

**SME Advisory Group**

**Thursday 27<sup>th</sup> October 2016**

**Room 3, D/PER Government Buildings, Merrion Street, Dublin 2**

**Minutes**

**Attendees:**

Minister of State Eoghan Murphy, Chair

Paul Quinn, CPO, OGP

Jim Deane, OGP

Derek Flanagan, OGP

Aidan Sweeney, IBEC

Margaret Hearty, Intertrade Ireland

Patricia Callen, SFA

Mark O'Mahoney, Chambers Ireland

Maedhbh Cronin, DJEI

Maria Gavin, Enterprise Ireland

Enda McDonnell, Enterprise Ireland

Neil McDonnell, ISME

Harry O'Rahilly, Competition and Consumer Protection Commission

Sean Downey, CIF

**1. Introduction**

Minister of State Murphy welcomed the representatives and reaffirmed the Government's commitment to support SME access to public procurement opportunities.

**2. Minutes of previous meeting**

The minutes of the meeting of 11<sup>th</sup> July 2016 were read and agreed. As decided at the July meeting, these will be published on the OGP website.

**3. Programme for Government (PfG) – Procurement Objectives**

Minister of State Murphy presented his proposed holistic approach to meeting the PfG commitments. He is chairing this Group where he hears at first hand from industry representatives. An independent review of TAS will be conducted next year with the terms of reference of this review to be circulated to the Working Group for comment. The OGP will conduct an evaluation of the review arrangements

currently in place for public tenders such as the clarification process, TAS, and the remedies directives. Following an analysis of this evaluation, there will be consideration of the existing arrangements to assess if they are sufficient, appropriate and proportionate. The Group was asked if additional review processes are required and to balance the need for appropriate appeal mechanisms with the need to allow tender processes continue and deliver projects on the ground. The evaluation will consider questions such as what is the problem to be addressed and what happens in other jurisdictions, e.g. Wales, NI, Scotland, Austria, and Sweden. The pros and cons and costs and benefits of any recommended approach will be set out.

Consultation will be through the SME HLG and Working Groups to ensure input from industry representatives and public sector practitioners. The outcome of the analysis will be presented to the SME HLG and Working Groups.

IBEC committed to presenting to the group research they have conducted on alternative low cost appeal mechanisms that are undertaken in similar states.

Members agreed to this proposed approach.

#### **4. Public Service Spend and Tendering Analysis for 2014 Report**

The Minister presented the Office of Government Procurement's Public Service Spend and Tendering Analysis for 2014 Report was launched September. The data analysed indicates that 95% of the State's expenditure is with firms within the State. The majority of spend analysed goes to SMEs and the typical tender value in a lot of cases is less than €100k. This report dispels some common misperceptions about Public Procurement. The 2015 Analysis is underway and there is a focus on expanding the information and analyses provided.

The OGP is using the definition of SME as used by the EU. The Group discussed the difficulty and complexity in getting more detailed information on smaller, micro companies.

#### **5. TAS Review**

The OGP explained the Tender Advisory Service (TAS) and how it was created to address SME concerns as a low cost informal appeal type mechanism. A draft report on the first year of operation of TAS was presented to the Group and their feedback was requested. Initial feedback from industry representative bodies through this SME Working Group has been positive. This report will feed into the overall evaluation of the existing appeal mechanisms as part of the OGP approach to meeting the commitments in the Programme for Government. Observations are to be provided within a week so that the report can be finalised.

## **6. Public Procurement Opportunities (e.g. Meet the Buyer, go to tender, etenders platform, OGP Schedule of Frameworks and Contracts)**

A discussion took place on the 'Meet the Buyer' events that took place in Belfast and Cork and the forthcoming 'Go to Tender' workshops. A consensus formed that industry targeted and regional events will be beneficial. A discussion took place around regional roadshows to help educate users on how to actually use etenders etc. which can help change the views of those who are disengaged with the process. The Minister suggested facilitating targeted local information sessions. In this regard, the OGP said that the representative bodies should take a more proactive approach and tailor and target their communication strategies for their members to encourage them to avail of procurement opportunities. The group discussed forming a subgroup to create a strategy to help improve communications about public procurement opportunities to potential tenderers.

## **7. Brexit**

The position from a procurement perspective is that the status quo remains until the terms of the exit arrangements are agreed. Negotiations between the EU and the UK will commence when Article 50 is triggered, probably next March as signalled by the UK Prime Minister. The OGP expect that there will be a trade agreement of some sort agreed which will enable Irish and UK firms to compete for public contracts in both jurisdictions along existing lines but obviously this will depend on the outcome of the negotiations. The industry representatives expressed concerns and the threat to smaller Irish producers.

## **8. A.O.B.**

Enterprise Ireland briefed the group on the Small Business Innovation Research project and how there is currently a call for competition at the moment with a wish for projects to begin in March 2017. Chambers Ireland highlighted the issue and underutilisation of mediation clauses in contracts. They have engaged a list of commercial mediators and they proposed that they could speak at future OGP events.