



GUIDANCE

A Guide to Procurement for SMEs

Winning Work through Public Sector
Tendering and Supply Chain Routes

IDP INNOVATION
DRIVEN
PROCUREMENT



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August 2023

Innovation Driven Procurement (IDP)

The Innovation Driven Procurement (IDP) initiative has been developed from research undertaken by Nottingham Trent University (NTU). The three key elements that has been the focus of the initiative are supply chain collaboration, innovation and value creation for all.

The IDP programme that has resulted from the research is delivered as a partnership between NTU, Construction Industry Training Board (CITB) and Morgan Sindall. Since January 2022, it has provided fully funded support to Innovation Champions creating a range of win-win outcomes as a result of training, innovation workshops, online communities and resources, including this guidance document.

Foreword



A message from Tim Balcon, CEO

Construction Industry Training Board (CITB)

Productivity and sustainability are two of the biggest challenges facing the construction industry for companies of all sizes. Tackling these issues can be particularly challenging for SMEs.

The task of helping to support SMEs is made greater by regional differences. There can be a gulf between needs nationally and locally and how to address them.

CITB's purpose is to support the construction industry to have a skilled, competent and inclusive workforce, now and in the future. By working collaboratively with partners across industry and the education sector, we can help address key issues facing SMEs around procurement and supply chains, in addition to providing targeted support to SMEs through grant and funding and access to relevant training. CITB is proud to support the IDP partnership to help leverage collaborative technology and processes to support design, buildability, and quality advice to drive innovation, cost savings, and improvements within the construction industry.



Nottingham Trent University

A message from Dr Emmanuel Manu, Associate Professor in Quantity Surveying and Project Management at the School of Architecture, Design and the Built Environment, **Nottingham Trent University (NTU)**

The IDP partnership aims to provide insights into collaboration and innovations for smaller suppliers and help them develop to address their own productivity challenges through tailored support and training.

This document offers these small companies guidance on how to take the first steps to becoming part of the supply chains of larger organisations and win work bidding directly for public sector contracts.

One key aim of the IDP initiative, and of this document, is to strengthen the working relationships across UK construction and to understand what each party requires of the other to improve collaboration.

By laying out clearly what public sector organisations need from those who tender for new work from them, and what larger companies need to enhance their supply chains, SMEs can learn how to provide the innovation to deliver best value in every part of the procurement process.



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Introduction

The UK's total annual national spending with SMEs on public procurement is around £21Bn¹. But how do you as an SME find new business opportunities in the often complex world of public procurement?

Let's start with some stats.

105,000 SMEs were awarded public sector contracts and the average value was £32,000²

26% Total spend with SMEs across the public sector³

12% Direct spend with SMEs across the public sector⁴

14% Indirect spend with SMEs across the public sector⁵

Opportunities exist if you know where to find them

We started with these statistics to illustrate the vast amount of public spend won by companies every day through public tendering. 100,000 of which are, like you, micro, small, and medium sized businesses (SMEs).

Do the maths and you will see that most of the public purse is spent by the government with the UK's very largest companies. There are good reasons for that. SMEs don't have the capacity to build hospitals and roads, run prisons, or manage huge logistical requirements to keep a country moving. However, SMEs can and do help deliver many of these large projects, such as High Speed 2 (HS2) and the Elizabeth Line as part of the supply chains of the larger companies which are in charge of each project.

Direct spending with SMEs – the amount won by a small company winning a bid – is actually smaller than indirect spending (the spend through supply chains). Many smaller companies already work on public sector contracts as suppliers, but wouldn't consider bidding directly for work through tendering.

Tendering for public sector work directly or looking for places on supply chains is very similar to the way companies win new business in the private sector. It just needs a bit of time to understand the process and provide the right responses that help SMEs win the hundreds of opportunities that appear every week.

^{1,3,4,5} Central government spend with SMEs 2021 - 2022 (GOV.UK, 2023)

² SME Procurement Tracker 2022 (British Chambers of Commerce & Tussell)

Who is this guide for?

This guide is principally aimed at those companies which have never submitted a tender, giving them an idea of the stages that must be undertaken to win work from the public sector.

For those SMEs which have a negative perspective or experience of procurement, finding the tender process daunting or dispiriting, this guide may help you look again at how to communicate the benefits of using your services to the public sector directly or as part of a supply chain.

This guide breaks down the stages involved in submitting a tender into manageable chunks. The time wasted by SMEs on submitting losing tenders has never been considered on a national basis, but the impact on investing time, money and resources into a losing bid is felt by every small business.

However, business is competitive. Not every introduction as a potential supplier to a company leads to work. Not every pitch leads to a new project. But public procurement is governed by strict regulations. The opportunity has to exist, the criteria that the winning company has to fulfil is there for everyone to read, and the score that leads to the announcement of the winner is available to those who lost.

So, what do you as an SME need to do to give your company the best chance of winning a small part of the £££ spent with SMEs each year?



Who wrote this guide?

The main author is Caroline Brock. For the past 20 years, Caroline has worked with several large and small companies as part of the relationship development and work winning agency, Talent Lab.

Caroline has spent over a decade writing and managing bids, mainly but not exclusively for clients in the construction and engineering sectors. Her experience of working with the smallest clients, many of which had not tendered before, informs key parts of this document.

Understanding your value proposition

Tendering - winning work directly through a bid - is a function of marketing. Every company that has ever existed has had to market itself and the brands we know today have all spent huge proportions of their income putting their name into our brains when we come to purchase a product which they produce.

