

## SME Advisory Group

Thursday 28<sup>th</sup> September 2017

South Block, Government Buildings, Merrion Street, Dublin 2

### Minutes

#### **Attendees:**

Minister of State Patrick O'Donovan, Chair

Gillian Ross, CIF

Aidan Sweeney, IBEC

Linda Barry, SFA

Neil McDonnell, ISME

Sarah Freeman, Chambers Ireland

Paul Quinn, OGP

Jim Deane, OGP

Karl Ryan, OGP

Joan Grogan, OGP

Catherine Curran, DJEI

Enda McDonnell, EI

Tonia Spollen Behrens, EI

Harry O'Rahilly, CCPC

#### **Apologies:**

Margaret Hearty, Intertrade Ireland

Grant Gilmore, Intertrade Ireland

Sean Downey, CIF

John Shine, CCPC

### 1. Opening

Minister of State Patrick O'Donovan opened the meeting. He welcomed the representatives, acknowledged the work done to date and advised that he had been briefed in this regard by his predecessor Minister Murphy. He wants proactive engagement and better communications with industry on SME access to public procurement opportunities. He knows that the Representative

Bodies support this communications initiative to ensure that targeted and tailored messages are brought to the attention of their members.

## 2. Minutes of previous meeting

The minutes of the last meeting were taken as read and will be published on the OGP website. Any comments should be forwarded to the OGP.

Matters arising from the last minutes - Item 2 - Programme for Government and the issue of raising the current threshold for advertising on eTenders from €25k to €50k. This was dealt with under the Programme for Government review agenda item below.

## 3. Programme for Government review

### Raising the current threshold for advertising on eTenders from €25k to €50k.

At the May meeting, the question of raising the current threshold for advertising on eTenders from €25k was raised. The threshold was established in 2010 so, given the changed economic circumstances, it is appropriate to now review the threshold. Having listened to the concerns of SME representative Bodies and SMEs at first hand at the regional briefings, there is a perception the requirement to publish on eTenders may be having an adverse impact on local SMEs. Raising the threshold could allow more flexibility to support local businesses and ease the administrative burden for both Contracting Authorities and SMEs. The OGP had received views back from the Group in relation to increasing the national threshold for advertising tenders. Representative Bodies expressed concerns about the impact on openness and transparency if the threshold was raised and, on balance, tended towards the status quo. The OGP indicated that, from a preliminary analysis of data on the eTenders platform, the loss of information would be marginal. The Minister asked the OGP to provide information on the impact of increasing the threshold. He concluded by saying that the Government is anxious in this new economy to support SMEs and indigenous businesses and to lessen red tape and will be taking a decision in this regard shortly, taking account of the views of this group.

## 4. External Tender Advisory Service (TAS) Review

The OGP explained that TAS was established as an informal service to suppliers who can raise concerns in relation to live tender processes. The OGP had undertaken an internal review of TAS but, in accordance with the Programme for Government, an external review is being conducted by

independent consultants. The OGP, outside clients and members of the SME Advisory Group had been interviewed by the consultants. A draft report has been submitted to OGP and the review should be finalised shortly. The report will then be circulated to the SME group. The draft recommendations were broadly in line with those of the internal review with an emphasis on increasing awareness amongst both suppliers and buyers.

## 5. Communication Strategy Update

The Minister thanked the members of the sub-group for their work. He again emphasised the importance of communication and the need to target and tailor our messaging to promote SME access. The Minister said it is important to have the support of all the representative bodies. He stressed the importance of using plain language and using examples or case studies to highlight successful companies.

## 6. Private Members Bill

IBEC outlined significant concerns with the Public Services and Procurement (Workers' Rights) Bill 2017 with regard to existing employment law and rights. ISME said they also have issues with the national living wage. While they are in favour of local and social issues being addressed, any consideration must not override existing employment rights. The Group agreed that there are significant issues with the proposed legislation. The Minister thanked the group for expressing their concerns.

## 7. Cancellation of Tenders

SFA said there was increased concern about cancellation of competitions, e.g. where there was a framework agreement in place but no mini competitions held, or where there was a competition but no contract awarded. The OGP explained that, as set out in a recent PQ reply, there were 15 cancellations out of approx. 700 competitions. While small in overall terms, cancellations can be justified, e.g., if prices tendered are simply too dear or where there was an insufficient reply from the market. He said that part of the general work of the OGP was to review frameworks and usage and see where there were problems. The OGP said that awareness and visibility on opportunities was managed in a variety of manners, e.g. through the OGP website, eTenders, Procurement Officers, Key Account Managers, Category Councils, Procurement Executive, publication of a schedule of

frameworks quarterly, Central Govt and Sectoral Briefings etc. The OGP asked the Representative Bodies to provide any information and details of cancellations and issues.

## 8. Regional Ministerial Briefings

The OGP updated the group on the Regional Ministerial briefings as part of the overall Communications Strategy. Briefings have taken place in Cork, Galway, Cootehill, Limerick and Dundalk. Minister O'Donovan hosted his first one in July in Limerick along with the launch of the new Procurement Guidelines. Further events are being considered for Sligo and Mayo. The purpose of the briefings is to explain the rationale behind the Procurement Reform Process, outline the significant measures already in place to support SME access and to listen and understand local concerns.

## 9. Brexit

The OGP indicated negotiations were progressing but had not advanced to the trade discussion stage. OGP advice to SMEs remained to avail of all supports available through, for example InterTrade Ireland and Enterprise Ireland and for the Industry Representatives to speak to businesses regarding supports and opportunities.

The Minister asked about supports for SMEs on how to tender for business in other EU Member States, particularly where UK companies are currently successful. EI mentioned market diversification and said that they run events on advising businesses how to bid in overseas markets. They have a network of offices in various EU countries. There is a need to build awareness of opportunities and to match potential demand with supply. For example, EI will be holding an event in Dublin on 19 October which is a showcase for Irish companies in the medical technologies sector. Details are available on their website.

## 10. A.O.B.

### a. Public Procurement Guidelines

The OGP thanked Karl Ryan for leading the team which produced the Guidelines. The Guidelines set out in plain language how the public procurement process work.

IBEC said that the section on Social Considerations was causing some difficulties for their members, specifically in relation to Articles 18 (Procurement Principles) and 20 (Reserved Contracts). The OGP

said that this is a complex area but separate guidelines on social considerations are being finalised and would address these issues.

#### [b. Public Service Spend and Tendering Analysis for 2015 Report](#)

The report was launched by the Minister this month. This is the third Report on Public Service Spend and Tendering Analysis and is available on the OGP website. The report continues the work of the OGP in increasing openness and transparency on public expenditure. The analysis is encouraging, indicating that 94% of the State's expenditure is with firms within the State. As in 2013 and 2014, the majority of spend analysed is with SMEs. The report shows that in the majority of our spend categories, the typical contract value of tender notices is less than or equal to €100k. This report will help businesses in understanding where the opportunities are.

#### [c. Meet the buyer event 25 October – New Children's Hospital](#)

EI extended an invitation to the members of the group to a Meet The Buyer event on 25 October. The event is being held in association with the National Paediatric Hospital Development Board for the construction of the New Children's Hospital. It will be held in the Royal Hospital Kilmainham and the details are available on their website. The OGP advised it is also being advertised on their eTenders website.