



SME Advisory Group

Meeting 10 January 2023

Minutes

Attendees:

Minister of State Ossian Smyth - Chair	Jonathan Small - CCPC	Shane Conneely - Chambers Ireland
Brendan Whelan - OGP	Karen Hynes - DETE	Elizabeth Bowen – Small Firms Association
Fergal Grogan - OGP	Laura Byrne - DETE	Aidan Sweeney - IBEC
Fiona Costelloe - OGP	Neil McDonnell - ISME	Gillian Ross - CIF
Anne Stewart - OGP	Paul Maguire - EI	

Apologies:

Caroline Sweeney – InterTrade Ireland	Pauline Mulligan - DETE
Grant Gilmore – InterTrade Ireland	Seán Downey - CIF

1. Previous Minutes and Actions Arising

The Minister welcomed Anne Stewart and Fiona Costelloe from the OGP to the group. Minutes of the previous meeting of 12 September were agreed. The following updates were provided on the actions arising from the previous meeting:

- Regarding the start date of the new eTenders platform this was confirmed as April 2023, with invitation open to 'Train the Trainer' sessions being run by the OGP. Those interested can contact Fergal Grogan to arrange, and provide any views on how best to collaborate and promote these sessions. IBEC asked if LEOs are being included. OGP confirmed they are.
- The Minister noted that information on the EI Meet the Buyer Event was circulated by the OGP. EI explained that the event took place in Portlaoise in October 2022. This included Irish Water and 300 face-to-face meetings. It is currently planning another similar event which will take place in Quarter 3 of 2023.
- The Minister offered further information regarding current energy schemes and clarified that the Business Energy Support Scheme (TBESS) is operating measuring per Kw/h. The Minister invited any feedback or information on this scheme.
- The Minister reminded the group of the invitation to take part in consultation with OECD on the current digital public procurement landscape.
- On the issue of measures taken to ensure the security of new eTenders platform, OGP advised that the National Cyber Security Centre (NCSC) was consulted during the development of the specifications of the new eTenders. Furthermore, the successful tenderer is obliged to carry out vulnerability and penetration security testing every year of the contract. The Minister noted a 60% increase of staff in the NCSC since the attack on the HSE.



2. Revision of Circular 10/2014

The Minister noted that the OGP had commenced engagement with public sector stakeholders and SME Working Group to ascertain views on the proposals and suggested updates to the circular. The Minister invited any further observations from the group on this circular. IBEC raised a number of points, which will be sent to OGP after the meeting, including;

- A definition of SME be included at the start of the circular, with numbers for characteristics of an SME
- A consideration for moving the thresholds higher than currently proposed
- Works and works related thresholds to be the same amount
- A different format instead of the Corporate Procurement Plans in accessible language
- A footnote noting that open tendering may not always be best approach for SME's, for example in the case of innovation procurement there are more approaches explored
- To track PINs especially those not fully progressed
- The quality of feedback provided (recommended to look at a future time by the group as a way of encouraging a best practice approach)
- A supplementary paragraph regarding circular economy and other strategies of Government rather than Life Cycle
- The issue of securing insurance, particularly after initial letter offering insurance only to not be offered when businesses have locked in the contract

SFA highlighted that they have members who may not even received the initial letter of insurance so cannot tender for public contracts. It was commented that the current work being undertaken by the courts is aiding the situation, however it is believed there are not enough players in the market to facilitate significant change. The Minister noted the work of the Department of Finance in this area with Jennifer Carroll MacNeill TD replacing Seán Fleming as Minister of State with responsibility for Insurance. ISME noted a micro-segmentation of the industry by insurers, looking at individuals underwriting sectors and either not quoting or offering unsustainable rates. CCPC asked if this was primarily in relation to the English market. ISME confirmed that the results of Brexit are affecting this situation, along with a more granular and detailed inspection. The OGP clarified that they have contacted the State Claims Agency in order to get advice for Government Bodies on accessing insurance. It was noted that Local Authorities would have their own advisors in relation to insurance. The Minister reviewed the comments provided in relation to 10/14. It was discussed there are currently different definitions of SME from CRO, CSO, EU, etc. It was noted that the proposed new threshold was discussed previously and had been agreed and if the threshold was raised too high there could be a risk to transparency, in regards to works the revised circular will be discussed in GCCC.

