

Department of Health: SME Action Plan Update August 2012

	Agreed Actions	Target Implementation Date	Tasks	Outcome	Success Factor	Progress Update
1	Undertake a thorough analysis of current spend with SMEs. This will include both understanding SME prime contractors and SMEs within the Department's supply chain.	July 2012	<ul style="list-style-type: none"> Identify SME prime contractor spend. Work with contract managers and main suppliers to understand the prevalence of SMEs and SME opportunities in supply chains. Request SME supply chain spend from the Departments main suppliers. 	Comprehensive picture of the Department's current and ongoing spend with SMEs.	<p>The success factors for this action will be:</p> <ul style="list-style-type: none"> Agreeing a methodology for accessing and collating robust data. Suppliers' ability and willingness to provide the data requested. 	
2	Review and continue to develop the Department's internal processes in order to continue to identify opportunities for SMEs and remove any remaining barriers.	July 2012	<ul style="list-style-type: none"> Undertake a review of all the invitation to tender templates to ensure content is supportive of the SME initiative and use good practice examples. Undertake a review of the Department's internal operating manual to ensure that all documented processes support the SME programme. Continue to work with procurement colleagues to ensure that processes are followed. Review and consider the Department's current strategy for financial appraisal Work with the Department's suppliers to understand how our documentation and processes can be improved. Capture and promote all the success stories. 	Potential increase in the number and variety of opportunities that SMEs may access.	<p>The success factors for this action will be:</p> <ul style="list-style-type: none"> Making the appropriate updates and communicating them. Evaluation of the effectiveness of the reviewed processes. 	
3	Review the Department's standard terms and conditions/contract documentation to build in SME considerations (where appropriate).	July 2012	<ul style="list-style-type: none"> Review the current standard conditions of contract and look to include specific conditions to support SMEs within the supply chain. Consider including in all standard contracts a condition asking all suppliers to provide management information on their subcontractors. 	The Department may be able to better influence the number of SMEs in the supply chain.	<p>The success factors for this action will be:</p> <ul style="list-style-type: none"> Making the appropriate updates and communicating them to buyers. Ensuring that prime contractors fulfil their obligations. 	
4	Work with and influence Departmental contract managers, responsible for the main contracts, to develop SME opportunities within those contracts	August 2012	<ul style="list-style-type: none"> Understand the supply chain opportunities for SMEs within the Department's main contracts. Work with suppliers to publish their subcontract opportunities on Contracts Finder. Ensure prime contractors adhere to prescribed payment terms and that these permeate through the entire supply chain. 	The Department may be able to better influence the number of SMEs and create opportunities in the current supply chain within our main contracts.	<p>The success factor for this action will be:</p> <ul style="list-style-type: none"> Engaging with contract managers and main contract suppliers. 	

5	Continue to refresh the Department's procurement pages on the website with relevant and useful information for SMEs.	June 2012	<ul style="list-style-type: none"> • Create a dedicated e-mail address to enable SMEs to get in touch with the Department. • Publish additional useful content, as information becomes available. 	SMEs will have a greater understanding of where to get information about opportunities within the Department.	The success factor for this action will be: <ul style="list-style-type: none"> • Ensuring relevant and useful information is made available on the website, to encourage SME opportunities. 	The website has been updated
6	Develop an internal SME Champion network.	July 2012	<ul style="list-style-type: none"> • Identify SME Champions throughout the Department and its Arms Length Bodies. 	A network of champions will be developed, which will be able to influence and contribute to the SME action plan.	The success factor for this action will be: <ul style="list-style-type: none"> • Embedding the initiative throughout the Department and its Arms Length Bodies. 	
Previous Actions as Published in April 2011						
	The Department of Health will support and contribute to the development of the government wide e-market place solution.	It is expected that the Department will contribute to the development and implementation from April 2011.	<ul style="list-style-type: none"> • Work will colleagues from Cabinet Office and other government departments to develop and implement the government wide e-market place solution. 	The outcome from this action will be that the Department will consider the implementation of the solution in order to help SME participation.	The success factor for this action will be: <ul style="list-style-type: none"> • Ensuring that the solution will increase participation of SMEs when rolled out within the Department and using it appropriately. 	The Department is now utilising Contracts Finder to advertise all of its open opportunities.
	From May 2011, the Department of Health will develop and maintain information on its website relevant for SMEs. The information will include, but will not be limited to, signposting for SMEs to access relevant procurement details and how they can work with the Department. The Department will provide clear contact points for additional information and queries.	The website will be initially updated in May 2011 and will be reviewed on a monthly basis.	<ul style="list-style-type: none"> • Review and update the website with relevant information including clear contact details. 	The outcome will be that SMEs have a greater understanding of where to get information about opportunities within the Department.	The success factor for this action will be: <ul style="list-style-type: none"> • Ensuring relevant and useful information is made available on the website, which encourages opportunities. 	<p>An update to the Department's website was made in May 2011. This included the publication of information signposting SMEs to where they can find out further information about procurement within the Department of Health and a clear contact point.</p> <p>The Department is now looking at developing its website further to include more detailed information to support SMEs throughout the tendering process. This is likely to be in place by April 2012.</p>

