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Public Hearing
Modernisation of Public Procurement
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Presentation focuses on 2 key issues, these are:

- The impact the Directive has on delivering value for money through Public Procurement both in terms of:
 - Prices paid and,
 - Administration costs
- 2. Secondly, how the current procedures make it difficult for procurers to buy innovative technology and services, and the impact on SME's.

A detailed written submission on how the Public Procurement Directive can be improved has been submitted.



Value for Money

1. Typically a public procurement process is lengthy, between 6 to 18 months, roughly double that in the private sector.
2. Procurers favour long term contracts with fixed terms.
3. Photo-voltaic panel procurement demonstrates that prices are not reflective of market dynamics.
4. Frameworks agreements
 - i) Introduce price competition
 - ii) but, do not maximise scale of procurement.

The Directives could be improved by:

1. Removing the detailed procedures
2. Significantly increasing thresholds to level that stimulate cross border interest
3. Allowing procurers to buy from approved suppliers providing list have been openly advertised.



Procurement Innovation

- The Birmingham Energy Savers Projects – all existing homes in Birmingham fitted with energy efficient improvements.
- Lack of innovative affordable solutions in the mass market.
- The Directive does not lend itself to partnering with innovators.
- BCC has explored the use of techniques such as forward commitment and pre-commercial procurement as part of Birmingham Science City (a partnership of Universities, Industry, and the Public Sector).
- The procurers require candidate (supplier) selection to take place before tender evaluation. This disadvantages small innovative suppliers.



Changing the Directives

- Birmingham City Council receive very few responses from countries outside of the UK (2 tenders in the last 12 months).
- Greater clarity needed on not for profit organisations and public to public contracts.
- Essentially the Directives could be modernised in either of 2 ways:
 1. Build further clarification, guidance and rules into an already complex piece of legislation, or
 2. Strip the Directive back to a set of principles that must be abided by. BCC favours this approach.

