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BiP Solutions Market Update

8 April 2020

This weekly update provides our customers and stakeholders within the public sector supply chain with an update on key statistics and news relating to public procurement.*

Further information on how BiP Solutions can help you access this market can be found at www.bipsolutions.com

Buyers and Suppliers seeking further information and guidance on public procurement, and particularly with regards to COVID-19, should go to www.passprocurement.co.uk/covid-19

* All data taken from BiP's Tracker Market Intelligence tool and covers the period 30 March to 3 April. All details correct at time of publication.

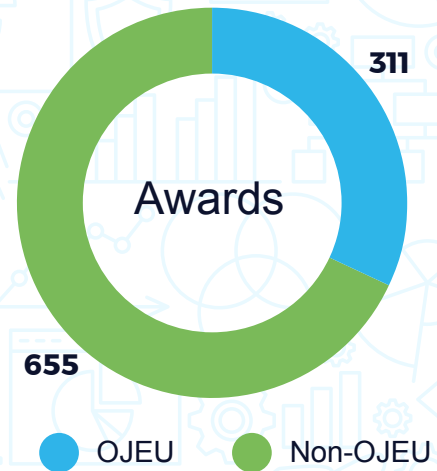
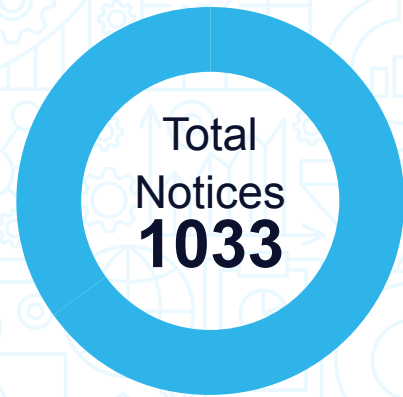
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Overview of Notices published w/c 30 March

In the week commencing 30 March, **1033** UK public sector contract notices were published by BiP Solutions. This is **188** fewer notices than were published the previous week— suggesting that, while the public sector remains highly active, COVID-19 and the lockdown announced by Government on 24 March has had some effect on public procurement activity, although the overall market remains large. The fall in the volume of notices was much more marked for OJEU notices, which reduced from **295** to **200**, than for lower-value, non-OJEU notices, where the fall in volume was **12.2% from 926 notices to 813**. This suggests that the public sector is focusing on smaller, perhaps more local opportunities at present, rather than ‘big ticket’ projects, as it aims to meet society’s immediate needs during the current crisis.

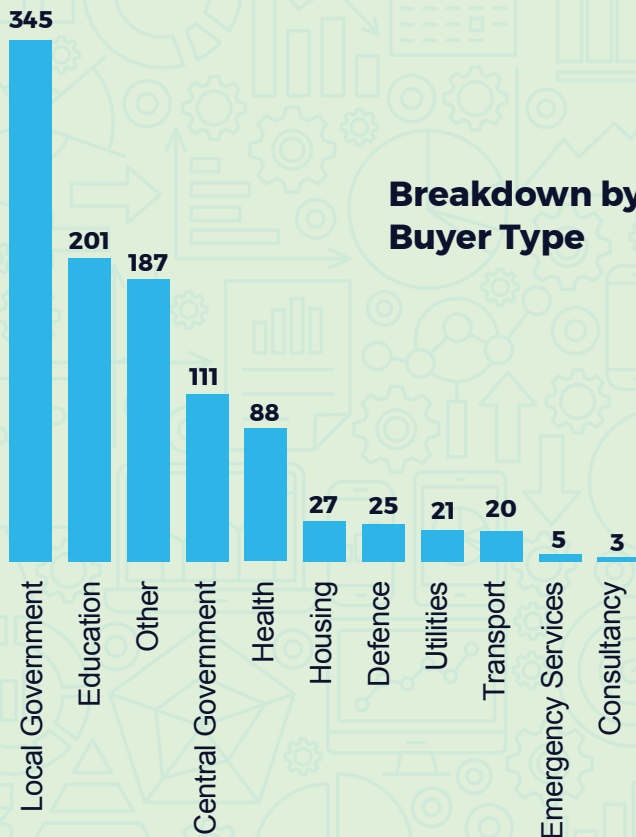
Three of the contracts published this week are worth over **£1 billion**. Two are COVID-19 related and will be discussed below. The other is a pre-information notice for a framework agreement worth **£3.6 billion** issued by Highways England, for a “range of renewal, improvement and selected small scheme construction works on the strategic road network”. It covers a wide range of requirements for all kinds of roadworks, associated works and related engineering works. Frameworks like this show that, even during a pandemic, the requirement for essential works and services remains, and with it opportunities for suppliers.

