

Responsible Procurement

Levelling the Playing Field for SMEs



Collan Murray
Central Responsible Procurement Team
GLA Group

23 March
2010



Format of Presentation

- Overview of GLA Group and Responsible Procurement
- Rationale for Engaging SMEs
- CompeteFor – Unlocking Supply Chains
- Summary



Greater London Authority Group

GREATER LONDON AUTHORITY



LONDON FIRE
AND EMERGENCY
PLANNING AUTHORITY

Transport for London



METROPOLITAN
POLICE

Working together for a safer London

MPA

Metropolitan Police Authority



Central Responsible Procurement Team

- Dedicated to Responsible Procurement
- Work across GLA group
- Jointly funded

Spend over £3bn
each year

Over 400 staff
responsible for
procurement

Trade annually with
over 30,000
companies

Responsible Procurement Vision

“Pioneering socially, environmentally and economically responsible procurement to deliver improved quality of life and better value for money for our people, our businesses and our city.”

Working in partnership across London

Our People

– To provide sustained Employment opportunities and improve standards of living for all Londoners

Championing fair employment practices

Supporting employment and training opportunities

Our Businesses

– To open up opportunities for London’s businesses and encourage improved practices with our suppliers

Transparency
Make our contracts more accessible to SMEs

Promoting equal life chances for all through our supply chains

Our City

– To promote greater Environmental sustainability and make London a better place to live and work

Low carbon, resource efficient procurement

Work in partnership nationally and internationally to disseminate good practice

Why are we interested in SMEs?

SMEs

- Have short management chain and can be more responsive to buyer requirements
- Often have lower overhead costs enabling them to offer highly competitive pricing in the right contract
- Often operate in specialist / niche areas
- View large public sector clients as key partners

... And ...

Are often a source of innovative products and services.

Addressing a Market Failure


Failure: lack of access to knowledge in responding to procurement opportunities .

- A survey of over 3,000 GLA group suppliers identified improvement was the visibility of contract opportunities as the biggest challenge faced by potential suppliers.

Response: CompeteFor is a tool to addresses the following:

- To make it easier for small businesses to access and compete for contracts
- Buyers often struggle to find a wider diverse base of suppliers
- Improve access to business support for SMEs to become fit to supply
- No existing forum to create effective partnerships
- Unlock sub-contract opportunities which are more suitable to SMEs





London Business Network
giving London businesses unique access to London 2012 opportunities
Helpdesk: 0845 2177804

Activity Centre Logout Edit Details Logged in as: Hannah Darvi

London Business Network

To apply for London 2012 opportunities, your organisation's Business Profile must be published. If it is not already published please complete your full business profile and submit it for publication. You can check your publication status on the Publish Tab of your Business Profile. If you are published then set-up your Email Alerts to receive emails about new opportunities.

The London Business Network is an organisation that helps the capital's business community take advantage of opportunities arising from the London 2012 Olympic and Paralympic Games.

The organisation provides businesses with information and access to procurement opportunities posted on CompeteFor. It also acts as a channel to the wider economic benefits and commercial opportunities for companies who may not be bidding for contracts directly relating to the Games, but who are interested in making the most of the events to grow their business. This includes information dissemination, [networking events](#), and business development. It is the principal organisation that London 2012 will work with to engage the London business community.

The London Business Network is working hand-in-hand with [Business Link in London](#) to ensure that Games-related opportunities are maximised by London businesses. Business Link in London can provide the relevant support to help you build your CompeteFor business profile and maximise your chances of winning contracts.

To apply for contract opportunities advertised on CompeteFor, you must have registered, completed and published your full business profile.

To be automatically matched with contract opportunities suitable for your business, set your email settings in My Account.

[Complete and publish your full business profile](#) to be notified of and apply for London 2012 supply chain opportunities.

Home News Events


- ▶ Opportunity Search
- ▶ Supplier Activity Centre
- ▶ Buyer Activity Centre
- ▶ My Account
- ▶ Email Alerts
- ▶ My Organisation
- ▶ Contact Us
- ▶ Useful Links
- ▶ Help
- ▶ Logout

2012 OJEU OPPORTUNITIES

[View details of current OJEU opportunities](#)

