

**THE FEDERATION OF SMALL BUSINESSES  
WESSEX REGION**



**DORSET CAMPAIGN**

**LOCAL AUTHORITY PROCUREMENT**

**A BETTER CHANCE FOR SMALL BUSINESSES**

**CAMPAIGN FINDINGS**

**MAY 2008**

This document is the result of a five-year campaign of research and action undertaken by Dorset Branches of The Federation of Small Businesses.

Colin P Jamieson  
Regional Organiser

## INDEX

Executive Summary	page 3
Introduction	page 4
Local Authority Procurement in Dorset	page 5
Summary of Responses	page 6
Conclusions	page 10
Annexe A	Dorset County Council Five-year analysis Questions to Council Response to Questions
Annexe B	Bournemouth Borough Council Five-year analysis Questions to Council Response to Questions
Annexe C	Poole Borough Council Five-year analysis Questions to Council Response to Questions
Annexe D	Christchurch Borough Council Five-year analysis Questions to Council Response to Questions
Annexe E	East Dorset District Council Five-year analysis Questions to Council Response to Questions
Annexe F	North Dorset District Council Five-year analysis Questions to Council Response to Questions
Annexe G	Purbeck District Council Five-year analysis Questions to Council Response to Questions
Annexe H	West Dorset District Council Five-year analysis Questions to Council Response to Questions
Annexe I	Weymouth and Portland Borough Council Five-year analysis Questions to Council Response to Questions

## **EXECUTIVE SUMMARY**

Each year since 2004 the FSB Dorset has issued a National Non-Domestic Rates (NNDR) questionnaire to all Dorset local authorities asking a series of questions in a number of categories, pertinent to small businesses' dealings with their local councils. One category has included questions on procurement in terms of offering opportunities to local businesses.

The procurement campaign itself began in 2006 when enough data had been gathered to begin asking serious questions and has involved all of Dorset's nine local authorities. The very action of submitting questionnaires and more recently asking questions at open Council meetings, has raised awareness of the FSB and showing it as 'on the ball', not afraid to ask questions and prepared to make waves on behalf of its members.

The results of the campaign indicate that Dorset councils are keen to be seen supporting local businesses. Some Councils have achieved a great deal, whilst others have quite a way to go. What is important is that things have changed for small businesses and this has been brought about largely due to the pressure of the FSB lobbying team.

A document was prepared showing the responses to procurement questions from 2004 to 2008 for each council within the NNDR questionnaire. Annexes A to i provide a copy of these responses along with the questions and answers posed to Dorset authorities during the associated 'Questions to Councils Campaign' run from late 2007 to early 2008.

## INTRODUCTION

This report provides results and findings of the work carried out in Dorset by all FSB Branches to lobby for a better deal for small businesses in public sector procurement.

Following an analysis of NNDR responses it became apparent that procurement was a major issue in Dorset.

The campaign began in April 2007, when a document was presented at County Meeting. The document, entitled *Small Businesses and Public Sector Procurement in Dorset* was compiled using the responses to questions within the annual NNDR survey of all nine local authorities in Dorset. This document made recommendations for actions that could be taken. Briefly, these were:

1. To engage with Dorset local authorities to develop consistency in their approach to procurement and SMEs and to encourage them to use supply2gov and use PQQ
2. To influence local authorities where decisions on procurement policies, implementation of e-procurement and using services such as supply2gov had yet to be made.
3. To recognise the importance of the FSB's NNDR surveys and encourage them to complete and return them.
4. There is a need to promote supply2gov amongst SMEs and encourage them to sign up to it

A Further document – *A Better Chance for Small Businesses* was then prepared to make more specific suggestions on lobbying on this important topic.

The go head from the Dorset Committee was given to take this important project forward.

## **LOCAL AUTHORITY PROCUREMENT IN DORSET**

The reports considered by Committee suggested that one system could be used to bring procurement to the attention of local authorities as an issue of concern to business, raise awareness within the public domain and raise awareness of the FSB's lobbying position. This would be to utilise democratic times that allow members of the public, including businesses, to ask questions and present petitions that are now part of Council meetings.

Two actions were then taken. Firstly, using the responses to the NNDR survey question on Procurement a series of questions pertinent to each local authority were prepared. Secondly, all the Dorset Local authorities were contacted and asked about their procedures for asking questions.

A table of responses to these was then compiled. The Councils were each written to and a Branch Officer delegated to attend the relevant meeting to pose the question.

Further to this activity the NNDR Survey for 2008/09 was sent out last autumn and, for the first time there was a 100% response. This will allow not only a comparison to the response from 2007/08 but also to the answers given at the various meetings.

In addition, a press release was issued explaining the FSB's actions and this has achieved coverage in the local media. Some of the meetings have also been covered.

