



Llywodraeth Cymru  
Welsh Government

PUBLICATION

# Welsh Procurement Policy Note WPPN 07/21: Small and Medium sized Enterprises (SMEs)-friendly procurement

WPPN 07/21 highlights and builds on the principles within 'Opening doors: The charter for SME-friendly procurement'.

First published: 13 October 2021

Last updated: 13 October 2021

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## Points to note

- The information set out in this document is neither legal advice nor

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statutory guidance and is not intended to be exhaustive. Nor is it intended to override existing legal obligations applicable to Welsh public sector (WPS) contracting authorities – contracting parties should seek their own independent legal advice as appropriate. Please also note that the law is subject to constant change and advice should be sought in individual cases. This document reflects the position as at October 2021.

- This Welsh Procurement Policy Note (WPPN) builds on, and is consistent with, the Wales Procurement Policy Statement and the Public Contracts Regulations 2015 (“PCR 2015” - SI 2015/102) that remain unaffected by The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 (SI 2020/1319), effective from 1 January 2021.
- This note assumes a certain level of knowledge of public procurement. It is available via the Welsh Government website GOV.WALES and any queries should be directed to [CommercialPolicy@gov.wales](mailto:CommercialPolicy@gov.wales) or via the [Welsh Government customer services](#).

## 1. Purpose

1.1 WPPN 07/21 highlights and builds on the principles within the [Opening Doors Charter for SME Friendly Procurement](#). Whilst these principles are not directly specified within the recent Wales Procurement Policy Statement they still apply to the Welsh Public Sector (WPS) and Small and Medium sized Enterprises (SMEs).

1.2 The Opening Doors Charter for SME Friendly Procurement was created as part of a programme of actions to deliver a consistent approach to procurement across the WPS while at the same time, addressing issues of particular concern to SMEs.

1.3 This WPPN provides updated information and additional resources to support SMEs. This WPPN also reiterates the commitments and principles agreed between the Welsh Public Sector and SMEs, to set a minimum level of

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good practice and encourage SME friendly procurement.

## 2. Dissemination and scope

2.1 This WPPN has been published to assist all WPS contracting authorities in Wales, including Welsh Government departments, NHS Wales bodies, Welsh Government sponsored bodies, local authorities and the wider public sector. This WPPN covers goods, services and works contracts being delivered in Wales.

2.2 Please circulate this WPPN across your organisation and to other relevant organisations that you are responsible for, drawing it to the specific attention of those in procurement, commercial and finance roles.

## 3. Background and guidance

3.1 The WPS spends circa £7 billion each year on procurement. There are 267,000 businesses in Wales of which 99.4% are Small and Medium Enterprises (SMEs). A Small and Medium sized Enterprise (SME) is defined as 'Any business with fewer than 250 employees and either an annual turnover below £45 million or a total balance sheet less than £40 million'. The Welsh Government recognises and appreciates the very important contribution they make not only to the development of a healthy economy in Wales but to our society, our environment and our culture upon which we all depend.

3.2 Business support agencies in Wales such as Business Wales and Sell2Wales are there to help SMEs adapt to meet the special requirements of the public sector, changes in procurement methods and ultimately win more contracts. Procurement is changing and it is important that SMEs and the Welsh public sector understand each other's processes and expectations.

3.3 The adoption of this WPPN sends out a clear signal that we all have an important role in creating a sustainable future for Wales.

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## 4. Actions required by contracting authorities

4.1 Many SMEs were apprehensive about engaging with the public sector, due to both real and perceived barriers. The Opening Doors Charter for SME Friendly Procurement was published in July 2012 and since its publication, the principles and commitments contained within the charter have been embraced by the Public Sector, improving SME inclusion in all procurement activities. Subsequently, there is now resources and support available for new and already established SMEs to support them through each step.

4.2 This WPPN reinforces the main principles and commitments made by the Welsh Public Sector to SMEs and vice versa. By adopting this WPPN, it will continue to help the way business in Wales is done, and maintain a fair, transparent and open environment for all procurement activities.

