MARKET BRIEFING

The Procurement Act: Supplier & Buyer Alignment Event

9:30am-1pm, Tuesday 4th June 2024

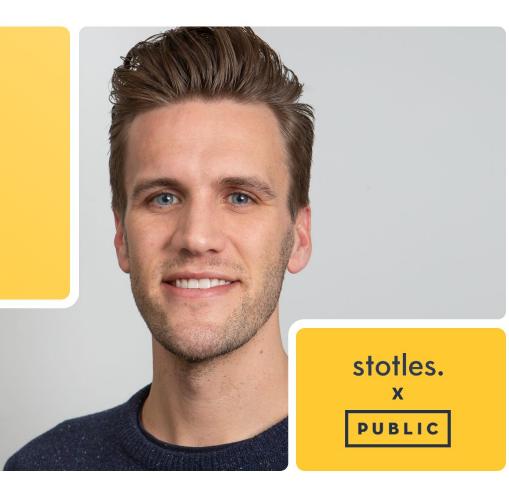
1 Birdcage Walk, Westminster, London

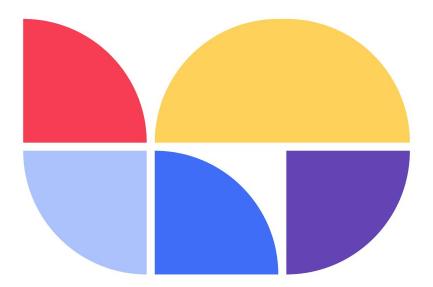
stotles. X PUBLIC

의 John Witt

CEO & Co-Founder of Stotles







stotles.

The platform for doing business with government.

Trusted by thousands of public sector suppliers - big and small - including...



Aims of today:

Understand how buyers are thinking under new legislation

Recognise the impacts of the
 General Election on the
 Procurement Act implementation

Outline the concrete tactics
 suppliers need to adopt to succeed
 under the Procurement Act



Agenda

Part 1 - Understanding buyers

09:35-10:05	The Procurement Act: a buyer's perspective & impact of General Election
	Johnny Hugill, PUBLIC

 10:05-10:20
 How can suppliers make buyers' lives easier?

 Martin Medforth, Procurement Expert & former-Home Office, Cabinet Office

10:20-10:45 **Break, networking, refreshments**

Agenda

Part 2 - Getting suppliers ready

10:45-11:00	The Procurement Act: a supplier's perspective Johnny Hugill, PUBLIC
11:00-11:15	What can suppliers do to get ready before October and beyond? Gemma Waring, Procurement & bidding expert
11:15-11:45	Expert panel Speakers joined by Rikesh Shah, Head of Innovation Procurement Empowerment Centre and former-TfL
11:45-11:55	Practical ways to succeed under the Procurement Act John Witt, Stotles
11:55-12:00	Close (followed by networking and refreshments)



Join at slido.com#5192550

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What is your level of public sector experience?

Click Present with Slido or install our <u>Chrome extension</u> to activate this poll while presenting.

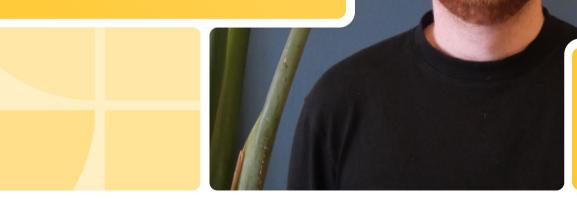


Which emoji describes how ready you feel for the Procurement Act?

Click Present with Slido or install our <u>Chrome extension</u> to activate this poll while presenting.

은 Johnny Hugill

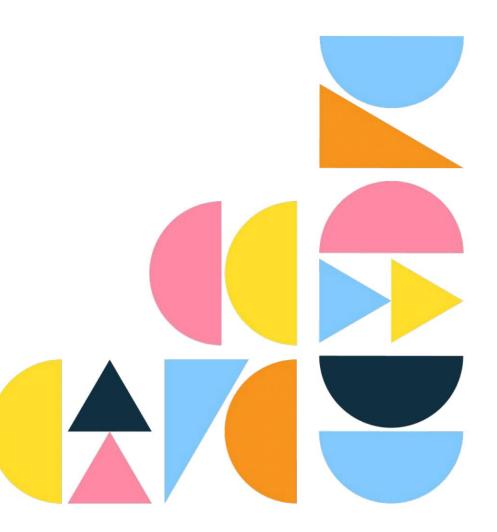
Director of Commercial, Spend & Impact at PUBLIC



