



# **Barriers to Procurement Opportunity Research**

**Prepared For: Welsh Assembly Government - Value Wales**

## **Annex 1-4**

**Annex 1 : Common Features Pre-Qualification Questionnaires**

Features	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Background to the procurement	X	X	X		X	X	X		X		X		X				X	X	X
Guidance on completion of PQQ	X	X	X		X	X	X	X	X		X	X		X	X	X		X	X
Confidentiality				X		X			X		X							X	X
Freedom of Information Act 2000	X			X		X			X		X							X	X
Company name, address and contact details	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Membership of trade association or Constructionline		X		X			X			X							X		
Economic & financial standing	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Accounts (number of years requested)	2	L		3	2	2	3	3	3	3	3	3		3		2	3		2
Turnover, profit & loss (number of years requested)	3	5	X	X	2	2	3	3	3		3	3	5			2	3		2
Details re subsidiary & parent company	X		X	X	X	X	X	X			X	X		X		X			
Willingness to take a guarantee / performance bond	X	X	X		X			X			X			X					
Bank information & account details	X	X	X				X			X	X	X	X	X			X		
Taxation, registration (Construction)		X										X							
Liability Insurance information	X	X	X	X		X	X	X	X	X	X	X		X			X		X
Electronic trading capability				X	X	X			X										X
References required	X	X	X	X	X	X		X	X	X	X	X	X	X					X
Details of previous contracts, disputes, failures etc	X	X	X	X				X	X	X	X	X	X	X		X	X		X
Previous customers ( same or similar work )	X	X	X	X	X	X	X		X	X	X	X				X	X		X
Capability & capacity questions including quality assurance and indemnity	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Number of staff, expertise, skills etc.	X		X	X	X	X	X	X	X	X		X	X	X		X	X		X
Health & Safety information	X	X		X	X	X	X	X	X	X	X	X	X			X	X		X
Accident statistics		X						X	X										
Equal opportunities (race, gender, diversity etc)	X			X	X			X	X		X	X	X	X		X			X
Sustainability				X	X			X	X	X	X	X		X		X			X
Declaration	X	X	X	X	X	X		X	X	X	X		X	X	X	X	X	X	X

NB- "As the matrix in Annex 1 demonstrates, much of the information sought in PQQs falls into 'common' categories, thereby supporting the case for a standard PQQ to be devised. However, the problem for SMEs is that currently, the 'common' categories of information sought are not presented in an easily recognised format and presentation can vary considerably from one organisation to another, thereby greatly increasing the PQQ submission burden for SMEs because a bespoke response is often required, even in response to 'common' category items. The evidence suggests that it would be possible to harmonise these questions into a standard form. Specialist information relating to specific contracts varies from a few questions to pages of technical detail and would need to be added to the standard information as and when appropriate."

**Key**

<b>1</b>	Blaenau Gwent C.B.C
<b>2</b>	Bridgend C.B.C
<b>3</b>	Caerphilly C.B.C
<b>4</b>	Cardiff City Council
<b>5</b>	Carmarthen C.B.C
<b>6</b>	Ceredigion C.B.C
<b>7</b>	Merthyr Tydfil C.B.C
<b>8</b>	Newport C.B.C
<b>9</b>	Pembroke C.B.C
<b>10</b>	Powys C.B.C
<b>11</b>	Swansea C.B.C
<b>12</b>	Vale of Glamorgan C.B.C
<b>13</b>	Wrexham C.B.C
<b>14</b>	Fforwm (FE sector)
<b>15</b>	Gwalia (Social Housing)
<b>16</b>	North Wales NHS Trust
<b>17</b>	University of Glamorgan (HE)
<b>18</b>	Value Wales
<b>19</b>	Velindre NHS Trust

## Annex 2 SME Research: Detailed Methodology

### Research Questions

Detailed below is the email response guide sent out to respondents, and developed from the extensive desk-based research carried out prior to commencing contact with SMEs. To ensure consistency, the same sets of questions were used for all methods of communication (i.e. Phone and Face-to-Face Interviews, response by email, Focus Groups responses, and questions for the on-line procurement blog).

#### ***SME Opportunity Barriers arising from existing Public Sector Pre-Qualification Practices***

##### ***Introduction***

*This short document provides a framework for you to use when considering the SME opportunity barriers that arise from **Welsh Public Sector Pre-Qualification practices**. It is specifically for those who have requested to provide their contributions by email.*

*You will need to be aware of the following definitions as you work through this document:*

- *“Pre-Qualification” refers to the vetting of suppliers by Public Sector buyers to identify those able to meet a required contracting standard.*
- *“PQQs” = Pre-Qualification Questionnaires.*
- *“SME” = Small and medium sized enterprise (less than 250 employees).*

##### ***Instructions***

*We do not expect you to reply to all the questions detailed below, but perhaps to focus on areas that are most relevant to you and that you feel are most in need of addressing. There may also be points not covered in this document that you want to comment on. We request that you give particular consideration to the questions detailed in the Summary section (at the end of this document).*

*Wherever possible, please back-up your replies with examples, so that we can provide meaningful feedback to Value Wales. Remember this is an opportunity for you to provide your view, and thus to have a tangible impact on future Welsh Public Sector Pre-Qualification practices.*

*Please reply directly under the questions detailed below **in red** and when you’ve finished, email the document to [tenderwise@trinity-cm.ac.uk](mailto:tenderwise@trinity-cm.ac.uk). If you have additional points to make that are not covered by the questions below – simply add these to the end of the document (again in red).*

*Be aware that by clicking on the main titles detailed below (PQQ Resources Issues, PQQ Communication Issues, PQQ Documentation Issues, Pre-Qualification and the new business) you can also link to the on-line discussion forum that has been set-up as part of this research.*

***NB.:** Please keep your replies solely focused on Welsh Public Sector Pre-Qualification issues and not on the wider tendering process.*

#### ***Framework Questions***

##### ***PQQ Resource Issues***

##### ***Resource Commitments to Pre-Qualification***

- *Do you feel that Pre-Qualification criteria fairly reflect the level of risk inherent in particular contracts, e.g. based on the accreditation that is required? Please explain your answer.*
- *Are Pre-Qualification requirements seen to be overly time consuming to prepare and complete? If you feel this is the case, please explain why.*
- *What is the reality of having to re-submit some of your supplier registration details annually to ensure you stay on an Approved supplier list – does this prove burdensome for you?*
- *Is there significant unnecessary repetition in filling in tender documentation, following submission of Pre-Qualification details? Please explain your answer.*

### ***Time given to complete and return PQQs***

- *To what extent have deadlines that the Public Sector has set for completion of a PQQ proved problematic for you? Please provide an example, or evidence to back-up your answer.*

### ***Size (and resource) Issues***

- *What is your view on the levels of indemnity insurance required by Public Sector organisations in their Pre-Qualification requirements?*
- *Do you feel that existing Welsh Public Sector Pre-Qualification processes and requirements are fair on smaller companies? Please explain your answer.*

### ***Capability Issues***

- *Do you think that certain Pre-Qualification requirements unnecessarily eliminate some SMEs from being short-listed despite the fact they are not vital to successful delivery of the contract (e.g., the ability to process Purchasing Cards)? Please provide examples to back-up your answer.*

### **PQQ Communication Issues**

#### ***Awareness***

- *Do you feel there are issues related to SMEs finding out about the opportunity to pre-qualify and tender in the first place? If so, how would you like to find out about such opportunities?*
- *Do you feel that 'meet the buyer' and networking events support SMEs wanting to engage with the Welsh Public Sector?*
- *Are you aware that the Welsh Public Sector sometimes holds Approved supplier lists, and that SMEs need to register on these lists to have the opportunity to be invited to tender?*
- *What is your view on 'Approved' suppliers (see definition of Approved supplier in the "Introduction")?*
- *Do you know how to fill in PQQs properly? Do you feel the guidance provided by the Public Sector buyer to filling in PQQs is satisfactory? Where do you need particular help in this respect?*
- *Do you find there are terminology/language barriers when filling in PQQs or supplier registration questionnaires? Please explain.*

#### ***Access to the Public Sector Buyer***

- *Are you normally given the opportunity to contact the Public Sector purchaser for further information, or to ask specific questions regarding Pre-Qualification, e.g. filling in the form properly in relation to your particular circumstances?*

#### ***Evaluation Criteria***

- *In the past, have you been clear how your PQQ was to be assessed, i.e. what evaluation criteria was to be used? Please clarify your answer.*
- *Do you feel the weightings used in evaluation of PQQs are fair to SMEs and their particular circumstances? Please explain (and give examples).*

#### ***Feedback***

- *Have Public Sector organisations offered you feedback on why your company has failed to meet Pre-Qualification requirements?*
- *Does your company take advantage of this when it is offered?*
- *How useful has this feedback been for you?*

