Scottish Government
Riaghaltas na h-Alba
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Public Procurement Survey of Suppliers 2020

PUBLIC SERVICES AND GOVERNMENT

social research

Contents

Executive summary

Between 2 November and 11 December 2020, we carried out a survey of suppliers to the public sector in Scotland. The survey aimed to gather the views and experiences of suppliers in relation to a number of key strategic topics of importance to Scottish public sector procurement. In total, it contained 67 questions covering a range of topics such as: suppliers' experiences of the bidding process and of delivering contracts (including sub-contracting work); training, support and advice around tendering; barriers to bidding for and delivering contracts; and the impact of the recent COVID-19 pandemic on suppliers. In total, we received 1,556 responses to the survey.

A summary of key findings from the survey are as follows:

- The pool of suppliers interested in Scottish public sector contracts is diverse, with suppliers of all types, sizes and sectors responding to our survey – most (85%) were small or medium-sized enterprises (SMEs) and around a third (31%) were based outside of Scotland.
- Overall indications are that the Scottish public sector is performing relatively well with regard to procurement and that recent efforts to improve the procurement landscape have had at least some positive impact – however, there is clearly a need for further improvement.
- Suppliers are generally well-equipped to bid for and deliver contracts and are generally encouraged to consider a range of issues during the tendering process, with some elements of the Sustainable Procurement Duty featuring particularly prominently. Eighty-seven per cent and 79% of respondents reported being asked to consider environmental impacts or concerns and community benefits, respectively, 'sometimes' or 'always' during the tendering process.
- Where the Duty is concerned, public bodies are performing less well – and could be doing more – in relation to encouraging innovation. Twenty-seven per cent of respondents reported 'never' being asked to consider innovation when tendering.
- While suppliers generally feel well-placed to bid for a contract, they often encounter a range of difficulties – in particular, many view the tendering process as overly-complex, burdensome and in need of simplification and streamlining. Sixty-three per cent of respondents 'sometimes' or 'always/often' find it difficult to understand questions in tender documents, while 61% 'sometimes' or 'always/often' have difficulties with the timescales for preparing a bid.
- SMEs, third sector organisations, sole traders and local firms face heightened difficulties in navigating procurement systems and in accessing, bidding for and delivering Scottish public sector contracts, both in 'normal' times and during the COVID-19 pandemic. Sixty-one per

cent of SMEs reported facing difficulties identifying available contracts 'sometimes' or 'always/often', compared to 42% of large businesses.

- Many suppliers were unable to comment on the extent to which public procurement has changed in recent years, or on the impact of recent efforts to improve it. This was partly related to the demographics of the businesses responding to the survey and newer companies with less experience of tendering were less likely to provide a definitive opinion. It also suggests that there may be issues around supplier awareness and visibility of various aspects of public procurement, including those relating to the Sustainable Procurement Duty.
- Experiences of sub-contracting were largely positive. Fifty-nine per cent of respondents rated their organisations' experiences of delivering a contract as a sub-contractor as either 'good' or 'excellent'.
- However late payment represents an important concern for sub-contractors, with 54% of respondents indicating that they have not always been paid within 30 days. This was particularly the case for sub-contractors in the construction industry.
- Various mechanisms are in place for suppliers to receive training, support and advice on the tendering process, but take-up of this has been limited – largely because suppliers were unaware that such training is available. Twenty-eight per cent of respondents have received training, support or advice on tendering at some stage.
- Where feedback on tenders is requested, the feedback provided is generally of a good – or at least acceptable – standard. Thirty-nine per cent of respondents rated the quality of feedback as 'good' or 'excellent'. However, such feedback is not always useful, with 21% of respondents rating the quality of feedback as either 'poor' or 'very poor'.
- More could be done to ensure value for money remains at the forefront of public procurement. One third (33%) of respondents 'disagreed' or 'strongly disagreed' that Scottish public procurement focuses on achieving value for money rather than driving down costs.
- Despite the significant impact of the COVID-19 pandemic on the supplier base and the wide variety of support in place to reduce the impact of the pandemic, take-up of such support was again mixed. Forty-four per cent of respondents did not receive any support during the pandemic and several suppliers identified a clear need for more guidance, support and training around public procurement.
- Positive lessons can also be learned from the pandemic, with some suppliers reflecting on the increased flexibility brought to the procurement process due to the increased use of technology and homeworking arrangements. Others felt they were well-supported during the pandemic and had good levels of communication with public bodies and other suppliers across the supply chain.

1. Introduction

Background

This report provides a summary of findings from the Scottish Government's survey of suppliers, which we carried out in Autumn/Winter 2020.

The survey was the first of its kind to gather supplier perspectives on a range of topics of key importance to public sector procurement in Scotland. This includes, but is not limited to:

- organisations' experiences of bidding for and/or delivering Scottish public sector contracts;
- the provision of training, support and advice on tendering for contracts;
- barriers to bidding for and/or delivering contracts;
- the impact of the COVID-19 pandemic on suppliers.

In exploring suppliers' views on procurement within the 'Scottish public sector', we focused on procurement involving public sector bodies which are based in Scotland and which relate only to Scotland. This includes, but is not limited to, the Scottish Government and the 32 Scottish local authorities, as well as Scotland's NHS, universities and colleges, and registered social landlords.[1]

The feedback gathered through the survey – and the analysis of the responses presented in this report – will be used to inform future thinking on the delivery of public procurement in Scotland. The findings will be invaluable in helping us to identify those areas of policy and practice where we are doing well and to understand the impact of recent changes in legislation – in particular, since the passing of the Procurement Reform (Scotland) Act 2014.

More importantly, the results will also identify areas where we could be doing more – or doing things differently – to maximise the impact of public procurement and to ensure that we are supporting the delivery of public services that are high quality, continually improving, efficient and responsive to local people's needs.

Methodology

Our survey of suppliers was carried out over a six-week period between 2 November and 11 December 2020. Designed using the Questback online survey software, the survey comprised a total of 67 questions. Most of these

[1] As such, the survey did not gain views on procurement activities related to UK public sector organisations which are located in Scotland, such as the Foreign, Commonwealth & Development Office or HM Revenue and Customs.

questions were closed questions, inviting respondents to select their answer(s) from a list of pre-determined options. The survey also contained some open-ended questions which enabled respondents to share their views in more detail. The full list of survey questions can be viewed in Appendix 1.

In order to maximise the number of responses, we adopted a multi-faceted approach to promoting the survey. This involved issuing survey invitations to suppliers registered on Public Contracts Scotland (PCS) and key stakeholders from business representative groups, including the construction sector. We publicised the survey on our Scottish Procurement social media platforms and also through our stakeholder groups – in particular, the Procurement Policy Forum, the Public Procurement Group, the Procurement Supply Group and the Supplier Development Programme.

Our survey attracted a total of 1,556 responses and we undertook a full thematic analysis of the responses received.[2] Given the vast number of responses, the analysis of the qualitative data contained within the open-ended responses usually involved coding a randomly selected 10% sample of responses to each question to identify key themes and the random selection was re-run for each open-ended question. This was the approach followed unless otherwise specified in the report. After these random samples of responses were coded, the full set of responses to each open-ended question were scanned to ensure that all major themes were captured in the analysis.

Suppliers were made aware that their participation in the survey was voluntary and all respondents were provided with a privacy notice before beginning the survey. At all stages of the research, all of the necessary steps were taken to ensure that the survey complied with GDPR guidance and to ensure the anonymity of respondents. All quotes used in this report have been anonymised, with any potentially identifiable data being redacted.

Structure of the report

The rest of this report is structured as follows:

- in section two, we provide a full overview of the profile of survey respondents;
- in section three, we present our findings from the summary and highlight the key themes arising;
- in section four, we provide a summary conclusion, bringing together the key messages from the research and setting out next steps.

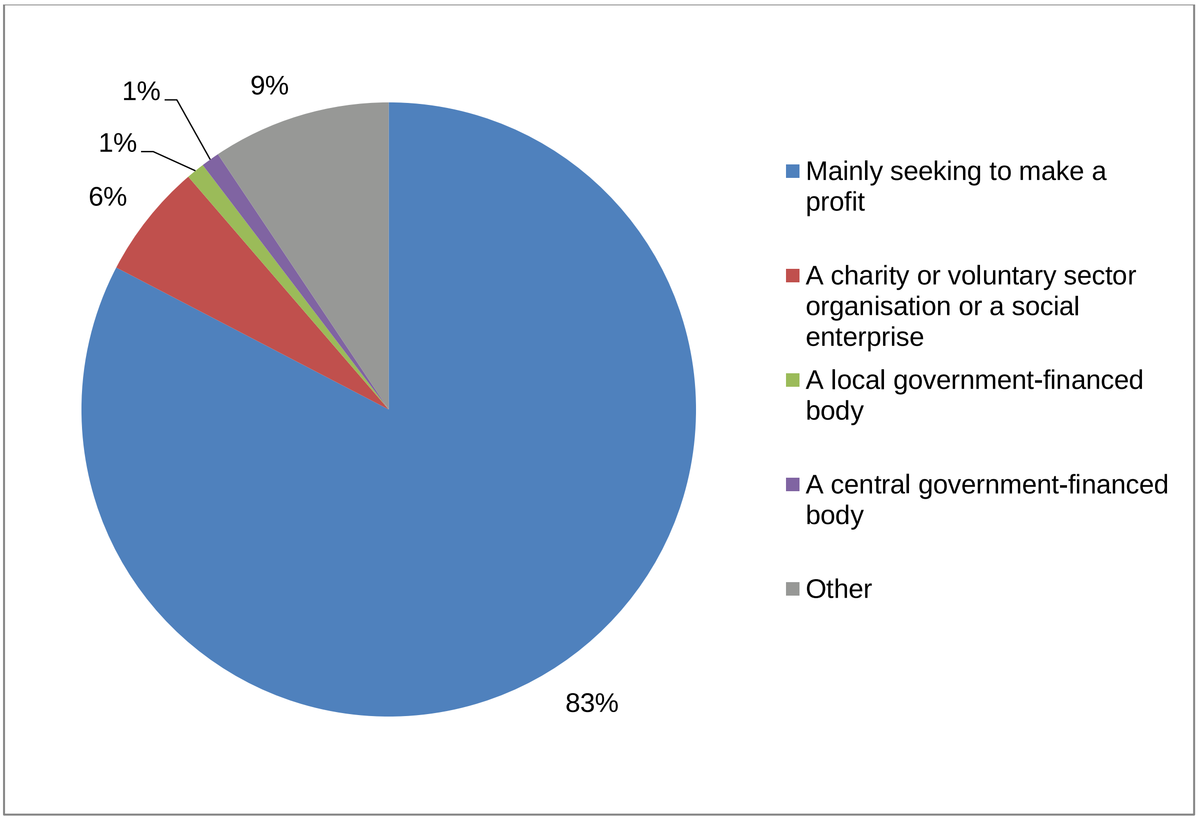
[2] Within individual questions, the sample size does not always equal 1,556. This is largely because of the routing rules used throughout the survey and the minimal use of compulsory questions. Also, some figures in the report may not add up to 100% due to rounding.

2. Profile of respondents

In this section, we provide information about the profile of the 1,556 respondents to the survey. As will be shown, the base of suppliers who are interested in working with the Scottish public sector is highly diverse. This is reflected in the fact that suppliers of all types, sizes and sectors participated in the survey, with responses coming from businesses across Scotland and further afield.

We asked respondents how they would describe their organisation. The results are displayed in Figure 2.1 below.

Figure 2.1: How would you describe your organisation? (n=1,556)



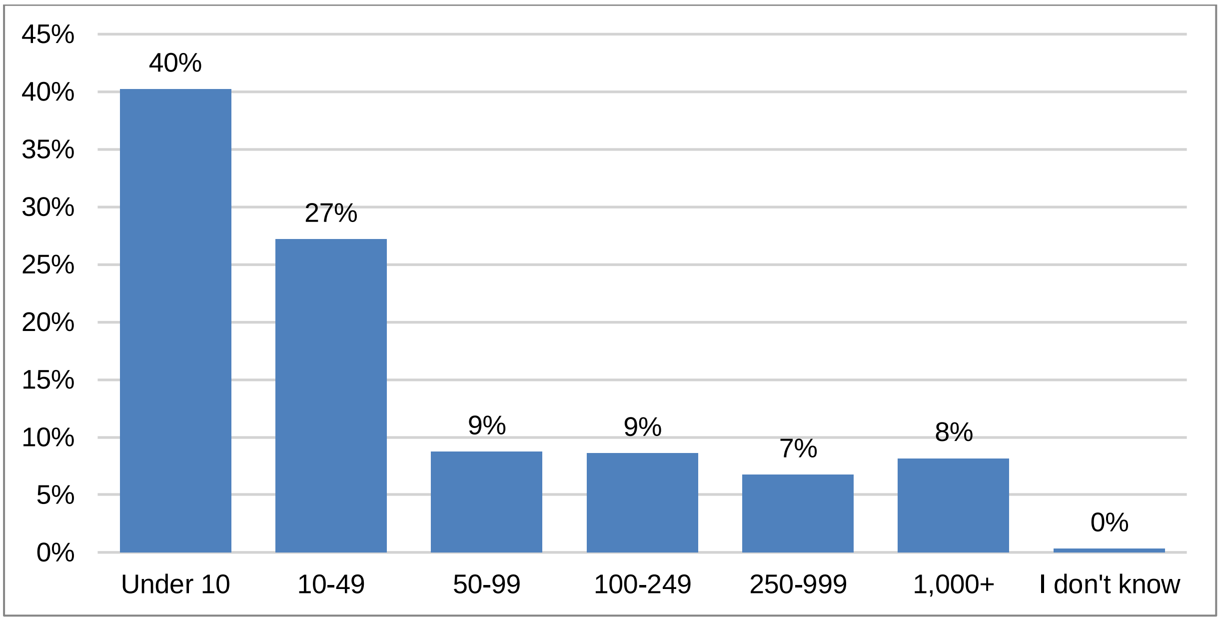
As indicated above, the largest share of respondents (83%) said that their organisation was mainly seeking to make a profit (e.g. for owners or shareholders). Six per cent of responses were from charities, voluntary sector organisations or social enterprises. Among the 9% of respondents who categorised themselves as another type of organisation, many described themselves as a private limited company, while others described themselves as sole traders and/or self employed, or as a family-run business.[3]

[3] This suggested that some respondents did not fully understand the categories contained within the question.

For the purposes of public procurement rules, an organisation can be classed as a supported business if: it has the social and professional integration of disabled and disadvantaged people as its main aim; and at least 30% of its employees are disabled or disadvantaged. Of 1,547 respondents, 9% indicated that they were a supported business.

When taking staff numbers as a measure of business size, we see that small and medium-sized enterprises (SMEs) (i.e. businesses with fewer than 250 employees) dominated in the responses to the survey. We asked respondents about the number of people working in their organisation (Figure 2.2).

Figure 2.2: Approximately how many people work in your organisation?[4] (n=1,556)



Combined, 85% of respondents were from SMEs – this figure is lower than the proportion of all registered businesses in Scotland which are SMEs (99%).[5] It is also lower than the proportion of all suppliers to the Scottish public sector in

[4] By this, we mean both full-time and part-time employees on the payroll as well as any working proprietors or owners, but excluding the self-employed and outside contractor or agency staff.

