

Government told to buy better to save taxpayers' money

As the Christmas shopping period draws to a close the Federation of Small Businesses (FSB) has called on all levels of government in the UK to remember that better buying will also save money for the taxpayer. The public sector spends £120 billion per year and better value for that money can be achieved by involving more small businesses in public procurement.

To assist public sector procurement managers the FSB has produced advice, which it publishes today. In ten recommendations it spells out how the public sector can create greater competition for contracts by including small firms in the bidding process.

One procurement officer at a London Council emphasises in the advice that the more competition you get for your contracts, the more chances you have of finding the best possible supplier and achieving the best value for money.

Clive Davenport, FSB Trade and Industry Chairman, said:

“Christmas shoppers are looking for bargains and the public sector should be no different. This is our money they are spending after all.

“Only by opening up public sector tendering processes as much as possible will full competition between businesses bring this value for money to public spending.

“Procuring with small businesses makes good economic sense and it also fits in with regeneration objectives. These businesses are local and employ local people. Putting money back into the local economy through buying products and services from small firms in the area is a winning formula for all concerned. We urge public sector buyers to get a copy of our advice leaflet and act on its recommendations.”

The FSB's advice to central and local government officials includes the following:

The 2012 Olympics is a tremendous opportunity for the whole country and small firms must not be left out. Those responsible for putting on the Olympics must make sure that fair play extends to events leading up to the Games as well as during them. Larger contracts should be broken up into smaller pieces to allow for small firms to bid and the urge to aggregate contracts into one larger tender exercise should be avoided.

Public authorities should be forced to break down their spending statements to show how much was spent on contracts with small businesses. The public sector spends over £120 billion per year and far too much of that is not available for tender to small firms. Feedback must be given to all bidders after the tender process is over to ensure small firms can perform better next time around.

All local authorities should be obliged to use the supply2.gov.uk portal to advertise low value contracts, including those for the 2012 Olympics.

E-procurement can help achieve value for money but this must include more than just a website, for example mobile phone access. This will help small firms compete and achieve better competition for contracts.



<http://www.businessinberkshire.co.uk/fsbeastberkshire/>