### **PQQ Documentation Issues**

#### ***Consistency of Welsh Public Sector Pre-Qualification requirements***

- *Have you found that the Pre-Qualification requirements (e.g. with regard to accreditation) of different Welsh Public Sector organisations have been relatively consistent? If not, please explain with examples, and give details of the problems this has caused you.*
- *How would you feel if there was a move towards a consistent all-Wales approach to Pre-Qualification?*

#### ***Ownership Issues***

- *Do you feel that opportunities for sole traders and partnerships are limited unnecessarily because they are perceived as being higher risk? Please explain your answer and give examples if necessary.*
- *Do sole traders and partnerships find it more challenging to meet Pre-Qualification requirements, e.g., not being able to provide comprehensive accounts information that incorporated companies can provide? Explain your answer.*

***Other***

- *What problems have you faced with Pre-Qualification documentation?*
- *Can you provide details of what you consider to be unusual questions/requirements relating to a PQQ or supplier approval (registration) questionnaire? Why do you consider these to be unusual requirements?*
- *In your opinion, do Pre-Qualification requirements ask the right questions of SMEs to assess whether they are suitable for short-list? Please explain your answer and provide examples where necessary.*

**Pre-Qualification and the new business**

***Newer Businesses***

- *Do younger companies that do not have an extensive track record and several years of audited accounts find it difficult to meet Pre-Qualification requirements? Please explain and give examples to back up your answer.*
  - *e.g. a relatively new business may not be able to provide 3 referees.*
  - *e.g. they may only have experience in the private sector and may not have any Public Sector experience.*
- *In your experience, does the Public Sector accept alternative information from newer businesses? Please discuss your answer.*
- *What alternative information do you feel we should encourage the Public Sector to accept?*

***Summary – What One thing?***

- *What one thing would you single out as being most problematic in meeting Public Sector Pre-Qualification requirements?*
- *How do you suggest this issue should be tackled?*
- *How do you think the Pre-Qualification process could be improved?*
- *Can you give an example of a good practice Pre-Qualification process? Please explain why you would classify it as such, and name the Public Sector organisation that it relates to.*
- *What are the advantages of Pre-Qualification from an SME perspective?*

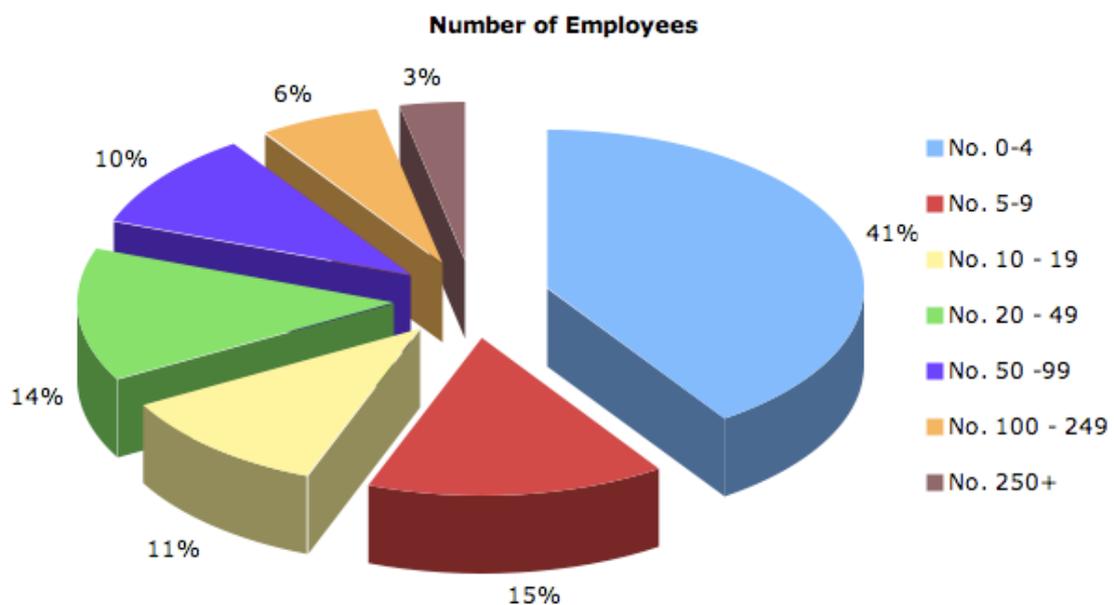
## Breakdown of SME Participants according to Market Sector

The table below provides a clear breakdown of SME Participants according to the Market Sector they operate in:

Business Grouped by Sector	No.	Business Grouped by Sector	No.
Architecture	2	Manufacturing	6
Arts/Design	3	Marine	1
Business Services	21	Nursing Care and Training School	1
Clothing & Retail	3	Printing & Publishing	9
Construction	18	Promotions & Marketing	4
Education & Training and Consultancy	14	Recruitment	1
Engineering	6	Support Services	1
Food & Drink	4	Translation	2
Horticultural & Ground Care	1	Transport	4
Hospitality & Leisure	1	Voluntary Sector	9
IT or Internet	2	Wholesale Distribution	3
Landscaping	1	Other Services	8
		<b>TOTAL</b>	<b>125</b>

## Breakdown of Participant Organisations according to Size

The chart below illustrates the size of the organisations surveyed, according to number of employees:



## Annex 3: SME Findings – SME Issue Log

### "Short-List Requirements"

#### Risk-Related Criteria

##### Capacity to deliver according to contract size

#	Description	Raised By	Frequency	Impact and Evidence/Examples
1	PQQs that include a number of schemes bundled into one.	Construction Sector, Food and Printing	Common	<p><u>Impact:</u> Smaller suppliers are being ruled out as they are unable to meet PQQ 'capacity' criteria for bundled contracts. In those cases where national contractors win the work, there is the claim that SME sub-contractors are being squeezed to such an extent that any opportunities for training and expansion are severely limited. Some SMEs are thus very reluctant to become involved in sub-contracting arrangements.</p> <p><u>Example:</u> Housing maintenance works for North Wales housing stock where contract bundling has meant that SMEs have failed at the Pre-Qualification stage and thus are excluded from housing maintenance work in a North Wales county for the next 4 years.</p>
2	Assessment criteria being used on a 'blanket' basis and not taking into consideration the specific nature of the contract.	SMEs - All Sectors	Common	<p><u>Impact:</u> SMEs are concerned they are losing out on opportunities because of a dependency rule that determines that contract work should not exceed a certain percentage of the total turnover of a business, i.e. their view is that the criteria used should all depend on the particular nature of the contract.</p> <p><u>Example:</u> "Turnover/contract value ratio if inappropriate leads to barriers."</p>
3	Widely varying 'capacity' criteria from one Public Sector organisation to another.	Construction Sector	Occasional	<p><u>Impact:</u> Limits opportunities and raises questions amongst indigenous businesses as to the viability of such financial assessments.</p> <p><u>Example:</u> A construction company which was given the 'green light' to tender for contracts for the Welsh Assembly Government up to a value of £20m, was told by a North Wales Local Authority that the maximum they could tender for was a £6m contract.</p>
4	Lack of awareness and transparency as to how the Public Sector determines the size of contracts businesses are suitable for.	SMEs - All Sectors	Common	<p><u>Impact:</u> Raises issues with regard to transparency and fails to provide any insight into how businesses can improve their situation.</p> <p><u>Example:</u> "We have 2 employees working for us, so on paper we may appear as being high risk. However, we have over 20 associates working for us and actually physically delivering the training. Assessing capacity by number of employees is therefore unfair on us. We should not be questioned on our ability to deliver large contracts due to the fact that we only have 2 permanent employees."</p>

Financial Stability

#	Description	Raised By	Frequency	Impact and Evidence/Examples
5	Assessments that look at the Financial Stability of an organisation are seen to be too stringent in circumstances where a contract can easily be re-let, such as for consultancy services.	Consultancy Sector	Occasional	<p><u>Impact:</u> Limits opportunities for newer and smaller businesses as well as Sole Traders to pass the Pre-Qualification stage.</p> <p><u>Examples:</u> "Financial history and current financials are not as relevant to leadership development expertise. If I go bankrupt, then the Public Sector can simply re-let my contract again, it hasn't really lost anything, and in fact can benefit from my input before stopping the contract." "Larger companies tend to pose less of a risk, but what is the worst that can happen, a small company fails – get another company in."</p>
6	Inconsistency between Public Sector organisations with regard to the number of years of trading accounts required.	SMEs - All Sectors	Common	<p><u>Impact:</u> Creates confusion amongst SMEs as to why there are these differences.</p> <p><u>Examples:</u> Wales-wide.</p>
7	Concern amongst smaller SMEs that they can't compete with larger companies that have a better financial history.	SMEs - All Sectors	Common	<p><u>Impact:</u> Raises the issue of whether smaller SMEs are at a competitive disadvantage when applying for work within the Public Sector.</p> <p><u>Example:</u> Translation work won by 'large' suppliers, who sub-contract to Sole Traders who have failed at the Pre-Qualification stage because they are perceived as being high risk. This raises particular issues with regard to making good use of tax payer money when these sub-contractors are being paid 60% of what the main contractor is receiving from the Public Sector.</p>
8	Lack of knowledge as to whether newer businesses will be penalized or eliminated from the Pre-Qualification process, if they cannot provide 2 or 3 years of accounts.	SMEs - All Sectors	Common	<p><u>Impact:</u> If PQQ guidance does not explicitly mention otherwise, it may put off some businesses from applying for this work in the first place.</p> <p><u>Examples:</u> Wales-wide.</p>