## **SUMMARY OF RESPONSES**

*Questions were submitted and asked at council meetings held between November 2007 and February 2008*

### **Dorset County Council**

Meeting was held on 14 February, Bill Dedman attended.

The Council has appointed its e-tender provider and it is in development. They are hoping to run a pilot scheme this summer. The Council is also purchasing a major new ICT platform and until this is in place the e-marketplace will not be in use. However, P Cards are now in use and the Council is looking to find a number of high volume and low value transactions during the year to extend their use.

The Council had obtained a copy of the government's pre-qualification questionnaire and intends to begin using it in a roll-out.

In addition to the questions the Council added that its 'Selling to the Council' pages on the *Dorset For You* website had been given extensive improvements. Staff from the Procurement Contracts Management Team had also recently attended business breakfasts to offer advice on contract opportunities.

A meeting with Andy Ray, Head of Procurement was offered.

### **Christchurch Borough Council**

Meeting held on 04 December asked by Bill Dedman.

There was a comprehensive response. The main feature being that the Council is joining with East Dorset District and North Dorset District Councils in jointly appointing a Procurement Officer. This Officer will look at the Councils' procurement requirements and make recommendations, including the use of supply2gov.

It was unlikely the Officer would be in post before the autumn (2008).

The introduction of the e-marketplace is likely to take place during 2008/09 and go live in early 2009/10.

Major contracts are on the dorsetforyou website. A register of all contracts utilised by the Council is being compiled and should be available by March this year.

The Council remains undecided on whether to sign up to the Small Business Friendly Concordat.

## **Bournemouth Borough Council**

Meeting held on 15 January asked by Colin Jamieson

Bournemouth provided a comprehensive response that focused on three facets of e-procurement. These were:

1. Purchasing Cards – specifically for low value, low risk purchases
2. Electronic Ordering – Seen as a way to reduce costs.
3. Electronic Sourcing – Hosting the tender process on line, including completing the Pre-Qualification Questionnaire electronically and in advance.

The Council is hoping for a gradual introduction of purchasing cards over the next twelve months and full implementation of e-procurement within the next three years or less.

The Council is confident that even the small supplier will be able to do business with them in at least one of the facets. They hope to ensure that in development of the plans that small businesses are in no way disadvantaged.

The Council is signed up to the Small Business Friendly Concordat.

As part of the implementation, the Council's Strategic Procurement Team will be organising 'Road shows' that local businesses can attend, to listen to the Council's plans.

## **East Dorset District Council**

Meeting held on 25<sup>th</sup> February Bill Dedman attended.

The Council had no current plans to use the supply2gov website but this will be reviewed once a joint appointment with Christchurch Borough Council and North Dorset District Council of a procurement officer has made.

Progress is being made with e-procurement in respect of goods and services under the tender values set out in the Council's constitution but e-procurement is not available and unlikely to be so in the near future.

The Council is satisfied with its alternative to the PQQ but its position on this is reviewed regularly.

## **North Dorset District Council**

Meeting held on 25 January attended by Ed Sadd

As above North Dorset is in negotiations with Christchurch BC and East Dorset DC in making the joint appointment of a procurement officer.

The Council is investigating linking supply2gov with its website. For its procurement the Council follows its constitution or advertises contract opportunities in accordance with the Official Journal of the European Union.

Consultants are currently investigating the potential of the e-marketplace for the district. At present costs of implementation outweigh the benefits.

The Council will use the Pre-Qualification Questionnaire when appropriate.

The Council stated that it was keen to support small businesses and will be examining the benefits of signing the Concordat.

### **Poole Borough Council**

This meeting took place on 21<sup>st</sup> February and was attended by Wayne Harris.

The Council has improved its online service for making contracts to tender more accessible and a number of contracts and information of the type of goods and services the Council buys is available on site.

New software has been purchased which will enable all the council's service units to post current contracts information on the Council's website, allowing suppliers to see what the council is buying and when contracts are up for renewal.

The Council is committed to providing a single, integrated website which will ensure the whole site meets usability, quality and accessibility standards.

The Procurement Strategy is due to be refreshed during the course of next year as part of an overall drive towards efficiency and Business Transformation and members will consider the benefits of the Small Business Friendly Concordat in light of the Council's commitment towards efficiency.

### **Purbeck District Council**

This meeting took place on 11 December and was attended by Barnaby Quaddy.

The Council uses its website for contracts but has not posted any recently.

E-procurement has been implemented but only with regard to internal processes. The traditional approach to tendering is still used.

The Council does not use and has not considered using the government's Pre-Qualification Questionnaire and uses an existing one.

The Council has not considered signing the Small Business Friendly Concordat.

### **West Dorset District Council**

The Council responded to the letter by stating questions to Council were not allowed but provided a written response to the questions asked.