### 4.1 Welsh public sector principles and commitments

The following are the main principles on which the Welsh Public Sector commitment to SME-friendly procurement has, and will continue to be based on:

#### 4.1.1 We continue to welcome the opportunity to do business with SMEs, and will:

- Continue engagement with the SMEs in our region to become more aware of the goods, services and works that can be provided.
- Take steps to find out what the barriers are to us doing business with appropriate SMEs, and seek to remove or lower them.
- Not assume that larger suppliers always offer better value for money.
- Further develop guidance, including on-line documents, and brief SMEs on our requirements, the opportunities we have available, who to contact, and how to tender for our business.
- Make it easier for SMEs to talk to us.
- Ensure all our processes create a level playing field for SMEs.
- Look for the best overall outcomes from our procurement activities using

broad value for money and social value criteria to make decisions.

- Ensure fair, open and transparent competition that does not discriminate against SMEs.
- More widely advertise our contracts over £25,000 in value, making best use of the [Sell2Wales portal](#).
- Welcome applications from new businesses.
- Actively encourage our main suppliers to provide opportunities for SMEs to deliver elements of appropriate contracts.
- Welcome bids from small businesses that are collaborative or are on a consortia basis.
- Comply with all applicable procurement legislation, in particular the principle of non-discrimination, and apply the rules to all tenderers in a fair, open and transparent manner.
- Respond promptly and positively to queries raised through the Welsh Government's [Supplier Feedback Service](#).

#### **4.1.2 We remain committed to sustainable development and will continue to:**

- Follow the 10 principles of the Wales Procurement Policy Statement 2021 which are based on the 7 well-being goals and 5 ways of working of the Well-being of Future Generations (Wales) Act 2015, and key Welsh Government policies.
- Make the most of the tools and guidance provided by the Welsh Government to help deliver economic, social, environmental and cultural well-being for Wales.
- Encourage SMEs to embrace sustainable development.

#### **4.1.3 We have modernised our procurement processes to ensure that they are fair, open and transparent for all SMEs and, whilst the majority of these commitments have been adopted, we will continue to:**

- Ensure skilled and professionally qualified personnel manage the processes.
- Keep our tendering process as simple as possible to minimise cost.

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- Look at the whole life cost, and not just the initial cost of the product / service when considering value for money.
- Explain our procurement processes to SMEs and how they are influenced by the need to comply with Procurement Regulations.
- Give SMEs sufficient notice about changes in our processes to allow time to adapt.
- Cut down on administration needed to tender, simplify our documents, provide clear briefs that identify all of our requirements, and use plain language.
- Move towards a consistent all-Wales approach to pre-qualification and standardised contract documentation.
- Adopt eProcurement tools, including but not limited to eSourcing, Dynamic Purchasing Systems, e-auctions, e-invoicing, electronic catalogues and purchase cards.
- Consider the most appropriate approach to achieve value for money and manage risk, for each procurement.
- Package large contracts into separate elements or make use of regional lots if appropriate, to ensure that SMEs are not excluded from tendering.
- Give potential SME suppliers an opportunity to discuss the procurement, in order to understand our requirements and assess their own suitability.
- Inform SMEs of the criteria we use to evaluate applications to tender and tenders.
- Decide what our financial qualification requirements are on a tender-by-tender basis, having assessed the risks involved.
- Not ask for more than two years audited accounts, and accept alternative information from newer businesses.
- Use outcome specifications and consider alternative products or services SMEs may wish to offer.
- Offer feedback to successful and unsuccessful tenderers, to help SMEs improve.
- Treat all SMEs fairly, and pay within 30 days from receipt of a correct invoice.

## 4.2 SMEs commitment to the Welsh public sector

The following are the main principles on which SMEs commitment to SME friendly procurement is based.

### 4.2.1 In order to help us help you do business with us, you will be prepared to:

- Register on the [National Procurement Service Website](#).
- Provide further information we may need to understand your business.
- Take advantage of the opportunities we offer for you to meet with us.
- Ensure that you know what is required of you to meet our requirements, and if you do not know, seek advice.
- Actively seek tender opportunities, including via [Sell2Wales](#).
- Be realistic in assessing your own capability to deliver each contract.
- Take up e-procurement, and as a minimum become Internet capable, to make sure you are not disadvantaged.
- Ensure all activities are conducted in an honest and responsible way.
- Continuously improve your business' contribution to sustainable development.
- Develop and work with your supply chains to include other SMEs.
- Treat your suppliers fairly, and pay within 30 days from receipt of a correct invoice
- Take into consideration the 10 principles set out in the [Wales Procurement Policy Statement 2021](#) to maximise positive outcomes from all procurement activities.