References, Experience and Capability

#	Description	Raised By	Frequency	Impact and Evidence/Examples
9	Pre-Qualification criteria that is being applied too rigidly for newer businesses, such as Pre-Qualification questionnaires that request details of track record as an 'existing company', or for example, a 3 year track record.	SMEs - All Sectors	Common	<p><b>Impact:</b> This is seen as being particularly unfriendly towards new businesses. It is argued such questions do not take into consideration that entrepreneurs are likely to have built up experience and competencies prior to a company being formed. Although there may be the option for such detail to be included in an 'additional comments' section, many SMEs are not aware of this, and there is a need for it to be explicitly mentioned prominently in the guidance notes or within the question itself for this to be clear.</p> <p><b>Examples:</b> <i>"When I have tried to explain my start-up, but highly experienced consultancy position in an accompanying email to my PQQ, I still have not been short listed, and the purchaser has not responded to my points, or referred to them."</i>  <i>"In our sector it is personal experience we are selling, so this is particularly short-sighted."</i></p>
10	The issue of whether Pre-Qualification questionnaires provide sufficient opportunity for young companies to demonstrate their experience, capability and value.	SMEs - All Sectors	Common	<p><b>Impact:</b> Newer companies in particular feel that PQQs are highly geared towards areas of weakness for them, and feel they are being given limited opportunity to pass the short-list stage. This is locking them out of the Public Sector market.</p> <p><b>Example:</b> <i>"Financial history and current financials are not as relevant - it is capability and experience that is important [in the training sector]!"</i></p>
11	Other rigid Pre-Qualification criteria.	SMEs - All Sectors	Common	<p><b>Impact:</b> Limits opportunities for SMEs to grow and develop.</p> <p><b>Examples:</b> An experienced translator fluent in both spoken and written Polish failed to get on an Approved list because he didn't have any <u>specific</u> Polish translation experience.  <i>"If you've done a good job for the client, should it matter whether that client is from the public or private sector?"</i>  <i>"Three references of similar types of work were required for a particular PQQ. We decided not to go for it, because we couldn't fit this mould exactly."</i></p>

Accreditations and Certification

#	Description	Raised By	Frequency	Impact and Evidence/Examples
12	Lack of flexibility with regard to Accreditations and Certifications.	SMEs	Occasional	<p><b>Impact:</b> Lack of flexibility and knowledge over Accreditations and Certification limits opportunities for businesses to pass the short-list stage.</p> <p><b>Example:</b> <i>"The problem arises when a Local Authority requests a certain Accreditation over another - e.g. STS Accreditation is requested for the Public Sector, yet we have adopted a BRC Accreditation which has more prestige, and has more benefits to us as a company and yet it is not recognised – why?"</i></p>
13	The expense incurred in gaining Accreditations and Certifications, particularly in the context of whether they are really necessary.	SMEs	Occasional	<p><b>Impact:</b> The issue is whether these Accreditations and Certifications are necessary. If they are not, it is a huge unnecessary cost for all businesses.</p> <p><b>Examples:</b> <i>"We are moving towards ISO 14001 and ISO 9001 to help get us through to the short-list stage. However, this is a big cost to us, and monitoring costs are also going to be very high."</i>  <i>"They are asking for a lot of Accreditations these days – fine for a big company like ours, but not for the smaller ones."</i>  <i>"Does being accredited mean you are actually capable, or good at delivering that service - IIP doesn't mean you are good at delivering that service? We perhaps need a more flexible approach for SMEs because of the high costs."</i>  <i>"Risk and qualifications are often pointless. Do you need to be a part of a civil engineering firm to put up way-mark signs? No, you need to be able to dig small holes and use a hammer and nails. What this contract needed was local knowledge, hence the signs put up by contractors in the wrong place. A local organisation would have been cheaper and more effective."</i></p>
14	Clarity within PQQ documentation as to whether Accreditations and Certification are required to pass the short-list stage.	SMEs	Occasional	<p><b>Impact:</b> Raises issues as to how many smaller and newer businesses who are very good at what they do, are put off at an early stage by PQQs that are written in such a way they give the impression that particular Accreditations and Certifications are mandatory to pass the short-list stage, although this may not always be the case.</p> <p><b>Example:</b> <i>"When PQQs ask whether businesses have such things as quality standards and Certifications it can put businesses off from responding to PQQs (frighten them – particularly smaller and newer businesses). If these aren't explicitly required then supporting documentation should make this very clear that it will not necessarily count against them."</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
15	General awareness of Accreditation and Certification requirements to pass the short-list stage.	Small SMEs	Occasional	<p><b>Impact:</b> Smaller and newer businesses are failing to progress and missing out on opportunities, because of this fundamental communication issue. Some are employing people to work on PQQ and tender documentation, but are blissfully unaware of the Accreditation requirements they need to stand any chance of reaching the short-list.</p> <p><b>Examples:</b> <i>"It is very important for the Public Sector to make it clear what they expect of you – for example what Accreditations you need? But they don't. It was only by finding out about a [named] contract that I realized how unprepared I am, and how far behind I am compared to others – for example, I found out I needed 'PA1' and 'PA6' training (safe use of pesticides), as well as other Accreditations."</i></p> <p><i>"The Public Sector does not make it clear what Accreditations we need to become an Approved Supplier, or to be able to pre-qualify. For instance, we were told by one [named] North Wales County Council we would need to become CHAS Accredited; once we had achieved this, we were then told we would need to be a "SAFE contractor", as well as many other Accreditations."</i></p>

Insurance Requirements

#	Description	Raised By	Frequency	Impact and Evidence/Examples
16	Cost implications of excessively high indemnity insurance requirements, particularly in circumstances where insurance is required to be accepted onto an Approved list, but there is no guarantee of work.	SMEs and in particular Micro Businesses and Sole Traders	Common	<p><b>Impact:</b> Where insurance requirements are not proportional to contract risk, it is considered to be a waste of resource and is particularly burdensome to micro businesses and Sole Traders, some of whom are not willing to risk paying out for it, given they are not guaranteed work. They need a reasonable return on their investment, or it is a significant unnecessary cost.</p> <p><b>Examples:</b> <i>"£1m worth of indemnity insurance is doable, but where £5m indemnity insurance is required (as was the case with a recent [named] contract), there are cost implications for small businesses like me - it is a huge issue especially when you're not guaranteed any work!"</i></p> <p><i>"For a £6,000 contract to develop a leisure centre brochure, they were requesting £10m of indemnity Insurance (and three years of accounts)!"</i></p>

**Other requirements**

Policies and standards

#	Description	Raised By	Frequency	Impact and Evidence/Examples
17	Proportionality issues with regard to Health and Safety requirements.	SMEs	Occasional	<u>Impact:</u> Another burden on small businesses'.
				<u>Example:</u> "Lots of health and safety information is requested that does not seem strictly necessary or pertinent to the contract in hand, for instance, with regard to classroom-based training contracts. Too little thought is given to what is really the minimum required for each job, and it seems that a standard list is simply used to make the authorities jobs easier, and not the tenderers."
18	Obscure criteria.	SMEs	Occasional	<u>Impact:</u> Unless Equality Criteria are sufficiently robust, their 'robotic' application will exclude some businesses: who on account of their peculiar locational or work-type circumstances have (for example) a largely male UK Caucasian workforce.
				<u>Example:</u> "Some PQQ require percentage of the workforce to be of ethnic origin or female. The nature of our work does not attract female employees other than in administration, and we live in a particular part of Wales where there are very few ethnic workers."
19	HR issues and policies.	SMEs	Common	<u>Impact:</u> Smaller businesses are not on an equal footing with larger businesses when it comes to these sorts of issues.
				<u>Examples:</u> "The problem for small businesses is when it comes to policies such as Race Discrimination and Sex Discrimination etc.; they are not likely to have a HR person to put this in place!" "They seem to be more concerned with HR policies and standards than on vehicle maintenance." "We had a PQQ turned down because I didn't have a staff training plan in place, and yet all of my staff have been with me for a minimum of 6 years." "Race discrimination and Equal Opportunities policies - I know companies that just download these from the Web!" "Questions that ask for such things as your Employee monitoring procedures etc. – only the largest companies are likely to do this, and the smaller companies are not going to have the resources to bring in such structured systems - and in truth probably won't need to do this!"