Public sector issued notices with an identified value were worth a total of **£16.837 billion** – an increase of **£1.862 billion** or **11.06%** on the previous week’s **£14.975 billion**. This total is a considerable underestimate of public sector spend, since only **357** of the **1033 notices (34.55%)** stated a value.



Sector Focus

The following section considers the breakdown by buyer type and takes a closer look at Local and Central Government and Defence.



Despite COVID-19, the requirement for essential works and services remains and with it, opportunities for suppliers.

The number of lower-value contracts advertised by local government sends a strong message – many opportunities exist for SMEs

Local Government

As in the previous week, local government was the busiest sector, publishing **345** notices. This figure is a fall on the previous week, both in terms of number of notices – **345 compared to 496**; and percentage of the total – **33.39% compared to 40.62%**. Of these notices, **287 (83.18%)** were non-OJEU notices, reflecting the typical spending pattern of local government where many contracts are small-scale and are awarded to local suppliers, often SMEs.

This proportion of lower-value contracts should reassure SMEs that there are still many opportunities available with the public sector, even in these challenging times. The ongoing

scale of local authority procurement can be seen from the total stated value of the contract notices issued by the sector – **£1,254,664,515**. This figure is all the more remarkable since 240 of these local authority contract notices (**69.56%**) do not state a contract value, meaning that the overall total must be considerably higher. A positive indicator for suppliers is that, although local government spend (in terms of projected contract value) decreased compared with the previous week, it is still more than in the week commencing 16 March, demonstrating that local government is continuing to spend.

The three most valuable notices were issued by Central Government – at a combined value of £10.9 billion – a potential customer for businesses of all sizes

Central Government

There was a fall of **13.28%** in the volume of contract notices issued by central government in the week beginning 30 March (**111**) compared to the previous week (**128**). This is a much lower reduction than that observed between the weeks commencing 16 and 23 March (**29.67%**), which is a positive indicator. The proportion of notices published by central government, however, remained stable week on week at **10.74%, compared to 10.48%** the previous week. Just nine (**8.1%**) of the notices published by central government this week were COVID-19 related, down from **25 (19.53%)** the previous week. This contrasts with local government, which published **32** COVID-19 related notices, making up **9.27%** of the total number of notices issued by local government this week. This figure is more than double the **4.23%** of the previous week, perhaps suggesting a shift in focus in COVID-19 related procurement to meet specific local needs.

Non-OJEU notices accounted for **79 of the 111 contract notices (71.17%)** published by central government, compared with **68.74%** the previous week. During this week, the total stated value of the contract notices issued by central government was **£11,139,174,785**, a rise of **£9.882 billion (786.19%)** compared with the previous week. This increase is largely explained by central government issuing the three most valuable contract notices of the week, which have a combined value of **£10.9 billion**. The total spend is likely to be considerably greater, since **71 (63.96%)** of the notices issued by central government did not state any value. The sums being spent, together with the high percentage of non-OJEU notices, show that central government remains an excellent potential customer for businesses of all sizes at this time.

The variety of opportunities published by the MOD illustrates the diversity of this sector and the opportunities available to non-traditional defence suppliers

Defence

The defence sector published **25 notices** in the week commencing 30 March, with a total value of just over **£783.777 million**. The most valuable notice published by the MOD was issued by the Defence Infrastructure Organisation (DIO) for the rental/leasing of accommodation for Service personnel throughout the UK. While a number of opportunities were

published for military equipment, weapons system parts and suchlike, other opportunities were for insulation works, software systems and laboratory reagents, illustrating the range and variety of the MOD's needs that make the Department a potential customer for businesses in almost any sector.

Frameworks update

There were 27 new OJEU Framework Notices published during the week commencing 30 March. Below details the top five frameworks by value.