### 4.2.2 You will have a reputation for, and will want to provide us with, a high quality competitive service by:

- Continuously updating personnel skills and your business' capability, seeking assistance from Business Support Agencies such as Business Wales, Business Online Support Service and Sell2Wales, if appropriate.
- Consider collaborating with other suppliers, if this makes your service more

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competitive or reduces risk.

## Please note

This WPPN will support the delivery of **WPPN 05/21: Guidance on reserving below threshold procurements for Welsh public sector contracting authorities**.

WPPN 05/21 provides options for WPS contracting authorities to reserve below threshold procurements explicitly for SMEs and Voluntary, Community and Social Enterprises (VCSEs). It also provides options for certain WPS contracting authorities to reserve contracts for suppliers in a specific geographic location. Please note however that reservation of contracts in this way is not permissible for local authorities in Wales. Section 17(5)(e) Local Government Act 1988 prohibits a local authority from taking into account “the location in any country or territory of the business activities or interests of contractors” when making procurement decisions.

## 5. Legislation

- The Well-being of Future Generations (Wales) Act 2015
- The Public Contracts Regulations 2015
- The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020

## 6. Timing

This WPPN is effective from the date of publication on 12 October 2021 until it is superseded or cancelled.

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## 7. Welsh Government Procurement Policy Statement (WPPS) relevance

This WPPN aligns with the following WPPS principles:

### Principle 1

We will leverage collaborative procurement activity in Wales to maximise long-term sustainable social and economic value outcomes from public spend.

### Principle 5

We will support Welsh Government policy objectives relating to progressive procurement, such as the Foundational and Circular Economy, through collaborative, place-based (whether national, regional or local) procurement activity which nurtures resilient local supply chains.

### Principle 10

We will promote value-based procurement which delivers optimum long-term outcomes for Wales.

## 8. Additional information

8.1 To support the delivery of this WPPN, Sell2Wales offers the online “Quick Quote” (QQ) functionality to support WPS contracting authorities. It allows buyers to obtain competitive quotes electronically for low value requirements by sourcing suppliers registered on Sell2Wales. QQ is used to obtain quotes for low value/low risk procurement exercises or run mini competitions within a framework agreement.

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8.2 Details of the QQ are created online through the notice creation wizard and distributed to a select list of suppliers. There are a number of ways in which to filter and select the suppliers that you want to invite to quote through Supplier Finder Profile. QQs are only distributed to the selected suppliers and are not made public on the portal. Therefore, only the individual supplier selected to quote can access the details of the quote and submit a response.

8.3 Once registered on Sell2Wales any supplier can be invited to quote from a buyer. To enhance a supplier's chance of being invited to quote suppliers should complete a full and accurate Supplier Finder Profile. For a more detailed guide take a look at the [Sell2Wales User Guide](#).

8.4 Further information and guide on [Quick Quote available on Sell2Wales](#).

8.5 To pass on procurement feedback, raise concerns about WPS procurement exercises and/or get clear guidance on procurement rules please visit [Supplier feedback service](#). For further information please read [Supplier Feedback Service: guidance for suppliers](#).

8.6 For further information on procurement processes and requirements, please visit [Welsh Government procurement, Business Wales, Business Online Support Service \(BOSS\)](#) and [Help & Resources](#) on Sell2Wales.

## 9. Contact details

If you have any questions about this WPPN, please contact:

Commercial Policy – Polisi Masnachol: [CommercialPolicy@gov.wales](mailto:CommercialPolicy@gov.wales).

If you have any questions on support available for small business, please contact:

- Business Wales helpline: 03000 6 03000
- Sell2Wales helpline: 0800 222 9004

If you have any questions on procurement processes and procurement

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templates, please contact: [CPSProcurementAdvice@gov.wales](mailto:CPSProcurementAdvice@gov.wales)

## 10. Acknowledgements

The following publications were utilised in the preparation of this WPPN:

- [The Opening Doors Charter for SME Friendly Procurement](#)
- [Welsh Procurement Policy Note WPPN 05/21: Guidance on reserving below threshold procurements for Welsh public sector contracting authorities](#)

## 11. References

- Details of the public sector organisations can be found in the resources section on the [sell2wales website](#)
- [Sell2Wales User Guide](#)
- [Buyer User Guide – Quick Quote](#)
- [Supplier feedback service](#)
- [Supplier Feedback Service: guidance for suppliers](#)
- [Welsh Procurement Policy Note WPPN 05/21: Guidance on reserving below threshold procurements for Welsh public sector contracting authorities](#)

## About this document

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