The Council has reviewed its current financial system and will be replacing it, and also will be implementing an electronic purchase order system. This will give the Council the capacity to order goods and services electronically. It will also 'equip the Council with the technology to participate in the e-marketplace in the future'.

They anticipate the new system going live early this year and dispense with the paper-based system within six months of implementation

The Council is also reviewing using government procurement cards.

### **Weymouth & Portland Borough Council**

Questions were asked of the Council by Jeremy Marks-Terry on November 26.

The Council did plan to use the supply2gov website from the next financial year. The Council had implemented its own pre-qualification questionnaire and had already signed up to the Small Business Friendly Concordat a year ago.

## CONCLUSIONS

Most Councils have so far expressed a desire to support small businesses though are still either reluctant or 'considering' signing the Concordat.

The subject of procurement and e-procurement in particular, seems complex- to some councils, particularly the smaller authorities, and joint working is being investigated by two groups. This needs to be a feature of a future project.

Of the original recommendations the following has been achieved:

1. Engagement with Dorset local authorities to develop consistency in their approach to procurement and SMEs and to encourage them to use supply2gov and use PQQ.

More Dorset Councils are considering small businesses when developing procurement policies and that the FSB is ready to lobby to achieve a more consistent approach.

2. Influence local authorities where decisions on procurement policies, implementation of e-procurement and using services such as supply2gov had yet to be made.

This is apparent by some of the answers to questions

3. Recognition of the importance of the FSB's NNDR surveys and the need to complete and return them.

The 2008/09 NNDR questionnaire had a 100% response for the first time.

4. The need to promote supply2gov to SMEs and its advantages

This is one area which requires more work pertinent to local authorities and in making businesses aware of supply2gov

## Dorset County Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT**  
**A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

### Five-Year Analysis

QUESTION	Budget Year	DORSET COUNTY COUNCIL
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	x
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	Procurement Strategy makes reference to local procurement and has been presented to the County Council. External consultation took place at a session organised for SMEs
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	Yes, supplementary to our own selling to the council websites
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Yes
Have you implemented e-procurement?	2007/08	At the pilot stage, rollout during 2007 -support available for suppliers via online help and named contact points
Have you implemented e-procurement?	2008/09	Yes
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	At the pilot stage, rollout during 2007 -support available for suppliers via online help and named contact points
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	Currently implementing a web-based e-tendering system which will provide email alerts for contract opportunities
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	Document not yet seen, are awaiting copy
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	No
Do you have plans to?	2007/08	Will be considered
Do you have plans to?	2008/09	We are reassessing our PQQ to design it to be more appropriate for SMEs and will include consideration of the OEC PQQ in our review
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	Yes, is posted on the website
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	No

## Questions to Dorset County Council

Your Council kindly responded to a questionnaire last year and in view of the responses we would now like to ask the following questions at the meeting of the Council being held on 05th December:

- The Council stated that its implementation of e-procurement and the availability of contracts to tenders that are accessible for small businesses was being 'rolled out'. Could the Council tell us if this process is now complete and if not when it envisages it will be available?
- The Council stated that it had yet to see a copy of the Government's Pre-Qualification Questionnaire and was awaiting a copy. Could the Council tell us if it has seen a copy yet? If not, has it taken steps to acquire a copy?
- If the Council has now seen a copy, does the council intend to use the Questionnaire?

## Response to Questions Dorset County Council

The Federation of Small Businesses in Dorset has a long record of working with local authorities and other partners in the community to ensure that the views, support and interests of businesses are fully considered.

Representatives of the Federation have been particularly helpful in representing the local business community in areas of the County Council's work including economic development and regulatory services such as trading standards. We therefore value our relationship with the Federation as a key partner in many areas of our work. In answer to the three specific questions raised by the Federation I can respond as follows:-

Firstly, **e-Procurement**. This covers a number of different areas relating to e-trading, and I can give an update on the various projects which are hopefully of interest to the Federation of Small Businesses.

### **e-Tendering**

The current position is that the Council has appointed its e-tendering provider and they are working with us in the development of the project. Our timescale is to run a pilot in the summer this year.

### **e-Marketplace**

The County Council is to purchase a major new ICT platform and e- market will not be in use until the new platform is in place.

### **p-Cards**

P Cards are in use and we are looking to find a number of high volume and low value transactions during the year to extend their use.

Secondly, a copy of the pre-qualification questionnaire was obtained in November 2007 from the Office of Government and Commerce website.

Thirdly, it is the Council's intention to make use of the Government's pre-qualification questionnaire this year with a steady rollout. I would like to add that, to assist all businesses and other organisations who wish to trade with the Council, the 'Selling to the Council' pages on the 'Dorset For You' website have

LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS

been improved extensively during 2007. All contract opportunities are made available on that site. In addition, support staff from Procurement and Contracts Management have attended breakfast briefing sessions set up by business forums, most recently Ferndown and Verwood, to provide advice on contract opportunities.

