

Think BIG for small business

Initiative to improve SME access to public contracts

EFFECTIVE PUBLIC PROCUREMENT is an essential element of delivering better public services in Ireland. The State purchases billions of Euros worth of goods and services each year and it is important that the procurement process is transparent, provides value for money and that the playing field is level for smaller businesses wishing to compete for contracts.

Underlining the Government's commitment in this area, Department of Finance Circular 10/10: *Facilitating SME (Small and Medium Enterprise) Participation in Public Procurement* was published in August. The central message from this Circular is that public bodies are required to run their tendering processes for public contracts in a manner that facilitates increased participation by SMEs, while continuing to ensure that all public sector purchasing is carried out in a manner that is legal, transparent and secures optimal value for money.

The new guidance from the Department of Finance sets out policy to facilitate SMEs in competing for public contracts and focuses on further opening up opportunities to bid for State business; simplifying and streamlining the public procurement process; and reducing the administrative burden on businesses who want to tender.

The guidelines outline measures such as the use of frameworks that enable SME participation, dividing contracts in smaller lots where feasible, appropriate advertising, possibilities for innovation etc. They also highlight practices that are to be avoided because they can unjustifiably hinder small businesses in competing for public contracts.

Of course, procurement is a complex and sensitive process. A range of practical supports are available to organisations involved in procurement. The Department of Enterprise, Trade & Innovation's document *Buying Innovation: The 10 Step Guide to SMART Procurement and SME Access to Public*

Contracts is a handbook designed to support and inform those officials right across the public sector who are engaged in public procurement of goods and services. It contains practical steps to encourage innovation in procurement for the State and to increase access to public contracts for SMEs.

These various strands represent an overarching initiative to revolutionise public procurement for both the buyer and the seller. The aim is to stimulate innovative business activity in Ireland, while improving the

purchase, delivery and efficiency of public sector goods and services. It is important to ensure a level playing field for all companies tendering for public contracts.

The public sector is a very important market for small and medium-sized businesses – especially in the current environment. Also, increasing the numbers of SMEs tendering for public contracts should help increase competition. This, in turn, should lead to greater efficiencies and improved value for money for contracting authorities.



WEB RESOURCES

The Circular discussed in this article can be downloaded at www.etenders.gov.ie.

The National Procurement Service web page also provides a useful information and guidance on the procurement process. The page can be accessed through the "Our Business Units" section of the OPW website: www.opw.ie.

The Department of Enterprise, Trade & Innovation's *Buying Innovation: The 10 Step Guide to SMART Procurement and SME Access to Public Contracts* can be found at www.deti.ie/publications