CONTACT USER HELPDESK

CONTACT LOCAL BUSINESS LINK

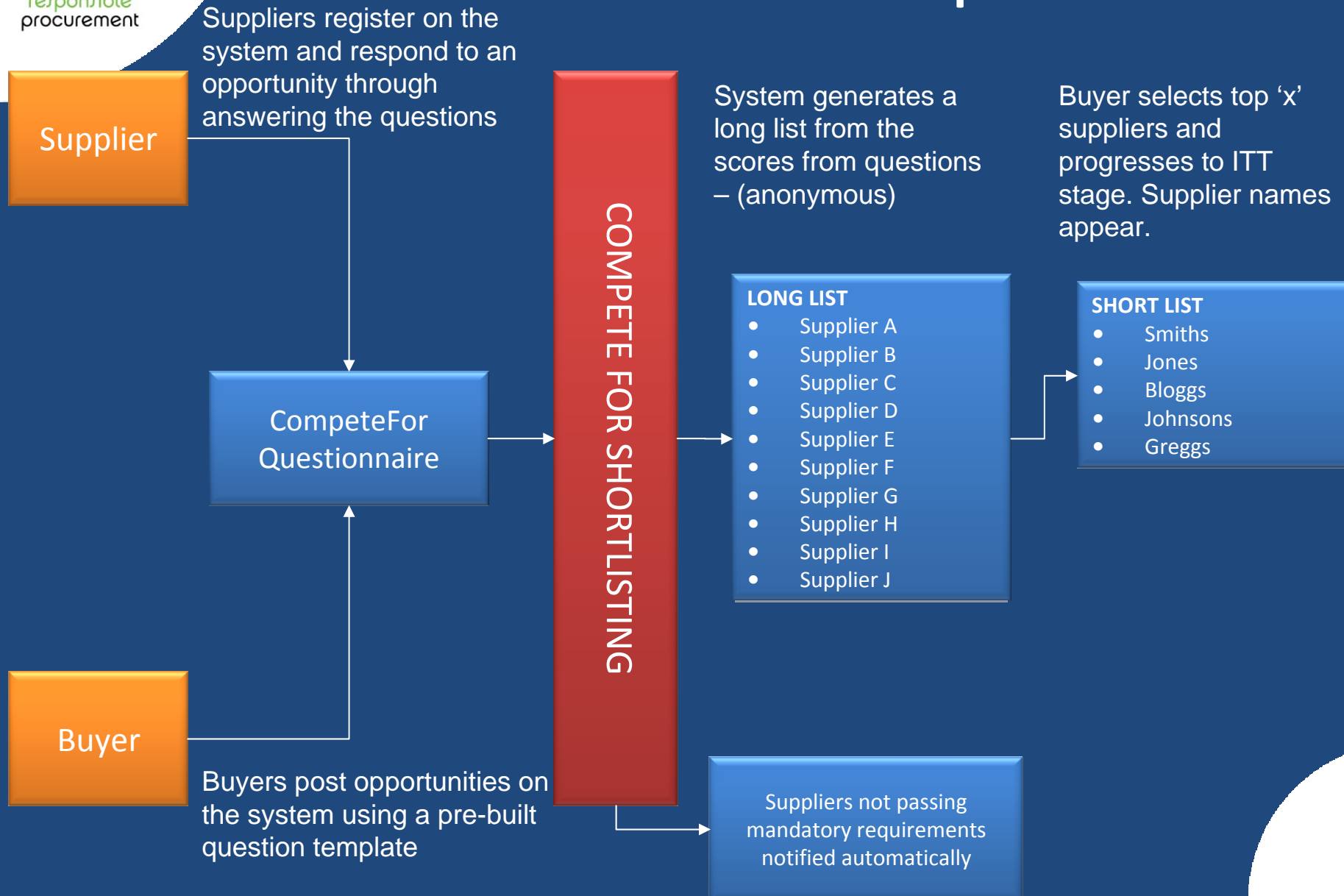
Supported by 

What is CompeteFor?

CompeteFor...

- is a pre-procurement short-listing tool, sitting in front of existing procurement processes
- saves time for buyers and makes public sector supply chains more visible and accessible
- does not replace existing procurement processes
- was developed to open up London 2012 supply chains but is now being used by other bodies in the public and private sectors
- is integrated with support services for buyers and suppliers

Overview of CompeteFor



Some more detail ...