Top 5 Frameworks Published by Value

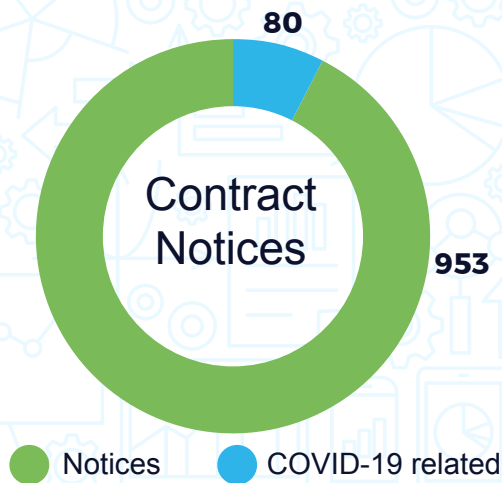
Title	Awarding Authority	Value
P22 Framework Agreement	Department of Health and Social Care	£4,000,000,000
Scheme Delivery Framework (SDF)	Highways England	£3,600,000,000
FWK1128 - Mechanical Electrical Public Health (MEP), Conservation and Minor Works Framework Agreement	The Corporate Officer of the House of Commons and The Corporate Officer of the House of Lords	£180,000,000
Estates Maintenance and Minor Works, Security (Guarding and Reception) and Cleaning Services	London Universities Purchasing Consortium	£175,000,000
Floor Coverings	NEUPC Ltd	£60,000,000

Recurring contracts

Even during the current COVID-19 crisis, the public sector has ongoing requirements for a vast range of goods and services, all of which offer opportunities to suppliers of all sizes. Winning a place on a framework agreement or Dynamic Purchasing System can provide suppliers with a

steady stream of work over a number of years, as well as helping them to build relationships with buyers. Below we list a selection of procurement opportunities likely to come up for re-tender in the next few months.

Awarding Authority	Description	Estimated Value	Estimated Renewal Date
Manchester City Council	Planned Preventative Maintenance (PPM) and reactive repair - Planned & Preventative Maintenance including Reactive Repairs together with Small Works utilising a Measured Term Contract in accordance with industry best practice across MCC Public Buildings.	£15,000,000	06/04/2021
London Borough of Islington	Building Materials, Equipment, Tool Hire and Plant Hire Supply.	£13,960,000	04/04/2021
Sandwell Metropolitan Borough Council	Roofing Materials - The tender will be divided into three lots, applicants can apply for a single lot or multiple lots, each lot will be priced individually. Lot 1 flat roofing products. Lot 2 roofing tiles. Lot 3 coating products.	£510,000	31/03/2021
Nottinghamshire County Council	Service and Maintenance of Fire Extinguishers and Associated Equipment.	£500,000	04/10/2020
National Transport Authority	WAN Connectivity and Associated Services	Not Provided	30/09/2020



COVID-19 update

Related contracts

During the week commencing 30 March, 80 public sector contract notices (**7.74%**) specifically referenced the COVID-19 outbreak. While the volume of COVID-19 related contracts remains almost unchanged (**80 compared with 79 the previous week**), these notices make up a slightly higher percentage of the total (up from **6.47%** the previous week) because of the fall in the total volume of published contract opportunities. Nonetheless, this is still a modest percentage of the total, showing that, despite COVID-19, the public sector is continuing to provide opportunities across all sectors.

As last week, in response to the increasing restrictions on our daily lives and the ensuing challenges faced by businesses, many buyers have moved to extend deadlines and give bidders longer to respond, with **24 of the 80 notices (30%)** advertising deadline extensions to existing procurement opportunities. This is a fall compared to last week, when **33 of the 79 notices (41.77%)** advertised deadline extensions. Other contract notices cancel site visits, ask suppliers to inform them of issues accessing supplies, announce that tenders will be opened remotely, and more – all reflections of how procurement, like the rest of society, is having to adapt to changed circumstances.

Among the contract notices which respond to the crisis by amending an existing procurement is the most valuable published this week, a framework agreement known as **P22** for capital investment schemes in the NHS (new hospitals and the like) issued by the Department of Health and Social Care, worth **£4 billion** and due to expire in September 2020. This week, the awarding authority issued a Voluntary Ex Ante Transparency Notice to extend the framework agreement, which had been due to be re-tendered, “**due to departmental resource being re-routed to support COVID-19 responses**”.

