

The Procurement Act 2023 and Associated Regulations

A SHORT GUIDE FOR SUPPLIERS



Public procurement law is changing following the introduction of the new Procurement Act 2023 and associated Regulations which are scheduled to go live on 24 February 2025.

If you are a business that supplies goods, works or services to the Welsh public sector you need to know about these changes and our plans to prepare stakeholders for its implementation.

This important piece of legislation will transform the way that Welsh contracting authorities buy goods, services and works, bringing a range of benefits to suppliers, including:

- A central digital platform: Suppliers will be able to register and store their details so that they can be used for multiple bids.
- Visibility of procurement plans: Improved transparency measures will allow suppliers to see Welsh contracting authorities' procurement notices on Sell2Wales and the central digital platform, including pipelines of future opportunities for contracts over £2m. This will give suppliers more time to gear up to deliver, either as prime contractors, members of consortia or sub-contractors in the supply chain.
- Simplified bidding processes: Simplified processes will make it easier for suppliers to bid, negotiate and work in partnership with the Welsh public sector.
- Flexible procedures: The new Competitive Flexible procedure will allow Welsh contracting authorities to design their own procurement process, which is particularly beneficial for complex, high tech or innovative solutions.
- **Flexible commercial frameworks**: The new open frameworks are more flexible so prospective suppliers are not shut out for long periods of time.
- **Duty to consider SMEs:** A duty on Welsh contracting authorities to have regard to the barriers facing SMEs and to consider how they can be overcome will help smaller businesses compete for more public contracts.
- **Prompt payment:** Strengthened provisions for prompt payment throughout the supply chain will enable SMEs to benefit from 30 day payment terms on a broader range of public sector contracts.

These changes will drive innovation, deliver better outcomes and embed transparency right throughout the commercial lifecycle, so everyone can access procurement data and see how public money is spent.

While the Procurement Act doesn't really govern suppliers directly, it aims to make it easier for you to do business with the public and utility sectors, so you need to understand what it means for your organisation.

We encourage all suppliers to view the series of short 'Knowledge Drop' training videos, which have been tailored specifically for suppliers, including SMEs and VCSEs.

Key actions for suppliers:

- **Registration**: Make sure you register on the central digital platform once this is available to obtain your unique supplier ID and to see all Notices published under the Procurement Act.
- **Core Information:** Make sure you complete the core supplier information on the central digital platform if you wish to tender for public sector contracts.
- Payment term: Be aware of the 30 day payment term implied into every "public sub-contract"

Key information for suppliers:

- **Managing Performance:** Welsh contracting authorities will be required to set Key Performance Indicators for contracts over £5m and publish performance against these KPIs.
- **Debarment and exclusion**: A Debarment list will exist. Suppliers to be entered on the list will first be given notice. A supplier can apply for removal from the list at any time.

We will continue to add material to our <u>GOV.WALES</u> page and to share resources with our network of interested parties as we move towards go-live. In the meantime, if you have any queries regarding the Procurement Act or the associated regulations please email: <u>ProcurementReformTeam@gov.wales</u>.

More general resources to help suppliers with the tendering process and how to get the most out of the Sell2Wales website are also available here.