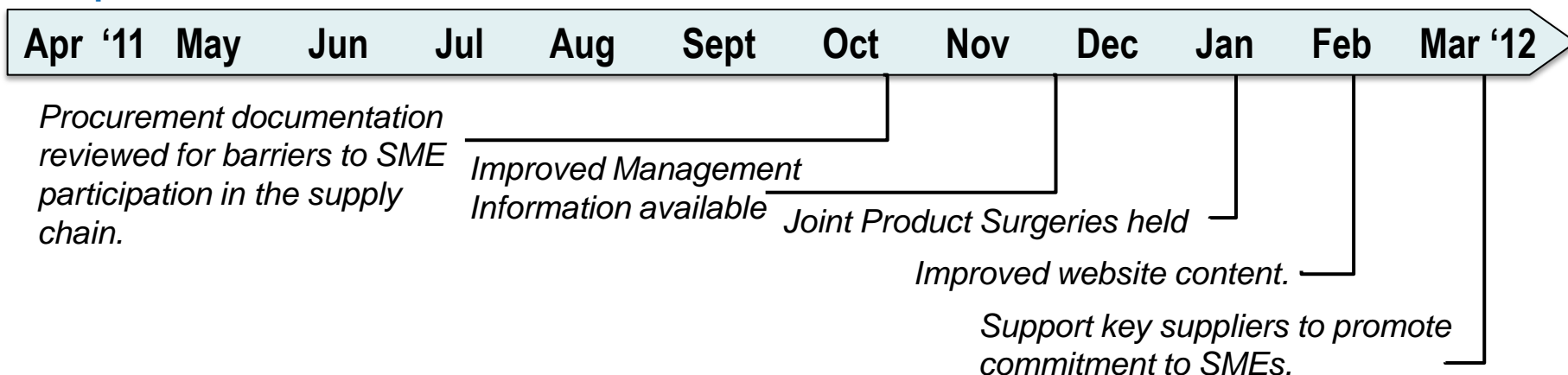
- Identified 5% of spend with SMEs in the supply chain
- Successfully ran a product surgery on ICT and are planning to make them business as usual as part of early market engagement
- Ran a number of events in the ICT & Financial Services categories that resulted in SMEs winning business
- Currently have six live events (for Training, Fleet, Vending & Contingent Labour) targeted at SMEs
- Implemented agreed departmental actions

### Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

# Her Majesty's Treasury

## Departmental Actions



## Spend Data

09/10	14% of 3 <sup>rd</sup> Party Spend with SMEs		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£65m	£4m	7

## Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

## Highlights & Case Studies

- Jointly held two product surgeries for SMEs (on Case Management & Web Design).
- SME champion appointed
- SMEs continue to be awarded contracts that were advertised on Contracts Finder (e.g. contract for exit and new starter surveys awarded 31 Jan 2012)

# Her Majesty's Revenue and Customs

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

Improve website content.

HMRC to consider appropriate procurements that are suitable for SME competition.

Work with 12 key suppliers to increase SME Participation in Supply Chain.

Revise print strategy to increase SME access and participation.

Hold a workshop for depts. on use of open procedure.

## Spend Data

09/10	11% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12**	£1,120m	£5m	0

## Compliance with Growth Review Commitments

Eliminating Pre-Qualification Questionnaires below £100,000	✓
Publishing their procurement opportunities on Contract Finder	✓

## Highlights & Case Studies

- Identified 3% of spend with SMEs in the supply chain
- £1.6m contract for Office Support Services awarded to voluntary and community sector supplier, Derwent Living, following a successful bid in its reverse auction 'open' procurement process
- Increased SME participation in Government Office Supplies Contract supply chain to 61% (Q3 2011) from 44% (2010/11)
- 50% of suppliers on Debt Collection Framework are SMEs
- Product Surgery in planning stages



# Ministry Of Defence

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Work with key suppliers to increase indirect level of SME participation.*

*Simplify and standardise contract documentation.*

*'National Security Through Technology' White Paper (Cm 8278) published 1 February 2012 with section devoted to encouraging SMEs.*

### Spend Data

09/10	4% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£15,362m	£2,209m	14

### Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✗ <sup>+</sup>
<i>Publishing their procurement opportunities on Contract Finder</i>	✓

### Highlights & Case Studies

- MOD is proactively working with the Cabinet Office to see how the Pre-Qualification Questionnaire can be simplified or even eliminated
- Progressive use of simplified contract documents for contracts under £250,000 for 'off the shelf' goods began in November 2011 and will be in use MOD-wide from April 2012
- A White Paper published February 2012 sets out specific actions to streamline MOD processes and improve SME relationship with MOD and with prime contractors

# Ministry of Justice

## Departmental Actions

Apr '11   May   Jun   Jul   Aug   Sept   Oct   Nov   Dec   Jan   Feb   Mar '12

*Publish Pipeline Business Plan.*

*Revise category strategies to support SMEs.*

*Work with 5 key suppliers to increase SME Participation in Supply Chain.*

*Act as mentor to OGD on new procurement methods (effective immediately).*

*Hold series of Meet the Buyer Events in 2011.*

### Spend Data

09/10	9% of 3 <sup>rd</sup> Party Spend with SMEs**		
Year	3 <sup>rd</sup> Party Spend	SME Spend	%
Q3 11/12*	£3,696m	£1,225m	33

### Compliance with Growth Review Commitments

<i>Eliminating Pre-Qualification Questionnaires below £100,000</i>	✓
<i>Publishing their procurement opportunities on Contract Finder</i>	✓

### Highlights & Case Studies

Since April '11, MoJ has awarded the following number of contracts to SMEs

- 38 minor works projects valued at £1.5m (direct awards)
- 31 projects minor works valued at £2.4m (mini competition)
- Professional Services - Spend through the Capita contract (interims and specialist contractors) since January 2011 through SMEs accounts for approx £15m
- Contracts awarded to date on ICT is £5.86m
- Midlands and North Category management teams have awarded 34 contracts to SMEs at a value of £136m
- Estates have awarded 127 contracts to SMEs with a value of £3.4m
- Prison Industries have awarded a framework contract to six SMEs with a value of £1.1m