

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning & Infrastructure
DATE	31 st May 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Positive Procurement Programme– Supplier Development Programme
REPORT NUMBER:	EPI/12/116

1. PURPOSE OF REPORT

This report will highlight the benefits of withdrawing from the national “Supplier Development Programme” and delivering a locally developed “Positive Procurement Programme” that will fit closer with local business needs and offer support to an increased number of local businesses.

2. RECOMMENDATION(S)

- a. It is recommended that committee support the withdrawal from the national “Supplier Development Programme” which currently costs Aberdeen City Council £ 7,000 per annum
- b. It is recommended that committee give approval for the funding for the development and delivery of a Localised “Positive Procurement Programme” of up to £ 7,000 for the year 2012/13 to be funded from within the existing Employability, Skills & Community Enterprise budget

3. FINANCIAL IMPLICATIONS

If approval is received for the above recommendations then a sum of up to £ 7,000 will be allocated from within the Employability, Skills and Community Enterprise budget. Agreement has also been received from Aberdeenshire Council to partner in this activity to the sum of £ 7,000 which may see the annual costs for this initiative significantly reduced.

4. OTHER IMPLICATION

Risk Management

Given the current economic environment, one critical feature of the immediate future will be the importance of the public sector procurement for an increased number of our local business, charities and third sector. Failure to provide the appropriate tools for these sectors to participate

effectively in this process will reduce their opportunities for sustainability and business growth.

Personnel

It is proposed if the recommendations in this paper are approved that external support will be used to develop appropriate open learning and workshop materials. Staff from within both Aberdeen City and Aberdeenshire Council's Business Development Service will promote the new service and co-ordinate the monthly clinics. It is anticipated that this will not add any additional workload when the management of the Supplier Development Programme is dropped. Commitment has also been made by the Joint Procurement service that they will participate within the monthly clinics and offer support and guidance in the development stages where necessary.

5. BACKGROUND/MAIN ISSUES

The Supplier Development Programme was developed as a local authority partnership programme to offer small and medium enterprises the opportunity to grow and diversify through participation in public procurement.

Enterprise, Planning and Infrastructure Committee agreed on the 20th April 2010 to support the delivery of the Supplier Development Programme for a period of 1 year and if a positive evaluation was received, this service should continue to be made available to local businesses, third sector organisations and charities.

Both Aberdeen City and Aberdeenshire Councils committed to the delivery of this programme and were satisfied that the product met the needs of our local businesses and would ultimately enhance their success in public procurement tendering.

On evaluation of the services offered during 2011/2012 both Aberdeen City and Aberdeenshire Councils felt that the level of service provided by the Supplier Development Programme did not constitute "value for money" and that delivering 3 programmes across the North East did not merit the joint cost of £ 14,000.

During the contract period of 2011/2012, 25 companies attended a Tender Ready in 10 steps workshop in October 2011 and another 25 in March 2012. There were also 19 at How to Win More Tenders and Influence People. This equates to a per capita cost of £ 202.90 per business for a non accredited course, which does not represent value for money.

Additionally four other key concerns re the continuation of the contract are:

a) Companies based within the central belt can physically access programmes across a wide number of local authorities, improving the variety of accessible programmes and delivery dates that suit business needs. North East businesses would have to incur considerable travel costs and time investment to access this enhanced offering.

b) A number of local businesses that have tried to register with the Supplier Development Programme have been refused access due to

their size or turnover. In the current climate where public procurement contracts can exceed £ 50,000,000 it would be irresponsible of Aberdeen City Council to refuse assistance to local companies that have a desire to participate within this marketplace, and ensure they have an appropriate tool box at their disposal to ensure the optimum success rate and continued employment for their local employees.

c) The delivery of this programme still requires a significant input from Council officers in relation to administration and attendance at events.

d) There is often a considerable time lapse from notifying the Supplier development programme of the desire to run a workshop in the City and the offer of a date.