The number of opportunities published during this week that would not have existed without COVID-19 remained stable at **19 (compared to 18 last week)**. Several of these reflect some of the issues that have emerged as being the most urgent during the crisis, such as the requirement for personal protective equipment (PPE), which is the subject of seven notices. PPE is being sought not only for hospitals but also for carers visiting the vulnerable at home. Care of the vulnerable during the COVID-19 crisis is another area of focus for contract notices this week with five notices seeking providers of care at home or residential care services for the vulnerable, in order to facilitate discharge from hospital during the COVID-19 crisis. Notices such as these show that the public sector is continuing to work hard to meet the needs of the most vulnerable and is looking to suppliers to collaborate with it in its endeavours.

Funding opportunities

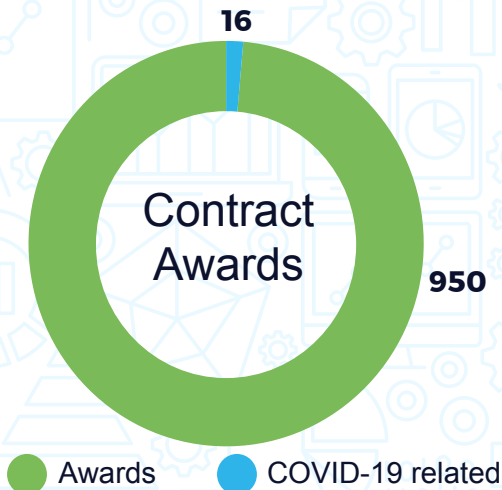
The figure of 80 contract notices specifically referencing the COVID-19 outbreak excludes the other COVID-19 related notices that have been increasing in volume as the scale and nature of the crisis has become more apparent – funding opportunities. During the week commencing 30 March, 42 COVID-19 related funding opportunities were published covering areas ranging from small community projects to multibillion-pound tranches of funding from central and local government.

One such funding opportunity is one of the two COVID-19 related notices among the three most valuable notices published this week. Worth £2.9 billion, it is an announcement of funding allocated by the Department of Health and Social Care and the Department for Housing, Communities and Local Government from the **£500 billion** Coronavirus Fund announced in Budget 2020 to local authorities. **£1.6 billion** has been allocated to support the most vulnerable, including the homeless, and to enhance support for the health and social care workforce; while **£1.3 billion** has been allocated to enhance the NHS discharge process so that people can leave hospital, freeing up beds for the COVID-19 crisis.

The vast majority of funding opportunities, however, are on a far smaller scale – the second most valuable is worth **£20 million**, and **23 of the 42** are worth under **£100,000**. They are available to small-scale community initiatives, usually in a local area, to support either charities, local community groups or specific social groups badly affected by COVID-19. Among the funding opportunities are grants to businesses in specific sectors or geographical areas that have been affected by COVID-19, for instance those in the leisure and hospitality sectors.

Funding opportunities ranging from small community projects to multibillion-pound tranches of funding from central to local government are now available

Proactive early engagement with buyers is more important than ever as we move away from traditional procurement routes



COVID-19 awards

During the week commencing 30 March, **16 contract awards** specifically referenced COVID-19, down from **21** the previous week. In contrast to the previous week when nine award notices (**42.85%**) announced that a contract had not been awarded because of COVID-19, just three (**18.75%**) do so this week.

The remaining awards cover a range of specific needs created by the COVID-19 pandemic, ranging from a welfare call centre to hand sanitizers, PPE and emergency accommodation for rough sleepers. Several of these award notices suggest that they were urgent requirements, since in a number of cases the contract award date and start date were the same. The awards also include two direct awards and the use of the negotiated procedure without prior publication of a contract notice.

The award of contracts without using traditional procurement routes illustrates how quickly the situation around COVID-19 is moving as government realises that it needs to meet previously unimagined needs, fast. Among those benefiting from the new opportunities available is BiP Solutions Tracker Corporate customer Palantir. According to the Economist, the NHS has enlisted Palantir to provide data analysis as it endeavours to predict when and where COVID-19 cases will overwhelm available NHS resources.

It is important that suppliers monitor activity closely, using business intelligence tools such as Tracker and DCI, to ensure that the use of regulations which enable urgent procurement are being correctly applied. The use of direct awards / negotiated procedure without prior publication of a contract notice by buyers also highlights the need for suppliers to engage directly with buyers to understand what urgent requirements may be forthcoming. Proactive early engagement with buyers can help suppliers to understand buyers' needs and suggest how their solutions can meet them, something which is particularly important in a fast-moving emergency situation where urgency is too great for buyers to use traditional procurement routes.