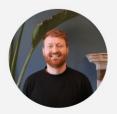


The new UK Procurement Act

What buyers need to know



PUBLIC



Johnny Hugill - PUBLIC

I am Johnny, working at a company called PUBLIC - a specialist advisory firm working with UK and European governments on digital and commercial projects.



johnny@public.io

We work a lot at the intersection of innovation and procurement, working with public bodies (CCS, Cabinet Office, DLUHC, DSIT and more) to support their commercial functions. We have also helped vendors in the UK to improve how they engage with government.

I was a member of the government's advisory board on the new Procurement Act, and continue to advise the Cabinet Office on its implementation.

Some background

The UK public sector has new procurement rules, expected to come into effect in October 2024





The UK Government spends £350-400bn per year on public procurement. It represents about 12% of the UK's GDP. It also governs the entire way many businesses work and interact with government.

We have adopted these rules because we have moved away from the EU's rules (EU Procurement Directives / UK PCR 2015). But there is (mostly) consensus that this is a politically neutral law, and Brexit has been used as an opportunity to shake something up long overdue.



The new rules have been passed, after about 3 years of drafting, consultation and parliamentary scrutiny. It is expected that the new rules will come into force in Autumn 2024.

Timelines to implementation



Six changes we'll be discussing

And how they might affect buyers

- 1. There is a new Competitive Flexible Procedure
- 2. MEAT is becoming MAT
- 3. There are now Open Frameworks and Dynamic Markets
- 4. There is a huge new transparency and data push
- 5. Pipelines will become more reliable
- 6. Authorities have to 'think more about the barriers faced by SMEs'



There is a new Competitive Flexible Procedure

Procedure

What does this mean?

The Competitive Flexible Procedure is a big, exciting change. Innovation Partnership, Competitive Dialogue, Design Contest have all been replaced by this new procedure, Authorities will have the opportunity to buy things in a more agile, commercial way, with far fewer procedural restrictions.

What will buyers need to do?

If done right, this new procedure can deliver more agile and flexible buying practices. But it can also be used to develop more specialist buying approaches in different sectors.

Competitive Flexible Procedure - Explained

A competitive flexible procedure

- (a) may limit the number of participating suppliers, generally or in respect of particular tendering rounds or other selection processes;
- (b) may provide for the refinement of award criteria in accordance with section 24;
- (c) may not permit the participation of suppliers that did not submit a tender in the first round of tendering or that were excluded following an earlier round.

Will operate within the bounds of the provisions of the Bill (such as procurement principles, publication and other requirement applicable to a competitive procedure) but can be designed around what would work best for the specific procurement



MEAT is becoming MAT

What does this mean?

The Social Value Act has been codified in some procurements since 2012, but adoption across authorities has been mixed. MAT can provide the framework for more authorities to consider wider social and environmental factors with confidence.

What will buyers need to do?

Although this is a largely symbolic change, I do expect it to add further momentum to the wider social value and sustainability agenda. This will be supported by **the wider NPPS**, updated recently. Buyers will need to ensure that social value - and recognition of the NPPS are clear through all their procurements. There are now Open Frameworks, and a shift towards Dynamic Markets

What does this mean?

There has been criticism of frameworks for locking out vendors for some time. Dynamic Markets will be used much more widely, and all frameworks will be open by default (some will be specifically restricted). I do expect to see a burst of old frameworks, including from CCS, before this comes into place.

What will buyers need to do?

Buyers will need to shift towards a sourcing strategy that is more dynamic and flexible, and will need to transition their current frameworks when they expire.

There is a huge new transparency and data push

push

What does this mean?

This is arguably the biggest operational change for buyers. And, broadly, it's the thing that commercial staff are most worried about. There will be:

- A new central digital / data platform
- Publishing in OCDS format
- A 'single sign on' to portals
- Reporting on beneficial ownership

What will buyers need to do?

