

Report

Report to:	Community Wealth Building Commission
Date of Meeting:	6 December 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Quick Quote Update
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1. Purpose of Report

1.1. The purpose of the report is to: -

- ♦ provide the Community Wealth Building Progress Group with an update on the progress being made in relation to the award of council contracts to local companies under the new Quick Quote arrangements, the engagement activity taking place with businesses and the development of the opportunity pipeline

2. Recommendation(s)

2.1. The Community Wealth Building Progress group is asked to approve the following recommendation(s): -

- (1) that the update be noted

3. Background

- 3.1. A key objective of the Community Wealth Building strategy is to increase the levels of spend by the council and anchor institutions within the South Lanarkshire area. An action plan supports the Spend pillar of the strategy detailing the range of measures to be taken to achieve this. The measures cover reviewing the processes for how the council procures, engagement and support with businesses and the provision of appropriate tender opportunities.
- 3.2. Quick quote allows the Council to select and invite suppliers to quote for contracts without public advertising and targeted at local businesses and SMEs (Small and Medium sized Enterprise), where they exist. Prospective bidders can register their interest in receiving quotes and online quotes are requested by the Council, following selection of an appropriate group of suppliers. The process is quicker and simpler for both the Council and bidders and a suitable route to market to encourage local SMEs to engage with Council contract opportunities.
- 3.3. The Council, as its meeting held on 22 September 2021, agreed changes in the use of quick quote opportunities to increase opportunities for local business:
- to increase the current financial limit for procuring works contracts using quick quote from £50,000 to £2million
 - For all Quick Quotes, the minimum number of quotes to be obtained from local enterprises where quick quote is used was increased to 4 from 5 bids (previously 2 from 5) for goods, services and works where such SMEs exist.
- 3.4. Other procurement routes would continue to be used, as appropriate, including call offs from existing frameworks. The choice of procurement route would be guided by the availability of suitable suppliers and the timescales for delivering projects.

4. Progress Update

- 4.1. Since the implementation of the new quick quote arrangements, 32 procurements to the value of £6.256m for works contracts over £50,000 have commenced. Of these, 24 have been completed to the value of £4.861m with:
- 203 bidders invited
 - 79 South Lanarkshire based business invited to bid (39%)
 - 25 bids received from South Lanarkshire based businesses (32% of South Lanarkshire businesses invited)
 - 8 contracts awarded to South Lanarkshire based businesses (33% of total contracts awarded)
- 4.2. Property Services recently completed a quick quote exercise for the extension at Castlefield Primary School to gain further insight into the performance of local businesses and any potential barriers to success. There were four quick quotes issued for this project to a value of £0.360m:-
- 30 companies were invited
 - 13 companies were South Lanarkshire based (43%)
 - 3 South Lanarkshire companies bid (23% of South Lanarkshire businesses invited)
 - 1 contract was awarded to a South Lanarkshire based company (25% of total contracts awarded)
- 4.3. To evaluate the reasons why South Lanarkshire based companies did not have a high success rate with this procurement, contact was made by Economic Development with four local mechanical and plumbing contractors who were invited to bid. Key points from the following feedback are provided below:-
- Quick Quote got lost in emails
 - Would benefit for some support on ensuring their PCS (Public Contract Scotland) registration is up to date. *Action: were referred to SDP (Supplier Development Programme).*
 - Not confident in submitting a tender. *Action: were referred to SDP and the Business Gateway for Expert Help.*
 - Could take too long to price and it is not economical to do. Small contracts up to £10,000 are preferred. Feel jobs are weighted towards larger companies.
- 4.4. This analysis shows there is progress to be made in identifying enough South Lanarkshire based companies to bid and in supporting their efforts to bid. Greater promotion of lower value contracts should also be considered.