On the subject of feedback, OGP highlighted that the winning bidder's score is provided, and each unsuccessful bidder is given their own scoring to review for above EU threshold tenders. EI asked for clarification surrounding the process of lotting and the justification used for not lotting competitions, as this can be a barrier to SME's participation. OGP noted that justification needs to be provided when it is decided not to use lotting, at times this can increase the risk on the overall competition. This can be internally reviewed and governed through the audit process. The Minister added that there is the possibility for businesses to build consortia to apply.

IBEC also suggested possibly including more information on Dynamic Purchasing Systems (DPS) with an opportunity to provide training, explain the process and function of DPS, and guidance on how best to use this for SME's. IBEC also proposed that reference be made to the Tendering Advisory Service. OGP confirmed they will take this, along with the other suggestions, under consideration.

Action: Members to forward any final comments on the proposed measures to the OGP.



3. eTenders

The Minister noted that eTenders has been agreed as a standing item on the agenda. The Minister noted that the OGP awarded the contract to provide the new eTenders platform, which will be launched April 2023. CIF asked if there was a confirmed date arranged for the 'Train the Trainer' on this. OGP will check the dates for this training and provide them to CIF.

Action: OGP to check the arranged dates for the 'Train the Trainer' sessions and forward to the Group.

4. Strategic Public Procurement – Update on GPP Criteria tool

The Minister provided an overview of the functionality and purpose of the new GPP Criteria Tool. OGP confirmed this tool is a more interactive approach making the process easier for both buyers and suppliers. If agreed by the group a presentation from the OGP of this can be provided at the next meeting.

Action: OGP to circulate a link to the GPP tool. Members asked to consider whether a presentation on the tool at the next meeting of the Group would be of benefit.

5. Macroeconomic Issues

The Minister noted that this is a standing item of the group to incorporate any issues arising from Brexit, the Covid-19 Pandemic, Inflation or any other issues similar in scale that may arise.

SFA raised two areas of discussion for the group, access to finance and statutory updates. It was highlighted that access to finance, including the exit from the Irish market of two major banks could, in combination with the slowdown of the economy, result in smaller businesses not having the resources to apply for contracts. Other initiatives such as the introduction of statutory sick pay coming, preparation for gender reporting, etc. may pull time from organisations who will not apply for public contracts. The Minister noted there currently are many different schemes available for businesses. SFA agreed there are plenty of credits and schemes available from the Government for businesses. However it is proving difficult to obtain loans from banks even after being granted a contract, resulting in more time and administrative burden being experienced. SFA also raised the plan for schools to provide free school books to students and the effects this will have on small book shops. SFA will provide further details of this by email to the Minister.

ISME highlighted the likelihood of GDP in 2022 being double modified GNI. It was suggested that a concerted effort be made across Government to take this into account with the possibility of issues arising from the exponential growth of MNCs.

EI added the currently Ireland has a cross boarder procurement rate of 14% in Europe, where as Germany has only 1%, and wished this to be mentioned by the Minister to counterparts in Europe.

Action: SFA to contact the Minister directly and provide further details on a query regarding the supplying of school books. The Minister will contact the Minister Foley.



6. A.O.B.

The Minister invited any other discussion under AOB to the group. None were raised.

The Minister suggested the dates for the next four group meetings for 2023 as 21 March, 20 June, 26 September and 05 December, and asked if any issues with any of these dates to be mentioned. The OGP will circulate calendar placeholders for these dates.

Action: The OGP will issue calendar placeholders with these dates.