



Localism in Procurement

Welland Procurement

Local Procurement

What is the idea behind it?

- Spending Local Authority money within it's own economy
- Benefit local businesses
- Protect local jobs
- Local economy will grow

Need to ensure fair and equal treatment for all bidders, so anything that is put in place should not disadvantage non-local suppliers.

Current Position

What does the Council already do?

- Contract Procedure Rules encourage engagement with local suppliers
 - Under £10k “Seek one written quotation, preferably from a local supplier where appropriate”
 - “For Contracts under £20k for Supplies & Services and below £50k for Works, seek at least 2 quotations from locally-based suppliers”
- Hold local business forums
- Engage with the East Midlands Chamber of Commerce (event held 19th January for SMEs and local organisations)
- Details on Council website on how to Tender
- Contracts Register is on ProContract for £5k+ - easy for SMEs and local providers to view future and sub-contracting opportunities
- Provide specific feedback to unsuccessful bidders, enabling them to improve their bidding for future opportunities

Future Progress

What more could the Council do?

- Initiatives to support local SMEs with the tender process
 - Procurement demo (online demo)
 - Information on “how to respond”/ “how to write bid”
- Pre-engagement events
 - Soft market testing
 - Capacity built in advance, so local suppliers can respond
- Divide larger Contracts into Lots (where appropriate) to enable SMEs and local suppliers to access/bid
- The Council to define what constitutes “local”

Other Options

- Improve SME engagement
- Focusing on social value, and adding questions around this as standard in RFQs/Tenders
 - How bidders might improve economic, social and environmental wellbeing of the relevant area
 - RISK – may not result in value for money
 - RISK – may lead to less competition
- Adding standard Clauses within Conditions of Contract
 - If the Successful Provider were to sub-contract, this would need to be done as per the Council's CPRs i.e. seeking quotes from local suppliers
- Audit of Contracts/RFQs against CPRs to ensure staff are approaching local suppliers where appropriate

Questions / Specifications

- Some areas that could be included as either mandatory in a specification, or evaluated as part of an award question:
 - Work experience / apprenticeships
 - How they will support local people to access employment opportunities specifically related to the Contract let
 - Education / training
 - Environmental impact / carbon foot print
 - Improving health and wellbeing of local residents

Risks of Local Procurement

- Less competition, as non-local suppliers may feel disadvantaged
- Limited “value for money”
- Local authorities that pursue a strong preference for social value (localism) over MEAT (Most Economically Advantageous Tender) may risk opening themselves up to legal challenge on the basis of discrimination
- Social Value questions (Award) are difficult to evaluate in a fair and transparent way, so may increase risk of challenge
- ‘Local’ is difficult to define and potentially misleading
 - People commute across local authority boundaries to get to their job, therefore a local supplier may not employ locally
 - What constitutes a local supplier? Does an outsider-owned firm based locally count as local? Does a locally-owned firm with operations outside the local area score as local?

Any questions?