[5] Information on the number of registered businesses in Scotland by employee size band is taken from Businesses in Scotland (2020) – Time Series 2. Throughout the analysis, all data taken from Businesses in Scotland reflects the position of businesses as at 13 March 2020.

the year 2018 to 2019 who were SMEs (91%).[6] This suggests that SMEs may be underrepresented in the survey responses.[7]

When broken down further, the largest share of all respondents (40%) were from micro businesses (i.e. organisations with fewer than 10 members of staff), 67% were from small businesses (i.e. organisations with fewer than 50 members of staff), 17% were from medium-sized businesses (with 50-249 members of staff) and 15% were from large businesses (with at least 250 members of staff).[8]

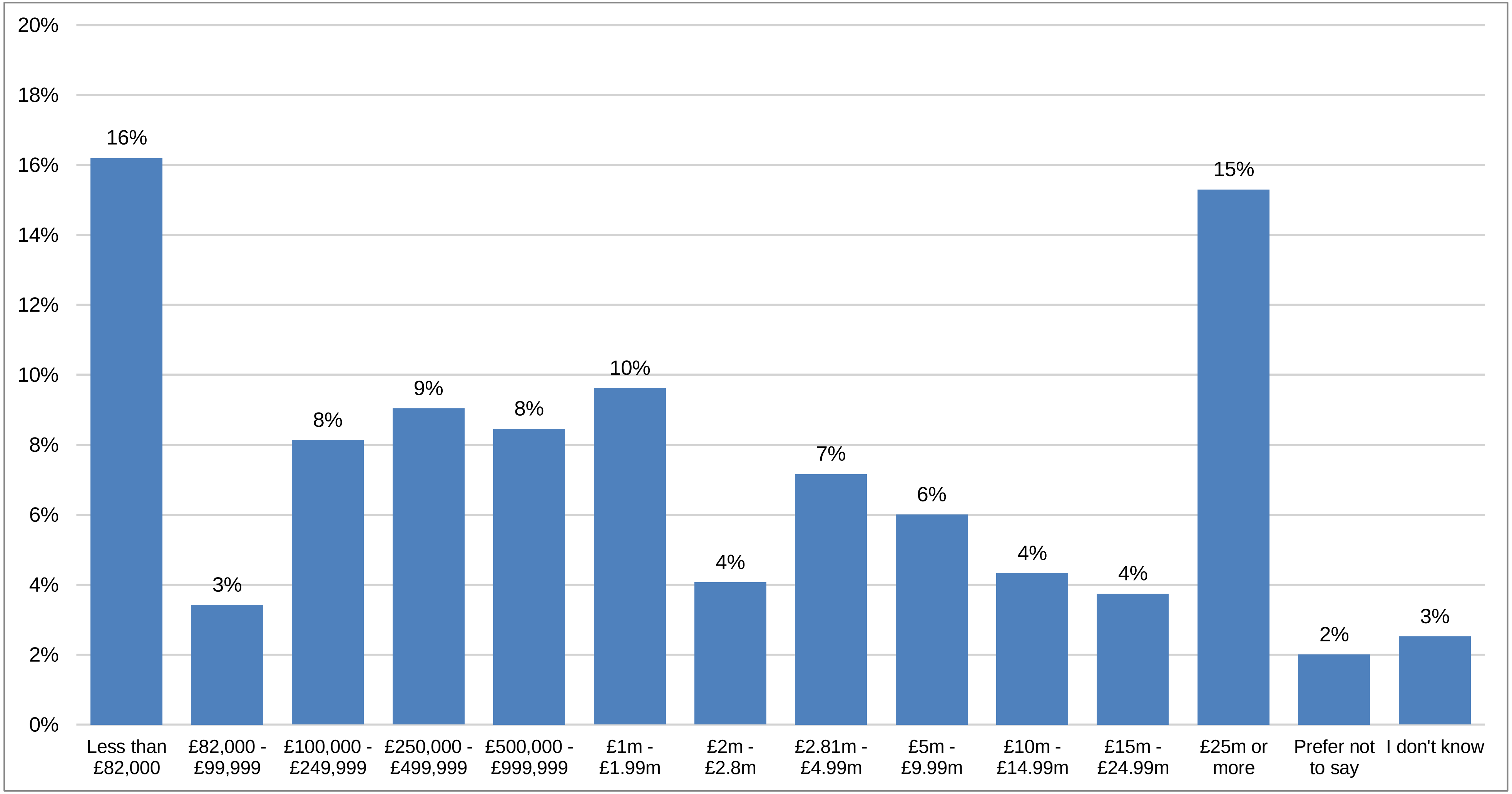
We also asked respondents about their turnover in the last financial year. As shown in Figure 2.3, of 1,549 respondents, the greatest proportion (16%) were from organisations with a turnover of less than £82,000. The second largest category of respondents were those who reported a turnover of £25 million or more (15%).

[6] Information taken from the Scottish Procurement Information Hub and relates to all suppliers where size of supplier business is known. Supplier number information is based on clustered groupings of a combination of supplier name, address or classification information, not the legal entity for each supplier. As such, this figure is an estimate only. The data placed on the Hub is regularly revalidated and may be subject to change. The figure above was correct at the date of retrieval from the Hub (4 March 2020).

[7] A degree of caution is required in using the Businesses in Scotland data to assess whether certain supplier groups are overrepresented or underrepresented in the survey responses. The Businesses in Scotland data covers all businesses operating in Scotland regardless of the location of their main base. In the survey, suppliers based across multiple sites are classified according to the location of their head office; this means that suppliers operating in Scotland could still be classified as being based outside of Scotland, if their head office is located elsewhere.

[8] Micro businesses are a subset of small businesses. Therefore, while micro businesses can also be classed as small businesses, the same is not true of the reverse.

Figure 2.3: Which of these ranges did your organisation's turnover fall into, in the last financial year? (n=1,549)



A wide range of business sectors were represented in the survey responses. Table 2.1 provides an overview of the sectors that respondents reported operating in.

Table 2.1: What sector does your business operate in? (n=1,556)

Business sector	Proportion of respondents
Accommodation and food services	1%
Administrative and support service activities	1%
Agriculture, forestry and fishing	4%
Arts, entertainment and recreation	2%
Construction	15%
Education	6%
Electricity, gas, steam and air conditioning supply	1%
Human health and social work activities	7%
Information and communication	8%
Manufacturing	9%
Mining and quarrying	0%
Professional, scientific and technical activities	13%
Public administration and defence, compulsory social security	0%
Real estate activities	1%
Transportation and storage	5%
Water supply, sewerage, waste management and remediation activities	1%
Wholesale and retail trade, repair of motor vehicles and motorcycles	2%
Other service activities	22%

The greatest share of respondents were from businesses classed as other service activities (22%), followed by businesses in the construction (15%) and professional, scientific and technical activities (13%) sectors.[9]

When compared to the wider base of registered businesses in Scotland, suppliers from businesses classed as 'other service activities' and those from the construction sector may both be overrepresented in the survey; 5% of registered private sector businesses in Scotland are classed as other service activities businesses, while 12% belong to the construction sector.

That construction firms in particular may be overrepresented likely reflects the methods adopted in publicising the survey – in particular, the assistance provided by stakeholders from the construction sector. It also likely reflects the fact that construction is an area of high relevance to public procurement; in 2018 to 2019, the construction sector accounted for the largest amount (£2.1 billion) of all public procurement spend in Scotland.[10]

Firms from the professional, scientific and technical activities sector may be underrepresented in the survey, given that they represent 17% of all registered private businesses in Scotland.[11,12]

Our survey attracted responses from businesses with well-established trading histories, as well as from new businesses. Of 1,547 respondents, over half (54%) reported that they have been trading for over 20 years. In addition:

- 21% of respondents have been trading for 11-20 years;
- 14% reported that they have been trading for 0-5 years;
- 12% have been trading for 6-10 years.

[9] According to the Standard Industrial Classification of Economic Activities (2007), other service activities includes the activities of membership organisations, the repair of computers and personal/household goods, and a variety of personal service activities not represented elsewhere in the classification.

[10] Information taken from the Scottish Procurement Information Hub and relates to procurement spend in Scotland where postcode and business sector are known. Note that the Hub data uses the 'vCode' classification for business sector. This classification was developed and is owned by the third party supplier responsible for providing the Scottish Procurement Information Hub. This classification is used on the Hub to analyse spend with suppliers in different business categories. The coding of suppliers to the different business categories is based on the supplier's main area of business and not the specific goods and services purchased under any given contract.

[11] Source: Businesses in Scotland (2020) – Table 1.

[12] Again, care must be taken in making assessments about the representativeness of the survey respondents because of the different ways in which business location is classified in both sources.

Largely, the views of more established businesses dominated in the survey. Later in this section, we say more about the implications of this for future research.

We received responses from suppliers located across Scotland. Table 2.2 below provides a breakdown of respondents by local authority.[13]

Table 2.2: In which local authority is your organisation located? (n=1,556)

Local authority	Proportion of respondents
Aberdeen City	2%
Aberdeenshire	2%
Angus	1%
Argyll and Bute	1%
City of Edinburgh	8%
Clackmannanshire	0%
Dumfries and Galloway	2%
Dundee City	1%
East Ayrshire	1%
East Dunbartonshire	1%
East Lothian	1%
East Renfrewshire	1%
Falkirk	2%
Fife	3%
Glasgow City	12%
Highland	4%
Inverclyde	1%
Midlothian	2%
Moray	1%
Na h-Eileanan Siar	1%
North Ayrshire	1%

[13] Organisations based across multiple sites were asked to select the local authority in which their head office is located.

Local authority	Proportion of respondents
North Lanarkshire	4%
Orkney Islands	0%
Perth and Kinross	3%
Renfrewshire	1%
Scottish Borders	2%
Shetland Islands	0%
South Ayrshire	1%
South Lanarkshire	4%
Stirling	2%
West Dunbartonshire	1%
West Lothian	2%
N/A - my organisation is based outside of Scotland	31%

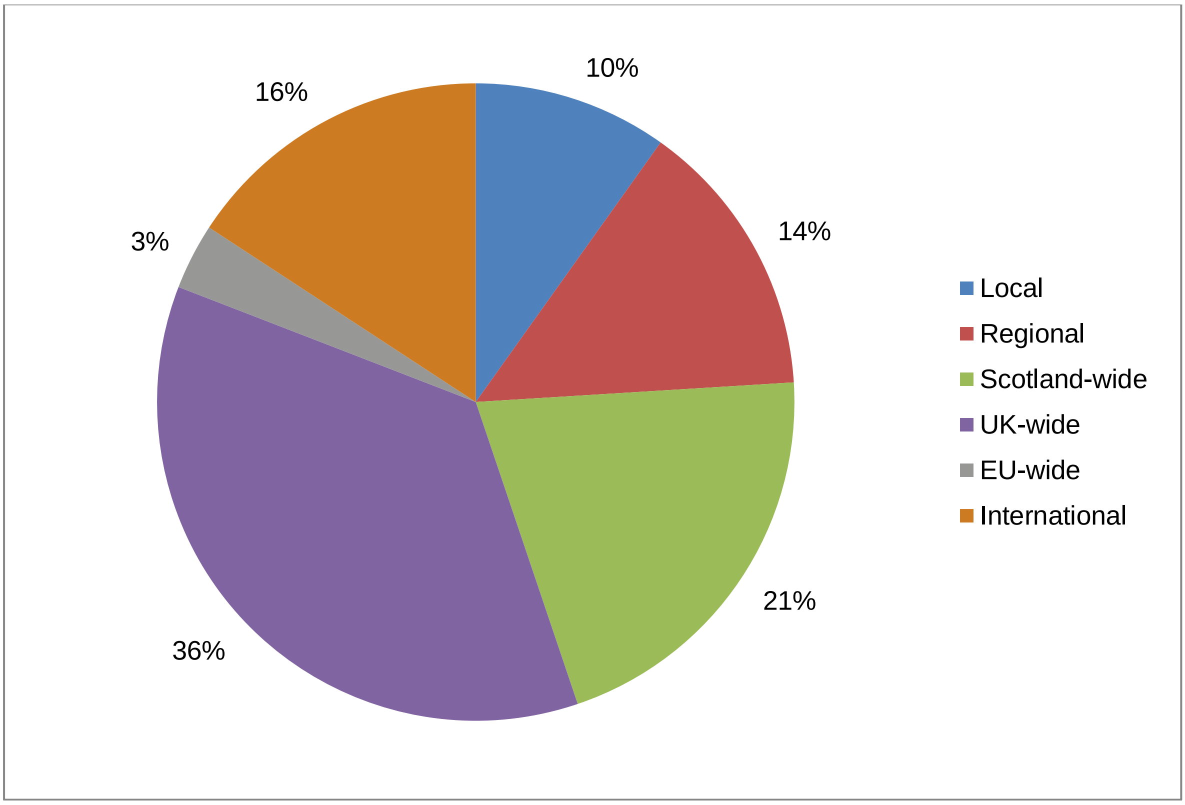
Over two thirds (69%) of respondents were from organisations located in Scotland. Twelve per cent of all survey respondents were based in Glasgow City, while 8% were from organisations located in the City of Edinburgh.

Around one third (31%) of respondents were from organisations based outside of Scotland. The qualitative responses indicate that around 85% of these respondents were based in the UK and 9% were based outside the UK. The remaining 6% did not say – or were not clear about – where they were based.[14]

We asked respondents about the predominant market focus of their organisations. Figure 2.4 summarises the responses received.

[14] While this report usually analyses qualitative data from a random 10% sample of respondents to any given question, the qualitative responses to this particular question were analysed in full.

Figure 2.4: What is the predominant market focus of your organisation? (n=1,553)[15]

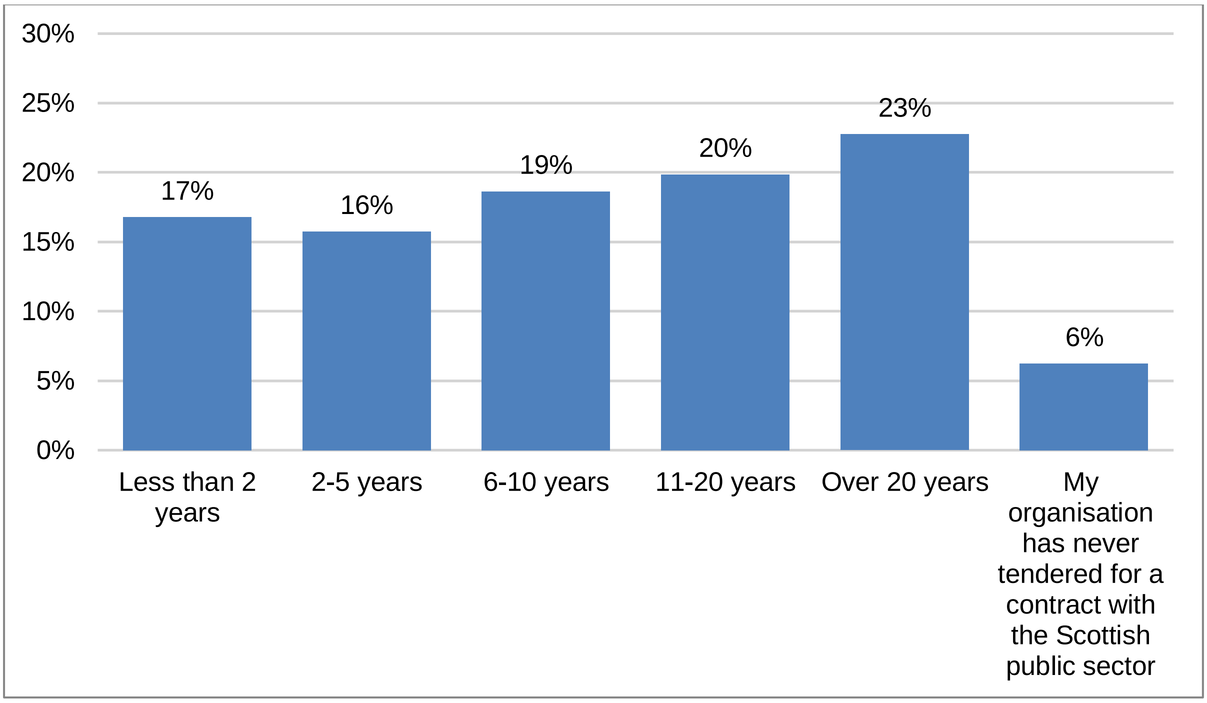


Over one third (36%) of responses received were from organisations with a UK-wide market focus – more than any other response category. This was followed by organisations with a Scotland-wide focus (21%).

Generally, respondents to our survey were familiar with the process of tendering for Scottish public sector contracts. We asked respondents to provide information about the number of years' experience their organisation had in tendering for such contracts (Figure 2.5).