Buyer publishes questionnaire relating to specific opportunity

- Business categories
- Opportunity description
- Questionnaire incorporating a weighted scoring system
 - Combination of different question types
 - Yes/no
 - Multiple choice

Suppliers respond to questionnaire

- Relevant suppliers receive email notification of opportunity
- Interested suppliers respond to buyer's questionnaire; essential criteria are clearly indicated

CompeteFor ranks all respondents and buyer selects short-list

- At the closing date, buyer views anonymous long-list
- Buyer selects short-list based solely on:
 - Suppliers meeting essential criteria +
 - Suppliers with highest scores +
 - Desired length of short-list
- Short-listed suppliers are told what to do next
- Unsuccessful suppliers are notified

Improving Supplier Capability

- Before they are able to publish their business profile and apply for opportunities a supplier must meet basic 'fit to compete' criteria: Quality management, Health and Safety , Equal Opportunities
- If a supplier does not meet these requirements when registering they are automatically referred to a regional business support service for assistance

Suppliers chances of winning business are improved

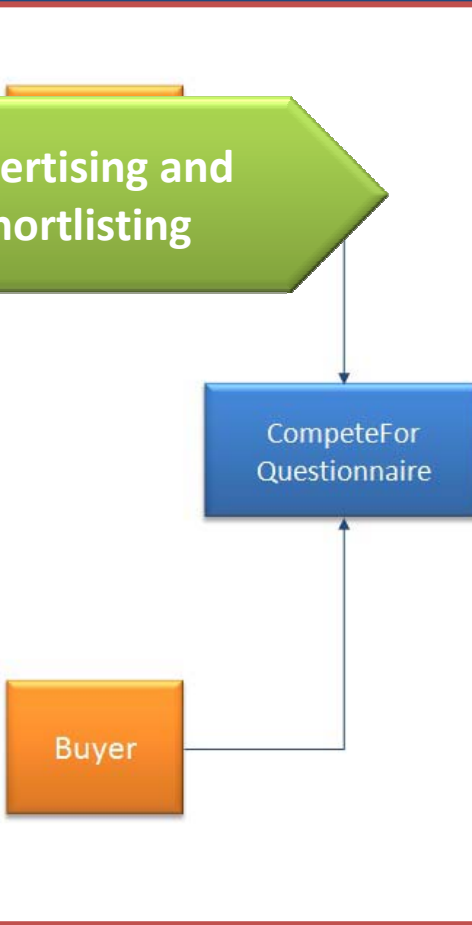
Buyers get a more competitive pool of suppliers

Highlighting Innovative Products

- When suppliers have completed their registration process their details are available to buyers who can browse CompeteFor;
- Feedback from suppliers identified that to differentiate themselves from competitors they needed to provide more flexibility was required in their profile;
- New functionality enables suppliers to add documents and text about innovative products and areas of expertise.

Recap on Procurement Process

Advertising and Shortlisting



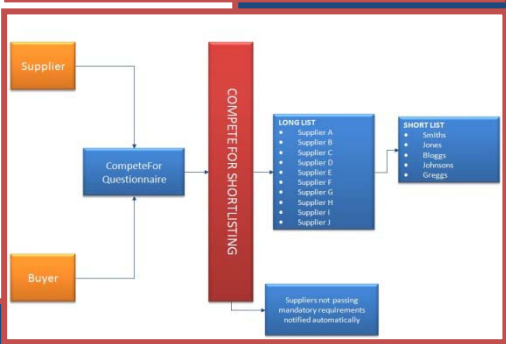
Quotation / Tender

Buyer follows their own procurement processes using the CompeteFor shortlist and awards contract.

Contract Award

Sub-Contracting

Supplier is required to advertise uncommitted sub-contracts on CompeteFor



Supply Chain 'Flow-Down'