I understand that there has been correspondence already about these matters and I would repeat the offer made last year, of a meeting with Andy Ray our Head of Procurement if that would be of assistance.

## Bournemouth Borough Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

<b>QUESTION</b>	<b>Budget Year</b>	<b>BOURNEMOUTH BOROUGH COUNCIL</b>
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	Lead partner in region wide procurement strategy
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	x
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	There are no existing plans to use this website. However it can be assessed as part of the Council's review of procurement activities as a potential route to market on requirements.
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Strategic procurement do not currently use this website. Could be of use - currently consolidating contracts to assess spend.
Have you implement e-procurement?	2007/08	The Council's procurement activities are under review in terms of process and capability. Until this review is completed and procurement is performing in an acceptable manner, there will be no e-enablement of the activity. The provisional planning date for starting a strategic review of e-enabling procurement at Bournemouth is Q3 2007/08.
Have you implemented e-procurement?	2008/09	No. Currently considering business cases for e-ordering; p-cards; e-sourcing. Considering roll out of e-procurement in 2008.
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	Tenders are currently released to industry by conventional hard copy / surface mail means. The use of electronic channels for release of tenders will form part of the Q3 2007/08 review highlighted above.
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	n/a will be considered as project progresses
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	No - Bournemouth Council utilise a PQQ compiled from best practice LGAs whilst a financial stability /accreditation service on suppliers is provided by EXOR
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	No, operate our own scheme
Do you have plans to?	2007/08	No - see above
Do you have plans to?	2008/09	Not at present
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	No it has not. However, the Concordat can form part of the aforementioned review on procurement activities, allowing its contribution to be assessed as part of that holistic exercise.
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	Yes

### Five-Year Analysis

## Questions to Bournemouth Borough Council

In view of the fact that the Council is still 'considering' the implementation of e-procurement could the Council give the small business community an idea as to when e-procurement may be available and assure us that tenders will be accessible to small businesses?

## Response to Questions Bournemouth Borough Council

### *Cabinet Member Response:*

I would like to thank Mr. Jamieson for his question, which is particularly timely. One of the Administration's key priorities is looking at ways in which this Council can be run more efficiently. The Government has announced the results of its Comprehensive Spending Review, and it is quite clear that we, along with many other Councils, will need to find significant cash savings over each of the next 3 years. Having looked at a number of other Councils who have already implemented e-procurement, and achieved considerable savings as a result, I am persuaded that we must press ahead as fast as we can to do the same.

Essentially, there are 3 facets which, when taken together, form "eProcurement":

1. **Purchasing Cards:** this is the ordering and payment of goods and services by card for low value, low risk transactions, for example: stationery, or fruit and vegetables. The main benefits for the Council would be the reduction in transaction time, the ability to order on-line and a huge reduction in the number of paper invoices that we receive and process daily. For suppliers, the main benefits would be the similar reduction in paperwork and 3 to 4 days payment on monies owed.
2. **Electronic Ordering:** this is the ordering and payment of goods and services that are above the low value, low risk threshold covered by purchasing cards. The ordering format would allow more detail to be included, for instance ensuring clarity on what is required and when. The main benefits for the Council would be ability to access the marketplace electronically, the reduction in the true cost from ordering to final payment and having access to immediate comprehensive spending information. For suppliers, the main benefits would be clear ordering detail and improved confidence on payment dates.
3. **Electronic Sourcing:** this is the hosting of the tender process on-line with the ability to conclude the exercise with an electronic (reverse) auction. In order to participate, suppliers will complete the pre-qualification questionnaire electronically, and in advance. Nationally, there is a great deal of evidence demonstrating the effectiveness of e-Auctions in driving down costs, both in real cash, and efficiencies in officer time. E-Auctions are a very transparent process, and contracts will be awarded to the supplier that has bid the lowest price. It will ensure the application of a consistent process for tendering across the Council with a reduction in the need to release and then deal with paper-based documents. For suppliers, the main benefits would be confidence that all respondees to a tender were doing so in a fair and consistent way and again the reduction in the need to submit paper-based documents.

In response to the question of when e-procurement is likely to be implemented, a number of members of this Council who sit on the Administration and Value for Money Overview Panel will recall that I presented 3 Business Cases which together comprise “e-procurement” to them only last week. Those Business Cases seek to establish the cost, benefits and changes required to bring about the use of p-cards, e-ordering, and e-sourcing. The Panel recommended support for the concept of eProcurement and its application within the Council in principle. I am now working closely with my Cabinet colleague the Deputy Leader and Portfolio Holder for Resources, and key officers at the Council, to actively consider how best to fund the necessary investment and bring on the implementation of e-procurement Council wide, and in the shortest possible timescale.