[15] By 'local', we mean operating within 25 miles of the supplier's base/head office. By 'regional', we mean an operating range of more than 25 miles but within 100 miles of the supplier's base/head office.

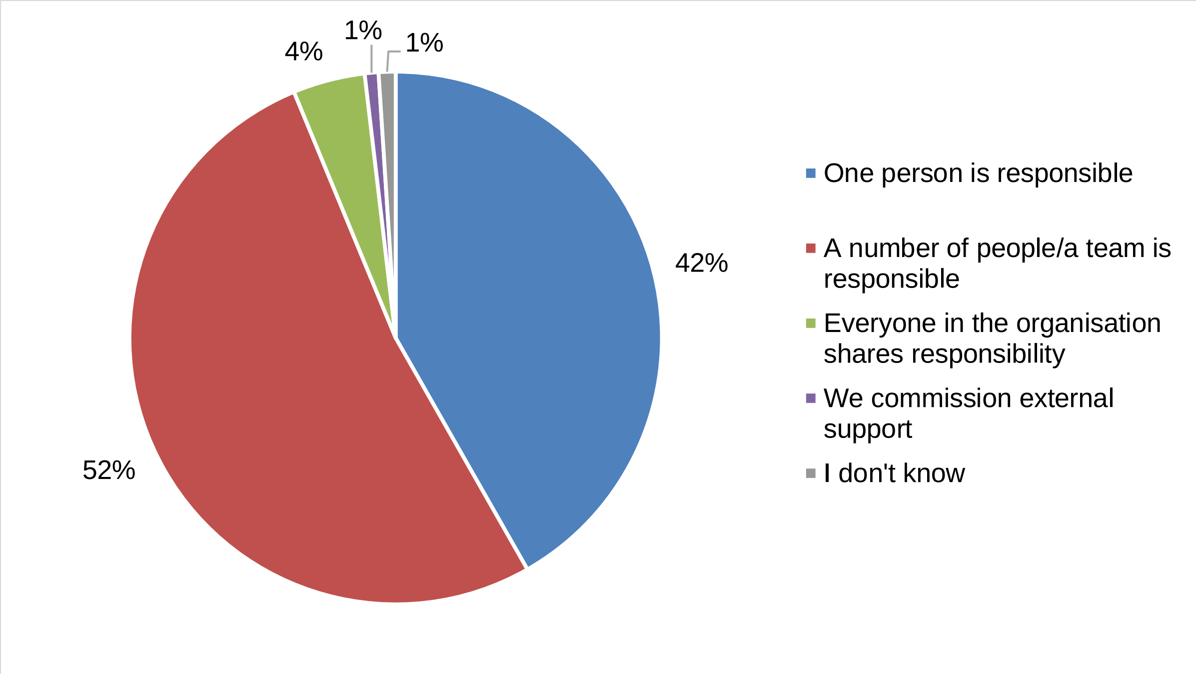
Figure 2.5: How many years' experience does your organisation have in tendering for Scottish public sector contracts? (n=1,556)



Ninety-four per cent of respondents reported at least some experience of tendering for Scottish public sector contracts. The greatest proportion of respondents (23%) were from organisations with over 20 years' experience of this kind.

As such, the responses provided largely reflect those of relatively well-established organisations with experience of tendering for contracts, compared to newer and less-established suppliers who have less (or no) experience of tendering. This is a notable limitation to the survey which likely reflects the approach to disseminating the survey. For example, as mentioned previously, the survey was publicised to suppliers registered on the PCS website – in other words, to suppliers who are at least already interested in contracting with the public sector and who are likely to have already bid for contracts in the past. The dominance, in this survey, of relatively well-established companies with a history of tendering for public contracts means that more research may be necessary to find out more about the views and experiences of newer and less-established businesses in relation to public procurement.

Figure 2.6: How is the process of tendering for public contracts managed in your organisation? (n=1,554)



As indicated above, over half (52%) of respondents were from organisations where a number of people or team is responsible for the tendering process. Forty-two per cent of respondents indicated that just one person is responsible for tendering.

3. Main findings

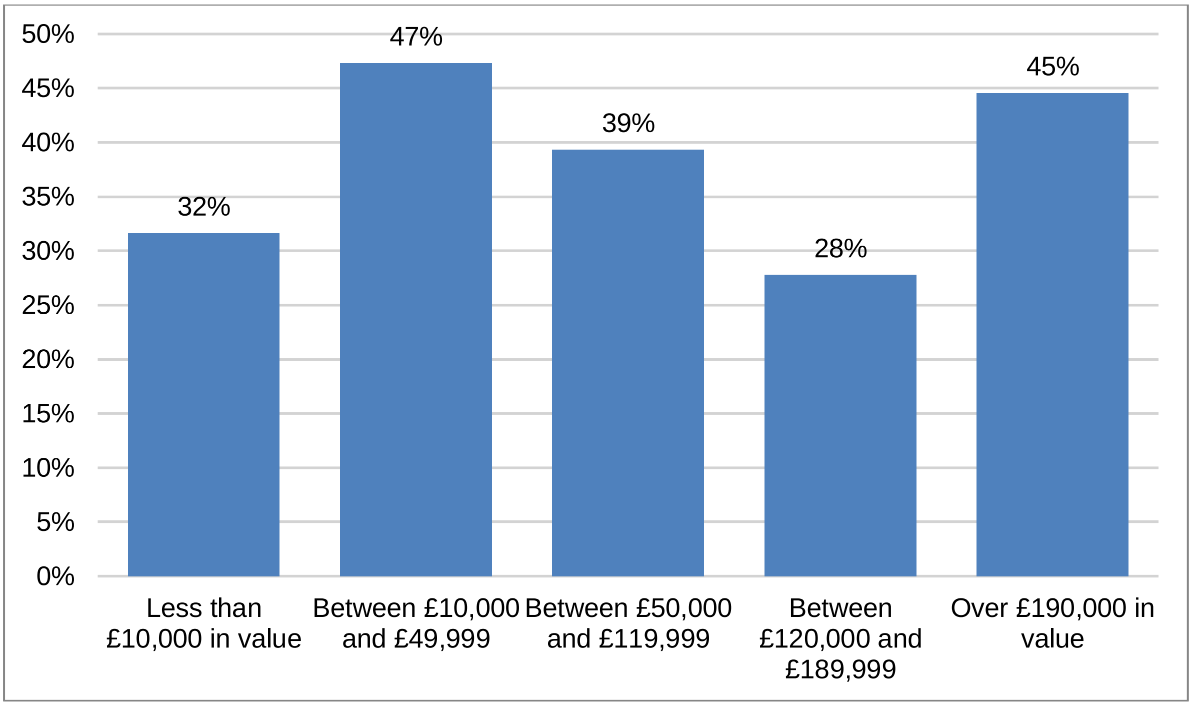
In this section, we provide an in-depth analysis of the responses to the main sections of the survey. In doing so, we explore a range of topics, such as:

- the nature of contracts suppliers have bid for and delivered;
- training, support and advice on the tendering process;
- the tendering process itself;
- feedback on tenders;
- support for suppliers concerned with a procurement exercise;
- suppliers' experiences of sub-contracting;
- the impact of recent work to improve Scottish public sector procurement;
- the COVID-19 pandemic.

Nature of contracts bid for and/or delivered

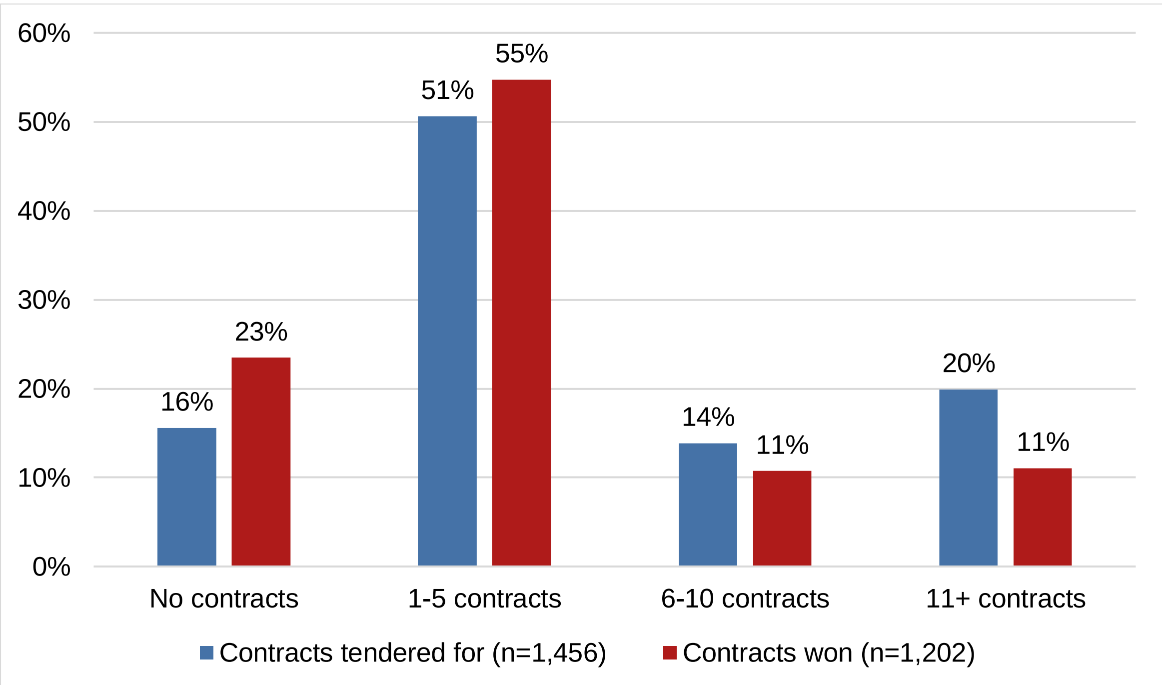
Despite our respondents largely being from businesses of a relatively small size, respondents reported bidding for contracts of a wide variety of sizes in terms of contract value. As shown in Figure 3.1, 47% of respondents indicated that they typically tender for contracts valued at between £10,000 and £49,999, while 45% reported that they usually tender for contracts with a value of over £190,000.

Figure 3.1: In terms of the contract value, what size of Scottish public sector contract(s) does your organisation typically tender for? (Please tick all that apply.) (n=1,454)



Typically, suppliers bid for a relatively small number of contracts. We asked respondents about the number of contracts they had tendered for in the last two years and, separately, the number of contracts they had won during the same period (Figure 3.2).

Figure 3.2: How many Scottish public sector contracts did your organisation tender for and/or win in the last two years?



As Figure 3.2 shows, the majority of respondents indicated that they had tendered for and won between one and five contracts in the last two years (51% and 55% respectively).

Evidently, however, some suppliers are not working with the Scottish public sector. A significant proportion of respondents (16%) reported that they had not tendered for any contracts in the last two years. Some sectors were especially likely to report not tendering. For example:

- of 328 respondents who classified their business as belonging to the 'other service activities' sector, 20% reported having not tendered for any contracts in the last two years;
- 20% of firms in the manufacturing industry reported not having tendered for any contracts in the last two years. 33% of firms in the electricity, gas, steam and air conditioning supply sector had not tendered in the last two years.

Respondents from organisations that had not recently tendered for a Scottish public sector contract expressed some challenges with regard to access to contracts. When asked why they had not tendered, most often, respondents said there was a lack of suitable opportunities to tender for. As one supplier noted, their lack of awareness of any opportunities did not necessarily mean that these opportunities did not exist – rather, that it was simply a case of *finding* the opportunities.

"No suitable tender opportunities were brought to my notice. This may in part be due to the way opportunities are classified. The system seems to find it difficult to classify tenders in my area of work [which is] natural and cultural heritage [and] museums."

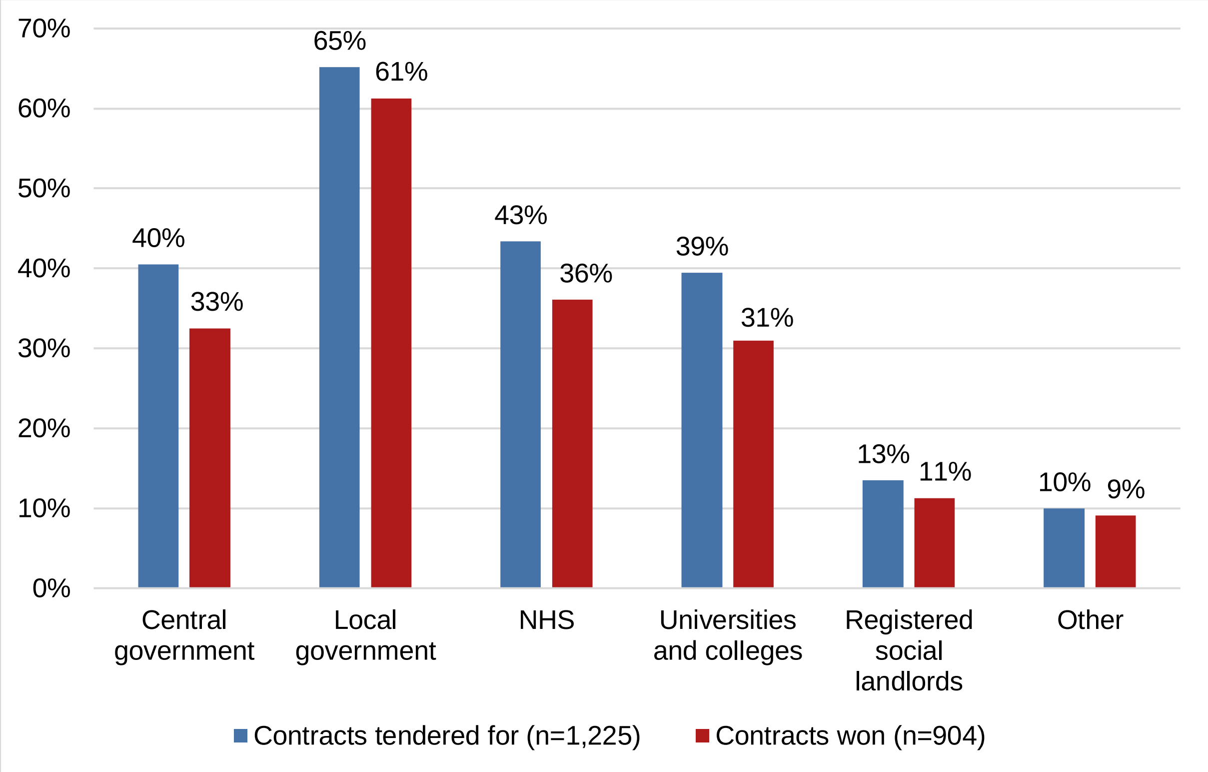
Other less common reasons given for organisations not tendering included organisations being new to the tendering process, or difficulties navigating a seemingly complex system. For example, as one respondent said:

"We did not tender because we think it is way too complex to do it and certain things … are confusing [even though] we possess over 20 years of experience in IT. There is a lot room for improvement in your tendering system."

On the other hand, a few respondents reported that they did not tender because they already had sufficient amounts of work.

Contracts with local government have been particularly attractive to suppliers. We asked respondents to identify which parts of the Scottish public sector were covered by the contracts they had tendered for in the last two years and, separately, by the contracts they won over the same period (Figure 3.3).