Construction companies, traditionally, have never been marketing led. Spend on advertising, including conferences, exhibitions, trade magazine advertising and other channels is much less as a proportion than other sectors and often just seen as a cost to grin and bear.

Supporting investment in the time companies spend on creating their tendering submissions, has helped deliver growth and brand equity to those that are now trusted to build our road and rail infrastructure, our airports and schools, and develop housing and commercial projects across the UK. Many of the largest international names in construction started out as small UK businesses and their public work here has helped them expand globally.

Understand what you offer, who uses your services, and why

For SMEs considering tendering, the same rules which have been applied to your private sector work should be the basis of your approach to finding new business opportunities through public sector procurement:

- How well do you know the prospect?
- Do you know the kind of products and services they buy?
- Do these match what you offer?
- Can you gain competitive advantage?
- What are the drivers in choosing those already on their supply chain?

Your experience working in the private sector can be used to understand your value proposition. Every stage you have undertaken to win work with your current clients, from introduction to invitation to pitch, is the same in the public sector. It's the just the process is condensed into a question and answer document (sometimes with a pitch as final decider).

All of your clients were once prospects

For all companies and organisations that have a supply chain – and public procurement is just a mechanism of selection for certain sectors of the UK economy – their journey with each company started with a bid.

In the private sector, your clients will mostly have come through knowing someone at decision-making level, or an introduction through a third-party, at a company who needed your services or products. Sometimes you may have met a company for the first time at an industry conference or exhibition. Follow the line from introduction to first contract and there would be many steps, each one based on a different set of questions where your company provided the best answers. These were the drivers for you becoming a supplier and would have included price, proximity to each other, quality or a range of other criteria that led to you winning the contract.

7 P's please, Bob.

The 7 P's of the modern marketing mix - Product, Price, Place, Promotion, People, Process and Physical evidence - cover most of the important parts of how you communicate what you offer to those who don't know you. Thinking like a brand helps even the smallest company position itself to become the supplier of choice to its market. For those who have to find their service and product providers under public procurement rules, they use similar criteria to bring new companies onto their list of suppliers.

The two key words in procurement and marketing are trust and relationships.

Trust

We purchase our soft drinks, coffee, sandwiches, takeaways, cars, clothes, phones and shoes from brands we trust. We believe they offer the quality we demand at a price we can afford and also say something about how we want the world to see us. Brands are all about perceptions.

In the business world, the decision-making process is more complicated and involves many more people. But as the old saying had it, no-one was fired for hiring IBM. That was, until Microsoft blew them out of the water. We don't have to explain who either company is. They are brands.

For companies and organisations which don't know you marketing is ultimately about how to encourage these prospects to trust you. In the public sector, you have to communicate through a tender where the criteria for selection is provided and your company has to have the most compelling answer to each question. Ultimately, the team making the decision will look at which supplier offers the least risk.

Relationships

The biggest gripe about tendering is where there is a supplier delivering the current contract and that the new opportunity will always go to them. Yes, incumbents have a head start in the next race, but the tender also gives the buyer a chance to look at the market afresh and find out what better approach or products or suppliers are now available with whom they can engage and work with.

Every organisation has - and is - a series of relationships, external and internal. But business is constantly evolving and changing. So too are relationships within and without each business.

The current contract will have had its challenges and the supplier may have struggled to meet the service levels as specified and the relationship has gone sour. Or they may have been brilliant, but their key contacts have left and they need to prove themselves to new people.

A tender is a way for an organisation to re-evaluate how it can continue to deliver its own services in the most modern and efficient way, and to use that process to bring in potential new partners and suppliers.

Of course, the current supplier is also invited to tender and will have helped shape - formally or informally - the tone and content of the tender document. But even they will have to prove that they have the necessary people, skills and approach demanded by the tender and be the best future partner for the organisation.

Understanding the procurement landscape

In procurement, all tenders have a start and finish date. Before a formal tender is released, public sector organisations are encouraged to sound out the market or release information so potential bidders can start engaging.

But you need to start planning before then.

Relationships start before the first kiss

Once you have identified which companies would benefit from using your services (outlined in the *Understanding your value proposition* section), you should start looking for public sector organisations which fulfil a similar profile based on size, sector, service, location, price, etc.

Search free government tendering sites and other portals (see *Further information* section) to reveal current contracts that give an indication of when its up for renewal, or announcements on future tender publication dates. These are your priorities.

Once you have this list of potential tendering targets, find out if you have ever supplied them - directly and indirectly - as part of a supply chain. Or whether any of your team has worked with them before.

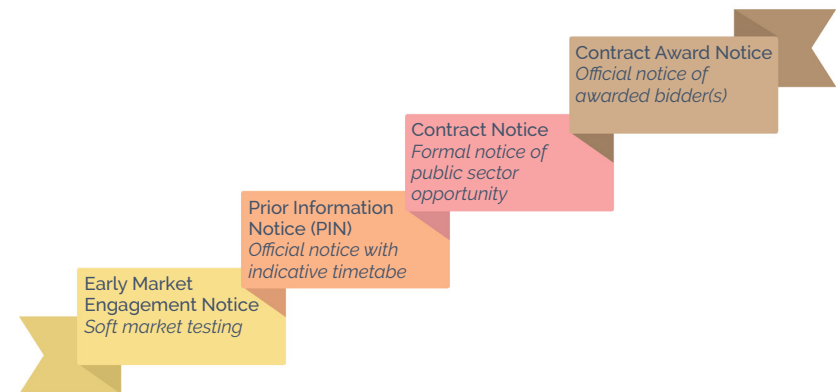
You should have a strategy to start developing connections with your priority targets, using a combination of marketing, networking, PR and conferences, including the judicious use of LinkedIn.