	<p>The Department of Health will undertake a review of its categories (excluding Centralising Commodity Procurement categories) within its procurement spend that typically attract SMEs and those categories that do not typically attract SMEs.</p> <p>Once those categories have been identified, the Department will review its procurement strategy for those category areas to look at ways to improve the participation of SMEs. This may include undertaking more market engagement exercises in order for suppliers to contribute to the Department's procurement strategies.</p>	<p>It is expected that the work to review categories will commence June 2011.</p>	<ul style="list-style-type: none"> Review data to understand in which categories SMEs have been or are involved and where they are not. Talk to the Departments SMEs to understand the barriers that they face in working with the Department. Review procurement strategies in those categories to reduce unnecessary barriers to SMEs and increase opportunities for participation. Work with the procurement team to make them aware of categories across the Department, which attract SMEs and do not attract SMEs. Work with the procurement team to consider more market engagement events prior to procurement exercises. 	<p>The outcome will be that the Department will have a greater understanding of its SME suppliers relating to its categories of spend and the barriers they face and what steps they need to put in place to reduce these barriers.</p>	<p>The success factor for this action will be:</p> <ul style="list-style-type: none"> Being able to understand and influence the categories, which both attract and not attract SMEs and being able to make useful changes, which results in more opportunities for participation. 	<p>A review of category spend has been undertaken and it has identified categories where there are a number of SMEs working with the Department and a number of categories where they may be the potential to improve SME involvement.</p> <p>The Department is now working internally to influence strategies and develop ways to increase SME involvement in opportunities for those categories.</p> <p>An important method the Department is now actively using in these category areas is conducting supplier open days prior to the start of the procurement.</p>
	<p>The Department of Health will initiate, in collaboration with Cabinet Office, developing standard assessment guidance for supplier selection with the aim that the rest of Government could potentially use it.</p>	<p>It is expected that a guidance document will be drafted by September 2011.</p>	<ul style="list-style-type: none"> Review the current selection process in collaboration with Cabinet Office. Identify a common approach to scoring supplier selection. Draft guidance material for potential use across government. Issue for feedback and comments. Implement within the Department if agreed. 	<p>If appropriate, the guidance developed could be adopted by other public sector bodies, which would result in a standard approach. This will be implemented within the Department.</p>	<p>The success factor for this action will be:</p> <ul style="list-style-type: none"> Identifying an appropriate scoring model that could be used for a range of projects across government, which will make the selection process more consistent and efficient. 	<p>This project has been delayed due to changes in the assessment process. Work with Cabinet Office is still underway.</p>

	<p>The Department of Health will explore opportunities in forthcoming procurements to potentially trial the breaking up of contracts into smaller lots to encourage SME participation.</p>	<p>It is expected that the Department of Health will review forthcoming procurements from May 2011 to potentially identify a suitable procurement to be split into lots.</p>	<ul style="list-style-type: none"> • Forthcoming procurements will be reviewed to identify whether they are suitable to be split into lots. • If appropriate, the Department will identify a procurement where the requirement can be split into lots and use this as a trial. • The adverts and procurement of that procurement will set out clearly the lots that the requirement will be split into. • Details of the procurement will then be published on the Department's website and Contracts Finder. 	<p>The outcome from this action will be that a suitable procurement, which can be split into lots, may be identified. Any outcomes from this trial procurement will be written up and shared with colleagues in the Department and built into future procurement projects.</p>	<p>The success factor of this action will be:</p> <ul style="list-style-type: none"> • Reviewing all forthcoming procurement projects and identifying a procurement that may be suitable to be split into lots. 	<p>Forthcoming procurement opportunities have been assessed for their suitability for lots.</p> <p>The Department is due to publish a contract shortly which will be broken into three lots.</p> <p>A smaller contract, sub OJEU, has also been broken into lots.</p> <p>Case studies are in development.</p>
	<p>By June 2011, the Department of Health will have identified a suitable forthcoming procurement to trial the use of the open procedure.</p>	<p>It is expected that the procurement will commence no later than July 2011.</p>	<ul style="list-style-type: none"> • A suitable procurement will be identified for use with the open procedure. • The procurement documentation will be developed to support the open procedure. • An outcome based specification will be developed. • Details of the procurement will be published on the Department's website and Contracts Finder. 	<p>The outcomes and lessons learnt from the trial will be written up and shared with Department of Health procurement colleagues, Department of Health Arms Length Bodies and the rest of Government. The outcomes and lessons learnt will also be built into future procurement projects that the Department undertakes.</p>	<p>The success factor for this action will be:</p> <ul style="list-style-type: none"> • Identifying a procurement project that will be appropriate for the open procedure, which will encourage SME participation. 	<p>All procurement projects, during the planning stage, are now actively considered whether they would be suitable for the open procedure.</p> <p>A number of projects have now gone through the open procedure. Examples of these include:</p> <ul style="list-style-type: none"> - Provision of Whistleblowing Helpline - Masters in Health Policy - Involve Coordinating Centre <p>Case studies are in development.</p>