

“The best councils to do business with”

Ensuring small and medium enterprises, social enterprises and voluntary and community organisations have every opportunity to do business with the communities of Devon.

Submission on behalf of Devon County Council

22nd February 2013

‘Best Councils to do business with’ contest

Entry Form

Local Authority Name: Devon County Council
Contact Name, Telephone and Email Contact details: Devon County Council Topsham Road Exeter, Devon EX4 2QD Telephone: 01392 E-mail: @devon.gov.uk
Entries and enquiries to: bestcouncils@bis.gsi.gov.uk Closing date: 22 February 2013 (17:00 hrs)

This competition will judge the actions and practices you have set in place to support small businesses in competing more successfully for your council's procurement business.

We are keen to hear examples of what you are doing, why it represents good or excellent practice, and what positive outcomes have resulted from your actions.

In FY2011-12, what proportion of your procurement spend and contracts were to small businesses?	What do you estimate this will be in FY2012-13?
Devon County Council's procurement service undertake annual spend analysis and interpret the proportion of workload secured according to business types. Out of Devon's annual spend of £430 million, 45% of this is with SMEs. We attach these metrics for your information, below:	Devon County Council's current spend with SMEs is £191 million annually, representing 45% of our spend. Our aspiration through supporting SME engagement and growth is for Devon County Council's spend with SMEs to break the 50% landmark, which at current spend would be £215.5 million annually.

Supplier Classification	Annual Spend	%age
Individual	£5,452,561	1%
Micro	£41,492,986	10%
Small	£58,975,130	14%
Medium	£85,011,996	20%
Large	£182,914,631	42%
Other/unclassified	£56,872,278	13%
Totals	£430,719,582	100%

Source: 2011-12 Spend analysis (DCC financial records) – appendix one attached.

Contact details - Devon County Council's procurement service:

Telephone: Procurement e-mail:

E-procurement portal: Web:

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How do you recognise the value of small business suppliers in your procurement?

Please tell us:

- How you engage small businesses (including social enterprises and voluntary and community sector organisations) and their advisers, to understand what solutions they can offer your council.
- How you communicate strong encouragement to small firms that you are “open to their business”, including any actions you have taken to help develop the procurement capacity and capability of your local small business supplier base.
- How you design procurement competitions to optimise SME participation eg by breaking down contracts into lots, or defining an optimal contract size for the market.
- How your procurement strategy reflects the benefits of procuring from small businesses and how this informs your economic development strategy.

Response: (250 Words Max – expand box as necessary):

Devon County Council's procurement strategy requires every individual procurement to specifically address considerations including sustainability, accessibility for SMEs, supplier innovation, flexibility and the local economic multiplier LM3 (the Devon pound). All Devon's spend routes through one procurement service which ensures a consistent approach; every procurement incorporates a tailored contract strategy addressing SME considerations and market engagement. Devon's Strategic Plan requires Devon to be a businesslike Council and remove barriers to growth. As evidence Devon County Council:

- ✓ Founded the Devon Procurement Partnership, giving a common approach throughout Devon's Public Sector. Collectively ensures we are efficient to trade with hence lowering supplier bid costs.
- ✓ Undertake SME training events ensuring doing business with Devon is easy.
- ✓ Hold 'meet the buyer' events enabling SMEs to meet procurement leads.
- ✓ Contract strategy must reduce barriers to entry and include 'bite sized' Lots enabling SMEs to compete.
- ✓ Adopted the Small Business Concordat.
- ✓ Founded the e-tendering procurement portal www.devontenders.gov.uk This makes it easy for providers to trade throughout Devon's public sector, now expanded across the SW region giving a common unified and consistent market facing approach.
- ✓ All procurements advertised and conducted online.
- ✓ Market consultation prior to launching procurements, including plenary sessions for SMEs and active support for consortia applications.
- ✓ Quickened our payment terms; 'fair payment charter' supports SME sub-contractors.
- ✓ Integrated procurement service ensures corporate consistency.
- ✓ E-trading catalogues established to conduct transactions efficiently.
- ✓ Procurements co-ordinated to minimise bid costs.
- ✓ Advertise all business opportunities within the Council's regular newsletter.
- ✓ Procurement leadership and Members give scrutiny to our contracting strategies.