Remember, once a tender is published all communication is regulated, with questions and answers circulated to all bidders.

Figure 1 illustrates the journey of public sector procurement. Early Market Engagement is promoted as good practice to help maximise value for money and encourage innovation. This can help devise a better procurement route and well-defined scope.

Treat any period before a tender as a fact-finding mission. Don't overload them with questions or their in-boxes with pdf brochures. You don't get married on a first date, especially if you have overdone the Aramis.

Figure 1: Public procurement notices - journey to contract award



Note to Figure 1: Opportunities are typically announced at Contract Notice stage. Not all opportunities require early market engagement or have time for prior notice. However, it is important to be aware of the early stages and increasing desire by public sector buyers to raise awareness of their intentions through these mechanisms.

Meeting public sector expectations

Public sector organisations have to match the priorities of the government and ensure they are maximising every pound spent with a supplier. They have to meet the expectations of the source of the money which is why they include subjects like social value to meet those targets.

Often, public sector departments will have had to bid for the funding for a project from national government and will be audited to ensure their own promises are being kept at all stages of the contract and its delivery.

The National Procurement Strategy (NPS) for Local Government in England has its own roadmap for procurement. Understanding what these are can help even the smallest company understand how to reflect these priorities in their own bids.

The NPS says any local procurement strategy should:

- add value
- fulfill social priorities, including creating new businesses, new jobs and skills
- exploit new technology
- embrace innovation
- make procurement easier for bidders.

Let's look at the last two points.

Innovation

This guide has been created as part of the IDP initiative to strengthen the working relationships across UK construction and improve collaboration and innovation.

The starting point of any process is to understand what success looks like for the commissioning client from which you are seeking to win work, either as a direct supplier through a bid, or as part of a supply chain. Smaller companies are often leaner, more dynamic and agile, and quicker to adapt and adopt new technologies. They often have younger age profiles amongst their senior staff and bring a different perspective in areas like the role of business in society, the environment and community.

One important way an SME can demonstrate its worth to a prospect is by demonstrating innovation.

Of course, innovation can be interpreted in different ways depending on your sector and experience, but by including new ways of thinking and creativity in your bids, alongside new methods of delivery – especially where technology is used to bring efficiencies over the life of a contract – you will have fulfilled the innovation which the UK government is seeking.

By helping organisations improve their delivery in key areas like the environment, the local economy, digitisation, technology and innovation, SMEs can maximise their chances of winning.

Tender responses which include employment and training local people in new skills and job opportunities, especially for those parts of the community that struggle to find work, will also score higher.

Now let's see what the public sector is doing to help SMEs win more business through procurement.

Making procurement easier for small businesses

The Public Procurement Bill which seeks to “*reform the way public authorities purchase goods, services and public works by simplifying and modernising procurement rules and procedures*” is set to become law in 2024.

What the new bill should mean for micro and small companies is more opportunities to win public sector contracts. We are already seeing the new direction of travel under the new bill to make councils and other agencies encourage SMEs to submit tenders by breaking up contracts into smaller amounts so that businesses within their areas will bid.

Organisations writing tenders should ensure they maximise the local potential pound spent with suppliers. They have to meet the expectations of the source of the money, which is why tenders increasingly include subjects like social value to meet those pressures. Often, they have had to bid for the money from central government and will be audited to ensure their own promises are being kept at all stages of the contract and its delivery.

By preparing for the new regulations now, you can position your company to make the most of these additional, promised opportunities. The stages outlined in the next section will not fundamentally change, just (hopefully) increase the number of tenders available to your business.



“We know that complex rules have long been one of the major challenges for SMEs trying to win government work. This Bill will make it easier for SMEs, who make up 99% of UK businesses, to compete for and win government contracts, through smarter, simpler and more flexible regulation.”

— UK Cabinet Office, January 2023

Getting tender ready

Preparing your business to win public sector work should begin before you submit your first tender.

On the right are a list of some of the requirements that generally companies will need to have ready and completed as part of any submission.

Finding previous or current ITTs (Invitation To Tenders) and using their requirements is a good place to start preparing your 'bid library' of company information, financials, policies, evidence, certificates, and accreditations. This will also help you understand mandatory requirements for your services and how to prepare submissions to maximise your scores.

In the following pages, you will find a basic guide to the core stages that lead to a prepared tender. The first of these is whether to work out whether you have a chance of winning a tender - or a place on a framework - and deciding to invest the time and resources to bid.

It's called Go / No Go.