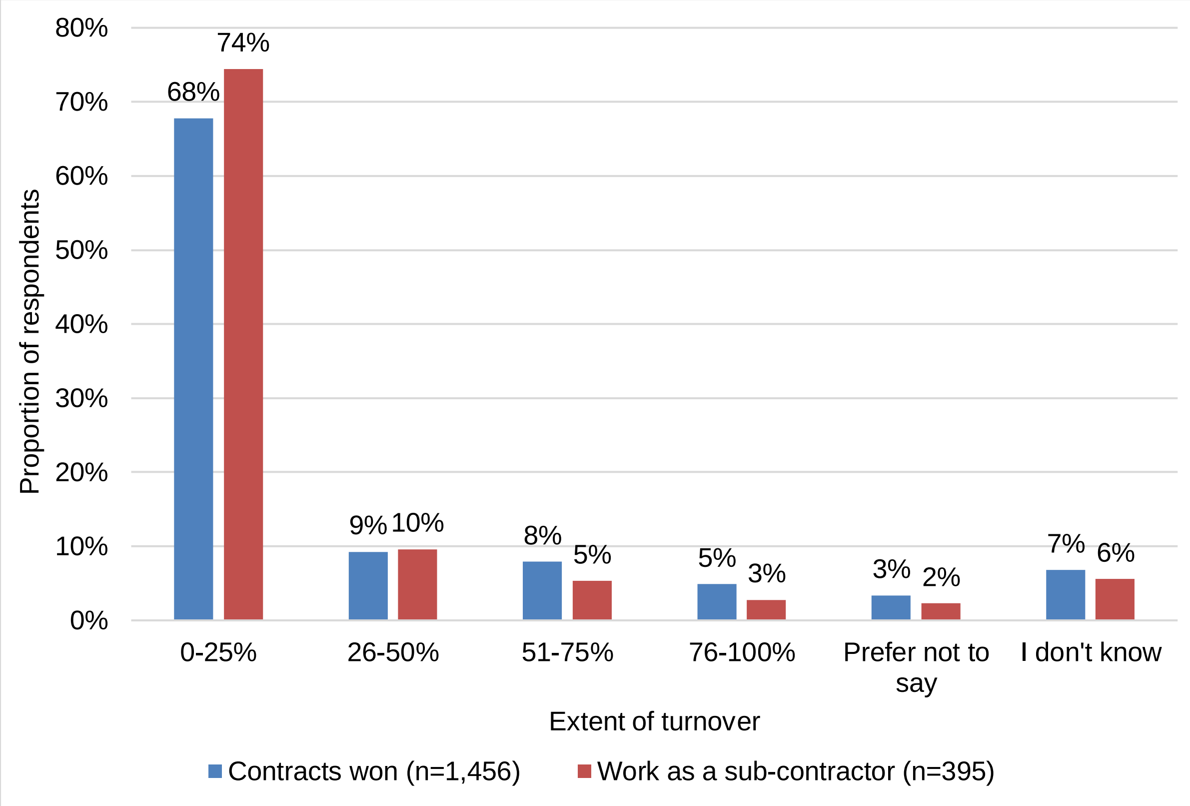
Figure 3.3: Which part(s) of the Scottish public sector are covered by the contracts that you tendered for and/or won in the last two years? (Please tick all that apply.)



The local government sector accounted for around two thirds of all contracting activity with survey respondents in the last two years, with 65% of respondents indicating that they had tendered for a contract with the local government sector during this period and 61% reporting having won a contract with the sector (Figure 3.3). The predominance of the local government sector in the tendering process is also reflected in the findings from the analysis of the 2018 to 2019 cycle of annual procurement reports, which found that the local government sector accounted for the highest number of regulated contracts awarded in that year.

Public sector contracts are a notable source of income for the suppliers who completed our survey, although suppliers are by no means reliant on such income. Figure 3.4 below provides information about the proportion of organisations' annual turnover in the last two years that can be accounted for by winning Scottish public sector contracts and, separately, by working on public contracts as a sub-contractor.

Figure 3.4: On average, what extent of your organisation's annual turnover in the last two years has come from winning Scottish public sector contracts and/or from working on a Scottish public sector contract as a sub-contractor?



For most respondents, Scottish public sector contracts accounted for up to 25% of their organisation's annual turnover in the last two years, with 68% indicating this for contracts won and 74% specifically for their sub-contracting work. More will be said about respondents' experience of sub-contracting later in this section.

While consortium bidding is important in enabling relatively small organisations to gain experience of delivering relatively large contracts, this practice remains uncommon. Of 1,549 respondents, 13% indicated that their organisation had experience of delivering a Scottish public sector contract as part of a consortium bid.

Training, support and advice on tendering

The provision of training, support and advice on the tendering process is of vital importance to the public procurement landscape. For example, the Supplier Development Programme provides training and support to SMEs, supported businesses and local businesses in relation to all aspects of the tendering process, with the aim of helping them to become "tender ready". In doing so, the programme improves the efficiency, sustainability and market potential of these organisations while bringing greater competition to the overall procurement process.[16]

The survey shows that a range of sources of training, support and advice on tendering for Scottish public sector contracts exists, however take-up is limited. Of 1,552 respondents, less than a third (28%) indicated that they – or someone else in their organisation – had received training, support or advice on tendering at some stage, while 62% had not and 10% did not know.

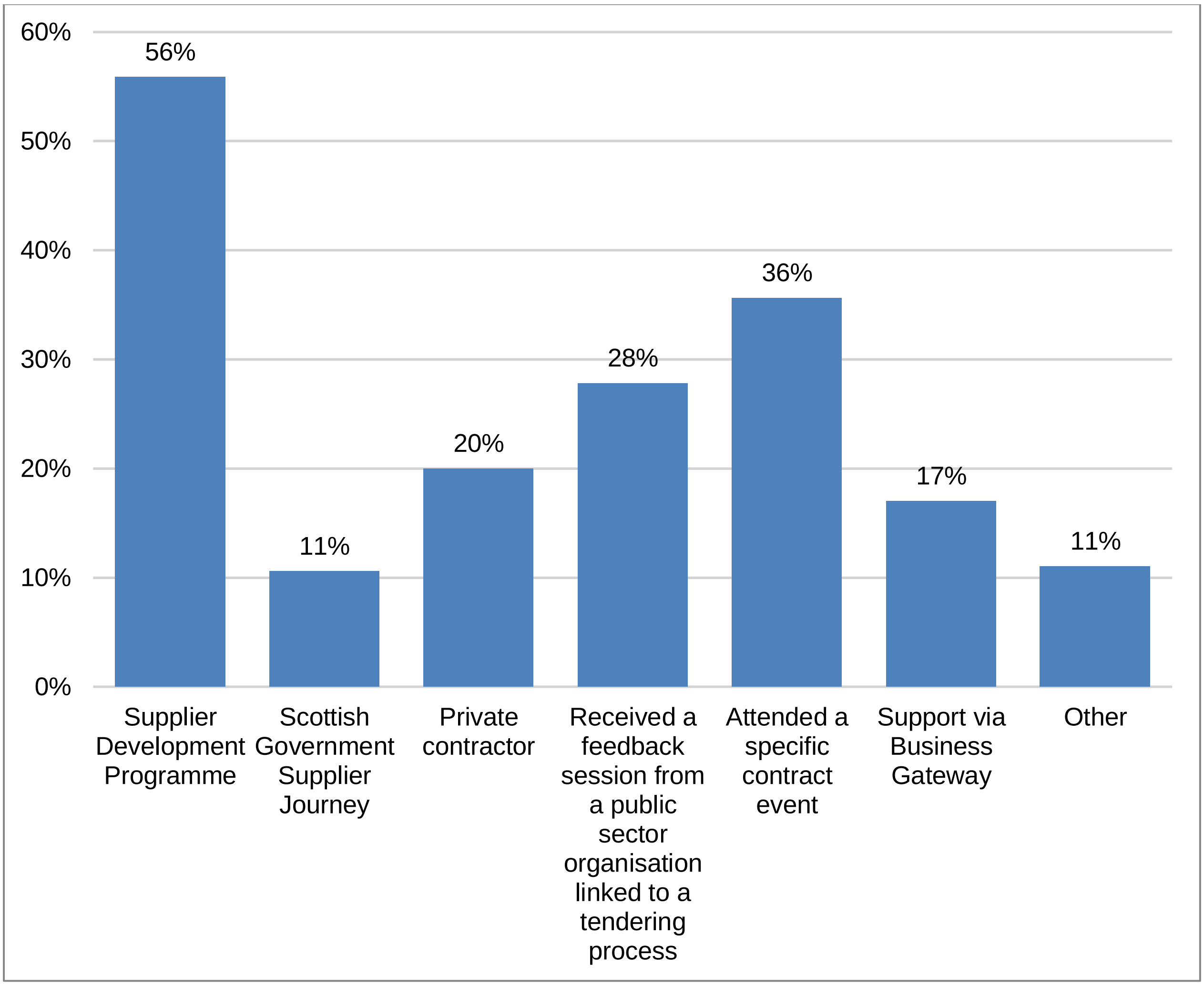
Generally, those suppliers who are more experienced in tendering for Scottish public sector contracts were more likely to report receiving training, support or advice on the tendering process. Among the 353 respondents who indicated having over 20 years of experience in tendering for Scottish public sector contracts, 32% said that they – or someone in their organisation – had received training, support or advice on tendering at any stage. Among the 309 respondents whose organisation had 11-20 years of experience in tendering, the corresponding figure was 34%.

On the other hand, across 261 organisations with less than two years of tendering experience, 21% reported receiving training, support or advice on tendering. Among the 97 suppliers who had never tendered for a contract, the corresponding figure was 9%. These findings suggest that there is a need for those responsible for delivering training, support or advice on tendering to consider how to more effectively target suppliers with relatively less established histories of tendering for Scottish public sector contracts. Ultimately, this will improve the overall competitiveness of the procurement process.

Figure 3.5 below shows the source of the training, support or advice received across all respondents.

[16] Taken from the Supplier Development Programme annual report for 2019 to 2020.

Figure 3.5: Please select the source(s) of the training, support or advice provided. (Please tick all that apply.) (n=435)



As shown above, the Supplier Development Programme was the most common source of the training, support or advice that respondents received, with 56% indicating as such. This was followed by training, support or advice from attending contract events (36%) and receiving feedback sessions from a public body in connection with a tendering process (28%).

Eleven per cent of respondents indicated that they had received training, support or advice from other sources. Of these respondents, when asked to specify the source of this training, support or advice, around half highlighted external sources of support, for example from universities or independent consultants. Around a quarter had received support from internal sources, for example from other members of their team or from internal training events.[17]

[17] The qualitative responses to this particular question were analysed in full (i.e. they do not reflect a random 10% sample).

More could be done to improve the visibility of the training, support and advice available to suppliers. When the 62% of respondents who said that neither they nor anyone else in their organisation had received any training, support or advice on tendering were asked why not,[18] of 965 respondents, almost three quarters (71%) said that they did not know free tender training was available. Additionally:

- 27% said they did not have enough time to seek support;
- 4% felt the training was too expensive;
- 13% cited other reasons – among these respondents, many felt they simply did not require any support with tenders, while some did not think that training would help them.

While many suppliers are taking up the opportunities for training, support or advice that are available through the Supplier Development Programme, more could be done to promote the programme to ensure that it reaches as many suppliers as possible:

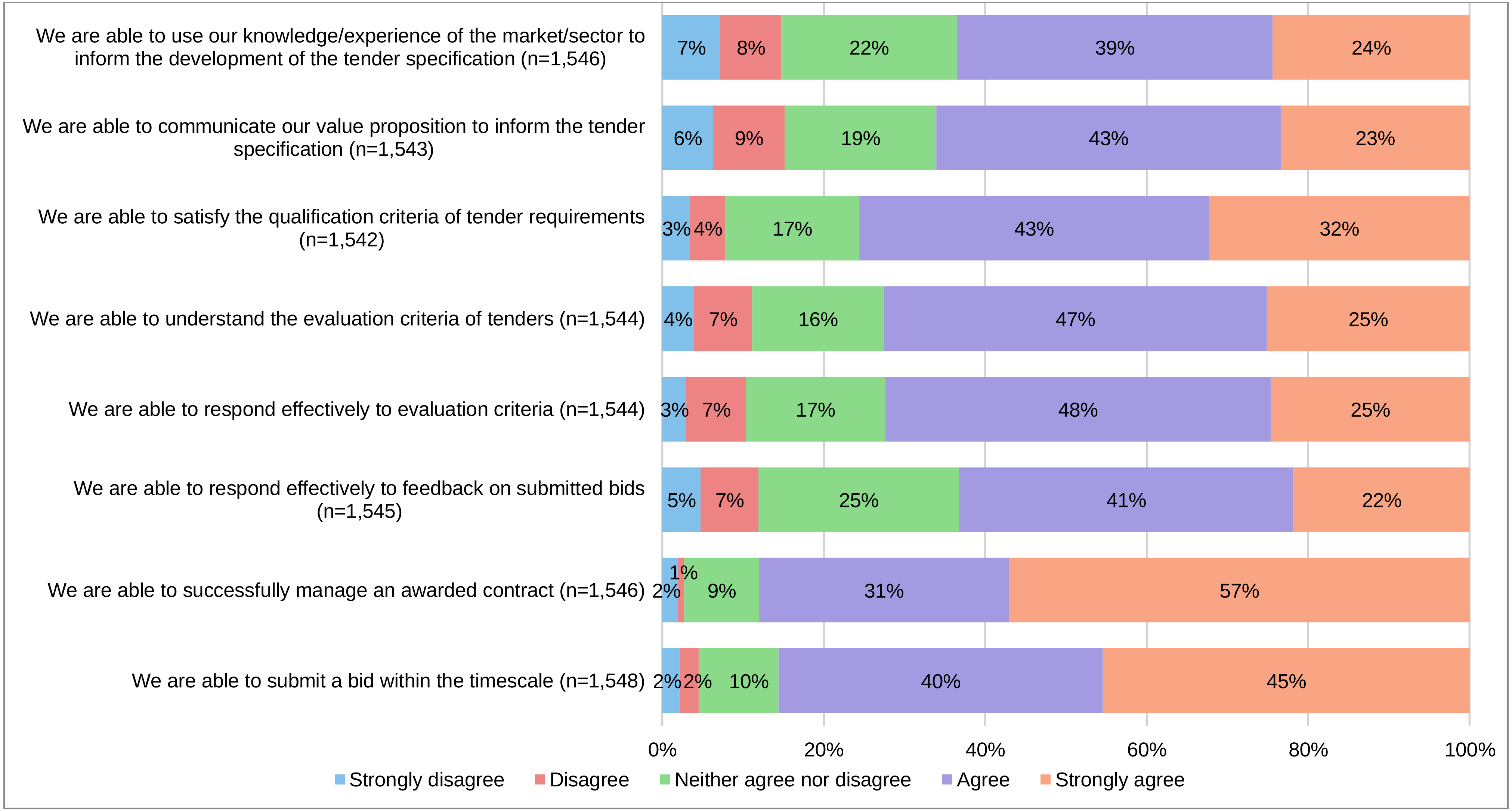
- 43% of respondents reported that they were aware – or their organisation was aware – of the Supplier Development Programme (n=1,552).
- One quarter (25%) said that they – or someone in their organisation – had previously attended a Supplier Development Programme training event or webinar (n=1,545).
- Around a third (32%) reported that they – or someone in their organisation – had attended a Supplier Development Programme 'Meet the Buyer' event (n=1,551).

The tendering process

Generally, the organisations which responded to the survey felt relatively well-equipped to tackle the process of tendering for a Scottish public sector contract. We asked them to rate their organisations' ability on a variety of aspects of the tendering process (Figure 3.6).

[18] Note that this was a multiple choice question.

Figure 3.6: Please rate the ability of your organisation on each of the following eight aspects of Scottish public sector tendering



As shown above, respondents were particularly confident in their ability to manage an awarded contract successfully, with 88% reporting that they either 'agreed' or 'strongly agreed' they were able to do so. Eighty-six per cent 'agreed' or 'strongly agreed' that they were able to submit a bid within the timescale, while 76% 'agreed' or 'strongly agreed' that they were able to satisfy the qualification criteria of tender requirements.

Respondents were less confident in other areas. In particular, 15% either 'disagreed' or 'strongly disagreed' that they were able to use their knowledge and experience of the market or sector to inform the development of the tender specification, while the same proportion also 'disagreed' or 'strongly disagreed' that they were able to communicate their value proposition to inform the tender specification.