The most likely scenario will be a gradual introduction, starting with the use of P-Cards, which we are very close to trialling now. Once that trial has been successfully concluded, I intend to roll it out across the Council within the next 12 months. How quickly we can then proceed to the implementation of e-ordering and e-sourcing including e-tendering will depend on a number of factors, but principally the allocation of resources including of course officer time, and the desire within the Council’s numerous business units to actually use the tools when they become available. Subject to those constraints, there is no reason why e-procurement should not be fully functional across the whole of this Council within the next 3 years or less, since other Councils have achieved a similar result in 2.

The second part of Mr. Jamieson’s question deals with the ability of small businesses to continue to tender for Council business. For some time to come, as these e-procurement tools become available, they would run in parallel with “traditional” (paper-based) ways of undertaking procurement but they will enhance the way in which the Council can approach markets and order goods and services. I am confident that even a small supplier will be able to conduct business with us in at least one of the three modes I have described but if there was a genuine reason why not, they would still be able to contract with the Council under the existing system. Gradually, and especially where it is appropriate to the potential value of the contract and the suppliers who are likely to be in a position to tender then the Council will seek to include the requirement to conclude the transaction by the use of one or more eProcurement tools within the original specification.

In the development of these plans the Council will ensure that small businesses are in no way disadvantaged. It is not in the Council’s best commercial interests to exclude any (potential) suppliers, whether due to technology or otherwise. The Council is a signatory of the Small Business Concordat and accordingly adheres to the principles in how it sources and orders its goods and services.

I am especially keen to ensure that local businesses are given every opportunity to participate in as many Council contracts as is possible. This makes obvious business sense and a good example of that is the new Library and Housing offices in Kinson where the team of Architect, surveyors and so on that have been appointed under

the traditional tendering process are all locally based. As far as the implementation of e-procurement is concerned I have asked the Strategic Procurement Team to organise “roadshows” which will be well publicised in advance, so that local businesses can attend, understand our goals, and see how their participation will be as much of benefit to them, as it is to the Council. The first of these will be taking place at the end of March organised in conjunction with the Council’s economic development team, and I will ensure that the Wessex Region of the Federation of Small Businesses is notified of the venue and date as soon as possible, in addition to the usual publicity channels.

In summary, we will be able to demonstrate :

- A significant reduction in paperwork – doing away with vast numbers of individual invoices for relatively small amounts.
- A 3 to 4 days payment on monies owed which would significantly enhance cash-flow.
- A clear ordering detail and improved confidence on payment dates.
- The ability to respond to tender pre-qualification questionnaires electronically followed by the ability to participate in e-tendering and e-auctions.

The technology required to facilitate and participate in the Council’s eProcurement programme will be, in the most part, a personal computer with broadband access and as a result it will become easier for businesses of any size to do business with us.’

Poole Borough Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five-Year Analysis**

<b>QUESTION</b>	<b>Budget Year</b>	<b>POOLE BOROUGH COUNCIL</b>
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	Yes in consultation with local businesses
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	The Council is in the process of reviewing its procurement strategy. The support for local businesses and the consultation process will be considered during the review.
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	Yes, yes
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Yes
Have you implemented e-procurement?	2007/08	Not fully
Have you implemented e-procurement?	2008/09	Not fully
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	Yes internally, no externally. 2nd quarter of 2007 a contacts opportunity portal going on bop.com for access to available tenders
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	Yes internally, no externally.
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	Yes
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	Yes, in the main with some minor amendments
Do you have plans to?	2007/08	Does
Do you have plans to?	2008/09	n/a
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	No
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	No

### Questions to Poole Borough Council

- Has the Council achieved its target of making contracts to tender accessible to SMEs online by the second quarter of 2007?
- Does the Council intend to sign up to the Small Business Friendly Concordat?

### Response to Questions Poole Borough Council

Councillor Leverett responded in the following terms:

“The Council has improved its online service for making contracts to tender more accessible to all contractors including Small and Medium sized Enterprises. Currently a number of contracts and information of the type of goods and services the Council buys is available on site. Our plans are to improve this further and software has been purchased which will enable all our service units to post current contracts information on the Council's web page which will further enable suppliers to see what we are buying and when contracts are up for renewal.

To help organisations like Small and Medium sized Enterprises the Council is committed to providing a single, integrated website, which presupposes a large element of commonality in 'look & feel' and ensure the whole site meets usability, quality and accessibility standards.

The Council is very mindful of the Small Business Friendly Concordat, which has as the objective of assisting more small local businesses to secure Council contracts. Our Procurement Strategy is due to be refreshed during the course of next year as part of our overall drive towards efficiency and Business Transformation. This refresh will enable members to consider the benefits of the Small Business Friendly Concordat in light of the Council's commitment towards efficiency”.