Check List

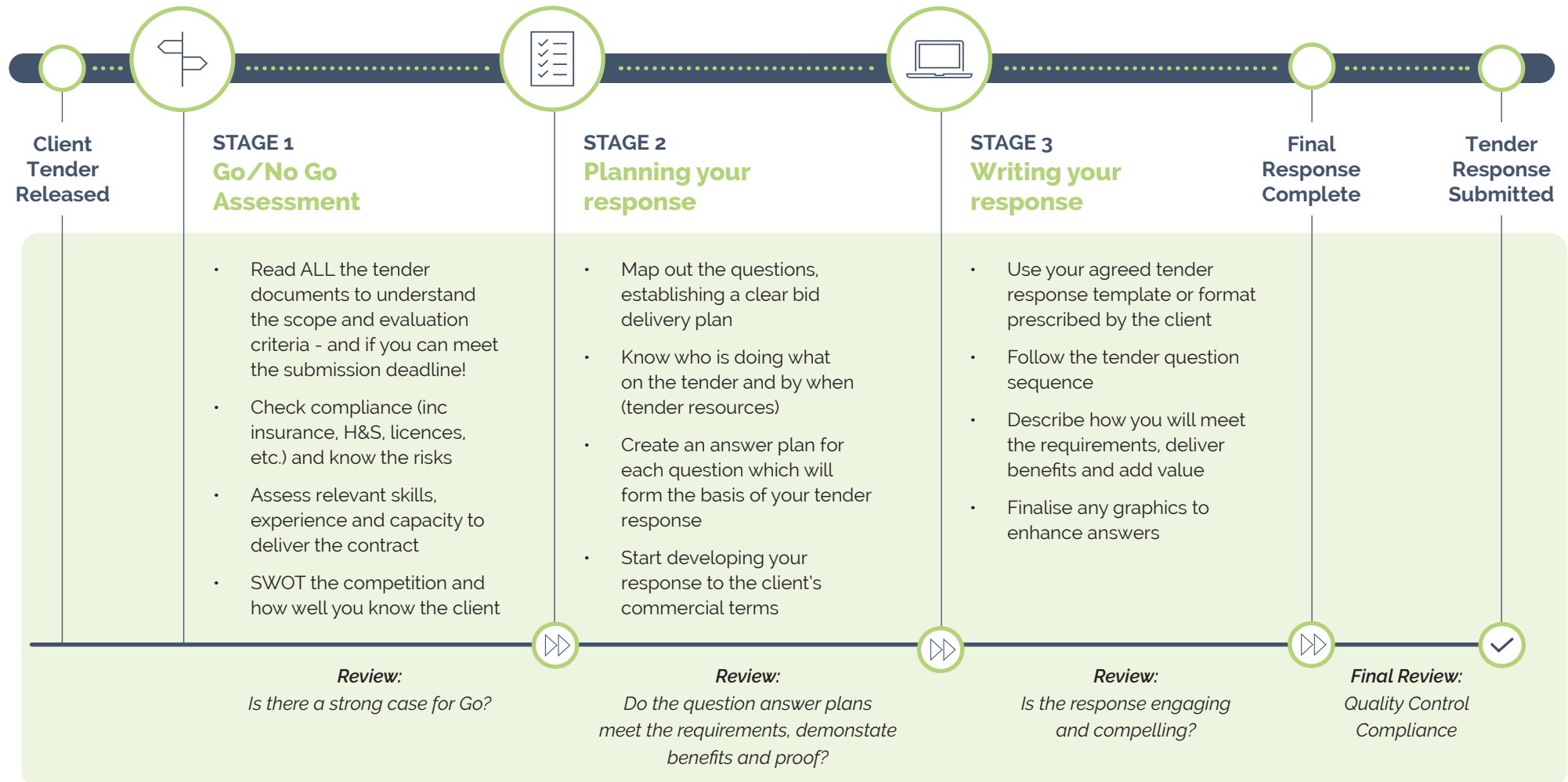
The following is a list of the requirements expected when responding to a public sector or supply chain prequalification questionnaire.

- Company Registration Information and VAT Number (if applicable)
- Financial Accounts for last 3 years (or evidence of financial standing)
- Insurances - Public Liability and Employers' Liability (if relevant, Professional Indemnity)
- Policies - Health, Safety and Environment (HSE), Quality, Data Protection, and Equality, Diversity & Inclusion (EDI)
- Evidence of Experience and Resources
- Client References
- Business Management Accreditations e.g. ISO 9001, Cyber Essentials, etc.
- Industry Qualifications e.g. RICS, ARB, etc.
- Safety Certificates e.g. CHAS
- Trade Certificates e.g. CSCS

Creating your tender response

One of the best ways to improve your chances of success when tendering is to follow a structured process to ensure it is appropriate, compliant, and convincing.

Figure 2: Planning and responding to a tender



Stage 1

Go/No Go Assessment



Read ALL the documents

Tender packs can include several documents, even for small bids. It is worth noting that a lot of these documents are for information so don't let that put you off. How you will be evaluated (quality/price) is essential reading. Selection criteria assess things like your professional standing whereas award criteria focus on how you will deliver the contract. Before you start, consider how you will populate your Go/No Go assessment to help with making the decision to submit or not (see Figure 3).

Check compliance and risks

Check all the mandatory requirements, including insurances, certifications, licenses, and regulatory memberships (such as RICs and ARB). Detail on processes are typically a mandatory requirement (quality, environmental, etc.). These are usually ISO 9001, 14001, etc. accreditations issued by external certified bodies. Some may allow for "similar" uncertified approaches, particularly if they are low risk/low value. However, ISO certification adds credibility which may be a worthwhile investment depending on your client targets / contract sizes.

Consider resources and capacity

Assess your capacity to deliver the project. If you won, could you deliver the project on-time and on-budget? Does your company have the right levels of qualified, skilled staff with experience? Do you have the

equipment and technology? Reflect on the award criteria. Also, do you have the time and resources to submit a high-quality bid?

SWOT the competition

Think about the strengths and weaknesses of the competition? Which companies, including the incumbent, will also bid? Are there relationships between your company and the commissioning client, including team members who have worked with them before that could be leveraged? Will you need partners to deliver elements of the bid? Ultimately, can you deliver value-for-money to the client at a profit?