Welsh Requirements

#	Description	Raised By	Frequency	Impact and Evidence/Examples
20	Pre-Qualification requirements that require the ability to deliver a service in Welsh.	Training providers	Occasional	<p><u>Impact:</u> Implication that those organisations that aren't able to deliver services such as training in Welsh are discriminated against.</p> <p><u>Examples:</u> <i>"I do not think that weightings for the Welsh language are fair. It disadvantages people who do not speak Welsh – I am Welsh and returned to my country to help make it competitive in the 21st Century, but I do not speak Welsh. To disadvantage me for this is unfair. Arrangements can be made for my work to be translated, and I am more than happy to do this in any contract, but I should not be penalized for not being able to speak Welsh."</i></p> <p><i>"Bilingual Issue: a real problem for us as training consultants, given that those who speak Welsh may not have the skill-sets."</i></p>

**"Finding Out About Opportunities"**

#	Description	Raised By	Frequency	Impact and Evidence/Examples
1	Lack of clarity as to the nature of the notices advertised on Sell2Wales.	SMEs	Occasional	<p><u>Impact:</u> Opportunity cost of time wasted applying for opportunities that prove to be outside a business' core interests.</p> <p><u>Examples:</u> "I don't have such an issue finding out about opportunities, the real issue is that it is not always clear what the opportunities are in the first place - I just don't have the time to sift through loads of them and try and work out what they are on about."                      "Sell2Wales notices just don't provide enough detail to decide whether it is worth sending an EOI or not, i.e. you don't know what the job is in the first place! Same applies with the PQQs."                      "Generally contracts are not well advertised, and when they are, their descriptions are so bad, you have to ask a range questions to find out what they really want."</p>
2	Limited advertising of Lower Value Contracts in general.	SMEs, particularly smaller ones	Common	<p><u>Impact:</u> SMEs are missing out on potential opportunities.</p> <p><u>Examples:</u> "Feel there are transparency issues with regard to advertising of Lower Value Contracts - how is it that we only hear about them after they've been awarded?"                      "No problem finding out about opportunities if you are in the club, but miss out on them and you can be locked out for 5 years!"                      "We welcome advertising of contracts - but it all depends on your relationship with the Council – we can't show our quality if the contracts are not advertised!"                      "Often we hear about contracts because Local Authorities telephone us to see if we are interested. There is however a need for visibility and we welcome advertising."</p>
3	Limited advertising of Lower Value Contracts on Sell2Wales.	SMEs, particularly smaller ones	Common	<p><u>Impact:</u> Negative - SMEs are missing out on potential opportunities.</p> <p><u>Examples:</u> "Strong feeling that we are not seeing the smaller value contracts on Sell2Wales, just the larger ones. This is a big barrier!"                      "Only hear about the big contracts on Sell2Wales, not the smaller ones that might be relevant to me."                      "We are not hearing about the smaller opportunities on Sell2Wales. We're interested in anything above £5k."                      "I've got no business from Sell2Wales. I chase the £20k-£50k contracts but there are few of these on Sell2Wales. Usually the contracts on Sell2Wales tend to be too big, and the low value tenders are not advertised. We get work from word of mouth. We welcome advertising and transparency. We could chase more opportunities if we heard about them!"                      "It should be compulsory for Public Sector organisations to use Sell2Wales."</p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
4	Assumption that all Public Sector opportunities are advertised on Sell2Wales.	SMEs	Occasional	<p><u>Impact:</u> Some SMEs are not actively looking for Public Sector opportunities elsewhere because they believe all contracts are advertised on Sell2Wales, and they are thus missing out on opportunities.</p> <p><u>Example:</u> "We are registered on Sell2Wales and so expect to hear from there about all Welsh Public Sector opportunities."</p>
5	Geographical relevance of email alerts detailing opportunities from Sell2Wales.	SMEs - All Sectors.	Common	<p><u>Impact:</u> Having to trawl through notices that are not relevant is clearly inefficient, and as a result some SMEs are no longer taking Sell2Wales seriously.</p> <p><u>Examples:</u> "Even though we've ticked the box which says we're only interested in opportunities from Wales, we are hearing about opportunities from all around the UK. This needs tackling."                      "I have registered to hear about opportunities for Cardiff and Newport areas, but I am hearing about opportunities from all over Wales - most of them too far away."                      "Sell2Wales informs us about lots of opportunities but they are UK wide – we want it to be work in North Wales – Sell2Wales overburdens us with notices about work in England and Scotland."</p>
6	Sector and business-specific relevance of email alerts detailing opportunities from Sell2Wales.	SMEs - All Sectors.	Common	<p><u>Impact:</u> In those cases where SMEs are not receiving a high proportion of relevant opportunities they are beginning to lose faith in Sell2Wales.</p> <p><u>Examples:</u> "Opportunities coming through on Sell2Wales are not specific enough, i.e. you can't screen opportunities adequately."                      "Notices coming from Sell2Wales are a waste of time as I have yet to receive a relevant opportunity, despite several tuning attempts."                      "Sell2Wales registration is not specific enough to narrow it down to contract opportunities that would be of particular interest to us."                      "I have quit looking at Sell2Wales because the correct opportunities are not coming through."</p>
7	Other issues related to Sell2Wales.	SMEs	Occasional	<p><u>Impact:</u> Varies.</p> <p><u>Examples:</u> "Sell2Wales is good to get us business - for large contracts we find out who won it, and approach the main contractor and get work that way."                      "Once opportunities are on Sell2Wales it is a lottery. If you have had no input on the potential contract there is no point bothering, it is far too late in the process. We try and create personal contacts and relationships to win business."</p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
8	Lack of knowledge and awareness of how to find out about opportunities.	SMEs, particularly smaller and newer ones	Occasional	<p><b>Impact:</b> Smaller and newer SMEs in particular are missing out on opportunities because they don't know how to find out about them.</p> <p><b>Examples:</b> <i>"Finding out about the contracts is the biggest problem – it is so hard to find out about them! Who should you talk to within Public Sector organisations?"</i>  <i>"One big problem is finding out whom to get in touch with to find out about opportunities in the first place – the systems need to be simpler and clearer!"</i>  <i>"It would be hugely useful if there was an up-to-date list of relevant contacts for each Public Sector organisation in Wales."</i>  <i>"Don't know what the procurement thresholds are – it would be useful information to know!"</i></p>
9	Meet the Buyer events that don't involve meeting the end-buyer.	SMEs - All Sectors.	Common	<p><b>Impact:</b> Question marks as to whether SMEs (and the Public Sector) are getting the benefits they should be getting from these events.</p> <p><b>Examples:</b> <i>"We're not meeting the actual end-buyer, just the general procurer. It needs to be someone who will be going through the PQQ and evaluating etc., I have been a Public Sector buyer and you go with what you know!"</i>  <i>"Meet the buyer is worth it, but only if the correct person is there from the buyer side – often the buyer is not present!"</i>  <i>"Complete waste of time for the training sector. Buyers who present at these events just don't have any specialist knowledge – the 'meet the buyer' personnel need to be sector-specific."</i>  <i>"Events need to have buyers who have particular skills/expertise and understanding of the sort of products or services they are letting."</i>  <i>"Meet the buyer are staged events – the procurer may be there, but where are the technical buyers?"</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
10	Other issues related to Meet the Buyer events.	SMEs	Occasional	<p><u>Impact:</u> Varies.</p> <p><u>Examples:</u> "Running more venues in more isolated areas would be helpful."            "Meet the buyer events often fully booked."            "No central contact point to find out about these events; the councils I contacted didn't seem to know who was organising these events!"            "Meet the buyer events are useful and well attended, but main contractors in the construction sector are using them to link up with sub-contractors who they then squeeze"            "Many of these events would appear to be PR exercises, whereby Contractors from outside the area make unfulfilled promises to Welsh SME's, communities and people. We have attended many events and never received any benefits."            "We were told at a meet the buyer event in October 2008 that 'if 12 people are to pre-qualify we will only give the job to whomever prices lowest because all these suppliers meet our quality standards'. The inference being they are all of similar quality and that they will go with the lowest price. We didn't even bother trying to pre-qualify after hearing this."</p>