Buyers will have to re-think their internal contracting and publishing systems, in order to meet these new transparency requirements. Lots of the burden will be taken by the Cabinet Office's new single digital platform, but authorities will have to make changes too.

Pipelines of future spend need to be published

What does this mean?

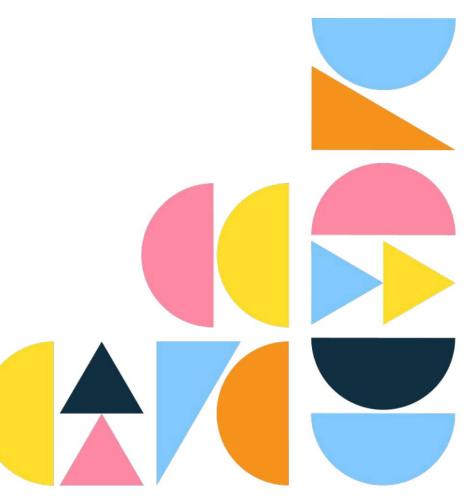
As part of this transparency push, pipelines are becoming more serious and useful. Any contracting authority with a spend of over £100 million (all central government) must publish a pipeline notice outlining public contracts with an estimated value of more than £2 million.

What will buyers need to do?

Buyers will need to publish this pipelines in a more ongoing and regular way. Many authorities are currently doing this, but this will need to happen across the sector, and more regularly.

The Impacts of a General Election

What we know so far



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How will the General Election affect this?

The Procurement Act

The short answer is... we don't know.

The Cabinet Office have re-iterated that businesses should prepare for the Act to go live, as planned on October 28th 2024.

Selling to Government in that period

We certainly will see a slow-down in tenders in that period.

'Decisions on matters of policy on which a new government might be expected to want the opportunity to take a different view from the government should be postponed until after the election, provided that such postponement would not be detrimental to the national interest or wasteful of public money.'

What might the Labour Party change?

The Procurement Act was broadly non-partisan, and passed through Parliament without too much difficulty. Based on public statements by Labour figures, three things they might target are:

- Reducing options for Direct Award
- A 'Buy British' policy
- Further sustainability and social value

What have the Labour Party said?

"When the Procurement Act comes into force later this year, it will do nothing to address the **wasteful approach to emergency contracting rules** that we saw during the pandemic."

Janet Daby, Shadow Minister for Youth Justice

"...the same wasteful approach to emergency contracting rules that we saw during the pandemic, while **decent, skilled local businesses** are denied the same opportunity."

Dame Nia Griffith, Shadow Minister in the Cabinet Office

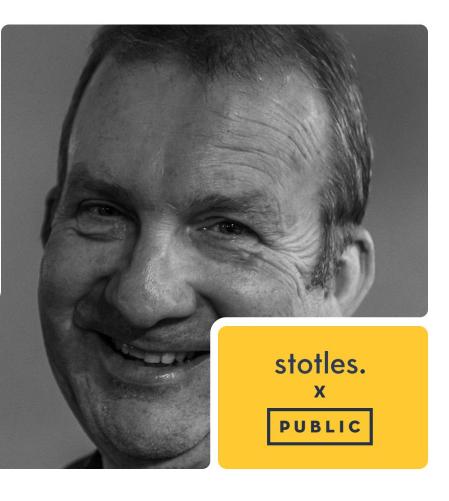
"This Bill fails to close the loopholes that saw obscene waste of taxpayers' money through the VIP lane, **it fails to mandate social value to secure investment in good British business**, and it fails to create **robust protections for workers**"

Angela Rayner, Deputy Leader of the Labour Party

8 Martin Medforth

Procurement Expert, former-Commercial Advisor to Home Office







Procurement Act 2023 Buyer Perspectives Matter

- Martin Medforth, LLM, FRSA
- Public Procurement Pracademic and Advisor

- <u>https://www.linkedin.com/in/martin-medforth-aa4ab1</u>
- martin.medforth@eynhallow.eu

Buyer Focus

- Training
- Planning
- Opportunities



Buyer Concerns





The TPP Library

Procurement Act 2023

Procurement Regulations 2024

Enabling and transitional Regulations

Guidance Documentation - x 13 rising to x 48

Thoughts for Suppliers

- All buyers are individuals their perspective is unique
- Be aware that day-to-day role and responsibilities need to be considered
- Conversations with buyers are best targeted
- Look at ways in which existing contracts can be leveraged to reduce risk
- Don't be afraid to ask:- "how can I help?"