Figure 3: Go/No Go Assessment Example

Metric Assessed (max 10)	Rating Scale (5 = strong 1 = weak)
1. Depth of client relationship	1
2. Relevant industry experience	4
10. Bid resources available	2
Score (35 or over - Go!)	32

Stage 2

Planning your response



Create a bid plan

Once you decide to Go for the tender, start planning your response right away. Map out all the tender requirements using a Bid Delivery Plan (see Figure 4) and set up a kick-off meeting. Invite the key people in your organisation to get everyone on the same page at the same time.

Resourcing the tender response

Resourcing tenders for micro and small businesses will often be led by the Business Owner / Director supported by an administrator / marketing representative. Whatever the shape of the bid team, be very clear on who is doing what, and by when, as assumptions can lead to confusion and mistakes. Get specialist external support into the process early to save time and drive value for a better chance of winning e.g. Bid Writer.

Answer each question with an 'Answer Plan'

Don't jump straight in. It is important that you break down the question as they can often be framed in two or three parts. Missing part of the answer will weaken your response and final score. Check word or page count restrictions as this will guide you to the level of content required. Map out in bullet point form the key elements of how you will build your answer, align benefits and proof, and get this agreed at a senior level (if required).

Start developing your commercial response

How the tender will be assessed in terms of Quality/Price (e.g. 60%/40%) is always provided. A common assessment is The Most Economically Advantageous Tender (MEAT) which allows the contract to be awarded based on aspects other than just price. However, the overriding principle for public sector contracts is: can you demonstrate value for money?

Figure 4: Example Bid Delivery Plan (easily created in Excel)

Question	Word/ Page Count	Evaluation Criteria	Writer	Reviewer	Answer Plan due by	Draft due by	Final due by	Complete Sign Off & Upload
Describe your approach to delivering Task 1, tools adopted and how this will create efficiencies	1,000 words	20%	Jane Doe	Jack Black	xx/xx/xx	xx/xx/xx	xx/xx/xx	xx/xx/xx
Provide CVs for key resources including project role and responsibilities	5 pages max	15%	Jane Doe	Dan Gray	xx/xx/xx	xx/xx/xx	xx/xx/xx	xx/xx/xx

Stage 3

Writing your response



Shaping your response - content

By now, you will have an approved Answer Plan for each question providing an outline response (bullet list) aligned to the requirements with summary information on benefits and added value to maximise your score. This is the foundation for shaping your tender submission.

Follow the tender question sequence

Strictly follow the order that the questions are set by the client. Gaps will need to be filled and draft answers scrutinised to see you are scoring as many marks as possible. All the other elements, especially pricing, contract terms and compliance will need to be collated and appropriately referenced.

Clearly describe benefits and added value

Winning bids go beyond the expectations of the client. By focusing on the benefits of using you and by understanding their wider needs, which may include training or environmental targets, you can maximise your potential for a high score. Really think about value - in terms of time and/or cost savings - that you could deliver during the project. Themes may start to emerge to connect your bid, reinforcing your key strengths as a company and supplier.

Style and format

During the planning stage, you will be clear on whether you need to respond in the client's template provided and/or against specific word/page count restrictions. If there is flexibility to design your own response, make it easy to navigate, read and understand. Images can be used without affecting the word count, saving a 100 or more words and infographics can better illustrate a process and signpost important factors such as key milestones or interdependencies.

Review, review, and review again

Industry best practice typically incorporates two structured reviews of the response, along with a final review before submission. The reviewer should be someone who understands your business and the tender requirements but has not been involved in writing the response. Their role is to ensure you are compliant and have answered the question with relevant information, evidence and benefits / added-value to achieve the highest possible score.

For many small businesses the reality is that limited time and resources means reviews are often skipped. As a minimum, set time aside at least 24 hours before the deadline to 'page-turn' your response, checking all the questions are answered with compelling evidence to the required format - and there are no typos!

Being part of the supply chain

Indirect procurement spending with SMEs is approximately 14% of the total spent by the public sector. This figure is measured as the proportion of larger contracts spent with small companies on any project's supply chain, representing around £11Bn⁶.

There are three main channels of supply chain opportunities; working as part of a large public project which often has targets for SME engagement; sub-contracting directly to large firms as part of their project delivery via public procurement frameworks run by third parties.

Winning work on large public contracts

High Speed 2 (HS2), the high-speed railway linking London to the Midlands and the North, is the largest current example of a public sector project. Over 3,000 UK-based businesses have been engaged in its supply chain and 61% of contracts awarded to SMEs⁷.

Like many large projects, supply chains are actually in a pyramid and opportunities cascade down through the tiers of the project, where Tier 1 is a very large contractor tendering and working with HS2 itself directly, down to Tier 3 which is typically a specialist - and smaller - sub-contractor. HS2 organises its own engagement and awareness programmes, including 'Meet The Buyer' events. There you can find out what opportunities are available for a company of your size and services (to view HS2's supplier guide, see *Further information*).

Working with large organisations

Companies like Morgan Sindall and AECOM (Tier 1's) have the size, skills and experience to deliver large construction projects. Often, when

tendering, they will commit to work with SMEs as part of their project and/or require SME specialist skills or experience. Tier 1's usually have their own SME engagement programmes. Supply chains featuring SMEs often help bring innovation into schemes whilst any risks are diminished by the lead role of the larger organisation. Like all new working relationships, you need to approach early discussions from a strategic perspective. Understand what you offer, where it is unique or adds value. Be mindful of your intellectual property which can often be a new approach to an existing problem or other innovation that you are looking to sell. Make sure that at every stage, both sides are clear about the kind of working relationship going forward and the benefits the relationship will bring.