Going Forward

From full registration for the limited amount of workshops offered in 2011/12 we can justify an evidence of demand for this type of business support within both Aberdeen City and Shire. Evaluation of the workshops has been positive with many indicating that the tools identified will be used in future tendering activities and that many of the participants that had not previously participated within the public procurement arena now felt fully equipped to participate in the future. Our proposal going forward is that both Aberdeen City Council and Aberdeenshire Council jointly agree to support the development and delivery of a new “Positive Procurement Programme”. This initiative will be equally funded by both councils to the maximum sum of £ 7,000 each per annum, with the potential for reducing costs after the initial development period.

The key annual activity would be the delivery of an annual “Positive Procurement” conference. This conference would create opportunities for all attendees to meet with a wide range of product and service buyers from both the public and private sectors on a one to one clinic basis, host key note speakers and also a range of workshops on relevant procurement development techniques.

Although the workshop style delivery method has been successful it is felt that a larger number of businesses would participate if the relevant information was available online, with 24/7 access, offering the options to select modules that are appropriate for their level of expertise. It is our intention to work with the Joint Council Procurement Team and external procurement specialists to develop the online materials.

Supplementary to this it is our intention to host monthly procurement clinics with networking opportunities, this should both increase skills and knowledge in specialist areas and also encourage collaborative tenders in the future.

Suggested Topics for “Positive Procurement Programme” monthly clinics

- PQQ (Pre Qualification Questionnaire)
- Community benefit Clauses
- Third Sector Engagement
- Overseas tender process

Scottish Government Procurement Team
Financial capacity
Corporate Social Responsibility
Collaborative tendering
Environmental Impact/Carbon Footprint
Tendering No Nos
Quick wins
Successful tendering examples

In addition to relevant speakers it is our intention to have representation from the key local public procurement agencies e.g. Aberdeen City & Shire Councils, Grampian Police, NHS Grampian, Department for Work & Pensions, Fire Brigade to aid discussion and promote best practice.

Participants would be encouraged to suggest topics for future events on a regular basis.

Workshops

Prior to commencement of the delivery of the “Positive Procurement Programme” we will survey businesses that have registered with the Supplier Development Programme to ensure their needs will be met by our proposals. Feedback may identify the need to run occasional workshops for some companies at the early stages of procurement. This can be added to the programme at a later date if demand is sufficient.

This proposal if supported should offer a diverse range of business sustainability and development tools in mediums that would encourage greater participation and benefits for the same level of financial input. Companies can still access information on supplier procurement from other sources, including free of charge sources, such as www.publiccontractsscotland.gov.uk and the intention is that this local, tailored programme will complement, support and enhance companies' efforts to win public contracts.

6. IMPACT

Corporate

The delivery of the “Positive Procurement Programme” will support the delivery of **Vibrant, Dynamic and Forward Looking** via the Economic Development stand by: Ensuring sustainability of the successful economy of Aberdeen City and Shire

Strive to buy goods and products locally (where this is possible) and encourage other public sector bodies and businesses in the city to adopt a similar approach.

Linkages to **Partnership for Aberdeen** will be by “Co-operating with neighbouring authorities and others to promote inward investment in the North-East.

Single Outcome Agreement

The delivery of the “Positive Procurement Programme” will also assist in delivery against the following outcomes within the Single Outcome Agreement.

National Outcome 1. We live in a Scotland that is the most attractive place for doing business in Europe

National Outcome 2: We realise our full economic potential with more and better employment opportunities for our people

National Outcome 3: We are better educated, more skilled and more successful

Public

This paper will be of interest to the local business community who are seeking alternative markets to ensure sustainability and growth.

All proposed activities within PPP have been assessed in relation to Equalities and Human Rights Impact Assessment.

7. BACKGROUND PAPERS

None

8. REPORT AUTHOR DETAILS

Heather Farquhar

Senior Officer, Employability, Skills and Community Officer

Enterprise, Planning & Infrastructure

Tel: 01224 523361

Email Hfarquhar@aberdeencity.gov.uk