249 words

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How can small businesses find out about your Council's procurement opportunities?

Please tell us:

- How you engage with small firms about emerging opportunities in advance of a formal procurement exercise.
- How and where you advertise contract opportunities.
- What steps you have taken to improve supply chain participation from small suppliers.
- How you work with prime contractors to ensure SMEs have access to supply chain opportunities.

Response: (250 Words Max – expand box as necessary):

Devon pioneers e-tendering and all contract opportunities are advertised online and competed electronically. We implemented e-tendering in 2005 across Devon's Partnership Councils, introducing a 'one stop shop' e-tendering portal www.devontenders.gov.uk. This publicises contract opportunities from councils across Devon and has extended across the South West to become: www.supplyingthesouthwest.org.uk.

All contracts have a tailored strategy including approach to market. This must withstand internal challenge including accessibility, SME strategy, composition of Lots, local economic multiplier, community impact and supply market sustainability.

We introduce principal contractors to SMEs wishing to become subcontractors or consortium members and use supplier workshops to promote SME subcontracting; we require principal contractors to sign a fair payment charter and pay supply chains promptly.

Our training academy breaks down perceived SME barriers to entry, sharing tips on how to win work, presenting bids effectively and de-mystify public sector competition.

We provide market briefing events linked to specific tender actions to communicate our strategy, and run workshops including e-tendering disciplines and sessions for SME consortia. We invite Councillors and industry bodies i.e. National Federation of Builders to promote and advocate SME inclusion.

We use common qualification documentation written in plain English, and/or common qualification datasets such as EXOR, enabling providers to qualify 'one time' to access multiple business opportunities from that single qualification.

Our contract programme ensures regular competition, renewal dates are clear and we lower barriers to entry by ensuring our approach is always proportionate. Fundamentally our strategy engenders local competition, reduces bid costs and increases suppliers' productive time.

250 words

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How do you measure and account for your procurement with small businesses?

Please tell us:

- How you use data to challenge and improve procurement with small firms across your council's spend.
- Whether and how you make information on spend with small firms publicly available and easily accessible.

Response: (250 Words Max – expand box as necessary):

Devon County Council conduct annual spend analysis which enables us to understand exactly how and where our spend is distributed. Our analysis of 2011-2012 spend demonstrates that of Devon's annual spend of £430 million, 45% of this is with SMEs. This is evidenced through the fact that within every invitation to tender we ask respondents to classify their organisation type, and 45% of our organisation's total external spend is made with organisations which classify themselves as either individual, micro, small or medium size.

We scrutinise this information and report both across our teams and to our Councillors, who are very strong advocates of the requirement to support small to medium sized enterprises and community organisations. As Devon is a rural county with a high proportion of SMEs which gives us every opportunity to promote and support this approach.

We also report on and scrutinise our spend by geographic location, with £261 million (61% of Devon's spend) being spent in Devon and a further £58 million (14%) spent in the South West. The South West total including Devon is £319 million, representing 75% of Devon's annual external spend.

We share this information at Devon Procurement Partnership meetings between member Councils and other Public Sector bodies, we report to Councillors and staff, and report to our procurement policy group. We measure progress and achievements against our procurement strategy and we publish spend information via our website. We attach two graphs as an appendix which illustrate spend by organisation type and provider location.

(250 words)

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E-procurement portal: _____

How do your procurement, bidding and contracting processes support small businesses?

Please tell us:

- What actions you have taken to ensure quicker, simplified and less costly processes are in place for smaller procurements below EU thresholds, including any specific approaches for the lowest value contracts.
- How you promote innovation and access from new entrants to the market
- What policy you have on prompt payment for small business, including small contractors in supply chains.
- Whether and how you investigate poor procurement practice and hold procurement staff to account.
- How you offer constructive feedback to unsuccessful bidders to help them improve future bids.