Time for a break... See you at 10:45am

Submit your Q&A questions to Slido...



A Johnny Hugill

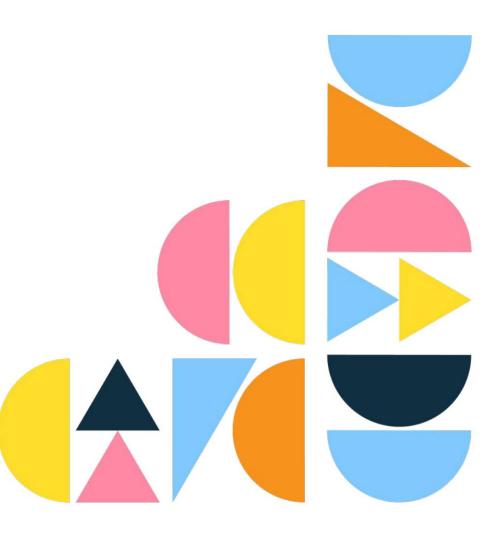
Director of Commercial, Spend & Impact at PUBLIC





The new UK Procurement Act

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Back to our six changes

Let's consider these six changes, and what your business can do to prepare

- 1. There is a new Competitive Flexible Procedure
- 2. MEAT is becoming MAT
- 3. There are now Open Frameworks and Dynamic Markets
- 4. There is a huge new transparency and data push
- 5. Pipelines of future spend need to be published
- 6. Authorities have to 'think more about the barriers faced by SMEs



There is a new Competitive Flexible Procedure



What can I do to prepare?

As we discussed, this new process could introduce major changes for how buyers structure their competition approaches.

Beyond being ready for these changes, there is an opportunity to help the Cabinet Office and your existing clients to prepare, with advice on how to use the CFP in the best way for your sector.

I expect the practice of CFP to develop fairly significantly from October onwards, so consider what role you'd like to play in that.

MEAT is becoming MAT

What can I do to prepare?

It is worth continuing to build out your social value plans, including thinking proactively about what 'MAT' might look like in your contracts.

CCS are developing new sustainability criteria for digital and technology frameworks - which technology orgs should prepare for. In other sectors, standards for sustainability continue to be developed all the time.

The broader signal to your teams, partners and investors is that social value will become even more of a priority - so time to invest (although it may end up being called something else!). There are now Open Frameworks, and a shift towards Dynamic Markets

What can I do to prepare?

This change will significantly impact the sales channels for your business, with a major refresh of frameworks and DMs used. This will be particularly relevant for frameworks / DPS expiring in 2025 onwards. I expect more frameworks to feel like DOS / G-Cloud.

I would start by mapping how this might affect your current frameworks, and prepare for a new set of frameworks to be announced. This will be particularly relevant for frameworks / DPS expiring in 2025 onwards. I expect more frameworks to feel like DOS / G-Cloud.

There is a huge new transparency and data push



What can I do to prepare?

Better data is obviously good for public accountability. But it will also make it easier for companies to find and bid for tenders. It should also make it easier to track the outcomes and spending associated with contracts, including progress against contract KPIs.

Now is a good time to invest in using procurement data in a smarter and more productive way, tracking tenders more widely, and looking at authority spend. Think about building your 'proactive' sales function.

Pipelines will become more reliable



What can I do to prepare?

This is similar to the broader point about data. When these pipelines come come - use them! Your business can be geared up towards taking advantage of these upcoming opportunities, including comms and sales.

If done right, you will be less mystified by what government departments will be spending their money on. You and your teams will be able to be more proactive about what is coming down the track, and even reach out ahead of time.

Authorities have to 'think more about the barriers faced by SMEs'

What can I do to prepare?

It remains to be seen whether this will translate into anything substantive. It is trying to address a problem that has been recognised, but is obviously still vague. SMEs are the lifeblood of the UK economy, and direct spend with them has actually declined.

