

Appendix 1

1. Information and capacity building

1.1 Workshops on “an introduction to procurement with Belfast City Council”

These workshops will serve as an introduction to our procurement processes – particularly for those who have never provided services or supplies to Belfast City Council.

They will include details of our processes (quotations/tender thresholds; adverts; e-sourcing portal etc.) as well as information on how our opportunities are presented (advance information on website; portal; adverts in local press etc.).

We anticipate organising four of these workshops (one each quarter) at locations across the city.

1.2 Capacity-building programmes

These programmes will help companies improve the quality of their bids by appointing a mentor to assess their current approach and go through live tender opportunities where appropriate to consider how they can improve their presentation.

They will also help them consider which opportunities they should be targeting and will help them work towards any relevant accreditations (e.g. quality marks).

These programmes will focus not only on the opportunities within Belfast City Council but also wider public procurement opportunities (CPD; Health Trusts; wider-UK/RoI public opportunities). Representatives from the council’s Corporate Procurement Service will present as part of the programme workshops.

We will run two programmes per year; involving up to 35 participating businesses.

We will include targets for new business won in each programme and will evaluate and assess this at the end of the programme.

1.3 Improving the website to make it easier for companies to find out about upcoming opportunities

We will re-configure the current website to make it easier for companies to find out about upcoming opportunities. This will include:

- Details on our processes/thresholds/where we advertise
- Details of upcoming tender (and quotations where advised) opportunities, based on the returns from departments
- Details of our requirements around environmental issues and advice and support in improving their performance in this regard
- Details of recent tender awards
- Case studies of companies who have won business with us (particularly local SMEs).

2. Maximising and measuring the impact of procurement spend

2.1 Developing a local multiplier model

The Centre for Local Economic Strategies (CLES) have developed a local multiplier model which allows an organisation responsible for a significant volume of spend – like a council – to measure the impact of its spend in the local area.

CLES' LM3 (local multiplier 3) model works by carrying out the following assessment of spend:

- **Round 1** is total spend
- **Round 2** explores spend upon local suppliers
- **Round 2** explores spend upon local employees
- **Round 3** explores the extent to which suppliers re-spend their incomes in the local economy upon local suppliers and local employees of their own
- **Round 3** explores the extent to which employees re-spend their incomes in the local economy in shops and upon services.

Feedback from other UK councils that have used this model suggests that the round 3 information, in particular, can be difficult to obtain, but they have often used proxy amounts or estimates. They also confirmed that it was a useful baseline to use and against which to measure the impact of the other interventions to increase local spend. In Manchester, there was a considerable increase in spend over a three year period – both in the city as a whole and in target neighbourhoods. It is likely that we will create a variation of this model to measure the Belfast spend – not only in terms of direct expenditure but also in terms of wider economic impact.

2.2 Screening tenders for possible inclusion of social clauses

The change in legislation in July 2012 allows councils to take account of non-commercial considerations in awarding contracts. The Department for Environment – which is responsible for this legislation – will produce guidelines for councils as to how this might work in practical terms.

In the interim, it is planned that the following approach is explored:

- Corporate Procurement Services will screen and evaluate all tenders against the following guidelines:*

 - Check what is legally permissible in consultation with Legal Services
 - Where the value and labour content of a contract is in excess of) £0.5 Million
 - Contract duration is over one year

- Work with the Department for Employment and Learning (DEL) who can advise on appropriate thresholds for apprentices/long-term unemployed/work placements on relevant pieces of work and who can also provide support to the contractor in gaining access to the appropriate resources and monitor compliance with the terms of the contract

**It is likely that this approach will evolve as further guidance emanates from central government. However we will work closely with our colleagues from Legal Services and DEL in the interim to find a practical solution that maximises local impact while meeting all appropriate legal requirements.*

In order to inform our approach, it is planned to visit a number of cities that have developed exemplar approaches to apprenticeship and employment opportunities through local procurement. Approval has already been given by the Strategic Policy and Resources Committee for these visits.