The Mayor thanked Mr Harris for his Question and for attending the Meeting

## Christchurch Borough Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT**  
**A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five-Year Analysis**

<b>QUESTION</b>	<b>Budget Year</b>	<b>CHRISTCHURCH BOROUGH COUNCIL</b>
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	Emerging procurement strategy is taking place with business organisations
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	Yes - anticipate to consult during 2005/06
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	Not at this time
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Not used at present but may be in the future. The Council is currently entering into an agreement with two other local authorities for a shared Procurement Officer and when this post has been filled the whole of the Council's approach to procurement will be reviewed.
Have you implemented e-procurement?	2007/08	The existing finance system is not capable of e-procurement; new system goes live 01 April 2007 and e-procurement will be rolled out at a later date
Have you implemented e-procurement?	2008/09	Not used at present but may be in the future. The Council is currently entering into an agreement with two other local authorities for a shared Procurement Officer and when this post has been filled the whole of the Council's approach to procurement will be reviewed.
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	n/a
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	The Council currently puts details of its major contracts and tendering opportunities on Doing Business With Christchurch Borough Council page of the Dorset4you website which can be accessed by anyone with the internet.
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	Yes
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	Yes, when relevant
Do you have plans to?	2007/08	n/a
Do you have plans to?	2008/09	n/a
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	Not yet, currently under consideration
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	Not at present time

### **Questions to Christchurch Borough Council**

- Does the Council plan to use the supply2gov website and if so, when does it anticipate it being available?
- The Council stated that e-procurement would be rolled out once its new financial system is in place. Is this system now in place and when does the Council envisage fully implementing e-procurement?
- Once e-procurement is available will contracts to tender be available online or by other means accessible to SMEs?
- Has the Council made a decision as to whether or not to sign up to the Small Business Friendly Concordat?

### **Response to Questions Christchurch Borough Council**

In order to answer the questions fully it is necessary to give some back ground on the Councils' position with regard to procurement.

A recent review of the Council's approach to procurement and achievement of the Government's National Procurement Strategy targets identified that it had fallen behind in terms of where it would like to be in order to achieve its objectives and that this was due, in the main, to a lack of a dedicated procurement resource.

To redress this situation and bring the Council forward significantly in terms of procurement several options were considered, including the use of a temporary Procurement Officer shared with East Dorset District Council and North Dorset District Council who have found themselves in a similar position. On 31 October 2007 Resources Committee approved the funding required for this shared post on the basis that it would become self funding through the savings made by more efficient and effective procurement.

It is not anticipated that an officer will be in post before February 2008 and their first tasks would be to review the Council's current procurement, methods, spend pattern and contracts in order to make recommendations for improvements. It is important to get the basics of procurement right before entering in to the electronic marketplace. We need to look at the Council's Procurement Strategy itself to determine the right balance between cost, value for money, supporting the local economy and sustainability. All of this will take some time to achieve as the Procurement Officer will need to work equally with all three councils and will have a lot of initial background intelligence to gather.

LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS

To answer the questions then:-

1. At the present time the Council does not use the supply2gov website to offer its contracts nor source suppliers. This would be something that the Procurement Officer would look at and make recommendations on once fully apprised of the Council's procurement requirements. This is unlikely to be before the autumn of 2008.
2. The new financial system went 'live' on 1<sup>st</sup> April 2007 and now that the six month bedding down period has been successfully completed a number of phased improvements of the entire procurement process are taking place including the use of system generated purchase orders instead of manual ones and the payment of suppliers by BACS rather than cheque.

The use of e-procurement through an e-marketplace is the next natural progression and its introduction will be one of the first tasks to be undertaken by the new Procurement Officer. Experience of other neighbouring authorities such as East Dorset has shown that it takes up to a year from deciding on an e-marketplace provider to going live with it as a means of procurement as it involves liaising with suppliers to populate the e-marketplace with their catalogues, terms and conditions etc. This is particularly important as help may need to be given to smaller suppliers in setting up websites and catalogues to go in to the e-marketplace.

The introduction of the e-marketplace is thus likely to take place during 2008/09 and go live in early 2009/10.

3. The council currently puts details of its major contracts and tendering opportunities on its 'Doing Business with Christchurch Borough Council' page of the Dorset4you website which can be accessed by anyone with the internet.

In addition to the major contracts a register of all contracts utilised by the Council is being compiled and will be made available on the same webpage when complete. It is expected that this will take place before the end of March 2008.

4. The Council is aware of and appreciative of the contribution made by small businesses to the local economy and seeks to help and encourage them where possible. At the present time the Council has not signed up to the Small Business Friendly Concordat in common with many other local authorities as it requires a great deal of information to be collated and made available on the Council's website including a detailed Contracts Register, value of contracts and list of key suppliers.

