

## SME Advisory Group – Attended by the Procurement Executive

Wednesday 4th December 2019

South Block, Government Buildings, Merrion Street, Dublin 2

### Minutes

#### Attendees:

Minister of State Patrick O'Donovan - Chair		Paul Quinn – OGP
Jim Deane - OGP	David O'Sullivan - OGP	Fergal Grogan - OGP
Gillian Ross - CIF	Collette Crowne - CCPC	Shane Conneely – Chambers
Tonia Spollen Behrens - EI	Adam Weatherley – ISME	Elizabeth Bowen – SFA
Grant Gilmore - ITI	Joan Grogan - OGP	Laura Byrne - DBEI
Declan Hughes - DBEI	Micheál Finucane - LGOPC	Geraldine Dunne – LGSPC/LGMA
Philip Gurnett – EPS	Sean Bresnan - HSE	

#### Apologies:

Sean Downey – CIF	Neil McDonnell – ISME
Margaret Hearty - ITI	Eoghan Richardson – DBEI
Caroline Sweeney – ITI	Wayne Tobin – ISME
Christine Murray – DBEI	Sarah Smithers – DBEI
Ian Talbot – Chambers	Emma Kerrins - Chambers
Aidan Sweeney - Ibec	

### 1. Introductions

The Minister of State welcomed the Group and members of the Procurement Executive who were in attendance. An invite to attend the meeting had issued to HSE, LGMA/LGOPC and EPS central purchasing bodies (CPBs) under an initiative by the Minister of State to facilitate a higher level of engagement between both groups. An opportunity for the SME Advisory Group to hear the measures the CPBs are taking to promote SME participation in public procurement and their work on the implementation of the reform programme, and for industry representatives to provide feedback to the executive on the experiences of their members. Introductions followed.

## 2. Procurement Executive – Overview

### a. OGP

OGP advised the Group the Government is driving the implementation of the ‘Our Public Service 2020’ plan to improve the public service using a cross Governmental approach. Public procurement falls under the pillar *Delivering for Our Public* which is focused on delivering better and more cost-effective services. There needs to be a consistent approach to public procurement and continued promotion of SME access to this market through engagement. The OGP’s Interim Procurement Reform Board and the Procurement Executive meet quarterly and monthly, respectively to drive and promote the procurement reform programme. The SME AG is aware of the range of initiatives in place to support SME access including circular 10/14, breaking larger contracts into lots, proportionate requirements, publishing tender and contracts award notices on eTenders, and the training and awareness initiatives (breakfast briefings, Go-2-Tender Programme, Introduction to Tendering etc.).

### b. Education Procurement Service (EPS)

Philip Gurnett advised the EPS led categories are Laboratory/Research Diagnostics, Services & Equipment, Agriculture and Veterinary Goods & Services, Library Goods & Services. The schools are a significant local employer and spender and the EPS engage with SMEs when developing their procurement strategies. Service delivery is of key importance and their tenders reflect this whilst tendering in compliance with the Directives.

### c. Local Government Management Agency (LGMA) / Local Government Operational Procurement Centre (LGOPC)

Geraldine Dunne (LGMA) issued a handout and explained their set-up incorporating the Local Government Strategic Procurement Centre (LGSPC) and the LGOPC, their operations centre based in Kerry from where their national tendering portal [supplygov.ie](http://supplygov.ie) is run. The LG Sector is responsible for the Minor Building Works and Civils Plant Hire categories. They engage with SMEs providing training, running supplier engagement events in conjunction with Inter Trade Ireland, facilitating SME briefing sessions and through social media. They have a minor works framework with 385 members and contracts range on average between €50k and €100k with €100m in the budget. They have a Plant Hire DPS (Dynamic Purchasing System) which is SME friendly and they have developed a set of sub threshold documents in order to have a standard approach for buyers and suppliers while making it less bureaucratic for SMEs to tender. In 2020 the Local Government Procurement Service will focus on promoting SME engagement and on updating and relaunching the Winning Public Service Contracts Brochure.

They have a Procurement Programme Board, a Procurement Advisory Board and four Regional Procurement Boards so have a good network and governance in place.

Micheál Finucane (LGOPC) also issued a handout giving a breakdown of SME engagement in procurement and detailing initiatives to date which facilitate SME access, in particular micro enterprises i.e. less than ten employees. 70% of suppliers on LGOPC led central procurement arrangements are micro enterprises. They are continuing to digitise procurement processes on eTenders and Supplygov.ie to facilitate participation of SMEs in public procurement. They hold regional information sessions before going to the market, run national supplier engagement events, and have a dedicated customer support service.

#### d. Health Service Executive

Sean Bresnan advised that the Health Business Services (HBS) is the business division of the Health Service Executive (HSE) and was introduced in 2013 to organise and supply internal support services more efficiently and effectively. The HBS are responsible for the Medical Professional Services; Medical and Diagnostic Equipment and Supplies; and Medical, Surgical and Pharmaceutical Supplies categories. HBS realise the importance of doing business with small to medium sized enterprises and envisage that approximately 80% of their business is with this particular sector. They are aware of the need to accommodate SME participation in public procurement whilst adhering to what is required under the directives and legislation. To accommodate SME participation in their procurements, HBS use lotting and limit the number of lots a supplier can bid for, do not use over burdensome financial requirements and accept letters of solvency from bidders. The Sláintecare reform programme objective is to shift the majority of care from the acute to the community setting to bring care closer to home for service users which should see more SME participation at a local level.

