

Finance

SME-Friendly Procurement Policy

Loughborough University will ensure that its procurement processes do not create unnecessary barriers for Small and Medium-sized Enterprises (SMEs)¹, which may deter or inhibit them when our contract opportunities are advertised.

The University recognises the value of SMEs to the regional economy. SMEs offer flexibility, excellent customer service and innovative solutions. They are also the larger organisations and employers of the future. It is therefore important that the University's procurement processes are as lean as possible, and do not create unnecessary barriers which deter SMEs from competing for our contracts or inhibit them when tendering.

The University also recognises the need to comply with the Public Contracts Regulations 2015 and uphold the principles of equal treatment, non-discrimination, proportionality and transparency.

We will take the following action to promote this policy:

Advertising contract opportunities

- Encourage our staff to request at least one local supplier to quote for contracts with a total value of between £10,000 and £29,999
- Encourage our staff to openly advertise contracts with a total value of £29,000+ to all those suppliers registered on our electronic tendering system ([Delta](#))
- Directly notify all suppliers that are registered on [Delta](#), and have entered the industry/sector in which they operate, of any contract opportunity which may be of interest to them (via [Delta](#))
- Publish a list of all of our contracts with a total value of £60,000+, allowing SMEs to identify potential subcontracting opportunities

Supplier and contract requirements

- Ensure that the minimum financial standing requirements for suppliers are proportionate to the risk and value of the contract being tendered
- Ensure that the insurance that it is required that a supplier holds, should they be awarded the contract, is proportionate to the risk and value of the contract being tendered
- Consider the value of consulting with potential suppliers on contract specifications before commencing the tendering exercise
- Use outcome specifications wherever appropriate, so allowing for innovative solutions
- Consider the value of breaking down any contract requirements / frameworks agreements into smaller 'lots', for which SMEs can more easily tender
- Consider allowing variant bids, where appropriate to the procurement exercise
- Hold Bidders Conferences following the issuing of tender documents to explain the requirement and the procurement process, and allow potential tenderers to ask any clarification questions, where the supply market includes a significant number of SMEs or has limited tendering capability

Procurement processes

- Develop template tendering documentation that are as concise as possible and written in plain English
- Work with other local and regional universities to harmonise our template tendering documentation

- Ensure that the need for the tendering exercise to be SME-friendly is highlighted to staff throughout the procurement process, including within template documents such as the Procurement Project Strategy
- Enquire as to whether tenderers are SME-friendly, and advertise subcontracting opportunities within the region, when tendering large contracts (for example, major construction contracts)
- Consider user-friendliness from a supplier perspective when re-contracting for our electronic tendering system

Tender evaluation and award

- Evaluate consortium bids as a whole, taking account of the roles and responsibilities of consortium members, and the risks and guarantees/indemnities associated with the consortium's constitution
- Provide full details of tender evaluation scores to unsuccessful tenderers for contracts with a total value of £60,000+, offering the opportunity for a verbal debrief

Payment

- Consider reducing payment terms or allowing stage payments to assist suppliers with their cash flow or assist them in making the initial investment required to deliver the contract
- Ensure that payment terms agreed with a supplier are aligned to those between the supplier and its subcontractors for delivering the University's contract

Communication

- Clearly communicate our commitment to making our procurement processes as SME-friendly as possible, as well as how this is to be done, across the University, including through training and guidance delivered to staff involved in procuring goods, services and works
- Explain the University's procurement processes to potential suppliers at regional 'Meet the Buyer' events and business fora, and through our website, including signposting the [Delta](#) portal where we commonly advertise our contract opportunities
- Hold Bidders Conferences following the issuing of tender documents in order to allow organisations to network and discuss potential joint bids and subcontracting opportunities

Monitoring

- Require organisations to record their type, including whether an SME, when tendering for University contracts, to establish the extent to which SMEs compete for, and are successful in winning, University contracts
- Measure the percentage of contracts (by no.) held by regionally based SMEs
- Monitor and publish the percentage of supplier invoices paid within 30 days