Working with large companies often starts by registering as part of their SME engagement programme. This can also help you learn how procurement works and the value that comes from being a sub-contractor, as described in the *Supply Chain Feature* examples.

Frameworks and Dynamic Purchasing Systems

Increasingly, the management of tenders for public sector works has passed to third parties to run frameworks, with a fixed time (usually four years), or Dynamic Purchasing Systems (DPS), which are more flexible and allow suppliers to join at any time.

In the built environment, the best known providers are SCAPE and Pagabo. They manage the distribution, evaluation and award of tenders, and compliant agreements on behalf of their public sector clients. Procurement Hub, part of Places for People, runs a DPS designed to give its public sector clients an 'open market' of pre-qualified suppliers. These are usually free to join for an SME supplier. However, on most, suppliers may have to pay a small commission. Always check the terms!

⁶ Central government spend with SMEs 2021 - 2022 (GOV.UK, 2023)

⁷ www.hs2.org.uk/supply-chain/

Delivering social value

Social value, and its importance in procurement, can be traced back to 2012 when the Public Services (Social Value) Act became law.

This Social Value Act states that all public bodies must consider how what they are proposing to buy might improve economic, social and environmental wellbeing and create additional benefits for society.

For SMEs, elements where you try to make a difference to your employees through wellbeing, diversity policies, training, and environmental initiatives, help the nation become healthier and happier.

Out of the Social Value Act grew The National TOMs - Themes, Outcomes, Measures - framework which gives a proxy financial value to every key element classified under social value. This means the value of an apprenticeship can be measured alongside a tree planting programme or even using a local SME on a project supply chain. It also allows large organisations to demonstrate how the pounds spent through them via construction project supply chains are delivering on the essential measures of social value: economic, social and environmental.

500

**completed construction projects
valued at £4.5Bn⁸**

£4.5bn

**of spend delivered
over £1Bn in social value⁹**

⁸ Social Value Benchmarking Report, 2022

⁹ Social Value Portal / SCAPE

How do large organisations use SMEs to create social value?

Money spent with smaller firms is measured and sometimes stipulated in a tender. Social value is also increasingly becoming a mandatory component accounting on average for 10% of the evaluation criteria. By having SMEs as part of their bid, larger companies demonstrate they have access to local knowledge and through partnerships will deliver community benefits. Local councils will be looking to maximise every penny spent so by working with SMEs, and creating additional employment opportunities, it gives larger companies a greater chance of winning the contract.

Using local firms as suppliers also brings environmental benefits when emissions are measured across the project lifecycle. Local firms, especially those which can provide evidence of their own commitment and initiatives to reduce emissions, enable larger companies to leverage further evidence as part of their value proposition.

Is it enough that I am an SME?

It is not enough to just be an SME. You need to demonstrate how you will contribute to delivering the project's social value outcomes.

SMEs are generally great companies to work for, with fewer hierarchical layers, who employ from their own communities and help out where they can, from clearing canals to sponsoring fetes. Social value and its part in procurement means if you are spending money and time on local initiatives or charities, you are helping the UK go forward as a country where people and the places they live are valued and supported. Look for opportunities to expand on this as part of any new contract opportunity.

Supply Chain Feature

MORGAN SINDALL

CONSTRUCTION

Morgan Sindall are collaborators on the IDP initiative. They specialise in all elements of the built environment - construction, infrastructure, fit-out, property services, housing, regeneration and development. In 2022, the group's revenue hit £3.6bn with over 7,600 employees.

How do Morgan Sindall engage with suppliers?

We nurture our supply chain partners as an extension of their business. Engagement is managed at a regional level by getting in touch through the website (see link). Staff can also recommend new suppliers for onboarding.

Is there an supplier approval process?

Yes. Supplier Qualification Questionnaires are managed through the Once for All compliance platform (previously Builder's Profile). Alongside insurance and financial credit checks, a Safety, Health, Environment, and Quality (SHEQ) competency assessment is mandatory.

How do SMES get involved in new opportunities?

Once compliance is approved, we use the Local Supply Chain platform to manage our pipeline and projects. For new tender or framework opportunities, each project lead engages with a select number of subcontractors, chosen based on a variety of factors - from competency and capacity to past performance. Suppliers will be expected to get involved on the technical, programme and commercial issues, providing the best price first time. We encourage innovation in areas like carbon and waste reduction on site, positive outcomes for local communities and new technologies.

We are also a Founding Partner of Work Radar, a free cloud-based platform developed by Local Supply Chain that helps small businesses and individual operators access work opportunities in their region, while simultaneously enabling large construction firms to develop local supply chains and improve their social value outputs.

Is there additional support available?

We have made our Supply Chain Training Academy available to all our approved suppliers free of charge. Topics include Sustainability, Equality, Diversity and Inclusion (EDI), Quality and Health and Safety Updates.



Morgan Sindall Supply Chain Family Event

Is there recognition for great performance?

We recognise our top performing suppliers by inviting them to become Preferred Partners. They work with us collaboratively to support the design and development of construction projects. In return, these Preferred Partners enjoy a more structured relationship engagement and greater pipeline visibility. Our regional business units also hold supply chain awards, recognising suppliers in key categories such as Innovation, Safety and Social Value with further recognition at our annual National Supply Chain Awards ceremony.

► For more information visit:

www.morgansindallconstruction.com/supply-chain/

Supply Chain Feature

AECOM

AECOM is a global infrastructure consulting firm, delivering professional services on major projects spanning transportation, buildings, water, new energy and the environment. We employ over 50,000 employees and have a revenue of \$13.1 bn (FY2021).