**"Resource Implications of filling out PQQs and Supplier Registration Questionnaires"**

#	Description	Raised By	Frequency	Impact and Evidence/Examples
1	Many examples of Public Sector Bodies using PQQs that are disproportionate in size compared to the commercial value of contract/the risk of contract failure - this leads to the SME sector incurring considerable costs.	SMEs - All Sectors	Common	<p><b>Impact:</b> Lack of use of "Contract-Appropriate" PQQs causes SMEs to turn away from Public Sector PQQs, and towards private sector purchasers.</p> <p><b>Examples:</b> <i>"For a Tender for a 4 page leaflet, we had to read 70/80 pages before we could start the PQQ, we then had the PQQ to fill out and check and also had to talk to finance, and get insurance certificates etc. Compare that with the opportunity cost of missing out on private sector contracts, i.e. you could ring up 10 private sector prospects and potentially win business. PQQs are therefore an administrative exercise that reduces risk for the Public Sector. Happy to do it once, say every 6-12 months, then happy to do it on an exceptions basis."</i></p> <p><i>"PQQs for me are becoming more and more like tenders where you have to second guess how you would complete the project."</i></p> <p><i>"It can cost us around £7k to complete a PQQ – possibly 8 days work. We therefore only get involved in these sort of PQQs if larger companies ask us to become involved (i.e. the administration costs of doing them are just too high for a small business given there is little guarantee of even making the shortlist)."</i></p> <p><i>"Pre-Qualification is very time consuming and very repetitive and Local Authorities are not working together. Time costs money. For a £5m to £10m contract, PQQs typically take 7/8 days full-time to do, as can a PQQ for a smaller £1-£2m contract, when the risks to the purchaser are very different if contract failure results."</i></p> <p><i>"For small contracts - the amount of information asked for is excessive."</i></p> <p><i>"It typically would take us 2 days to complete a PQQ - £2,800 cost - I could get £1,400 a day as a consultant! The scale of activity for the Public Sector is too heavily weighted in comparison to Return-on-Investment."</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
2	Sunk Costs of SME assuming PQQ burden.	SMEs - All Sectors.	Common	<p><b>Impact:</b> Cost of preparing PQQ relative to contract size or relative prospect of winning causes many SMEs to lose confidence in the integrity of the PQQ process.</p> <p><b>Examples:</b> <i>"It typically takes 2 or 3 days to complete a PQQ. Problem is that different Public Sector organisations or even the same Public Sector organisations ask questions in slightly different ways, which creates much more work for us, and therefore drives up our PQQ preparation costs unnecessarily."</i></p> <p><i>"PQQs that we fill in tend to be extremely time consuming and this is a big problem for a small business like ourselves. They can take 5 days to complete. These PQQs are geared for larger companies that have 3 or 4 people who just fill out PQQs and tender documentation all day! We need an even keel! There is an Economic Cost on both sides – for the SME in filling out the documentation, and for the Public Sector itself when dealing with lengthy PQQs – it is particularly difficult for SMEs in the current downturn."</i></p> <p><i>"Whilst every PQQ wants to know the same information, the wording and format of the questions frequently varies, making completing each PQQ unnecessarily time consuming."</i></p> <p><i>"Instead of the Public Sector doing things better, it pushes the cost onto SMEs."</i></p> <p><i>"The information they are asking for in essence is of a repetitive nature, however they ask for it in different ways which requires BESPOKE responses and therefore involves far more time and effort than should be necessary – highly inefficient. This involves an enormous amount of repetition and often it is not a simple exercise to ‘cut and paste’ previous answers into new PQQ’s as the format and wording of questions is different."</i></p> <p><i>"The main problem is that different Public Sector organisations or even the same Public Sector organisation asks questions in slightly different ways which creates much more work for us! For example, questions on Health and Safety, Operations, Finance."</i></p> <p><i>"No two Public Sector organisations in North Wales use the same questions!"</i></p> <p><i>"Have in the past done 30 PQQs in a year - 60 days work with much repetition and little return."</i></p> <p><i>"Huge time wasting - there can be 50 questions asked in PQQs and there's all that time required to read the small print."</i></p> <p><i>"Some ask for 10 copies of submissions which is excessive – why not just do it electronically?"</i></p> <p><i>"I only go for contracts where you know the buyer - 'Right' (advertised in right place), 'Random' (5 quotes), or 'Rigged' (give it to the last guy and use Value for Money Criteria to give him the contract)!"</i></p>

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#	Description	Raised By	Frequency	Impact and Evidence/Examples
3	The Public Sector is not aware of the negative impact its duplicatory PQQ process has on SME suppliers.	SMEs - All Sectors	Common	<p><u>Impact:</u> Duplication of PQQ information requests is limiting SME opportunities and is often transferring duplicatory costs onto SME sector without justification.</p> <p><u>Examples:</u> "I have had to complete two separate PQQs for the same [named] South Wales Council, typically taking between 1-3 days to complete each, with the same submission date, and the same adjudication panel!"</p> <p>"80% less work on PQQs if they didn't keep on asking for the same material. PQQ tailored information could then be requested for every PQQ – a project specific answer to answer the spec of the PQQ."</p> <p>"It takes 3 to 4 days work to complete a PQQ – it tends to be weekends and evenings – I'm too busy during the day! What is frustrating is the lack of information sharing between different [named] government departments which would reduce the burden on small businesses."</p> <p>"The formats of 2 [named] neighboring Local Authority PQQs are very different."</p> <p>"At present there does not appear to be a standard form to a PQQ therefore each submission is worded and formatted differently. Collating all the relevant information is time consuming especially when you are submitting a PQQ for every tender application for the same Client or Local Authority. With most Local Authorities now we have to submit a PQQ for every expression of interest to tender we make."</p> <p>"There should be a standard Pre-Qualification process that the supplier can update as required. There should be no need to re-submit a new form for each. Our organisation has very little staff time and this is not a good use of resource."</p> <p>"There is definitely a lack of a common look and feel to Welsh Public Sector Pre-Qualification documentation and little consistency. It would be great if there was an all-Wales approach where you could cut and paste to a certain degree."</p>

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#	Description	Raised By	Frequency	Impact and Evidence/Examples
4	Lack of recognition of Constructionline by Public Sector bodies.	SMEs - Construction Sector	Common	<p><b>Impact:</b> SMEs being exhorted to go to trouble and expense of Constructionline registration, yet many Public Sector bodies are not using its repository of data</p> <p><b>Examples:</b> <i>"Local Authorities should acknowledge Constructionline and CHAS accreditation – this would reduce the number of questions considerably."</i></p> <p><i>"I have registered on Constructionline but despite this I am still having to fill out questions on PQQs that should be covered by Constructionline."</i></p> <p><i>"We have a huge gripe with the fact that we are CHAS accredited and Constructionline registered, and yet most of the Public Sector are still asking for this information. Why is there this duplication of data?"</i></p> <p><i>"Constructionline is certainly not being used sufficiently enough by the Public Sector – it costs us in excess of £600 a year to be on the list, yet not many Public Sector organisations in Wales are using it!! I can name three North Wales Councils that differ - one uses it, the second does not, and the third only sometimes. We have to be on it though because some Public Sector organisations use it. It costs us a lot to administer on top of the £600. I have a strong feeling that the end-users, i.e. the Welsh Public Sector, are not trained well enough to use Constructionline which means that we miss out on opportunities!"</i></p> <p><i>"It typically costs at least £3000 in wages alone, plus £1000 for extras, for each PQQ submission. It usually involves 5 days work for 3 people. This burden could be seriously reduced if:</i></p> <ul style="list-style-type: none"> <li>○ <i>Information was gleaned from other sources, e.g. CHAS, Constructionline.</i></li> <li>○ <i>If questions were clear and not open ended in terms of what they are asking for, and if good guidance was provided. Many Public Sector PQQs do not have evaluation criteria in them, and therefore we have had no idea how they are going to mark it, and what they were looking for."</i></li> </ul> <p><i>"Constructionline was introduced by the Government to be a 'one stop shop' for Approved contractors, however the Constructionline registration number is now another question on a document of 50 questions!"</i></p> <p><i>"It must be a terrific burden for smaller and newer companies to complete PQQs. If Constructionline or a single database was used more effectively then the smaller companies could build up that information on-line with (for example) up-to-date references, schemes they have completed, and they would have the opportunity as time goes on to build up the database of information held on them. The present PQQ situation doesn't allow for that – they need an opportunity to build up their portfolio."</i></p>

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#	Description	Raised By	Frequency	Impact and Evidence/Examples
5	Other Constructionline comments.	SMEs - Construction Sector	Common	<p><u>Impact:</u> Varies.</p> <p><u>Examples:</u> "One [named] South Wales Council said they would not be dealing with anybody who is not on Constructionline. I am now registered and thus avoid a full-on Pre-Qualification process."                      "The Public Sector should use Constructionline to put bidders into different categories so they can target bids that they are 'PQQ fit-for', i.e. use Constructionline as a repository site for all the standard information. We are being asked for the same information, with some variation. We want a PQQ that is contract specific. These PQQs and the supporting documentation are 250 pages each!"                      "We don't know what the Public Sector actually know about us as a result of Constructionline. Why can't we be given a 3 or 4 line summary of what they know about us so we know what the score is!"                      "Constructionline is a waste of time, and has no benefit to me or my company. We pay £500+ to be banded in a certain category and the type of contract we can go for, and yet we have to send an unlimited amount of paperwork to this organisation, without any real returns."</p>
6	NHS-sid Database - Public Sector bodies not using it.	Health Supplies and Services Sector	Once	<p><u>Impact:</u> SMEs not convinced of the utility of NHS-sid if it is ignored.</p> <p><u>Example:</u> "We have a big issue with NHS-sid (Supplier Information Database). I have had to register on this and update it bi-annually and yet the Welsh Public Sector doesn't seem to be using it. Some ask for your registration number, others don't, yet you still have to provide everything in a PQQ. On the launch of NHS-sid, we understood that completing this profile and maintaining its accuracy would assist in PQQs being automatically completed to a certain degree just by entering your SID registration number, but this is not the case. With organisations such as ours, I have to complete PQQs, sometimes as many as five per week, repeating the same information over and over again."</p>