When asked to comment further on their tendering abilities, there was a strong sense from many that the tendering process is viewed as being complex and burdensome, with many respondents highlighting that they often encounter stringent, and/or unclear tender requirements, coupled with quick turnarounds. For example, as one respondent said:

"[The] timescale from ITT to submission is crucial so that resources can be assigned to create a good response. Some tenders have a two week turnaround, which is much too short. Responding to a tender takes significant time from the supplier. This is increased if there is duplication, confliction, or vagueness in the request document. Some tenders are [over] 175 pages, some are [around] 25 pages…. If tenders get to the submission stage and the project is then stopped, submitting suppliers should be compensated for time spent."

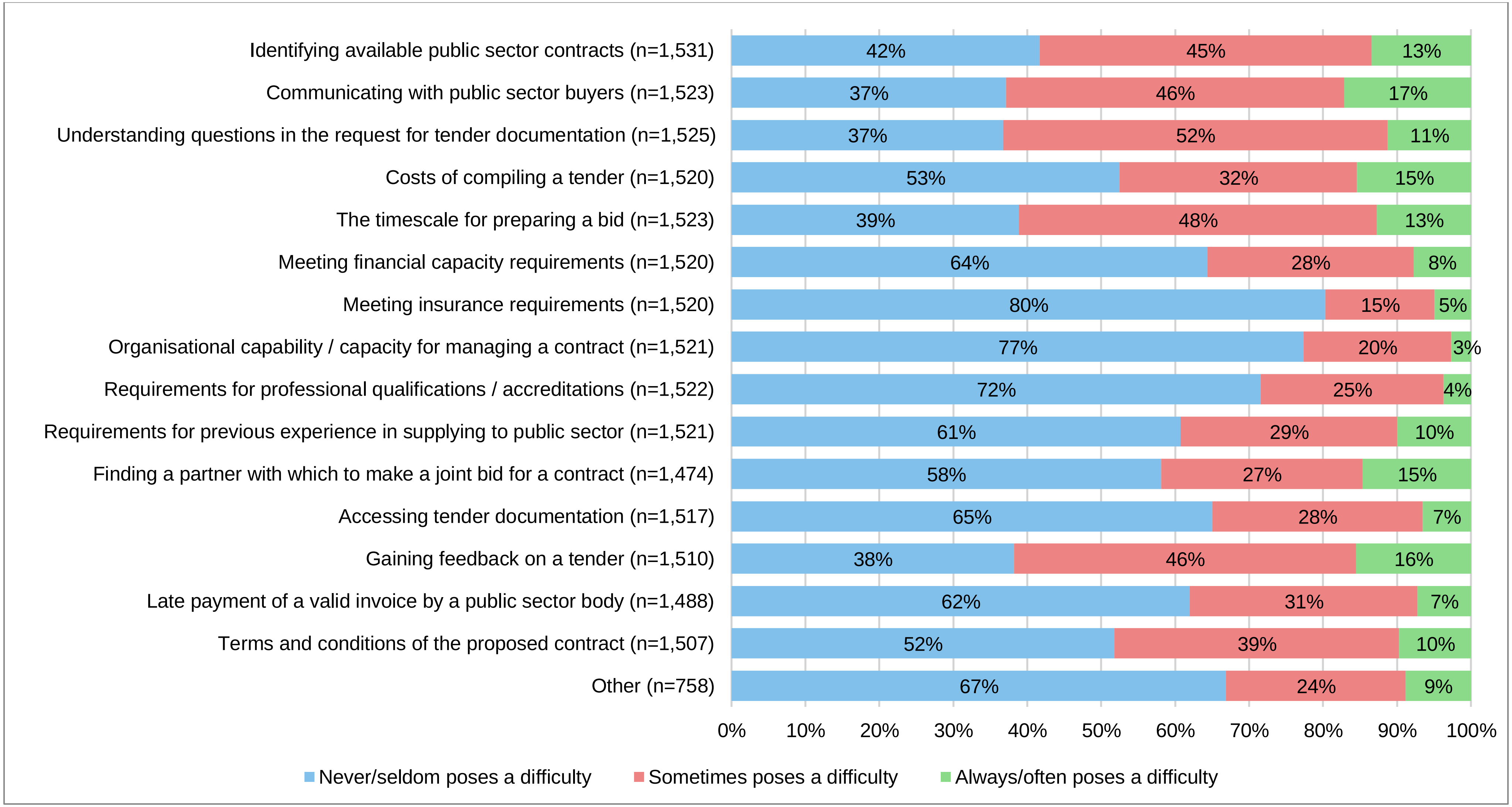
Some felt that SMEs and local firms faced additional barriers due to the complexities of the system, largely because of their lack of experience of the bidding process or lack of resources to submit a bid. For example, another supplier said:

"Tender specifications tend to be generic and 'tick boxy' or too broad or diverse, such that it excludes smaller organisations with specialist or limited capacity or [they are] too specific such that you feel they have been developed with a particular supplier in mind…. The requirements, even with PCS tender where you have often filled much of the stuff in before, tend to be ridiculously onerous for small organisations."

Others highlighted their own lack of experience of tendering and their need for more support with the tendering process, or public bodies' lack of knowledge about the supplier base and the goods, works or services being tendered for.

To further elucidate some of the challenges faced in bidding for and delivering contracts, we asked respondents to indicate which of a series of difficulties they had faced (Figure 3.7).

Figure 3.7: Have any of the following posed a difficulty for your organisation in relation to Scottish public sector contracts?



As shown above, suppliers experience a wide range of difficulties 'sometimes' or 'always/often', and the presence of some of these difficulties again suggests that suppliers view the tendering process as overly-complicated and onerous. In particular, 63% of respondents said that they experience difficulties communicating with public sector buyers 'sometimes' or 'always/often', with the same proportion also 'sometimes' or 'always/often' finding it difficult to understand the questions asked in the request for tender documentation. Furthermore:

- 62% of respondents stated that they 'sometimes' or 'always/often' experience difficulties gaining feedback on a tender;
- 61% said they experience difficulties with the timescales for preparing a bid 'sometimes' or 'always/often';
- 58% reported experiencing difficulties identifying available public sector contracts 'sometimes' or 'always/often'.

The issue of access to public contracts is especially pertinent to SMEs. SMEs are more likely than large businesses to experience difficulties with identifying available contracts; 61% of SMEs reported experiencing difficulties identifying contracts 'sometimes' or 'always/often', compared to 42% of large businesses.

Respondents in the information and communication sector were especially likely to experience difficulties identifying contracts. Of the 129 respondents in this sector, 70% indicated that they experienced these difficulties 'sometimes' or 'always/often'. Of 198 respondents in the professional, scientific and technical activities sector, the corresponding figure was 61%

Clearly, other elements of the tendering process or of contract delivery are less challenging. Respondents were least likely to encounter difficulties with meeting insurance requirements, with 80% reporting that they 'never/seldom' had any difficulties with this. This is followed by organisational capability or capacity to manage a public sector contract (77% 'never/seldom' had difficulties with this) and meeting requirements for professional qualifications and accreditations (72%).

As Figure 3.7 shows, 31% of respondents indicated that they 'sometimes' or 'always/often' experienced other difficulties. When asked to explain what other difficulties they experienced, they often referred to poor formatting, a lack of clarity and/or the use of jargon in invitations to tender. Others again highlighted the stringent nature of the tendering process, the often vast amounts of information required and the short timescales for submission. For example, as one respondent said:

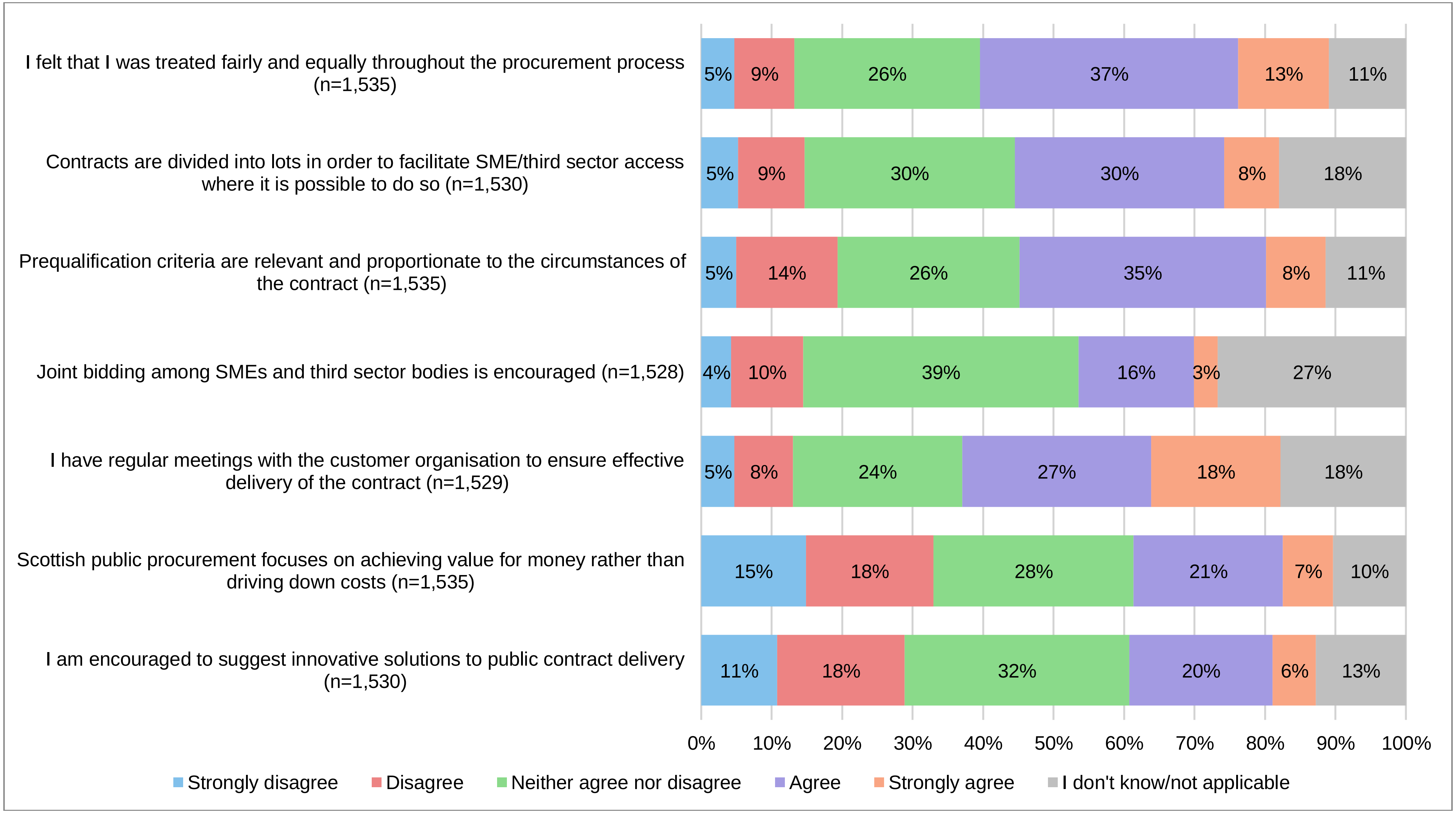
> **"We find that sometimes the Word documents that have been provided by buyers for suppliers to complete and submit as part of their bid are poorly formatted and, in some instances, unusable. In the past, I have found myself having to recreate an exact replica of the Word document**

that is useable so as to meet the formatting requirements of the buyer. This adds on time to an already lengthy process."

A few respondents also reflected on the lack of communication from public bodies – for example, in relation to the goods, works and services being tendered for, or in relation to the outcome of procurement decisions.

We also asked respondents how they felt about the ways in which public bodies conduct their procurement exercises – in particular, whether procurement exercises are carried out with regard to various key principles and policy objectives. The Scottish Government seeks to ensure that public procurement is conducted in line with the core principles of equal treatment, non-discrimination, transparency and proportionality, and also with a range of other policy objectives – for example, facilitating the involvement of SMEs and achieving value for money. Evidence from the survey suggests that these principles and policies are largely being reflected in procurement practice and contract delivery (Figure 3.8).

Figure 3.8: Please state your level of agreement with the following statements in respect of Scottish public procurement:



On the whole, the picture painted of Scottish public procurement – in respect of the above – is generally a positive one. For example, half (50%) of respondents 'agreed' or 'strongly agreed' that they were treated fairly and equally throughout the procurement process. Moreover:

- 45% of respondents 'agreed' or 'strongly agreed' that they have regular meetings with the customer organisation to ensure effective contract delivery;
- 43% 'agreed' or 'strongly agreed' that prequalification criteria are relevant and proportionate to the circumstances of the contract;
- 38% 'agreed' or 'strongly agreed' that contracts are divided into lots to encourage SME and third sector access, where possible.

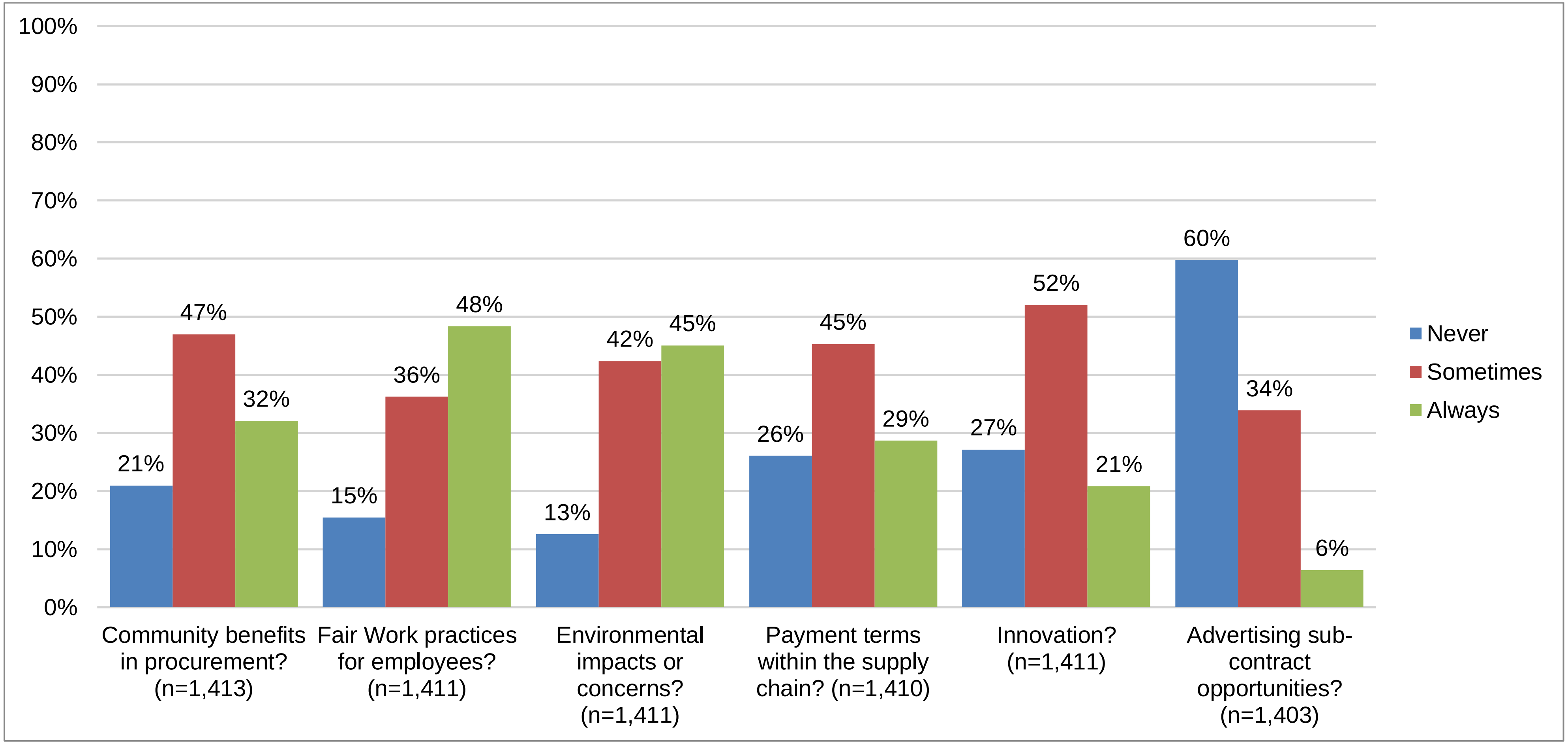
SMEs are less confident than large businesses that contracts are being divided into lots to encourage SME and third sector access. Thirty-six per cent of SMEs 'agreed' or 'strongly agreed' with this statement, compared with 47% of large businesses.