Response: (250 Words Max – expand box as necessary):

Devon County Council's approach is summarised below:

- ✓ All contract opportunities are advertised online and competed transparently through e-tendering, minimising administration
- ✓ Our programme renewal dates are clear to support regular re-competition
- ✓ Devon's training academy works with SMEs to support them in accessing Local Government contracts
- ✓ We have committed to the Small Business Concordat
- ✓ We have reduced payment terms and pay quicker
- ✓ We pay reliably and require key contractors to sign Devon's fair payment charter and ensure swift payment throughout the supply chain
- ✓ We promote consortium bids and work well with consortia
- ✓ The design of every contract strategy requires SME consideration. This includes bite sized Lots, geographic considerations and the approach to market.
- ✓ We use plain English documentation where possible incorporating common prequalification to minimise bid costs.
- ✓ We hold market briefing events using community venues around Devon's communities
- ✓ We maintain up to date policy guidance such as "Supporting SMEs in a fragile economy"
- ✓ We advertise procurements in local media and Council newsletters
- ✓ We provide timely and meaningful feedback
- ✓ We post all spend details online
- ✓ We run supply chain initiatives and workshops
- ✓ We use Devon's 'Sustainability impact toolkit' with every procurement
- ✓ We have one integrated procurement team which ensures our approach is common across our organisation. This provides accountability throughout our procurement service and we invite Councillor scrutiny.
- ✓ We undertake soft market testing to inform our bid strategy – informed by provider feedback and industry groups such as the National Federation of Builders
- ✓ SME feedback tells us their processes are improving by working together

250 words

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What have you learnt from your procurement approach with small businesses that could most benefit your Local Authority peers?

Response: (100 Words Max – expand box as necessary): (100 words)

We would simply wish to highlight the value of viewing our own actions from the perspectives of small businesses and community groups. By taking the insight to view our activities from the perspective of these groups, the priority considerations quickly become clear.

Local Authorities are accountable for their approach and we encourage our peers to challenge themselves from the perspective of community providers.

By viewing ourselves from the position of community providers it becomes much easier to adopt an approach which harnesses the skills of these providers who are highly motivated to work with us and support their own communities.

100 words

What's your next big thing to help small businesses increase their chances of winning more of your contracts?

Response: (100 Words Max – expand box as necessary): (100 words)

We will further support SMEs to join together to undertake more significant contracts. Some of our SMEs have already combined forces to form successful consortia applications and work with Devon.

This will enable providers to build on each others' strengths and access business opportunities across Devon's communities. We will support this by continuing:

- ✓ Regular supplier forums and pre market events
- ✓ Approach to market incorporating 'bite sized' Lots
- ✓ Supplier bid training from Devon's training academy
- ✓ Support structured subcontracting for work packages wherever appropriate
- ✓ Level the playing field ensuring low barriers to entry for supply competitions
- ✓ Communication, listening!!!

(100 words)

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Is there anything else you wish to add to support your application?

Eg you may wish to expand on a particular example of excellent practice that you have set in place and/or provide a short case study on where you have achieved better value for money by contracting with a small business.

Response: (500 Words Max – expand box as necessary):

We purely wish to reaffirm our commitment and support for the SME community in working in partnership with Local Government, on their own merits and with our communities. Initiatives Devon County Council undertake but not shared in detail as yet include:

- ✓ Devon County Council's procurement category management training emphasises and requires all our staff to consider the contribution of their work to support the SME agenda.
- ✓ Ongoing in-house training provided to DCC staff through our procurement academy, ensuring all staff involved with procurements are fully up to date with new legislation and developing best practises (for example the Social Value Act 2012) and the Community Right to Challenge
- ✓ We provide a rolling programme of training for SMEs, demystifying the tendering process used by Local Councils and how best to make effective tender submissions to Local Authorities
- ✓ We undertake spend analysis annually, enabling us to understand more about where we spend our money, we have recently added an analysis by sector, by SME and third sector involvement.
- ✓ We introduced our sustainability impact assessment model in 2006 which specifically asks procurers a series of questions designed to promote strategy in relation to a range of considerations surrounding the SME agenda.
- ✓ We publish all spend above £500 on our website under the Open Government Licence for public sector information at www.nationalarchives.gov.uk/doc/open-government-licence
- ✓ We have co-ordinated and delivered SME sessions through Business Link and more recently co-ordinate them directly through DCC. The most recent example is where we ran specifically targeted third sector sessions in conjunction with the Devon Association of Councils for voluntary services.
- ✓ Collaboratively through the Devon Procurement Partnership we held our most recent SME and Third Sector engagement event in Plymouth on 24th October 2012. This comprised:
 - 8 local authorities and other public sector exhibitors, with twelve major contractors in support
 - Over 300 attendees
 - Workshops for suppliers – “How to do business with the public sector”
 - ‘Ask the Panel’ – suppliers opportunity to ask questions
 - IT suite available enabling suppliers to register on ‘Supplying the South West Portal’
 - This showed an increase in the volume of company registrations of 48% on the ‘Supplying the South West’ portal
 - Feedback from attending suppliers was excellent