We recognise the important role small, diverse businesses play in our economy and believe in contributing to the communities in which we work. In our previous financial year, we worked with over 500 SMEs on over 1000 UK&I projects and over 40% of our total sub-contractor spend was with SMEs.

How do AECOM engage with suppliers?

Our vision is to be at the vanguard of SME partnership best practice in the UK&I. Our SME initiative is aligned to our Environmental, Social and Governance (ESG) strategy to harness local knowledge and innovation to support the communities we serve. Whilst Project Managers

proactively manage relationships and onboarding, we have a dedicated UK&I SME Relationship Manager leading the initiative, working closely with our Social Value (SV), business development and procurement teams. We have embarked on a programme of 'Meet the Buyer' style events to help remove some of the barriers SMEs face. Our first was with the Defence Infrastructure Organisation (DIO) to foster relationships and opportunities for integrating SMEs into their supply chains.

Is there a supplier approval process?

Yes. On request by an AECOM Capture Manager, the individual responsible for leading the opportunity, new suppliers are invited to complete a pre-qualification questionnaire. Information required includes company details, services provided, health and safety etc, alongside specific industry accreditations and/or qualifications.

How do SMES get involved in new opportunities?

Our capture managers are regularly encouraged to consider the use of SMEs. This starts with our internal database of approved suppliers. The Capture Manager might also work with the UK&I SME Relationship Manager and SV team to research, engage and onboard new suppliers who assist us in supporting our clients and their mission.



AECOM and DIO Engagement Event with SMEs

Is there additional support available?

Our relationship journey with SMEs includes access to training resources and key documents. We know that Net Zero is a particular challenge for SMEs and we provide support and training to develop skills and knowledge. We want to do everything we can to support industry transition to a low carbon future.

Is there recognition for great performance?

For key SMEs, AECOM has a Strength of Partnership Model. This involves joint activities including sharing a pipeline of work, collaborative bidding, project delivery, marketing, training and mentoring.

► For more information email: sme.enquiries@aecom.com

Tendering: An SME's perspective

Plowman Craven

Plowman Craven is one of the UK's largest surveying companies, employing over 170 people and with an annual turnover of £18m. They operate mainly across the property and infrastructure sectors.

In the past six months, Plowman Craven has won 50% of the tenders it has submitted (which is a great average and achievement!). We asked their bid management team to share with us their top tips on tendering within the public sector.

Read the tender in detail!

Every tender is different. Organisations and sectors phrase similar questions differently and, as such they need to be answered differently. It doesn't pay to cut and paste answers from a previous tender. Every response needs to align and respond to the specific question.

Profit is sanity

Pricing is key on any job. Most of our large projects run for a minimum of two years. We need to take our business as usual capacity, future resource availability and price inflation into consideration when bidding for these longer term projects.

Go/No Go is often a discussion

Tendering is strategic for us as a company and is driven by the Board. Each tender is evaluated to see how we can deliver the quality we are known for. We also look at the potential for growth in a sector and the internal resources available before committing to submit a tender.

Relationships change

Much of our work in the private sector is based on relationships developed over time. In the public sector, we often don't know people within the organisations, or our contact moves on and someone new comes in with a new way of working. We always do our online research to understand the priorities of their organisation.

Positioning is key to every tender

For every tender, we work out what our USP is and shape our answers accordingly. From our research, we try to show how we as a company match the organisation's priorities with our own actions. In education, for instance, over 30 graduates have gone through our apprenticeship scheme and become employees, which is the kind of knowledge and commitment that universities may be seeking from their delivery partners.

Accreditations

Make sure these are up-to-date and relevant. We are RISQS (Railway Industry Supplier Qualification Scheme) accredited and SSIP (Safety Schemes in Procurement) through our ISO 45001:2018 (Health & Safety Management) accreditation. We have also achieved Constructionline Gold. Our use of technology and data within the business means IT security is paramount, therefore we also have ISO 27001 (Information Security Management System) accreditation and Cyber Essentials Plus.

Added Value

If marketing is benefits not features, added value is how you can achieve a winning score that goes beyond the outcomes as defined in the tender. By ensuring we communicate Plowman Craven's commitment to innovation and quality, aligned with the client's priorities, we can position ourselves into the best chance of winning. But even if we think we have all these in place, we are not guaranteed of winning the tender. It's a continual learning process!

► www.plowmancraven.co.uk

Case Study: Innovation Champion



Kingsley Build is a small construction company based in Cardiff, Wales.

It specialises in fencing, decking, and outbuildings.

Kingsley Build is a successful company driven by right-first-time high quality delivery, sustainable products, and passion for protecting local wildlife. It has the capacity and capability of delivering projects of any size across the UK.

Innovation challenge

Within the domestic market, Kingsley Build wins new business through recommendations, sustaining 5-star feedback ratings. It has a growing commercial portfolio working through main contractors for major brands such as BMW and McDonalds. Through IDP consultancy support its Director & Business Owner wanted to understand how to position its business to have direct supplier relationships for larger contracts, and what it needed to do to get ready to tender directly for public sector work.

Support provided

- Training session to share insight of the public sector procurement process including early engagement, compliance and social value, alongside sourcing and responding to tenders, and becoming part of a supply chain
- Focus session assessing company appetite, existing relationships, services, and capability
- Tender readiness gap analysis, resulting in recommendations and action plan.