*Barriers to Procurement Opportunity Research*

#	Description	Raised By	Frequency	Impact and Evidence/Examples
7	Occasionally timelines for PQQ submission are unjustifiably short and fail to take account of other constraints on the SME sector.	SMEs	Occasional	<p><u>Impact:</u> Prevents SMEs from completing PQQs.</p> <p><u>Examples:</u> "One month to complete a PQQ is fine. But when you only have two weeks and it takes 5-6 days to complete and you are completing more than 1 PQQ simultaneously as well as trying to run your business at the same time, it makes it very hard for the small business!"  "Deadlines are usually manageable. The main problem is when contract briefs are amended and we have to re-submit within very short deadlines."</p>
8	Sometimes the timelines for PQQ short-listing are not adhered to by the Public Sector.	SMEs	Occasional	<p><u>Impact:</u> SME sector feels "oppressed" by such behavior (strict time limits for supplier PQQ submission, and by contrast a failure to adhere to short-listing deadlines by the public purchasers themselves).</p> <p><u>Examples:</u> "Timescale a major issue – they give you no time and then sit on it for months."  "Deadlines have usually been fine: but frustration when authorities then sit on PQQs for weeks or even months before responding, during which time material information could have changed – e.g. recent PQQ for training services which gave a deadline and then nothing happened for months."  "The problem is not the deadlines that the Public Sector set, but the Public Sector not keeping to their deadlines which can make things very difficult for us Sole Traders - i.e. managing our workloads!"</p>
9	Public Sector specifying submission deadlines that include significant public holiday periods.	SMEs	Occasional	<p><u>Impact:</u> Time of release of PQQ sometimes inhibits businesses from completing the PQQ.</p> <p><u>Examples:</u> "Deadlines for PQQs generally OK. But they should avoid periods such as Xmas shutdowns and school holidays."  "PQQs deadlines should give a 4 week period to complete given the need to balance with other work commitments. They should never be released around the Summer and Xmas holidays when staff availability is low."  "Deadlines generally fine. A big "no-no" just before Xmas though – e.g. 10<sup>th</sup> of December with a week and a half to fill it in."</p>
10	Tight PQQ deadlines frustrate SME consortium bids.	SMEs	Once	<p><u>Impact:</u> Causes consortium bid preparation to be limited.</p> <p><u>Example:</u> "It would be good to have a minimum of 4 weeks to complete PQQs (most do) given there may only be 2 or 3 weeks left by the time it gets to me. Sometimes we put in consortium bids and therefore the difficulties associated with this make the time issue even more problematic."</p>

## "Documentation Issues"

#	Description	Raised By	Frequency	Impact and Evidence/Examples
1	Lack of key information to decide whether it is worth filling out a PQQ in the first place.	SMEs - All Sectors	Common	<p><b>Impact:</b> Given resource constraints and the time consuming nature of filling out PQQs, SMEs want more information to enable them to make an informed decision on whether to fill out a PQQ in the first place.</p> <p><b>Examples:</b> <i>"We spent five days working on a 50 page PQQ for a consultancy contract, and it was only after reaching the short-list stage that we were informed of the maximum daily rate they were willing to pay. This rate was ridiculously low, and therefore we did not submit our tender!"</i>  <i>"It would be extremely useful to be given some insight in the PQQ notes as to how many businesses will be short-listed in the first place, i.e. if there is only a 1 in 10 chance of winning the eventual tender, then there is a big question mark as to whether it is worth spending days filling out the PQQ."</i>  <i>"A recent Local Authority contract was awarded to four different organisations because they split the contract in the end - I thought they were only interested in one contract for the 'big boys' and so I didn't waste the effort of filling it in. If the Council had given some indication in the first place that this is what they were going to do, then I would probably have gone for it."</i>  <i>"The whole process is lengthy and time consuming - last night I downloaded information about an opportunity - 110 pages - and only at this stage could I find out that it was not a tender for a single provider like myself. The information I needed to read was not in the initial document on Sell2Wales. There were also typing errors in the email references that wasted a lot of time. A frustrating process."</i></p>
2	Poor Question Design.	SMEs - All Sectors	Common	<p><b>Impact:</b> If businesses are not aware of what is really required, it does not put them in the best possible position to pass the short-list stage. As a result of this uncertainty many businesses include large amounts of information just-in-case - clearly this creates a burden for both SMEs and the Public Sector.</p> <p><b>Examples:</b> <i>"PQQ questions are not sufficiently specific about what is actually required, so large amounts of information have to be included 'just-in-case'."</i>  <i>"Questions tend to be very open ended with insufficient or no guidance on how to answer. Fine for the big organisations who are doing these PQQs consistently."</i>  <i>"Questions in a PQQ can often be so basic, that it tells the procurer nothing about the company."</i>  <i>"Questions have to be relevant and specific to the job."</i>  <i>"The language and clarity of questions are often very vague - it means an element of guess work."</i>  <i>"The quality of what they are asking is the key thing."</i>  <i>"Clear, concise, complete and comprehensible communication is the key."</i>  <i>"There should be more opportunity to sell yourself on the PQQ, to help you pass this stage."</i></p>

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#	Description	Raised By	Frequency	Impact and Evidence/Examples
3	Issues related to the quality of Guidance received.	SMEs - All Sectors	Occasional	<p><b>Impact:</b> New businesses in particular need to be able to benefit from good, clear and concise guidance.</p> <p><b>Examples:</b> <i>"It is often unclear on the level of detail required in PQQs. Do we need to provide a one line reply or something far more detailed? It would be good if PQQs could stipulate the length of reply required."</i></p> <p><i>"Language/terminology is a problem, a glossary or index would be great."</i></p> <p><i>"Need better explanation of what questions mean, e.g. one PQQ said 'when answering this question you should consider'."</i></p> <p><i>"Guidance to filling out PQQs should focus on 'putting the right things in them' – this is the key."</i></p>
4	Issues related to contacting the Public Sector purchaser for clarification.	SMEs - All Sectors	Occasional	<p><b>Impact:</b> Varies, as illustrated below.</p> <p><b>Examples:</b> <i>"I find it very frustrating not to be able to talk on the phone directly with purchasers, but have to email only. Also, in some cases, you can only talk to the purchasing officer, not the person who would be working with you. Also often the ability to ask questions is stopped several days before the contract deadline, which means that last minute questions cannot be answered. It is hard to get a clear idea of the organisational needs when you can't get a proper briefing from the client."</i></p> <p><i>"You are always given the opportunity, but whether you can track them down is another matter."</i></p> <p><i>"What is your interpretation of the questions is the response we normally get from the Public Sector?"</i></p> <p><i>"Contact person usually there, but need to ensure it is the correct person who knows what he's talking about."</i></p> <p><i>"PQQ Public Sector contact often not in the office on the day of submission, and responsibility usually falls to an admin person to sort the problem, when more often than not a technical person is required".</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
5	Issues related to knowledge of how to complete PQQs.	SMEs - All Sectors	Occasional	<p><b>Impact:</b> Unsurprisingly new businesses in particular need help, as do smaller businesses.</p> <p><b>Examples:</b> "Need a generic glossary and a sector specific glossary."  "Terminology can be misleading and people can interpret this in different ways – there is too much use of acronyms."  "Totally different language being used for Pre-Qualification within the Public Sector which we don't really understand...we are a private sector organisation therefore we are used to private sector speak."  "Essentially a 'new game, and businesses need to learn the rules' – anything that can be done to speed up this learning curve for new businesses should be implemented."  "We are hands on people, and we are not used to filling out forms!"</p>
6	Formatting Issues.	SMEs	Occasional	<p><b>Impact:</b> Creates unnecessary difficulties for businesses.</p> <p><b>Examples:</b> "PQQ forms can be a pain if the formatting of the document is too restrictive - very narrow and impractical to use columns and table limitations on text where if you overshoot it will fail to display."  "Lack of ability to provide detail on eTenderWales, e.g. Excel spreadsheet and layout of box meant that we were not able to provide the detail to enable us to sell ourselves. We went through the pain barrier of learning how to use eTenderWales to submit a PQQ for a [named] Public Sector organisation, but they have not used it since. This means we will have to learn how to use it all over again - I don't understand it!"</p>