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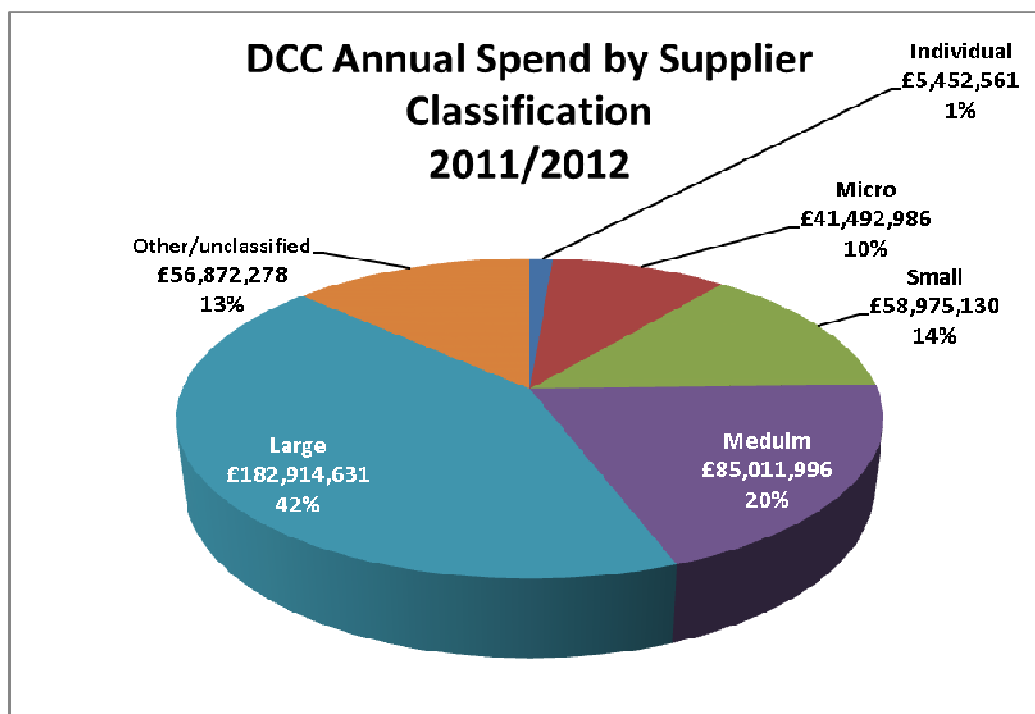
- ✓ The Devon Procurement Partnership’s intention is to repeat this event in Mid Devon during 2013 and in additional locations across Devon during future years.
- ✓ We are introducing a common PQQ document across all DPP member organisations to be used through the e-tendering process. This will further improve the ease of pre qualification and maximising productive time for potential bidders.
- ✓ We are reviewing Devon’s code of business conduct to ensure the requirements for quotations, tenders and numbers of providers involved in each procurement are reflective of our approach to SME participation.
- ✓ Next developments include awareness events concerning consortium bid opportunities and improving joint working amongst Councils to further increase co-ordination throughout Devon’s Public Sector procuring authorities over time.

Finally may we thank you for considering Devon County Council’s submission and for the opportunity to further promote this highly worthwhile cause.

(498 words)

Appendix one: Devon County Council spend analysis 2011-12

1. Who Devon County Council spends its money with, by organisation type.



2. Where Devon County Council spends its money, by geographic location.

