

No	Objective	Decisions Taken / Evidence	Further Proposed Actions
1	Agree a common definition of SMEs, as well as SME-related key performance indicators (including establishing baselines), across the member authorities	<p>SOG agreed to adopt the following common definition of SMEs Micro is 9 or less employees Small – 10-49 employees Medium – 50-249, employees Large 250+ employees</p> <p>References to turnover of organisations will not form part of the definition</p> <p>SOG agreed the following in relation to data capture baselining.</p> <p>All authorities will capture the same tendering data as currently captured by ESPO i.e.</p> <ul style="list-style-type: none"> • Number (and %age) of PQQ responses from SMEs broken down by micro, small, medium, large. • Number (and %age) of SMEs invited to tender broken down by micro, small, medium, large • Number (and %age) of successful SMEs broken down by micro, small, medium, large <p>All authorities and ESPO will baseline and commence data capture as and when electronic systems start to deliver this data.</p> <p>September 2013 – ESPO signed the FSB Small Business Charter.</p>	<ol style="list-style-type: none"> 1. Development of SME KPI's 2. Further consideration in relation to how we measure the supply chain in terms of SME usage by primary contractors. 3. In addition to ESPO measuring suppliers going through the tendering process, ESPO to baseline its own spend with SMEs.including stock into warehouse 4. ESPO / FSB Charter – Action Plan.
2	Ensure that internal procedures (for example, the ESPO Business Case proforma) prompt consideration of the need for, and means of, making individual procurement exercises as SME-friendly as possible. Prompts may include consideration of the letting strategy, the extent to which the specification could be based on outcomes, whether to hold a Bidders Conference, SME-friendly contract conditions, allowing enough time for consortia bids ¹ , and directly notifying known SMEs in the respective market of the contract opportunity	<p>ESPO final versions of Business Case Pro Forma and PQQ were formally agreed by SOG on 22nd January 2014. Revised documentation includes questions/prompts to buyers to consider the social value 'as is' position as well as social value during the procurement process. ESPO PQQ reduced in size from 36 pages to 28 pages ESPO have removed the requirement for an insurance company letter as part of the standard PQQ ESPO has removed the need for all members of a consortia to complete and submit a PQQ and instead reserved the right to request further information from all consortium members if required ESPO agreed to consider Social Value in all procurements i.e. including Supplies and Works as well as Services (this is over and above the requirements of the Act).</p> <p><u>Social Value conditions in contracts</u> ESPO's standard framework agreement and customer agreement both require the Supplier to supply the Goods and/or Services in accordance with their tender submission and therefore if the supplier made promises in relation to Social Value questions then they would be incorporated into the contract.</p>	<ol style="list-style-type: none"> 1. ESPO to test new financial evaluation methodology with FSB (via Leicestershire/Leicester City infrastructure group) 2. ESPO to produce SME breakdown for all members (in the format already produced for Leicestershire) and circulate annually. 3. Review of the ESPO approach to Social Value following the launch of the new EU Regulations
3	Ensure that the new Pre-Qualification Questionnaire (PQQ), including guidance (currently being developed by ESPO) is not excessively onerous, and can be tailored to be proportionate to a particular procurement exercise (e.g. insurance requirements);	<p>SOG agreed for a social value clause specific to the requirement of the contract/framework to be drafted and included in relevant contracts/frameworks. This would be tailored to the requirement and relevant and proportionate (and therefore more useful – carrying more weight than a general clause and perhaps therefore would be given more consideration by suppliers and therefore more beneficial to customers)</p>	
4	Develop, a co-ordinated approach to giving advanced warning of upcoming contract opportunities and the advertising of contract opportunities, including the flagging of SME-friendly contracts	<p>ESPO members have their own approaches to flagging / not flagging contracts as SME friendly. Following consultation with the local FSB's, there is no common view as to whether flagging contracts as SME friendly is helpful or unhelpful. SOG has agreed that each member Authority will determine and implement its own practice and ESPO will apply the practice as required where ESPO is leading the procurement on behalf of an individual member.</p> <p>The implementation of ESPO's E Tendering portal will provide much more transparency in relation to the upcoming contract opportunities available via ESPO</p>	

		Some member authorities have chosen to include links to the tender opportunities pages of other members within their own websites.	
5	Consider if, and how, the evaluation process can take account of the contribution made to the local economy, including SMEs (e.g. Members community strategy and targets).	This action has been deferred pending the launch of the new EU Regulations	1. Review following launch of new EU Regulations
6	<p>Include SME friendly contract conditions in contracts with prime contractors, where appropriate. For example, requiring the prime contractor to:</p> <p>Apply the same payment terms as agreed with Primary to the payment of the sub-contractors they use in delivering the contract;</p> <p>Advertise sub-contracting opportunities, relating to the council contract, on an agreed portal (for example, the appropriate Source East Midlands website)</p>	<p>The majority of ESPO's framework agreements contain the following clause:</p> <p><i>Where the <u>Contractor</u> enters into a sub-contract with a supplier or contractor for the purpose of performing its obligations under the <u>Contract</u>, it shall ensure that a provision is included in such a subcontract which requires payment to be made of all sums due by the <u>Contractor</u> to the subcontractor within a specified period not exceeding 30 days from the receipt of a valid invoice.</i></p>	<p>1. Further consideration to be given to the adoption of a Fair Payment Charter</p> <p>2. Explore potential linkages to Warwickshire's Business to Business portal</p>
7	Develop a programme of market development/tendering capacity-building work, including delivering presentations at SME forums, attending 'Meet the Buyer' events, providing advice of how to set up consortia, creating a database of SMEs, and targeting SMEs that have previously been unsuccessful when pre-qualifying/tendering	Most of this activity is considered to be relevant locally but less so consortium wide. As a consequence there are no joint actions / activities that have been pursued	