I think authorities are open for ideas and support to get this right, whether you're an SME or a large business. If you're a large business, I expect to see more scrutiny into use of SMEs in supply chains, including via SME ecosystem programmes.

Some general advice

To help you navigate these changes

- 1. Consider the principles of **fairness**, **openness and proportionality**
- 2. Make the most of the new advantages from better data
- 3. Think about investing in social value and sustainability
- 4. Shape the new processes to fit your business needs
- 5. Be patient with buyers as they go through the process



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Procurement & Bidding Expert





What can suppliers do to get ready for PA2023?

Before October and beyond



Understanding of Customer Mindset



- Nervous
- Cautious
- Overwhelmed
- Apprehensive
- Pragmatic
- Positive
- Optimistic



Company-Wide Understanding





Do you have governance buy-in to make changes?



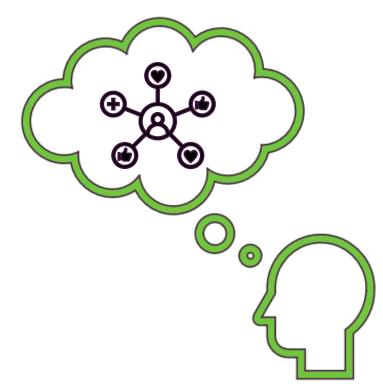
Are links with BD and Operational Teams productive? Do they understand the new implications and have you defined roles?



Might the teams require any skills development?

Engagement and Influence





- Who do you need to talk to?
- Which team member(s) will do this?
- What do you want them to say?
- How will success be measured?

Practicalities



- Review new exclusion terms and check you don't fall foul of any
- Review current contract performance and make improvements now
- Start having intelligent conversations with your customers
- Registered on the CDP when you can
- Ensure the Sales pipeline / BD effort is aligned to benefit from the new notices

Stay informed!

TO DO LIST

Gemma Waring gemma.waring@outlook.com 07792 045 184



To find out more about the Procurement Act 2023 and the training and support available for your organisation including:

- Procurement / Bidding strategy setting
 - Managing procurement exercises
 - Bid writing/review/management
 - Bid management



Expert panel

Introducing **Rikesh Shah**, Head of Innovation Procurement Empowerment Centre at Connected Places Catapult & former-Head of Open Innovation for Transport for London







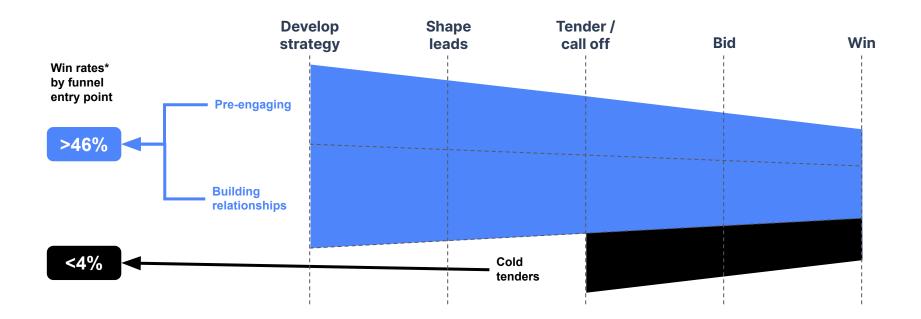


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Practical ways to succeed under the Procurement Act

Concrete tactics we're seeing from the most successful suppliers on Stotles

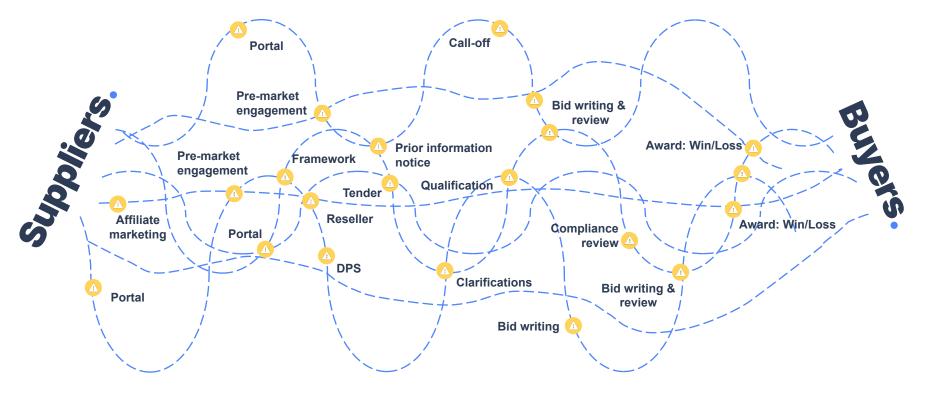
Proactive strategies drive real revenue growth