2.3 Exploring the use of e-sourcing portal for all quotations

Since January 2010, Belfast City Council has made our tenders available to the supply base on e-Sourcing NI. Corporate Procurement Services carry out an analysis of spend on a yearly basis and this report is used to determine our strategic direction to achieve efficiencies and ensure compliance across the council.

However, due to the devolved nature of the quotation process (i.e. departments are responsible for spend under £30,000), there is no spend information available regarding contracts that emanate from quotations. Through the work being undertaken under the Procurement Improvement Programme, methods of addressing this are being reviewed. It is anticipated that recommendations will be brought forward through the Corporate Management team in December 2012 and SP&R Committee, if appropriate.

If any new approach is agreed, Corporate Procurement Services will develop a communications plan and work with Economic Initiatives to raise awareness of potential suppliers. Any proposed approach will also form part of our information and awareness-raising workshops (1.1).

3. Improving access to council opportunities for small companies

3.1 Developing a consortium toolkit

It is recognised that many small businesses find it difficult to access public contracts, given their complexities as well as the fact that some of them are too large for a small business to manage on its own.

Belfast City Council has developed a consortium toolkit for small businesses. This publication is currently being printed up and will also be available online. It will provide a step-by-step guide to consortiums and joint ventures; outline the pros and cons of each; identify the appropriate legal structures and contractual measures that need to be taken account of and provide a handy checklist for what a company needs to consider if they are planning to take this approach.

Once this toolkit is produced, we plan to undertake a number of training sessions with companies who may be interested in this approach. Where possible, these will dovetail with our larger tender opportunities (see 3.2 and 3.3 below).

3.2 Dividing tenders into lots (where appropriate)

When tenders have been approved, Corporate Procurement Services will look at the scope of the tender and consider whether it would be appropriate or viable to divide into lots. This is one method of enabling small businesses to gain access to the opportunities.

This approach is in line with the recommendations presented in the recent Federation of Small Business report on Local Authority Procurement. It should be noted that to do this may take additional time and management by departmental officers to deliver and will need analysis on a case-by-case basis, weighing up the potential impacts on efficiencies and possible cost-savings.

3.3 Providing pre-tender workshops on key opportunities

In order to raise awareness of some of our major tendering opportunities, we intend to organise a series of pre-tender workshops to allow the companies to come along and meet the Project Manager and appropriate technical staff.

These will provide an opportunity for the council staff to outline the scope of the tender and to give an insight into what they expect from the submission. Attendance will be open to all businesses, although they will have to register to attend.

There are a number of upcoming or live opportunities for which we will consider this approach:

- Alleygates - £1.5million contract for supply and installation of alleygates across the city, as part of a contract from the Department of Justice, has just been issued. We held two workshops for potential suppliers in early October, to which over 40 companies came along
- Employment Agency – the employment agency contract is to be re-issued within the next few months.
- Catering – Three tenders will be available relating to Belfast Zoo, Belfast Castle and Malone House. These will be advertised over the next six to nine months.
- Kerbside collection – The value of this contract is £1 million per year and will be advertised in November 2012.
- Play equipment – The value of this contract is £750,000 and is envisaged will be advertised in January 2012
- Four framework contracts are to be established in the coming months:
 1. Integrated design team
 2. Landscaping
 3. Quantity surveying services
 4. Civil engineering/minor works.
- It is anticipated that the advert for these opportunities will be issued in January 2013 with an April appointment date for a three year period (plus an option of one year further extension). At this stage, it is proposed that we will create a list of 4 possible suppliers for each framework and will then have mini-competitions as work comes up under each.

We will also work with external contractors to promote access for the local supply chain and sub-contractors, to other externally-funded infrastructure investments e.g. three stadia projects; Connswater Community Greenway and Girdwood. We will build on the work that we have done through our Construction Sales Growth programme, ensuring that local businesses have the technical skills and competencies to bid for the work and that they can present themselves for competitive sub-contracting opportunities.