Broken down by sector, respondents from the information and communication sector were more likely than average to hold less favourable views on the use of lotting to enable access to contracts. Twenty-one per cent of respondents in this sector 'disagreed' or 'strongly disagreed' that contracts are divided into lots to facilitate access among SMEs and third sector organisations (compared with 15% of all firms).

In other areas, respondents highlighted that there is some room for improvement – in particular, in relation to value for money and innovation, the latter of which is a key component of the Sustainable Procurement Duty. One third (33%) 'disagreed' or 'strongly disagreed' that Scottish public procurement focuses on achieving value for money rather than driving down costs (i.e. through achieving an appropriate balance of cost, quality and sustainability), while 29% 'disagreed' or 'strongly disagreed' that they are encouraged to suggest innovative solutions to contract delivery.

Suppliers are generally encouraged to consider a range of aspects of public procurement during the tendering process, particularly where they relate to the Sustainable Procurement Duty. Certain aspects of public procurement – and the Duty – are given more prominence than others. In our survey, we asked suppliers to indicate how often they are asked to consider a range of topics during the bidding stage, from community benefits to innovation (Figure 3.9).

Figure 3.9: When bidding for Scottish public sector contracts, how often have you been asked to consider:



Generally, most respondents reported being asked to consider most of the above, 'sometimes' or 'always'. The only exception to this is advertising sub-contract opportunities, with 60% of respondents indicating that they were 'never' asked to consider this. In particular, respondents were most likely to be asked to consider environmental impacts or concerns (with 87% being asked to consider this 'sometimes' or 'always'), followed by Fair Work (85%) and community benefits in procurement (79%).

There is a clear opportunity for public bodies to encourage greater consideration of innovation during the procurement process. Twenty-seven per cent of respondents indicated that they have 'never' been asked to consider innovation in the bidding process. This is broadly in line with recent research on the impact and value of the Sustainable Procurement Duty which found that public bodies required most support with this particular strand of the Duty – namely, support to promote innovation, to be able to define it, and to report on it effectively.[19]

Feedback on tenders

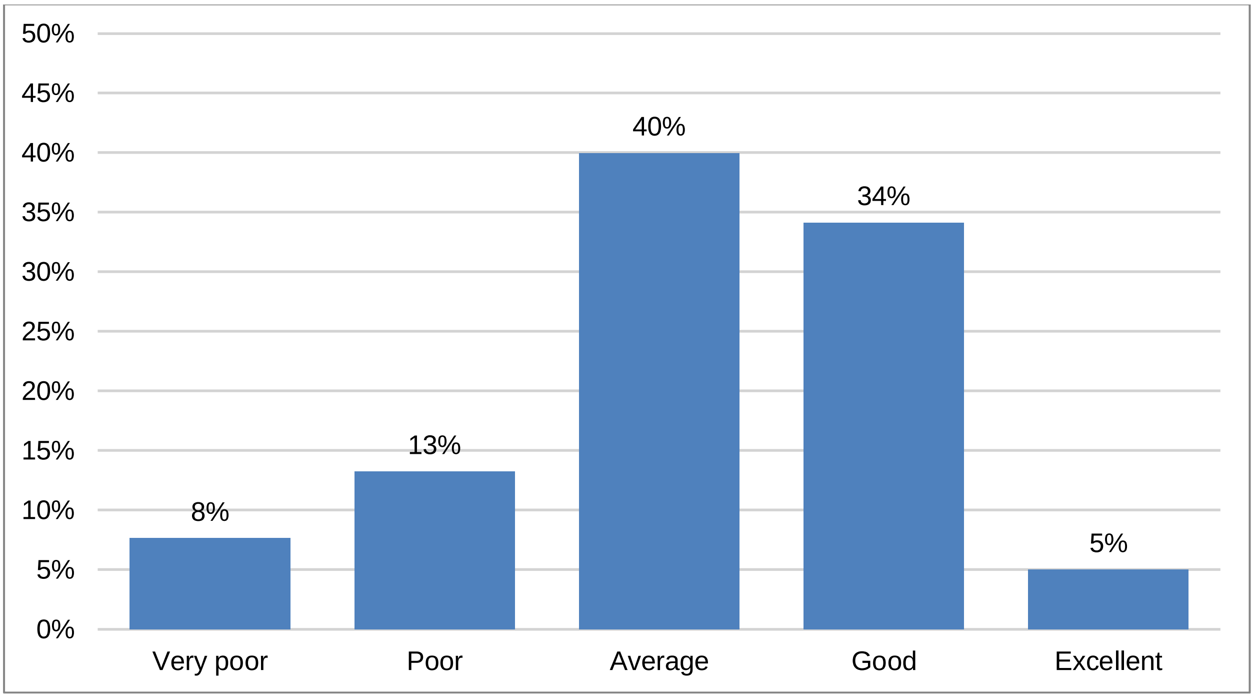
Adequate provision of feedback on tender exercises is important in aiding suppliers to understand their strengths and weaknesses and to improve the quality of future bids. This, in turn, brings added competitiveness to the procurement process.

On the whole, while many suppliers are taking up opportunities to request feedback, some choose not to engage in this process. We asked respondents whether they requested feedback from public bodies on any tenders submitted in the last two years, regardless of whether they won the contract. Of 1,206 respondents, over a third (36%) requested feedback on all of their tenders, 34% requested feedback on some and 30% did not request feedback on any.

There are a range of reasons as to why suppliers may not always request feedback. Among our respondents, several felt that feedback was not necessary – for example, because they won the contract, because they already had some awareness of the weaknesses in their bid or because they did not think it would help. Some stressed that they did not have the time to request feedback, while others said that feedback was often readily provided without having to ask for it.

[19] For more information, see the Scottish Government website.

Figure 3.10: How would you rate the quality of the feedback you received? (n=838)



Where feedback has been requested, the overall quality of the feedback received is generally of a good – or at least acceptable – standard. Thirty-nine per cent of respondents rated the quality of feedback on their tenders as either ‘good’ or ‘excellent’, while 40% considered the quality of the feedback to be ‘average’.

Among the respondents who rated the feedback they received as ‘good’ or ‘excellent’, when asked to explain their positive rating, they often stressed that the feedback was clear and concise, or that they were provided with full and detailed explanations behind awarding decisions. Others highlighted that feedback was usually provided on time and without them having to chase it up, and recognised the benefits of requesting feedback for the business and/or for future tenders. As one respondent said:

“Feedback is usually provided in a timely manner and is usually sufficiently detailed to be of use and interest.”

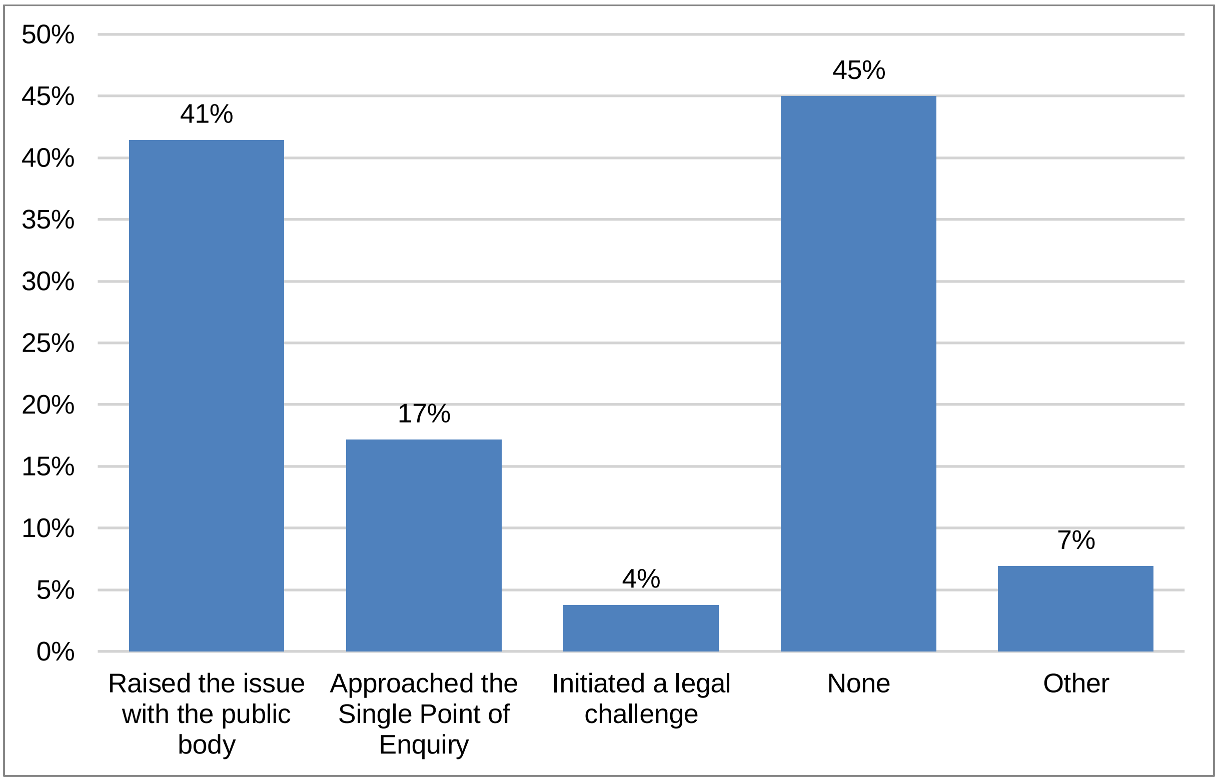
However, around one fifth (21%) of respondents rated the feedback they had received as either ‘poor’ or ‘very poor’. Some of these respondents mentioned that they did not always receive feedback, even when they had specifically requested it. Others felt that the feedback received often lacked detail, or that it was too generic or vague. A few disagreed with the feedback they had received.

Support for suppliers concerned with a procurement exercise

In recent years, suppliers have generally been happy with the procurement exercises they have been involved in. We asked respondents whether their organisation had been unhappy about a procurement exercise carried out by a Scottish public body, at any stage in the last two years – out of 1,474 respondents, over two thirds (67%) indicated 'no'.

A range of options are available to suppliers who have been unhappy about a recent procurement exercise, however these options are not always utilised or even known to suppliers. We asked suppliers who had been unhappy with a recent procurement exercise what action, if any, they took in response (Figure 3.11).

Figure 3.11: What action(s) did you take in response to a recent procurement exercise carried out by a Scottish public body in the last two years that you were unhappy with? (Please tick all that apply.) (n=478)



As shown above, 41% of respondents indicated that they raised the issue with the public body, while 17% approached the Single Point of Enquiry (SPoE) and 4% initiated a legal challenge. However, most commonly, respondents took no action at all, with almost half (45%) of respondents indicating as such.

Among those who took no action, most often, respondents stressed that they did not act because they felt that there was no point, or that it would be a waste of time. Several respondents also expressed concerns that taking any kind of action against a public body would lead to reputational damage or would harm their chances of working with that public body again in future. As one respondent said:

"[There is] no point in pursuing. [One time] I did challenge a grossly unfair practice (majorly late payments 60 days and against the law by a local authority) and our company were never asked to work again with that authority who previously had been a long standing and significant customer. That is the reality of things."

Single Point of Enquiry

The relatively low take-up of support from the SPoE likely reflects a wider lack of awareness of the service among suppliers. We asked respondents whether their organisation was aware of the SPoE. Out of 1,464 respondents:

- over three quarters (78%) of respondents were not aware of the service;
- 15% were aware of the service but had not made use of it – typically because they felt they had never needed to;
- 6% were aware of it and had made use of it.

Where suppliers do turn to the SPoE for support, the data presents a mixed picture in relation to the quality of the service. We asked respondents who had used the SPoE in the past how satisfied they were with the service they received. Around one third (34%) reported being satisfied or very satisfied with the service. These respondents praised the service for being useful, willing to help and quick to respond. As one supplier said, the SPoE is "always ready to listen and answer questions" and felt that it is "excellent that we have this aspect to public procurement and it provides reassurance".

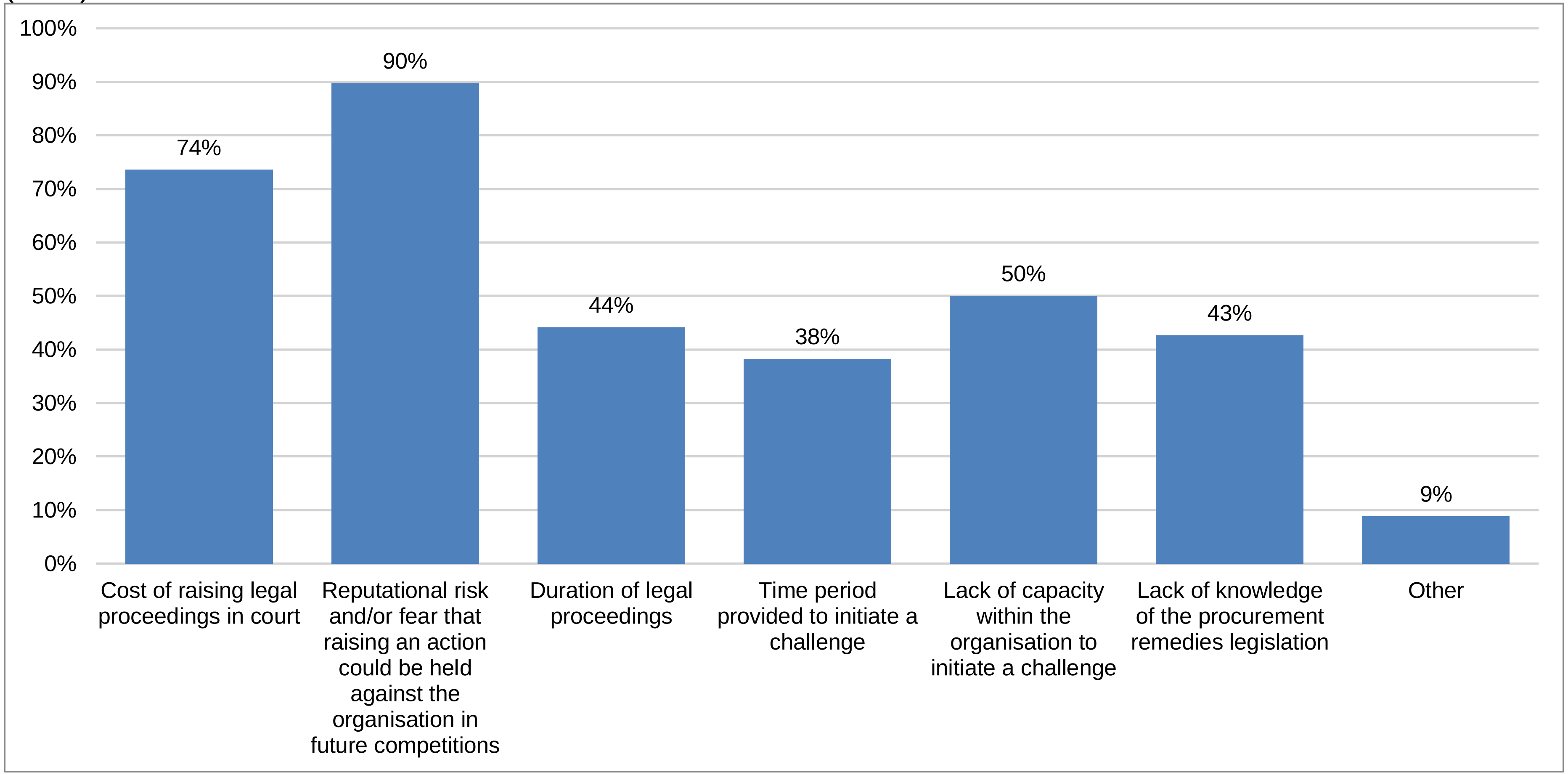
Thirty-eight per cent of respondents were either unsatisfied or very unsatisfied with the service they received from the SPoE. Typically, they either stressed that the service had not helped them and/or highlighted the lack of, or delayed, response from the service. For example, we heard that in one case, "they only repeated what was in the wording of the tender and requested [that I] contact [the] procurement body". Some respondents also felt that the SPoE lacks the power to effectively challenge decisions about individual procurement exercises – as one respondent said, "the body lacks teeth and really does not interrogate the decision in any serious penetrating manner".