5. Engagement with Businesses

- 5.1. Engagement with businesses is an important part of the efforts to increase local spend, therefore a range of activities are being undertaken to promote future opportunities and support the development of tendering skills and capability.
- 5.2. On 15 February 2022, a Quick Quote training session was run by the Procurement team. This was attended by 78 business representatives with 23 from South Lanarkshire. The session covered the changes to the quick quote process, accessing opportunities and best practice in responding to tenders.
- 5.3. A Talking Tenders session is being held on 24 November to encourage as many relevant local businesses to be “tender ready” and registered with PCS in order that they can be invited to quick quotes, to increase local economic benefits and the pool

of potential suppliers. Resource representatives will also be present to give an overview of forthcoming tender opportunities. Key objectives of the session are:-

- to inform existing and new local suppliers on the change to the procurement process
- to highlight to businesses the common mistakes made by bidders
- educate businesses on the use of PCS and the quick quote process
- dispel pre-existing fears about using IT-based online tendering
- promote SDPs (Supplier Development Programme) range of free training

5.4. To encourage the participation of local businesses in broader procurement activity, engagement with local businesses continues with three activities of note:-

- significant marketing/awareness raising efforts have been carried out by Economic Development to advise the local business base of the Scotland Excel Property Maintenance and Refurbishment Framework opportunity. A webinar was delivered by the Supplier Development Programme (SDP) on 27 September-2022 to give businesses information on how to submit a tender for this framework. 39 businesses attended, unfortunately only 4 of these businesses were based in South Lanarkshire. Representatives of the following organisations including Federation of Small Business, Lanarkshire Chamber of Commerce and Lanarkshire Business Group were also asked to cascade promotional information to any relevant businesses they engage with. 315 local businesses were also emailed on 4 October 2022 to advise of the opportunity
- a pre-tender information event for the new Roads and Infrastructure framework is being held on 15 December 2022 to encourage local enterprises to bid for the new framework, which will include roads, traffic management, structures, and outdoor infrastructure works
- a Meet the Real Buyer event is being held on 22 February 2023 in conjunction with North Lanarkshire Council. This will provide an opportunity to engage and promote tender opportunities on a wider scale with many more businesses

6. Pipeline Development

- 6.1. The Roads service has prepared a pipeline of projects focussing on a number of footway resurfacing projects. There are 9 footway projects in the East Kilbride, Rutherglen, and Cambuslang area covered by Quick Quote, split into three packages.
- 6.2. The first contract has been recently awarded to JH Civil Engineering Ltd (based in NLC) at a cost of £116,427. A South Lanarkshire based company did bid with a lower cost, however, they did not provide a completed bid rendering it invalid and this was advised to them. The second package is expected to go to Quick Quote within the next two weeks at an estimated value of £149,780. The final batch will go to quick quote towards the end of the calendar year at an estimated value of £171,000.
- 6.3. The Roads service will complete a review of the effectiveness of the Quick Quote process upon completion of the tendering of the 3 packages.
- 6.4. The next project from Housing and Property Services which will be made available for quick quote is First Steps Nursery. This project valued at £1.2m with various trades to be procured.

- 6.5. Procuring Resources continue to appraise further opportunities for the use of Quick Quote as part of the development of the approach. The extent of using direct awards and mini competitions from existing procurement frameworks and quick quotes under £50,000 will form part of this exercise.
- 6.6. A key feature in the continued development of the pipeline is also ensuring local businesses are given sufficient notice of forthcoming opportunities.
- 7. Employee Implications**
- 7.1. Resources from Procurement, Economic Development, Roads and Property Services and Economic Development are committed to the activity covered in the report.
- 8. Financial Implications**
- 8.1. None.
- 9. Climate Change, Sustainability and Environmental Implications**
- 9.1. Increased local procurement can assist in meeting climate change and sustainability targets.
- 10. Other Implications**
- 10.1. There is a risk that the level of local spend by the council and other anchor institutions does not increase. This may arise as a result of significant economic factors that influence business activity and performance and the scale and mix of local businesses in South Lanarkshire performance. The measures within the Spend Pillar action plan can mitigate some of this risk.
- 11. Equality Impact Assessment and Consultation Arrangements**
- 11.1. None.

Paul Manning
Executive Director (Finance and Corporate Resources)

7 November 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective. Efficient and transparent

Previous References

- ◆ None

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact: -

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