Impact on their business

The support allowed the senior team to focus work winning activities through the right channels. It has saved weeks, if not months trying to get to grips with the process to ensure they don't miss opportunities.

Outcomes include registering on local and national government portals for tender alerts and Meet the Buyer events, formalising compliance through a leading construction industry verification platform, and as a supplier to a global sustainability leader which manage facilities for blue chip companies. The facilitated focus session revealed environmental commitments and community involvement which could be leveraged in terms of social value and driving forward energy efficient solutions as part of its core services.



Kingsley Build School Fencing Project - Pre-installation Works

“I did not have a clue where to start and didn't even know that there were specialists who help with tendering. What I did know was that my business has the experience and capability to deliver public sector contracts - I just needed to know how we could make it happen. The training has been invaluable, particularly knowing that the effort we put in also helps towards prequalifying on supply chains which saves us a lot of time. Caroline made the process easy to understand and relevant to my business, with lots of other ideas that I know will be key to finding and winning new business.”

— Kingsley Hyden, Director, Kingsley Build

Glossary

Answer Plan: A plan that outlines how you will approach your tender response.

Bid: A bid is a supplier's response to a Request for Proposal (RFP). Can also be referred to as a tender or offer.

Call-off Contract: A contract awarded via tender to a supplier on a framework agreement.

Contract Notice: This is how the public sector procurement office formally advertises a contract opportunity.

Dynamic Purchasing System (DPS): Similar to a framework, but a supplier can join at any time.

Expression of Interest (EOI): Allows the public sector buyer to find out if suppliers are interested in bidding for their project and can offer the products or services required. Also see Pre Market Engagement.

Framework Agreement: Allows the public sector buyer to set up an approved supplier agreement with pre-qualified service providers for a specified period of time (including rate card). When the buyer has a specific project, they will usually run a mini competition or call-off to those on the framework to bid directly for a specific project under the agreement.

Invitation To Tender (ITT): Document inviting potential suppliers to quote for the provision of services or products. Also known as a bid pack.

Lot: Frameworks are typically divided into lots. Lots can be defined by the services or products required, and by geography of delivery and amount.

Pre-Qualification Questionnaire (PQQ): A questionnaire used by the public sector to check the suitability of a supplier and shortlist the ones to be invited to tender. Also used by large companies as part of their supply chain approval process.

Prior Information Notice / Periodic Indicative Notice (PIN): A notice of advance warning by the public sector office of its intentions to undertake a tendering process in the future.

Pre-Market Engagement: Actively encouraged by the government, this is where the public sector organisation tells the market about their intention to publish a tender and asks potential suppliers to answer questions so they can understand what the current market offers, including innovations, new processes and technology, without entering into a contract. Expression of Interest (EOI) and Request for Information (RFI) are other terms used for essentially the same process.

Procurement: The process of acquiring goods, works and services. The process spans the whole lifecycle from identification of need through to contract end.

Request For Information (RFI): A way for the public sector department to get input from the marketplace before a tender is defined, especially when they are unsure of how the delivery model may look, allowing them to seek guidance from suppliers with sector knowledge and expertise.

Request For Proposal (RFP): Also known as an Invitation to Tender (ITT), this is the invitation to potential suppliers to submit a proposal, through a bidding process, for the supply of a commodity, service, or asset.

Social Value: Describes the value created during the delivery of a contract assessed against economic, social and environmental themes e.g. apprenticeships, community cohesion and sustainability.

Tender: A request from an organisation to invite suppliers to formally quote for the provision of goods/services as outlined in the procurement documents.

Value for Money: The provision of the right goods and services from the right source, of the right quality, at the right time, delivered to the right place and at the right price (judged on whole life costs and not simply initial costs).

What is an SME? The UK government definition of SMEs encompasses micro (less than 10 employees and an annual turnover under €2 million), small (less than 50 employees and an annual turnover under €10 million) and medium-sized (less than 250 employees and an annual turnover under €50 million) businesses.

Further Information

- ▶ CITB Resources and Courses: www.citb.co.uk/courses-and-qualifications
- ▶ HS2 Supply Chain: www.hs2.org.uk/supply-chain/
- ▶ Innovation Driven Procurement (IDP): www.theidp.co.uk/
- ▶ NTU Professional & Short Courses: www.ntu.ac.uk/business-and-employers
- ▶ Public Sector Tenders - Contracts Finder (over £12,000): www.gov.uk/contracts-finder
- ▶ Public Sector Tenders - Find a Tender (over £138,760): www.gov.uk/find-tender
- ▶ Supply Chain Sustainability School (Free learning): www.supplychainschool.co.uk
- ▶ Supply Chain - Morgan Sindall: www.morgansindallconstruction.com/supply-chain/
- ▶ Supply Chain - AECOM: sme.enquiries@aecom.com
- ▶ Tendering Consultancy and Support: www.talentlab.co.uk

A message from Shaun McCarthy OBE, Chair
Supply Chain Sustainability School

The Supply Chain Sustainability School is proud to have worked in partnership with NTU to deliver comprehensive learning content and support to businesses seeking to improve their productivity through more effective procurement.

We recommend this guide to any small business aspiring to win business from the public sector and large businesses.

The School will continue to host legacy learning content from this CITB funded programme, available free of charge to our growing number of Members and Partners. Following the success of the Performance through Procurement programme, School Partners are asked to set up a permanent group. This group has set out a plan to deliver four key workstreams; de-carbonising the supply chain, engaging SMEs, supply chain mapping and collaborative approaches to procurement. We look forward to working in collaboration with our partners to drive more effective procurement across the built environment.

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