Legal challenges

As shown in Figure 3.11, most suppliers do not consider initiating a legal challenge following an unsuccessful tender. This is underlined by other evidence from elsewhere in the survey; we asked respondents whether they had considered initiating a legal challenge following an unsuccessful tender at any stage regardless of whether they pursued this – just 10% indicated ‘yes’.

Where suppliers do consider initiating a legal challenge, the evidence suggests they are likely to experience a range of barriers in making their case. Out of a relatively small sample of 168 respondents, 41% reported experiencing barriers to initiating a legal challenge. Figure 3.12 below provides further information about the range of barriers encountered by respondents.

Figure 3.12: Which of the following factors acted as a barrier to initiating a legal challenge? (Please tick all that apply.) (n=68)



Owing to the small sample size of 68 respondents, care must be taken in drawing any definitive conclusions about the nature of any barriers to initiating legal challenges. Among this sample, clearly, the biggest barrier to mounting a legal challenge (as reported by 90% of respondents in the sample) is the fear of reputational risk, or that raising an action could be held against the supplier in future procurement exercises. Around three quarters (74%) of suppliers in the sample also highlighted the costs of raising legal proceedings as a significant barrier, while one half (50%) indicated that their organisation lacked capacity to initiate a legal challenge.

Experiences of sub-contracting

A significant proportion of those who have worked with the Scottish public sector have done so through sub-contracting arrangements. Of all 1,556 respondents, one quarter (25%, or 395) said that their organisation had previously been involved in delivering a contract as a sub-contractor.

Suppliers in some sectors were more likely to report being involved in sub-contracting work. When broken down by sector, out of 229 respondents from firms in the construction sector, 41% indicated that they had been involved in the delivery of a Scottish public sector contract as a sub-contractor. Out of 202 respondents from firms in the professional, scientific and technical activities sector, the corresponding figure was 39%.

Most respondents indicated that their sub-contracting experiences had been positive, with 59% (of 394 respondents) rating their organisations' experiences of delivering a contract as a sub-contractor as either 'good' or 'excellent'.[20] When asked to explain, respondents often highlighted that the contract was well-organised, efficient and straightforward, or stressed the importance of having a good relationship with others in the supply chain. As one respondent said:

> **"We are [a] sub-contractor to a college delivering a national service and the focus both parties put on developing and maintaining a trusted advisor relationship throughout the contract is the key thing that makes it a productive experience."**

Some respondents reported negative sub-contracting experiences, with 11% describing their experiences as either 'poor' or 'very poor'.[21] Some mentioned that they had little communication, poor relationships or even conflict with the main contractor and/or client; this again emphasises the importance of

[20] Broken down further, 44% of respondents rated their experiences as 'good' and 14% rated them as 'excellent'.

[21] Seven per cent of respondents answered 'poor' and 4% answered 'very poor'.

maintaining positive working relationships with others within the supply chain. We also heard from suppliers who felt that there was often little financial return for sub-contractors, or who experienced late payment issues.

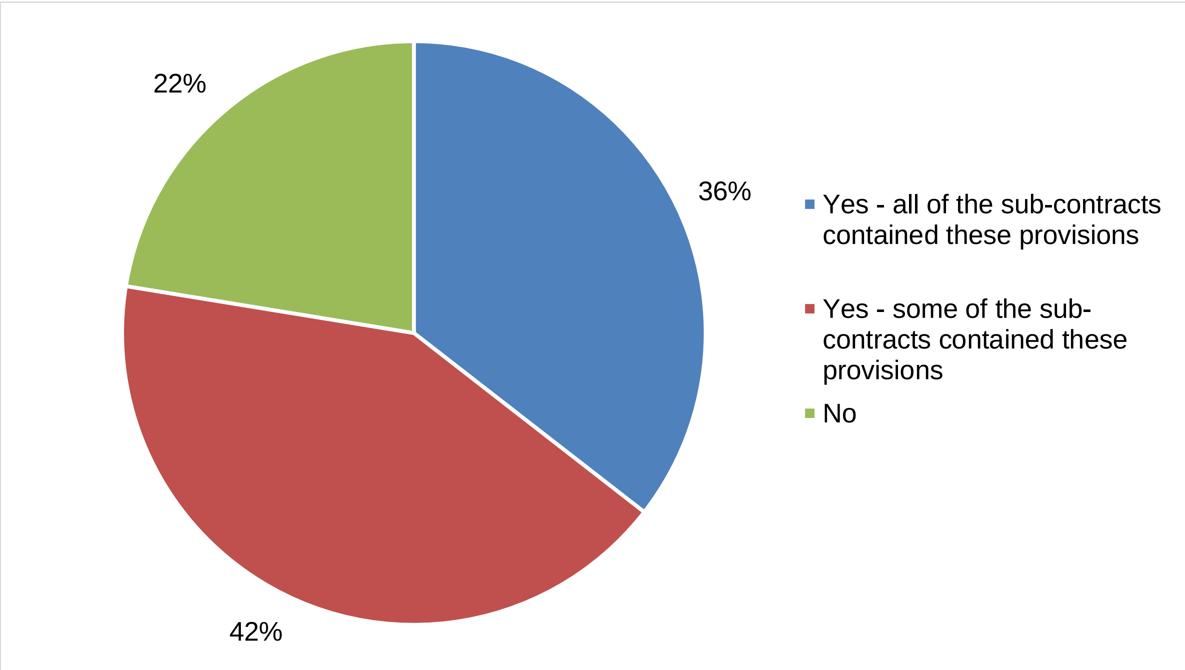
Indeed, late payment represents a significant issue for sub-contractors and particularly so for those in the construction sector. We asked respondents if they had always been paid within 30 days when delivering contracts as a sub-contractor. Of 391 respondents, 54% answered 'no'.

Of the 92 responses from construction firms, almost three quarters (74%) indicated they had not always been paid within 30 days when delivering contracts as a sub-contractor. Among 77 respondents from individuals in the professional, scientific and technical activities sector, the corresponding figure was 55%.

When we exclude respondents from the construction sector, the proportion of respondents indicating that they had not always been paid within 30 days decreases from 54% to 48%.

We then asked respondents whether, for any of the sub-contracts where they were not paid within 30 days, these contracts included provisions that they *would* be paid within 30 days. The responses are summarised in Figure 3.13 below.

Figure 3.13: For any of the sub-contracts where you were not paid within 30 days, did they include provisions that you *would* be paid within 30 days? (n=214)



As shown above, over three quarters (78%) of respondents said that some or all of the sub-contracts where they were not paid within 30 days contained provisions that they would be paid within this timeframe.

Provisions around prompt payment are less likely to be contained within construction sub-contracts. When we consider construction firms only, 68% of respondents from this sector said that some or all of the sub-contracts where they were not paid within 30 days contained the relevant provisions.

When we exclude responses from those in the construction sector, the proportion of respondents indicating that some or all of the sub-contracts where they experienced late payment contained provisions that they would be paid within 30 days increases from 78% to 82%.

Other findings with regard to late payment included:

- 73% of all respondents indicated that they had experienced late payment as a sub-contractor with more than one public contract (compared with 82% of respondents from the construction sector only)
- 62% of all respondents said they had experienced late payment issues as a sub-contractor on at least two contracts with the same prime contractor (compared with 75% of respondents from the construction sector)

To understand more about these problems, we asked about the nature of any contracts where respondents experienced late payment. Of 212 respondents, almost three quarters (71%) had experienced late payment in connection with services contracts. The corresponding figures for works and goods contracts were 34% and 14% respectively.[22]

Naturally, suppliers are proactive in seeking to resolve late payment issues and most of our respondents felt it necessary to raise these issues. Of 213 respondents, 81% raised the issue directly with the contractor or sub-contractor delaying payment.[23]

However, some (16%) did not raise the issue with anyone. When explaining why they did not raise late payment issues, many respondents displayed a degree of indifference. There was a strong sense that respondents were confident that they would eventually be paid, that it was common in their industry not to be paid on time, or that there was simply no point in raising the issue.[24] As one respondent said:

[22] Note that this was a multiple choice question.
[23] Note that this was a multiple choice question.
[24] The qualitative responses to this question were coded and analysed in full.

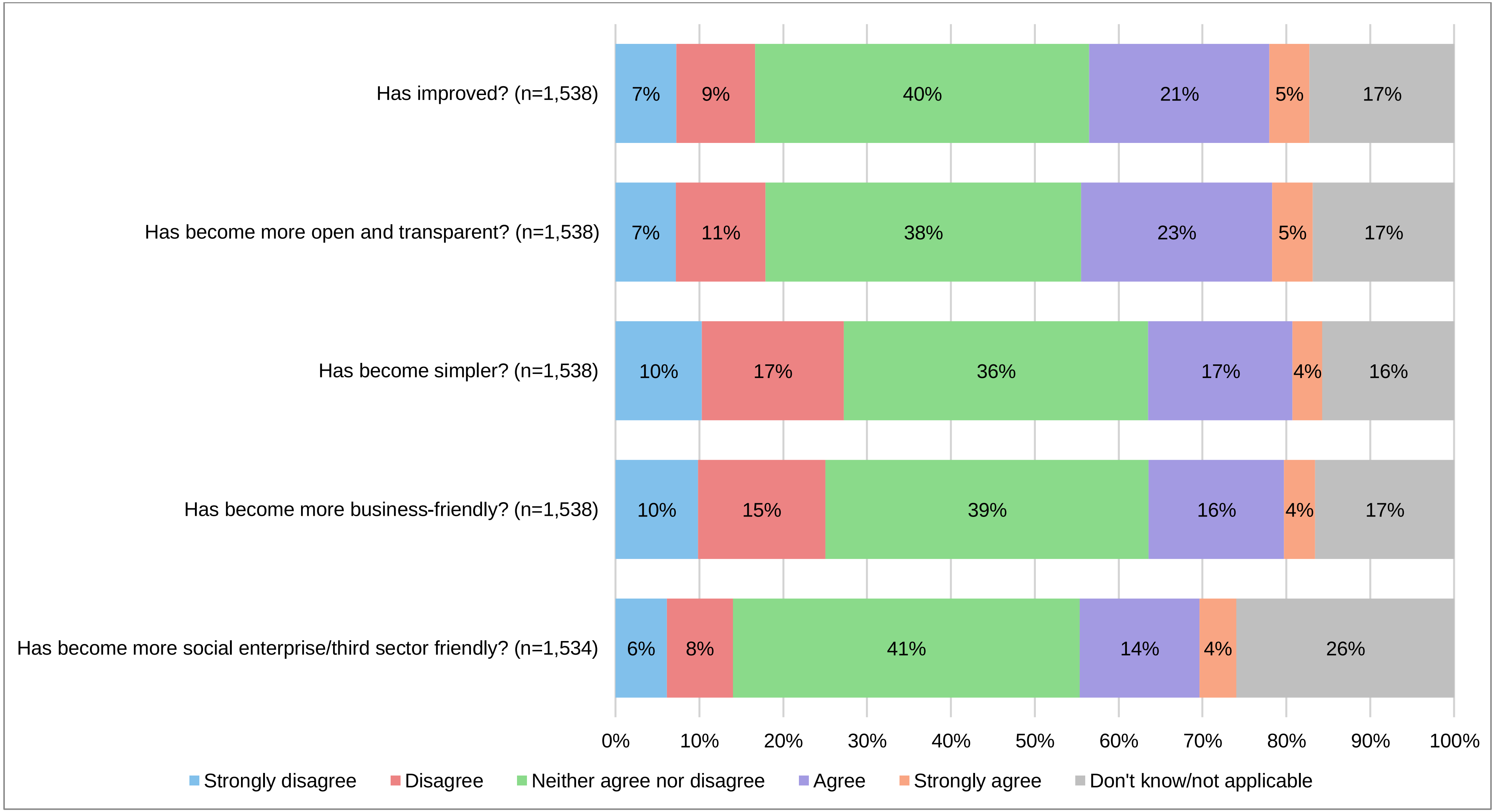
“It is not normal for construction-based contractors to pay in 30 days to the extent that we believe this has never happened. The norm is we invoice, the first invoice is ignored, the second invoice brings some technicality that results in non-payment…. This can go on and on depending [on] the contractor involved.”

For others, decisions not to raise late payment issues sometimes merely reflected the nature of the contract in question – for example, where payment terms were longer than 30 days.

Impact of work to improve Scottish public sector procurement

From a supplier perspective, although the overall picture is mixed, there are some positive indications that the public procurement landscape has improved in recent years. In relation to a variety of aspects of procurement, we asked respondents to rate the extent to which they agreed that the delivery of public procurement had changed for the better since 2016, when the 2014 Act began to take effect (Figure 3.14).

Figure 3.14: Since 2016, to what extent do you believe that Scottish public procurement delivery…



Across all the questions, the majority of respondents either had a neutral or ‘don’t know’ response, indicating that many suppliers do not have a strong or clear opinion in relation to progress in Scottish procurement. At least one third of respondents stated that they ‘neither agreed nor disagreed’ across all five categories, ranging from 36% (in respect of whether Scottish public procurement delivery has become simpler) to 41% (whether it has become more social enterprise/third sector friendly).

In relation to those respondents who specifically provided a ‘don’t know’ response to any question, in particular, 26% did not know whether Scottish public procurement delivery has become more social enterprise/third sector friendly. This is despite the fact that facilitating the involvement of third sector organisations in the procurement process is a key component of the Sustainable Procurement Duty. The findings suggest that supplier awareness issues may be at play, with some suppliers potentially not having visibility of recent changes in the delivery of public procurement in certain areas.

That many respondents did not know or were unable to comment is likely to also be a reflection of the demographics of the supplier base represented in the survey. For example, just 6% of all respondents to the survey represented charities, voluntary sector organisations or social enterprises. Also, suppliers with stronger track records of tendering for public contracts were generally more likely to be able to provide a definitive opinion. For example, in relation to whether Scottish public procurement delivery has improved since 2016, 51% of respondents whose organisations have never tendered for a contract provided a ‘don’t know/not applicable’ response, compared to 9% of respondents with over 20 years of tendering experience.

There are also some positives. Across three of the five response categories, respondents were more likely to respond positively (as indicated by an ‘agree’ or ‘strongly agree’ response) than they were to respond negatively (as indicated by a ‘disagree’ or ‘strongly disagree’). Twenty eight per cent of respondents ‘agreed’ or ‘strongly agreed’ that Scottish public procurement delivery has become more open and transparent since 2016, while 26% ‘agreed’ or ‘strongly agreed’ that it has improved on the whole. Moreover, around a fifth (19%) of respondents ‘agreed’ or ‘strongly agreed’ that Scottish public procurement delivery has become more social enterprise/third sector-friendly.

Among those who commented further on the extent of positive change in public procurement since 2016, there were again some positives. For example, we heard that:

“A stronger emphasis on quality rather than a blanket approach to price has led to contracts becoming more sustainable for all parties involved

and more open to greater Public and Private sector bodies working jointly to deliver better outcomes."

However, it was again common for suppliers to stress that public procurement remains, in their view, too complex. We heard that the process of submitting a tender can often be difficult, lengthy and/or otherwise burdensome, with some respondents also highlighting the often stringent demands of the bidding process or of the contract itself – for example, the legal information required or the community benefit requirements imposed. For example, one respondent recognised the positive impact that the Public Contracts Scotland (PCS) portal has had on the tendering process, but also highlighted the arduous nature of other tendering portals that are still in use:

"I think that since [PCS] was launched, tendering has improved considerably. When I started with the business in 2007, tenders were all done via hard copy and letters. And then it was [the] Public Tenders Scotland[25] portal which was only accessible by PC [and] we use Macs. So I had to go to the local library to do bids. To be honest, I cannot stand [the] PTS portal as it is so old fashioned and difficult compared to PCS. Sometimes if a tender is advertised and it is via this portal, we think twice about bidding because it is so onerous and inefficient."