### 3. Discussion

ISME advised the overarching feedback from their members is the difficulty of using the tendering documents. They requested they be consolidated to make it easier, with particular reference to lower value works contracts. There is a lot of defeatism amongst their members regarding tendering for public contracts so simplifying the documents and more transparency of awarded points of successful tenderers could help overcome this. They also raised concerns regarding the quality of specifications, some of which are also sometimes incomplete.

Chambers agreed adding that certification requirements and the opportunity cost for members to get on frameworks as issues. Failing to get on a framework leaves suppliers time barred for the duration of the framework which could be years. Contracts need to be broken down into lots, however, due to turnover requirements there is still a gravitational pull towards larger firms.

The Minister of State raised the need for greater collaboration with LEOs. He stated that public procurement needs to be demystified and streamlined. He requested that the executive reflect on the language used including the use of acronyms and the complexity of tendering which can make it seem prohibitive. DBEI agreed adding that a lot has been done to date with a move towards multi annual planning and advised ITI, EI and the LEOs are engaged. Communication is taking place through regular events but there is a need to step up engagement with LEOs and build on progress made.

SFA advised they deal with micro SMEs i.e. under fifty employees, a lot of which are usually five to seven people, possibly family run businesses. They agreed the need to focus on communication and look to training videos and push webinars. Their members don't hear good case studies of small businesses winning public contracts so they don't engage. They are holding a *Business Connect 2020* event in February at which the OGP will be speaking. The event brings together small business with leading medium and large companies across a wide range of industries and is an opportunity for smaller businesses to network and learn.

OGP outlined that a lot of good work has been undertaken by the parties around the table. Significant progress has been made on the communication front but, as always, more can be done in this space. The ITI Breakfast Briefings, for example, aren't always well attended. OGP is developing more accessible means of communication and advised they had produced and published videos, animations and case studies of successful tenderers over the previous two years. However, there is a need to review the communications strategy with the executive and our sectoral partners to build on successes to date.

In terms of challenges, OGP would like more competition. For example, some FWAs do not receive many bids. OGP will be considering streamlining and simplifying processes and documents while also ensuring open, competitive and transparent processes.

Following publication in October of Circular 20/19 on social considerations, EI enquired as to how green procurement would be reflected in award scoring and if training would be available. OGP

acknowledged incorporation of such considerations will be a huge challenge as it will put more conditions on tenderers and will need to be assessed taking the potential impact on SMEs into consideration. They reiterated they will be working with policy departments as to how to incorporate green criteria appropriately into procurement, but it is up to individual departments to determine what they want to incorporate. DBEI agreed this could be a challenge for SMEs but could also be advantageous. OGP are available if any members of the Group wish to speak to them.

The Minister of State questioned the wide use of acronyms and said an agreed strategy/way forward for communicating in a simplified manner using simplified language to reach out to SMEs to make them aware of supports available to them. This should remain part of the regular agenda and will feed into the next SME Advisory Group meeting in March 2020. He raised the issue of delayed payments stating if companies do business with Government they should be paid on time. He suggested if members of the Group have contacts in the EU they should feed this information to EI so as to communicate any procurement opportunities within Europe to Irish businesses and not just focus on the market share in Ireland.

The EPS advised two main issues are engagement with the process and the onerous task for some small firms of reproducing documents. They suggested infographics could assist. Concerns were also raised about small businesses falling under the wing of larger ones. The Minister of State stated that LEOs are statutorily in place to provide knowledge and support to SMEs. LGMA advised that LEOs facilitate regular SME training events including public procurement and tendering. The LGMA will be liaising with LEOs on future initiatives. The Minister of State raised the 'once only principle' whereby businesses should only need to provide data once. The OGP confirmed the eESPD (electronic European Single Procurement Document) is a single self-declaration form of suitability, financial status and abilities of a company used as preliminary evidence in public procurement procedures. It facilitates buyers and suppliers to complete this stage of the process online and to reuse the form in other similar public procurement procedures.

The meeting concluded with consensus on the issues raised and the matters to be addressed. OGP acknowledged the need for increased awareness and ongoing education and engagement whilst DBEI reiterated communication, good news stories and simplification are central along with demystifying green procurement and addressing the use of acronyms. The Minister of State suggested that the Government Information Service (GIS) be used as a single agreed messaging system.

Minister of State thanked the SME Advisory Group personally and on behalf of the Government for all their work in 2019 which was much appreciated, and extended a special thanks to the Procurement Executive for attending the meeting. He offered well wishes to all for the upcoming Christmas and New Year and suggested that both the SME Advisory Group and the Procurement Executive meet again in possibly six months, either in person or by web conferencing if that were more suitable for those who have to travel long distances.

The OGP also thanked both the SME Advisory Group and the Procurement Executive for their contributions to the meeting and for work done throughout the year.

#### 4. A.O.B.

There was no A.O.B.