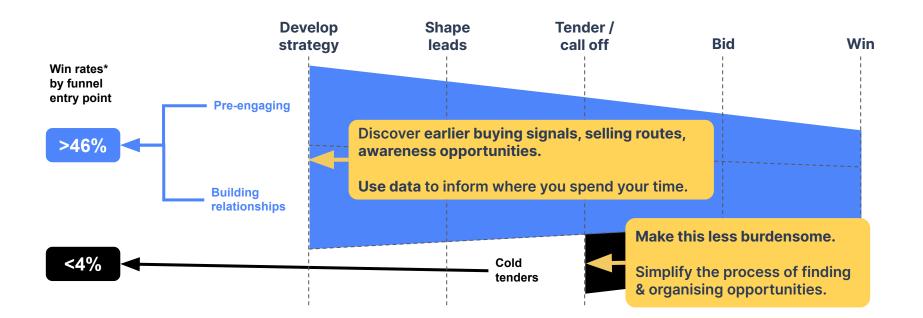
stotles. Copyright 2023 - Stotle Ltd *Source: Primary research

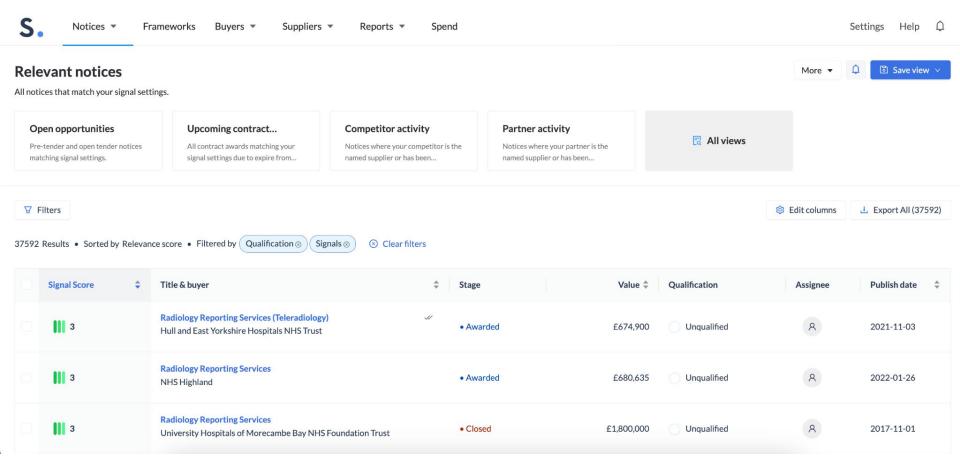
Getting proactive is easier said than done.

Most suppliers fall prey to a reactive "spray and pray" approach.



How do you actually get proactive





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Procurement Act Event exclusive...

Free guest pass to look at one of Central Government's biggest buyers, the Department for Work and Pensions



Coming next week...

WHITEPAPER

The public sector sales General Election guide

Your guide to navigating procurement and securing wins before, during, and after the General Election

stotles.

Resources to take action.

Want to learn about a **Ready your GTM Get proactive** different buyer or supplier? Chat to the team 'How to capitalise on **Ministry of Defence** the UK's Procurement **Commercial Pipeline** Act' white paper Plans Book a demo Tell us a bit about yourself and we'll connect you with the rig MARKET REPORT MARKET REPORT Enter your last name **Ministry of Defence Reveals** How to capitalise on the **Commercial Pipeline Plans UK's Procurement Act** How many public sector contracts has your company Prepare for the biggest upcoming opportunities in 2024/25. Your guide to winning contracts amidst the largest procurement shake up in UK's history Written by Xavier Garnham Besearch Acelerat at Stotles Book a demo **Book a demo Download whitepaper Download analysis**