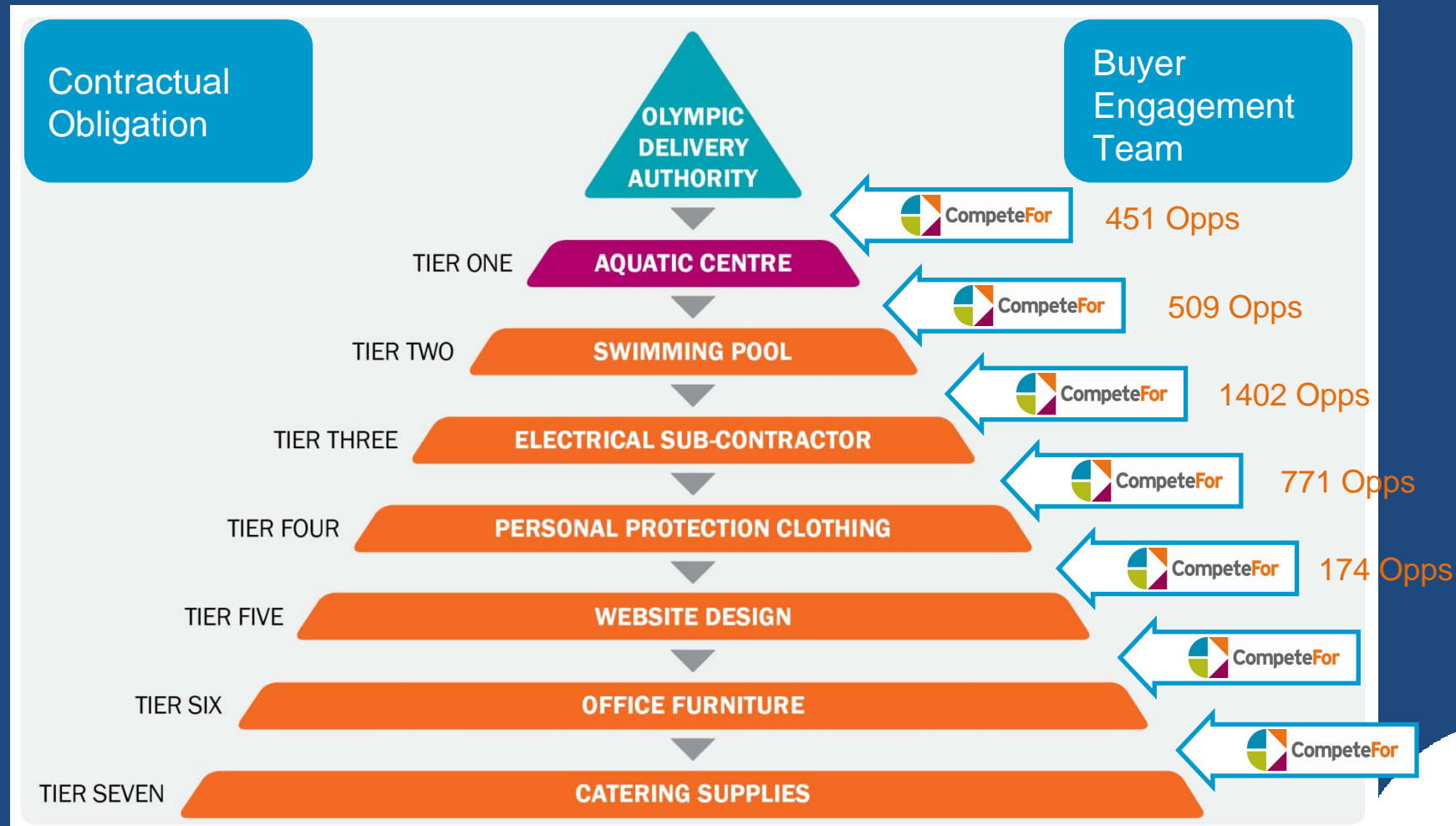
Buyers include 'flow-down-' clauses in new contracts requiring suppliers to

- Advertise un-committed sub-contracts on CompeteFor
- Include requirement in sub-contract to pass CompeteFor requirement down supply chain
- For the Olympics contracts it was estimated that around 20% of sub-contracts would be un-committed

Supplier receiving flow-down conditions receive direct support from a central 'buyer engagement' team

CompeteFor provides management information to allow tracking of sub-contracts and monitor usage within supply chain

Supply Chain Example



Progress to Date

- Over 100,000 businesses across the UK and Europe have registered accessing over 5,000 opportunities.
- Over 70% of contract awards recorded on CompeteFor have been to SMEs
- There are over 500 buying organisations using CompeteFor from both the public and private sector including:
 - the Olympic Delivery Authority,
 - the GLA group
 - Crossrail
 - Sir Robert McAlpine,
 - Balfour Beatty
 - Carillion
 - Computacenter
- Over 80% of opportunities posted have been from private sector suppliers to public authorities

Lessons Learnt

- Public procurers can innovate themselves in how they buy!
- Procurement processes vary from one buying organisation to the next
 - CompeteFor needs to be flexible in how it can be used:
e.g. questions types, OJEU
- Technology is a good enabler, but it is the buyer/supplier engagement services that drive usage and value
- It is the extended supply chain which offers the greatest volume and diversity of opportunities for SMEs - buyers need to leverage their relationships with suppliers to enable this



www.london.gov.uk/rp

www.competefor.com

responsibleprocurement@tfl.gov.uk