## "Evaluation and Feedback Issues"

### Evaluation Issues

#	Description	Raised By	Frequency	Impact and Evidence/Examples
1	Lack of any evaluation criteria in a PQQ.	SMEs - All Sectors	Common	<p><u>Impact:</u> Welsh businesses are sometimes filling out PQQs in a 'blind' fashion.</p> <p><u>Examples:</u> "Some Public Sector organisations appear to include evaluation criteria whilst others don't."                      "Many Public Sector PQQs do not include the evaluation criteria. We therefore had no idea of how they were going to mark it and what they were looking for."</p>
2	Lack of clarity with regard to evaluation criteria.	SMEs - All Sectors	Common	<p><u>Impact:</u> Without any clear direction as to what is important, it means businesses are effectively rudderless when it comes to PQQs. It may for example mean they spend much time collecting irrelevant data, or may put them off from submitting in the first place due to the extra workload. In particular, if businesses are not aware of pass/fail criteria it could mean a huge amount of time could be needlessly wasted filling out a PQQ.</p> <p><u>Examples:</u> "We would like to know what the YES/NO questions are, the cut-off thresholds, and what we are going to be thrown out on, before being PQQ assessed."                      "We were told that we needed to be FSC accredited to get through to the next stage, but then they included a score for it."                      "Points and weightings are very unclear, and we never usually know about this information."                      "Public Sector organisations tend to provide detail on how they do this, but it is very vague and subjective."                      "The key issue is the way the evaluation criteria are applied. This is not always clear."                      "Clearer signposting on what's important is critical."                      "PQQ Assessment criteria is detailed, however I have found that the weightings are not always clear."                      "PQQ assessment criteria can often be too vague which provides flexibility for the Public Sector to come up with answers that suit them."</p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
3	Lack of a consistent approach to the use of evaluation criteria throughout the Welsh Public Sector.	SMEs - All Sectors	Common	<p><b>Impact:</b> It creates quite understandable confusion and results in a lack of direction amongst SMEs.</p> <p><b>Examples:</b> <i>"Weightings vary enormously from one Public Sector organisation to another."</i>  <i>"Mixed bag: sometimes in there, sometimes not. Sometimes the evaluation criteria are vague, sometimes it is specific."</i>  <i>"Some authorities provide very clear criteria; others provide little or none."</i>  <i>"We win work in one county, yet we are unable to pass Pre-Qualification in another county, how is this possible?"</i></p>
4	Mechanical application of evaluation criteria.	SMEs, (particularly smaller ones)	Common	<p><b>Impact:</b> Given that evaluation criteria tends towards minimizing risk, smaller businesses in particular are at a distinct disadvantage, particularly when it is applied in a rigid fashion - in such circumstances there is the argument that little consideration is given to company strengths.</p> <p><b>Example:</b> <i>"They use very mechanical criteria, but it doesn't really lead to any understanding of the business. A tick box mechanism and that's it."</i></p>
5	Use of evaluation criteria which is not SME friendly.	SMEs - All Sectors	Common	<p><b>Impact:</b> This can severely limit the opportunity for indigenous SMEs to grow and prosper.</p> <p><b>Evidence:</b> Recent feedback provided by a Welsh Public Sector institution to an SME comprised of a number of comments including "the larger the institution the higher the score".</p> <p><b>Examples:</b> <i>"The Public Sector use perverse financial criteria - it means that any geared company would have no chance of getting onto a list - our view is they just do this to reduce the number of companies on their list and ultimately go for the bigger companies. If criteria for WAG is to grow small Welsh businesses then don't put financial criteria in there that precludes any small privately owned companies, because the 'big boys' from outside will just swoop in."</i>  <i>"The problem with pre-qualifying criteria is that it is a barrier to new enterprise who have not yet had the opportunity to prove themselves. Therefore new and innovative business will find it hard to break through. Someone has to give you a substantial contract before you can then list as evidence. How can an organisation grow if the contracts are only awarded to those who have already managed contracts before? Surely those organisations who are new to procurement could be supported by the team, perhaps mentored through their first larger contract."</i>  <i>"Perhaps more weighting should be given to an organisation's potential rather than being based on past contracts. Proving your potential without a track record of a substantial contract is a huge problem."</i></p>

**Feedback Availability and Quality**

#	Description	Raised By	Frequency	Impact and Evidence/Examples
6	Limited opportunity to gain feedback.	SMEs - All Sectors	Common	<p><u>Impact:</u> This clearly provides an immediate barrier for Welsh businesses to learn from what they have done well and perhaps more applicably, why they have not been successful.</p> <p><u>Examples:</u> <i>"Should be automatic that each company that has failed to move forward is provided with written and specific feedback and percentage scores from their evaluation criteria."</i>  <i>"In one case, when I followed it up and emailed stating that I assumed I had not been successful, but could I please have some feedback, I was told the purchaser did not have time to give me feedback."</i>  <i>"In some cases this has been refused by the purchaser, and in others, only provided when I have specifically pressed for it. In no case was it offered by the purchaser voluntarily."</i>  <i>"If we knew where we'd gone wrong we could do something about it. Haven't been provided with feedback so don't know if we have been filling in PQQs properly – effectively we're filling them in blind!"</i>  <i>"We get feedback because I ask for it - I need to explain to my boss why we haven't got through to the short-list stage."</i>  <i>"It is very difficult to get this information and when you do manage to speak to the person involved, it is like pulling teeth."</i></p>
7	Some SMEs are afraid to ask for feedback in case it has an impact on their ability to win future business.	SME's	Twice	<p><u>Impact:</u> Clearly this does not enable a business to move forward as they would want.</p> <p><u>Example:</u> <i>"We did not push for feedback because we were concerned it might affect our reputation."</i></p>
8	Lack of awareness related to feedback issues.	SMEs	Occasional	<p><u>Impact:</u> Some companies are unaware of the procedures to request feedback and what levels of feedback can be provided.</p> <p><u>Example:</u> <i>"Feedback was not offered to me, so I did not think I was entitled to it"</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
9	Issues with the quality of feedback received.	SMEs - All Sectors	Common	<p><u>Impact:</u> Inadequate feedback fails to provide the direction that Welsh businesses need to progress. Good quality feedback is clearly particularly important for newer businesses. When businesses receive conflicting feedback from different Public Sector organisations this is particularly problematic.</p> <p><u>Examples:</u> <i>"Levels of feedback vary. The feedback from one [named] Local Authority was confused and limited, however feedback from other Local Authorities we work with are always in written form and offers direction."</i>  <i>"Feedback should be a chance to provide a learning opportunity for the company as to why they have failed, or why they have been successful."</i>  <i>"It didn't explain why we were unsuccessful, just a letter saying that we were unsuccessful. You can phone and ask, but they just tend to be diplomatic and not provide any information of use."</i>  <i>"The feedback suggested that the Public Sector organisation was in essence looking out for Key Words."</i>  <i>"Very difficult to get meaningful feedback and very difficult to get comparisons on how your scored vis a vis your competitors."</i>  <i>"Feedback provided was – 'Equality and Diversity – not sufficient evidence'. This is too vague!!"</i>  <i>"Feedback not always useful and sometimes contradictory. For example, for a [named] contract we were told we didn't have the capacity to deliver across Wales, yet had been delivering a similar contract throughout Wales."</i></p>
10	Other issues.	SMEs	Once	<p><u>Impact:</u> Varies.</p> <p><u>Example:</u> <i>"Feedback tends to be good, but it would be far more useful if PQQs are designed more clearly so that it is obvious what the key issues are from the start."</i></p>