This information was not readily available from the previous financial system and, as mentioned in my answer to the previous question, once this information is available and placed on the website the Council will reconsider whether it wishes to sign up to the Concordat

East Dorset District Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT**  
**A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five-Year Analysis**

QUESTION	Budget Year	EAST DORSET DISTRICT COUNCIL
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	Yes. Must be competitive
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	not completed
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	No
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Not at the moment but plan to in the future
Have you implemented e-procurement?	2007/08	In Progress
Have you implemented e-procurement?	2008/09	Being trialled on a pilot basis but have incurred problems which will delay implementation.
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	n/a
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	see above
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	No. Done through EXOR database
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	No
Do you have plans to?	2007/08	not completed
Do you have plans to?	2008/09	Yes
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	Not that the respondent was aware of
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	Yes

### Questions to East Dorset District Council

Does the Council plan to use the supply2gov website and if so, when does it anticipate it being available?

- The Council stated that its implementation of e-procurement and the availability of contracts to tenders that are accessible for small businesses was 'in progress'. Could the Council tell us if this process is now complete and if not when it envisages it will be available?
- The Council uses an alternative to the Government's Pre-Qualification Questionnaire. Has the Council evaluated the effectiveness of its current system of using EXOR against using PQQ?

### Response to Questions East Dorset District Council

1. There are no current plans to use the supply2gov website at this stage, however with the joint appointment of a Procurement Officer with Christchurch Borough Council and North Dorset District Council this will be reviewed in the future.
2. Progress is being made with e-procurement in respect of goods and services under the tender values as set out within the Councils (sic) Constitution, at this stage e-procurement is not available for tenders and is unlikely to be so in the future.
3. No. The Council are (sic) satisfied with the Councils (sic) current system of EXOR and keep (sic) the position under review.

North Dorset District Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT**  
**A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five-Year Analysis**

QUESTION	Budget Year	NORTH DORSET DISTRICT COUNCIL
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	Yes, generally this Council will use local businesses for goods and services where it can be demonstrated that there is no collusion or favouritism being shown. The Council is seeking a greater interaction with the business community to show them how to bid for service and goods supply.
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	x
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	No process of implementing, but not yet
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	We are progressing with a plan to improve procurement and have as a policy, the support of local business
Have you implemented e-procurement?	2007/08	No process of implementing, but not yet
Have you implemented e-procurement?	2008/09	In progress
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	No process of implementing, but not yet
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	not completed
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	No process of implementing, but not yet
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	not completed
Do you have plans to?	2007/08	No process of implementing, but not yet
Do you have plans to?	2008/09	not completed
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	Do not know of its existence
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	Yes

## Questions to North Dorset District Council

- Has the Council implemented its using the supply2gov website?
- Could the Council inform us of its progress in implementing e-government and also how it is making contracts to tenders accessible and easily available for small businesses?
- Is the Council now using the government's Pre-Qualification Questionnaire?
- Is the Council now aware of the existence of the Small Business Friendly Concordat and if so does it intend to sign it?

## Response to Questions North Dorset District Council

### Response from Councillor Moyle, Cabinet Portfolio-Holder for Procurement

"This question comes at an opportune time because North Dorset has entered into negotiations with East Dorset and Christchurch Councils to appoint a procurement officer who would work for all three councils.

All three councils are relatively small, have limited procurement experience and the work falls to a number of employees, none of whom hold the CIPS procurement qualification. A report is being presented to Cabinet on Monday 28 January when councillors will decide if they want to enter into this partnership.

If the proposal is supported by councillors, it will enable the Council to develop its expertise in procurement practice and how it interacts with small businesses.

To answer the specific questions:

### Question 1

To brief Members who may not be aware, this is a website where contract opportunities are advertised. It is one place where suppliers can look for all contracts that are available to bid for.

A number of councils have their own portals which are automatically linked to supply2gov. The District is investigating linking to this website to enable small businesses to view the contract opportunities. The Council currently advertises all its contract opportunities in accordance with the Official Journal of the European Union (OJEU). This details the contract thresholds above which procurement needs to follow OJEU rules. Otherwise procurement follows the procedures documented in the Council's constitution. All contracts that meet the OJEU criteria are advertised on My Tenders and the Council's website.

## **Question 2**

The South West Centre of Excellence provided funding for Ticon, a procurement specialist consultancy, to investigate the potential of an e-market place for the District. The conclusion was that we would be better placed to develop an e-procurement solution because our financial management system already had a procurement function which could be brought into use. There was no convincing evidence that an entry into e-market place would benefit the Council at this time in that it would involve considerable cost (in the region of £30,000) when we already have a workable solution. The proposed post would lead the work to implement e-procurement.

## **Question 3**

The Pre-Qualification Questionnaire is an initial application form that suppliers complete to assess their suitability to go forward to the next level of tendering. Yes, when appropriate the Council will use this questionnaire in line with the guidance of the Office of Government and Commerce.

