

Committee for Finance and Personnel
Room 419
Parliament Buildings
BELFAST
BT4 3XX

26th February 2009

Dear Sirs

Inquiry into Public Procurement Policy and Practice in Northern Ireland

Early Years- the organisation for young children welcomes the opportunity to comment as part of the Inquiry into Public Procurement Policy and Practice in Northern Ireland Public Consultation.

Our understanding of the Terms of Reference of the Inquiry is as follows:

As a result of its initial work, the Committee will undertake a focussed scrutiny of public procurement policy and practice in Northern Ireland which will:

- *Examine the experience of SMEs and SEEs in tendering for and delivering public contracts;*
- *Consider the nature, extent and application of social clauses within public contracts;*
- *Identify issues to be addressed and which are within the remit of the Department Finance Personnel (DFP);*
- *Assess progress by DFP in achieving associated objectives and targets, including those contained in the Programme for Government and related Public Service Agreements; and*
- *Make recommendations to DFP for improvements to public procurement policies and processes, aimed at increasing access to opportunities for SMEs and SEEs and maximising the economic and social benefits for the local community, whilst taking account of the principles governing public procurement.*



The experience of SMEs and SEEs in tendering for and delivering public contracts.

Early Years has not had direct experience of tendering for and delivering public services. However, the organisation does deliver a range of services under grant awards and under Service Level Agreements. We believe that there can be confusion in the language used within these contracting arrangements and believe that this should be clarified.

In talking to other voluntary organisations it is our understanding that their experiences of tendering under public procurement have been mixed. Some have felt that the process was very fair, whilst more have felt that there were a number of barriers that had to be overcome as part of the process.

In particular we are aware of some difficulties raised in respect of pre-qualification processes, including the need to demonstrate a sustainable and well-established organisation. We believe that Early Years can easily demonstrate these requirements, but are concerned that it may create a barrier for smaller organisations and potential partner organisations. We also believe that there may be competing priorities for some voluntary organisations- whilst procurement policy may set a criterion which requires higher reserve balances, some voluntary organisations may be cautious about growing reserves due to funder views and requirements. At Early Years we believe that a robust reserves policy is essential for the sustainability of our organisation and for the sector as a whole, but recognise that smaller voluntary organisations do not yet have these policies in place.

We also believe that the resources required for pre-qualification may be disproportionate. Whilst we recognise the need to ensure that procurement processes are robust and fair, we believe that such processes should be reflective of the size of the contract and should not unnecessarily re-direct much-needed monies and time from core service delivery. We do not believe that this offers value-for money to our customers.

Consider the nature, extent and application of social clauses within public contracts.

We are aware that social clauses are not a common feature of contracts. We believe that the key deliverables of contracts should be based upon outcomes, rather than outputs, and this would more readily lend itself to the inclusion of social clauses. We believe that this would then give the voluntary sector an opportunity to demonstrate the added value that it brings to the table. We appreciate that this represents a very different approach for many voluntary and statutory organisations and would require new methodologies for targets and

measures, but believe that overall it would enhance the procurement process and more easily implement a joined up thinking approach.

Identify issues to be addressed and which are within the remit of the Department Finance Personnel (DFP).

It is our understanding that the feedback process in respect of unsuccessful bids is a robust, open and valuable process. We believe that this is a welcome part of any process, and demonstrates the need and desire of voluntary sector organisations to adapt and develop. We believe that this should be included as a formal part of the tendering process and should be a two-way process, in order that overall practice and understanding can be improved.

Assess progress by DFP in achieving associated objectives and targets, including those contained in the Programme for Government and related Public Service Agreements.

We have nothing to add specifically in relation to this area.

Make recommendations to DFP for improvements to public procurement policies and processes, aimed at increasing access to opportunities for SMEs and SEEs and maximising the economic and social benefits for the local community, whilst taking account of the principles governing public procurement.

We believe that it would be very useful if DFP could provide training and support for voluntary organisations to assist them in understanding and bidding for contracts. Many voluntary organisations do not have the capacity and experience to become involved in these processes, despite often having excellent delivery experience. Other organisations have ended up learning about procurement processes only through the completion of an unsuccessful bid.

We also believe that there can at times be a lack of understanding of the voluntary sector by those involved in the procurement processes, with the perception being that the voluntary sector is a higher risk, but cheaper, option. We believe that this could be resolved by training public procurement officers on the benefits of contracting with voluntary sector organisations and by setting targets on service delivery through the voluntary and community sector, as is currently being carried out in England.

Please do not hesitate to contact us should you require clarification on any of the above comments.

Yours faithfully

Siobhan Weiniger

Siobhan Weiniger
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