**"Issues with Approved Supplier Lists"**

#	Description	Raised By	Frequency	Impact and Evidence/Examples
1	Inability to get onto Approved lists due to infrequent opening window.	SMEs (particularly those from the Construction Sector)	Common	<p><b>Impact:</b> Approved lists which operate infrequent opening windows constitute a barrier to market entry.</p> <p><b>Examples:</b> <i>"I tried to become an Approved Supplier to my local North Wales County Council [named]. I sent a letter into the Council; the response was that they would be updating the list again in the next 6-12 months - a very vague response with no specific date which was hardly encouraging for us."</i></p> <p><i>"I tried to get on an Approved Supplier list for a WAG department (after having missed the official dates for supplier registration). I was told closed shop until 2010 - is such an approach SME friendly?"</i></p> <p><i>"Approval lists: once these have been agreed the door is closed for a new company for a long period after, often up to 3 years."</i></p>
2	Lack of interest in Approved lists where too many suppliers get onto the list.	SMEs - All Sectors	Common	<p><b>Impact:</b> Approved list in this instance are seen as PR stunts by the Public Sector serving no useful purpose.</p> <p><b>Examples:</b> <i>"I'm on the Approved Supplier list for a [named] North Wales County Council, but have no idea how many others are on this list. Where do we stand and how do we move ourselves forward?"</i></p> <p><i>"Approved lists should be put on a public database, so we know how many are on it."</i></p> <p><i>"There needs to be a reduced number of suppliers on Approved Supplier lists to make them worthwhile, i.e. what is the point when there are 70 organisations on a list?"</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
3	Effort in getting onto list not rewarded by award of work.	SMEs - All Sectors	Common	<p><u>Impact:</u> SMEs disillusioned by not getting any work despite making it onto the Approved list.</p> <p><u>Examples:</u> <i>"My media client is compiling an Approved list now. It's a waste of time as I know when a tender comes up we will have to give the very same information again. Also the client will lose out if a piece of work comes up which a company (not on the list) can fulfill best."</i></p> <p><i>"Our experience with Approved Supplier lists is that they tend to rotate contracts. We understand this given we would not want to tender if there were more than 6 companies invited to tender (i.e. on the basis of balancing cost of bidding vs. the likelihood of winning). However, it should be good practice to send letters out explaining why you have not been invited to tender on each occasion this occurs."</i></p> <p><i>"One North Wales County Council request that IIP accreditation is needed to get on their particular list. Some businesses invest all that money to get IIP accreditation and then find out that other businesses are on the list and have won business from them despite not having the accreditation!!"</i></p> <p><i>"Despite consulting for over 20 years, winning many awards, being highly qualified and internationally experienced, I have not yet been able to get on any Approved Supplier lists in Wales. Although I have been running a financially successful business in Australia for over 15 years, I cannot even pre-qualify here. Because I am in a Start-Up position, I have no UK income or up-to-date client list here yet, and therefore I will not be able to pass the Pre-Qualification stage. How can I ever get started here?"</i></p>
4	Distinction between being "Approved" and "being known".	SMEs - All Sectors	Common	<p><u>Impact:</u> Perception that Approved lists are being disregarded by the Public Sector.</p> <p><u>Examples:</u> <i>"Might be on the Approved Supplier list, but unless you know the people letting the contract, you have little chance of winning it. They go to people they know! New suppliers have virtually no chance in Wales of getting anywhere."</i></p> <p><i>"Being known is the key, not being on the list. You therefore need to be on the list and be known!! You still need to get out there and market yourself. Some Local Authorities rotate their Approved Supplier lists, but not others. There needs to be a set of rules so that Public Sector organisations are far fairer in this regard. One of the reasons we get on tender lists is because of the great play we make of the fact that we employ 500 odd people in Wales!"</i></p> <p><i>"My view on Approved Suppliers? Bone of contention – buyers will always have preferred suppliers!!"</i></p>

#	Description	Raised By	Frequency	Impact and Evidence/Examples
5	Too many Approved lists, even within a single organisation.	SMEs	Occasional	<p><u>Impact:</u> Duplicates work effort for SME as it has to try to win access to separate bodies' Approved lists.</p> <p><u>Example:</u> "Problem is that 2 [named] South Wales County Councils may have 20 different Approved Supplier lists between them. They also have their own in-house team, and preferred suppliers - therefore although we are on the Approved Supplier list, we are never invited to tender."</p>
6	Ongoing burden of requirement in order to stay on Approved list / duplication of list information by Public Sector.	SMEs - All Sectors	Occasional	<p><u>Impact:</u> Unnecessary transfer of burden onto SMEs when existing technology available to Public Sector should be utilized to reduce annual SME information submission burden.</p> <p><u>Examples:</u> "We would expect to update our supplier/contractor details annually. This would also provide the opportunity to show any growth to our Client and can influence our tender category so that we are given the opportunity to tender for larger contracts. We do not, however, expect to provide this information to the same client for every application to tender we make."                      "The approach to re-submitting supplier registrations details regularly should not be complete re-submission, but the approach should be 'have you got anything to update' which should be done on-line via a single portal."                      "There should be a central (WAG?) Approved Supplier scheme that is available to the whole of the Public Sector in Wales."</p>
7	Lack of clarity of how to get onto an Approved list.	SMEs (inexperienced smaller businesses)	Occasional	<p><u>Impact:</u> This knowledge barrier is ultimately a barrier to SME opportunity.</p> <p><u>Examples:</u> "I don't know anything about Approved Supplier lists. Who has them and how do you get on them?"                      "The processes for getting on Approved Supplier lists are not published – how do you get on the lists?"                      "Who do you need to speak to get on an Approved Supplier list? What enables you to become an Approved Supplier?"                      "Yes I am aware of Approved Suppliers, but I have no idea how to get on a list."</p>

**Annex 4: SUGGESTED PRE-QUALIFICATION DATA TO BE HELD IN A CENTRAL REPOSITORY**

The table below contains the research teams' initial thoughts on the pre qualification data that might be located in a central electronic repository. The Annex was developed from the research evidence from SMEs and the public sector and takes into account the legal advice outlined in Section 3.5 of the report. It must be stressed that this is **not** a suggested standard PQQ. It is intended to form the basis of future discussion and broad consultation.

Category	Question	Comment
<b>About the Organisation</b>	Name of the organisation in whose name the tender would be submitted:	No issues, no weighting or scoring attached to any of these questions.
	Contact name for enquiries about this bid:	
	Address: Post Code: Telephone number: Fax number: E-mail address: Website address (if any):	
	Registered address if different from the above: Post Code:	
	Charities or Housing Association or other Registration number (if this applies). Please specify registering body: Date of Registration:	
	VAT Registration number:	
	Is your organisation <ul style="list-style-type: none"> <li>• a public limited company?</li> <li>• a limited company?</li> <li>• a partnership</li> <li>• a sole trader</li> <li>• other (please specify)</li> </ul>	
	Name of (ultimate) parent company (if this applies):	

	Companies House Registration number of parent company (if this applies):	
	<i>Construction and related businesses only:</i> Are you registered with Constructionline? If "Yes", what is your registration number?	
<b>Business Activities</b>	What are the main business activities of your organisation?	Open question but could also offer a drop-box of industry categories.
	How many staff does your organisation have? <ul style="list-style-type: none"> <li>• Full time</li> <li>• Part-time</li> <li>• Casual / agency</li> </ul>	For information only unless otherwise stated. Buyers will use this figure in conjunction with turnover to gauge activity levels, capacity etc.
<b>Financial Information</b>	What was your turnover in the last two years? (if this applies)	
	Has your organisation met the terms of its banking facilities and loan agreements (if any) during the past year?	Y/N response
	If "No" what were the reasons, and what has been done to put things right?	
	Has your organisation met all its obligations to pay its creditors and staff during the past year?	Y/N response
	If "No" please explain why not:	
	If asked, would you be able to provide at least one of the following? <ul style="list-style-type: none"> <li>• A copy of your most recent audited accounts (for the last two years if this applies)</li> <li>• A statement of your turnover, profit &amp; loss account and cash flow for the most recent year of trading</li> <li>• A statement of your cash flow forecast for the current year and a bank letter outlining the current cash and credit position</li> </ul>	Y/N response  Allows new business to compete by submitting statement of cash flow etc.
	Please provide details of your Bank and the account numbers relevant to your business. (Name, Branch address, Account No.)	
<b>Business &amp; Professional Standing</b>	Do any of the following apply to your organisation, or to any of the director(s) / partners / proprietor(s)? <ul style="list-style-type: none"> <li>• Is in a state of bankruptcy, insolvency, compulsory, winding up, receivership, composition with creditors, or subject to relevant proceedings</li> </ul>	Y/N responses to all questions

	<ul style="list-style-type: none"> <li>• Has been convicted of a criminal offence related to business or professional conduct</li> <li>• Has committed an act of grave misconduct in the course of business</li> <li>• Has not fulfilled obligations related to payment of social security contributions</li> <li>• Has not fulfilled obligations related to payment of taxes</li> <li>• Is guilty of serious misrepresentation in supplying information</li> <li>• Is not in possession of relevant licences or membership of an appropriate organisation where required by law</li> </ul>	
	If the answer to any of these is “ <b>Yes</b> ” please give brief details	
<b>Performance</b>	Have you had any contracts terminated for poor performance in the last three years, or any contracts where damages have been claimed by the contracting authority?	Y/N response
	If “ <b>Yes</b> ”, please give details	
<b>Insurance</b>	Please provide details of your current insurance cover <ul style="list-style-type: none"> <li>• Employer’s Liability: £</li> <li>• Public Liability: £</li> <li>• Other (please provide details):</li> </ul>	
<b>Quality Assurance</b>	Does your organisation hold a recognised quality management certification for example BS/EN/ISO 9000 or equivalent?	Y/N response
	If not, does your organisation have a quality management system? (“system” means processes and procedures to ensure that the subject is properly managed. This includes making sure that legal requirements are met.)	Y/N response
<b>Equal Opportunities</b>	Does your organisation have a written equal opportunities policy, to avoid discrimination?	Y/N response
<b>Environmental Management</b>	Does your organisation have an environmental management system? Any business employing <b>five</b> or more people has, by law, to prepare and bring to the attention of employees a written Health and Safety Policy Statement.	Y/N response
<b>Contract Specific Questions</b>		Questions relating to technical ability, expertise, capacity etc to be added for each contract.
<b>Declaration</b>		

**Note:** Insert *either*

Please provide copies of all supporting documents mentioned above, for example, accounts, certificates, statements or policies with this questionnaire.

**or**

In order to simplify this process, you don't need to provide supporting documents, for example, accounts, certificates, statements or policies with this questionnaire. **However, the purchasing organisation may ask to see these documents at a later stage.** You may also be asked to clarify your answers or provide more details.