## **Question 4**

To brief Members who may not be aware, this Good Practice Guide supports the Small Business (SME) Friendly Concordat (Statement of Principles), which has been prepared for local authorities in support of the National Procurement Strategy for Local Government.

The Guide provides examples of good practice and explains how local authorities can frame and deliver their procurement strategies in accordance with the principles of the Concordat. The Concordat is a statement of principles that local authorities can deliver in ways that suit their local circumstances.

This Council is keen to support small businesses and we will be examining the benefits of the Concordat and the potential of the Council signing up to it. Lists of the Council's current suppliers show that the Council already purchases from local companies and from small local businesses."

Purbeck District Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five-Year Analysis**

QUESTION	Budget Year	PURBECK DISTRICT COUNCIL
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	x
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	x
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	x
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	The Council uses the website but has not posted any contracts recently
Have you implemented e-procurement?	2007/08	x
Have you implemented e-procurement?	2008/09	Yes, but only with regard to internal processes
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	x
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	Traditional approach to tendering is still used
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	x
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	No we have an existing one
Do you have plans to?	2007/08	x
Do you have plans to?	2008/09	Not been considered
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	x
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	not been considered

### **Questions to Purbeck District Council**

- Do you use the supply2.gov website or do you have plans to
- Have you implemented e-procurement and is it online
- Do you use the governments Pre-Qualification Questionnaire and if not are there plans to do so
- Has the Council signed up to the Small Business-Friendly Concordat

### **Response to Questions Purbeck District Council**

Responses direct from the Chief executive as the Council had not prepared answers.

No

Barely started and not on line

No and no plans to – yet

No but think they do something similar

## West Dorset District Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five Year Analysis**

QUESTION	Budget Year	WEST DORSET DISTRICT COUNCIL
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	x
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	Not yet. Developing a revised procurement strategy is a key aim for 2005/06 and supporting local businesses will be an element
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	Yes
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Yes
Have you implemented e-procurement?	2007/08	In a limited form. Further plans to do so
Have you implemented e-procurement?	2008/09	Not in any organisation structured way
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	Online
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	n/a
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	Yes
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	No
Do you have plans to?	2007/08	do
Do you have plans to?	2008/09	Not at present
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	Yes
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	Yes

### **Questions to West Dorset District Council**

- As one of the most small business friendly Councils in Dorset, could the Council provide an update on its progress with regard to fully implementing e-procurement?

### **Response to Questions West Dorset District Council**

The Council responded to the letter by stating questions to Council were not allowed but provided a written response to the questions asked.

The Council has reviewed its current financial system and will be replacing it, and also will be implementing an electronic purchase order system. This will give the Council the capacity to order goods and services electronically. It will also 'equip the Council with the technology to participate in the e-marketplace in the future'.

They anticipate the new system going live early this year and dispense with the paper-based system within six months of implementation

The Council is also reviewing using government procurement cards

## Weymouth and Portland Borough Council

Five-year analysis

Questions to Council

Response to Questions

**LOCAL AUTHORITY PROCUREMENT  
A BETTER CHANCE FOR SMALL BUSINESSES - CAMPAIGN FINDINGS**

**Five-Year Analysis**

QUESTION	Budget Year	WEYMOUTH & PORTLAND BOROUGH COUNCIL
<b>Procurement (England and Wales)</b>		
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2004/05	x
Does this authority have a procurement strategy that will support the local business community? If so, what is the consultation process?	2005/06	x
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2007/08	No
Do you use the supply2gov website designed specifically for low-value contracts? Do you plan to use it?	2008/09	Yes
Have you implemented e-procurement?	2007/08	Yes
Have you implemented e-procurement?	2008/09	Yes
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2007/08	Working with @UK for SMEs
Is this online or do you put contracts to tender via SMS or other means more accessible to SMEs?	2008/09	Online
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2007/08	No
Do you use the Office of Government and Commerce's Pre-Qualification Questionnaire?	2008/09	Yes
Do you have plans to?	2007/08	Yes as part of Due North Package
Do you have plans to?	2008/09	n/a
Has the Council signed up to the Small Business Friendly Concordat?	2007/08	not completed
Has the Council signed up to the Small Business Friendly Concordat?	2008/09	Yes

### **Questions to Weymouth and Portland Borough Council**

- Does the Council plan to use the supply2gov website and if so, when does it anticipate it being available?
- Has the Council implemented the use of the government's Pre-Qualification Questionnaire?
- Has the Council made a decision as to whether or not to sign up to the Small Business Friendly Concordat?

### **Response to Questions Weymouth and Portland Borough Council**

The Briefholder for Finance and Assets gave the reply.

The Council did plan to use the Supply2gov website from the next financial year.

The Council had implemented its own pre-qualification questionnaire and had already signed up to the Small Business Friendly Concordat