As reported last week, BiP Solutions is running a series of webinars to support suppliers through this challenging time. If you missed this week's webinar, which focused on Buyer Engagement during the COVID-19 crisis, you can now view it [here](#)

You can also view last Friday's webinar – Responding to the Current Need – [here](#)



If you are interested in attending our next webinar on 16 April at 11am, which considers delivering through frameworks and DPS, please register your place here.

Procurement practice

This week, two authorities cited Regulation 32(c) of the Public Contracts Regulations to justify the way in which they conducted a procurement. Regulation 32(c) is the regulation that lays down the circumstances in which a contract may be awarded using the negotiated procedure without prior publication of a contract notice route.

The University of Lincoln made such an award for the purchase of 580 laptops to facilitate home working in response to COVID-19. In their award notice, the University cited regulation 32(c)(2)(c), which states:

(2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:

(c) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with.

This justification was also used by the National Procurement Service (NPS) in Wales to justify appointing all suitable suppliers rather than merely a selection of such suppliers to a framework agreement for cleaning and janitorial materials and washroom and air freshener services. NPS realised that:

Due to the current Coronavirus (Covid-19) pandemic, the contracting authorities represented in this tender process, as referred to in the contract notice (2019/S 240-588397) and the ITT documents, are likely to require a higher volume of supplies on an urgent basis. There was therefore insufficient time to terminate the current tender process and re-run it in accordance with the timescales set out in the Public Contracts Regulations 2015.

The National Procurement Service has therefore awarded places on the framework to all bidders who submitted a compliant tender, under the exception permitted in Regulation 32(2)(c) of the Public Contracts Regulations 2015.

About our research*

BiP Solutions has more than 36 years' experience within the public sector supply chain. During this time we have established the most comprehensive database of UK public sector contract notices available, drawing on thousands of sources from across all parts of the public sector, researched daily. Our services publish almost 250% more notices than the UK government portals, meaning that our analysis gives a true picture of the size and scope of UK public sector contracting activity.

*At BiP Solutions we ensure complete market coverage by researching and obtaining data from multiple sources. We quote volumes for contract notices and awards as published across all of our sources. Contract notice values may be undisclosed or estimated by the contracting authority – projections in our analysis are derived from available figures. Our statistics therefore illustrate trends and patterns in overall market activity rather than an exact aggregated value of all notices published.

Business Intelligence

Through our Tracker and DCI brands, we are investing heavily to ensure that the latest opportunities are not only delivered straight to your inbox but that you are equipped with the very latest in market intelligence. This will enable you to maintain and grow your pipeline in a market where opportunities are huge.



Request a demo for a first-hand look at how our solution can help

Tracker Demo: www.trackerintelligence.com/live-demo

DCI Demo: www.dcicontracts.com/request-a-demo

Customers: cgt@bipsolutions.com

Not yet a customer? sales@trackerintelligence.com

or sales@dcicontracts.com



BiP Solutions is committed to supporting its customers and suppliers through this challenging time. Within public sector supply chains, COVID-19 is impacting both what the public sector buys and how it buys. Our 36 years of experience, expertise and insight is fully at your disposal, ensuring you can navigate through this period successfully and prepare for opportunities now and in the future.



Promote your Services

Our Media & Marketing Solutions team act as an extension of your business, helping you to grow, by delivering a proven and personalised approach to performance marketing. By offering a broad range of managed, measurable solutions, we put our customers in front of the right decision makers, in the right organisations, right across their target market. This means that our customers do not miss opportunities, which is crucial in today's marketplace. Our services include lead generation, research, content creation, online events and data analysis, to name but a few.

Get in Touch

Visit: www.my-ingenum.co.uk

Contact us: 0845 557 1324



To help buyers and suppliers across the UK public sector, BiP Solutions' Procurement Advice and Support Service (PASS) has created a range of resources to help businesses navigate the challenges in this fast-changing environment. To support both buyers and suppliers, we also have a range of remote based e-learning packages, training and consultancy available to support your business during this unprecedented time.

Get in Touch

Visit: www.passprocurement.co.uk/covid-19/

Contact us: www.passprocurement.co.uk/contact-us/