Many respondents also expressed the view that public procurement is not a level playing field, with the same suppliers often winning multiple contracts. In particular, there was a sense that SMEs, third sector organisations and local suppliers often lose out to larger, multi-national companies. For example, we heard from one supplier that larger organisations are better-suited to delivering community benefits and because of this, smaller organisations can sometimes struggle to compete in the tendering process.

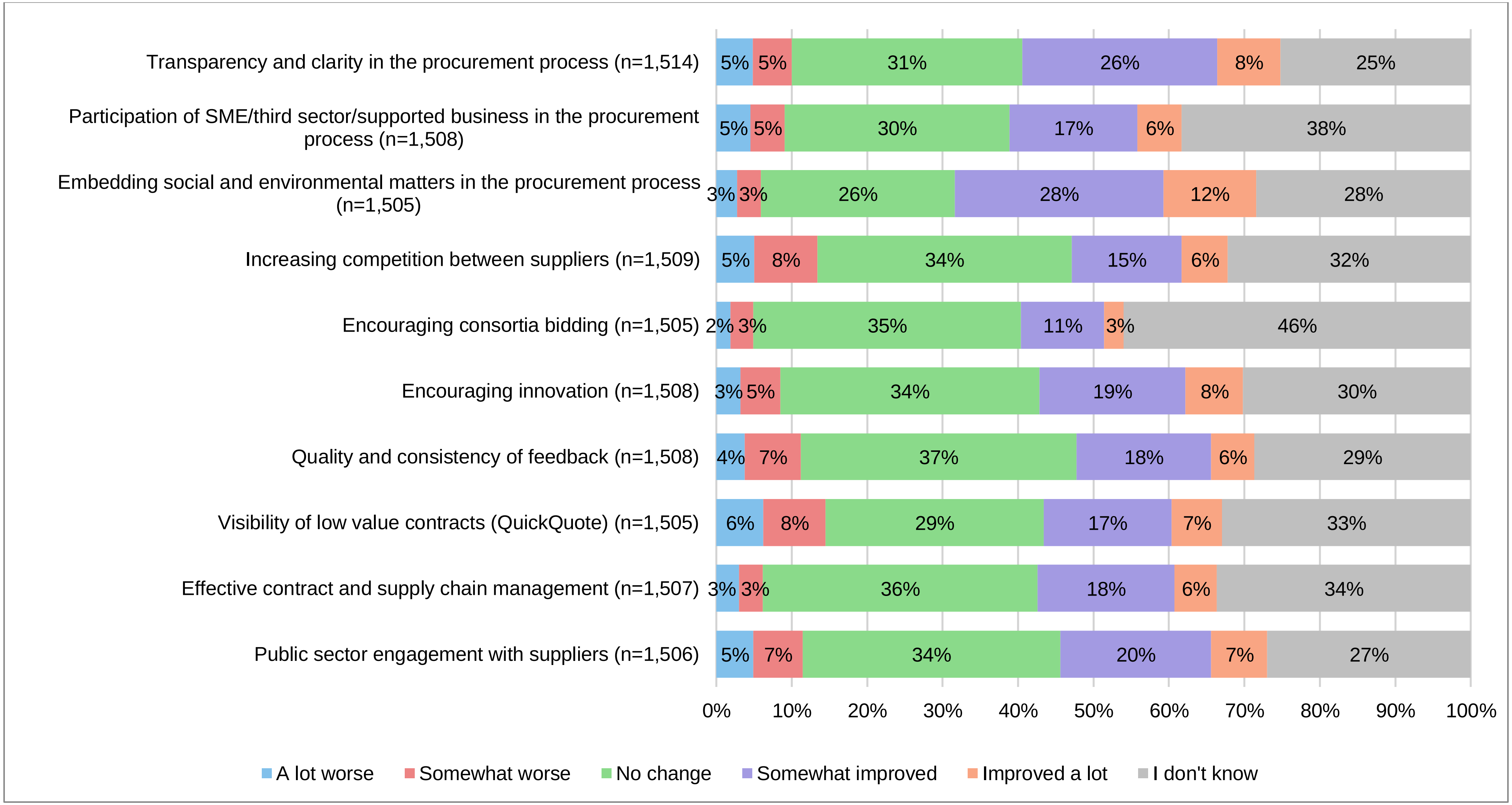
For a few respondents, issues remain around accessing public contracts and identifying relevant opportunities. For example, one participant stressed the usefulness of the Irish tendering system compared to the Scottish system, and the difficulties that SMEs face when it comes to searching for Scottish tenders:

"The Irish tender system proactively sends tender opportunities to prospective tenderers in response to their selected key words. This can happen on a daily basis and makes it far easier for prospective tenderers to identify and respond to opportunities. SMEs do not always have the time and resources to search the Scottish system."

[25] This is likely a reference to the PCS-Tender portal, which is distinguished from the main PCS portal. Generally, PCS is used for lower contracts and call-offs from framework agreements, while PCS-Tender is used for running larger contracts.

To deepen our understanding of the extent to which recent efforts to improve Scottish public procurement have had a positive impact on practice, we asked respondents to identify what impact, if any, the work to improve Scottish public procurement has had on a range of aspects of procurement (Figure 3.15).

Figure 3.15: What impact, if any, has the work to improve Scottish public procurement had on each of the following aspects of procurement?



As we have seen elsewhere, across all questions, considerable numbers of suppliers provided an 'I don't know' response. These findings again suggest that supplier awareness of various aspects of public procurement may be relatively low, including those relating to the Sustainable Procurement Duty. For example, 38% of respondents did not know whether the work to improve Scottish public procurement has had any impact in relation to the participation of SMEs, third sector organisations and supported businesses, while 30% did not know about the potential impact in relation to encouraging innovation. This is despite the fact that these two aspects of procurement are important components of the Duty.

It may again also be a reflection of respondent demographics. For example, that 46% of respondents did not know whether there had been any changes in encouraging consortia bidding may reflect the fact that only 13% of survey respondents indicated that their organisation had experience of being part of a consortium bid.

Also, as we have seen elsewhere, suppliers with more experience of tendering for contracts were more likely to be able to comment on the impact of work to improve public procurement. For example, in relation to whether such work has led to greater transparency and clarity in the procurement process, 64% of respondents from firms which have never tendered provided an 'I don't know' response, compared to 13% of respondents from firms with over 20 years of tendering experience.

As Figure 3.15 shows, for each response category, respondents were considerably more likely to return positive results than negative. In particular, 40% of respondents felt that there had been either some or a lot of improvement in the embedding of social and environmental matters in the procurement process in recent years. Other areas where respondents were especially positive included:

- transparency and clarity in the procurement process, e.g. making it easier to locate, understand and bid for contracts (34% reported that this had either somewhat improved or improved a lot);
- public sector engagement with suppliers (27%);
- encouraging innovation (27%).

Again, the findings suggest that issues around access to public contracts centre largely on SME access. Large businesses were more likely than SMEs to report positive changes in relation to transparency and clarity in the procurement process; while 32% of SMEs felt that this had either somewhat improved or improved a lot, the corresponding figure for large businesses was 49%.

Findings earlier in this report suggested that there is an opportunity for improvement in relation to encouraging innovation in public procurement (Figure 3.9). Coupled with the findings outlined in Figure 3.15, it is clear that some progress has indeed been made in encouraging innovation in recent years, and that the emphasis now should be on ensuring that we build on this and that we continue to strive for further improvement.

Clearly, however, there are some areas for improvement. Across all response categories, significant proportions of suppliers indicated that there had been no change in recent years. The proportions of suppliers indicating as such ranged from 26% (in relation to embedding social and environmental matters in the procurement process) to 37% (in relation to the quality and consistency of feedback). This does not necessarily indicate that there has been no such change in recent years – rather, it may suggest that such change is not visible to suppliers, or that change has been more gradual in nature.

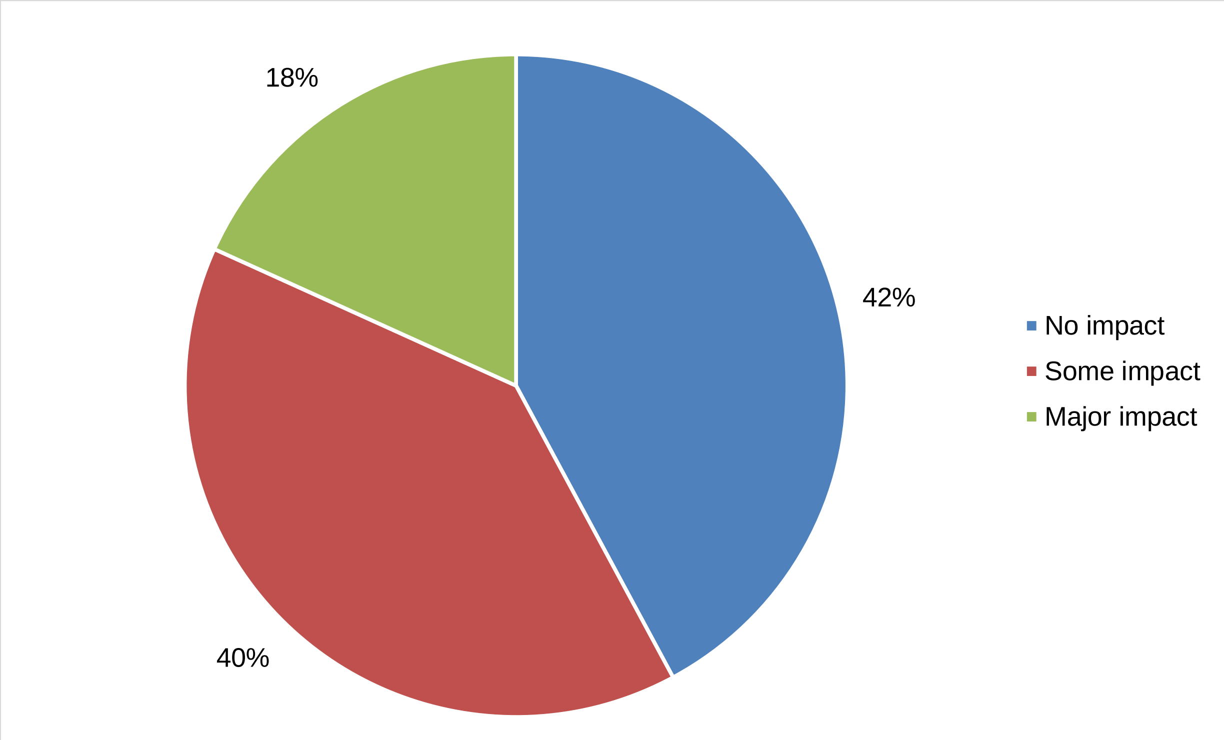
Fourteen per cent of respondents felt that the visibility of low value contracts had got either somewhat or a lot worse. Broken down further, 16% of SMEs indicated that visibility of low value contracts had got somewhat or a lot worse, compared with 5% of large businesses – again, this indicates that SMEs are more vulnerable to experiencing challenges accessing public contracts than large businesses.

Some sectors appear particularly vulnerable where the visibility of low-value contracts is concerned. For example, out of 126 respondents in the information and communication sector, 17% felt that the visibility of low value contracts had got either somewhat or a lot worse (compared with 14% of all firms).

The COVID-19 pandemic

The COVID-19 pandemic has had a significant impact on businesses supplying to the public sector in Scotland, and although suppliers have access to a range of streams of support, a significant proportion of respondents had not benefited from any of these. We asked respondents to indicate to what extent, if any, the pandemic has had a negative impact on their organisations' ability to bid for and/or deliver a Scottish public sector contract (Figure 3.16).

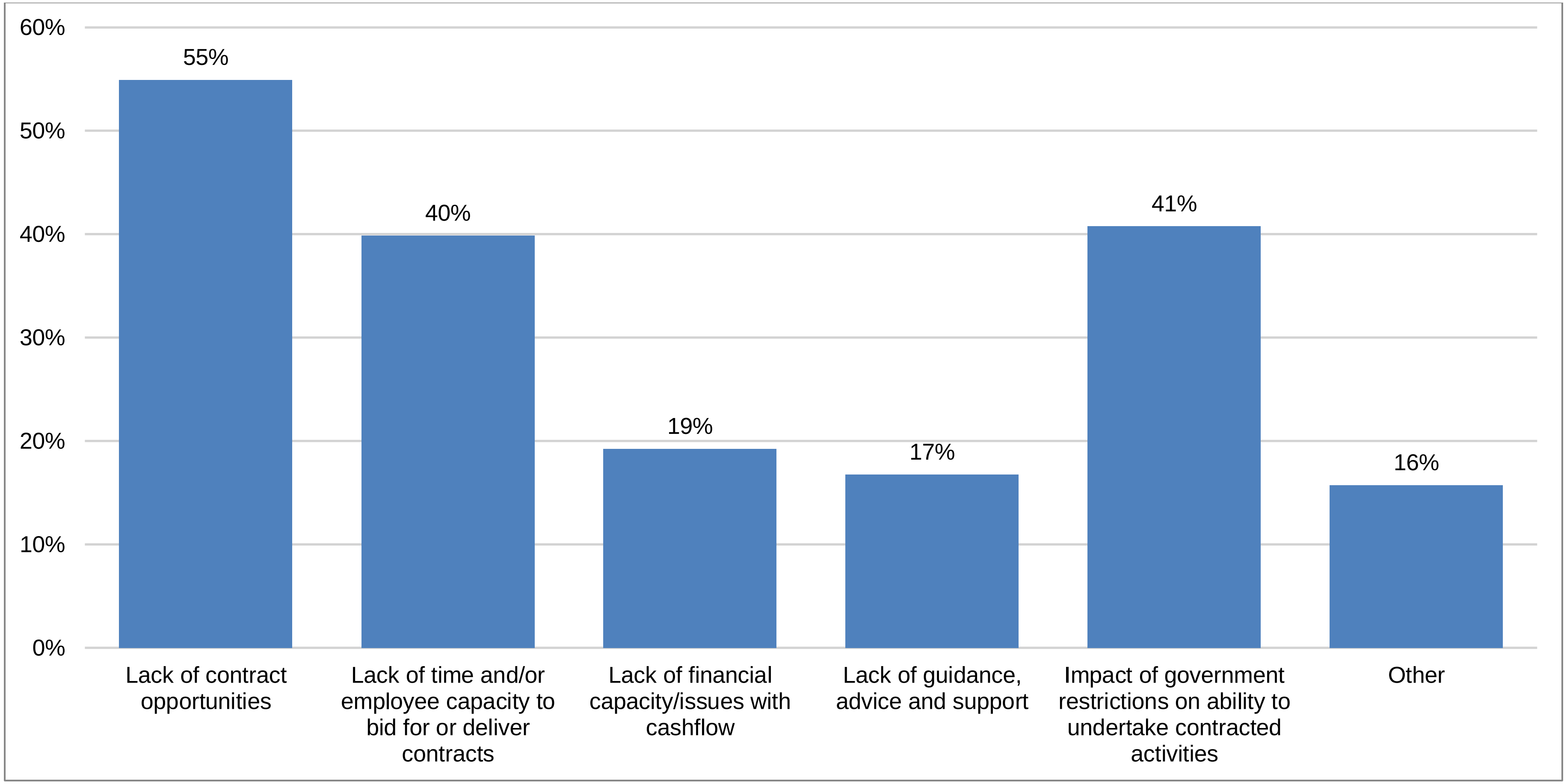
Figure 3.16: To what extent, if any, has the COVID-19 pandemic had a negative impact on your organisation's ability to bid for and/or deliver Scottish public sector contracts? (n=1,552)



Clearly, COVID-19 has had either some or a major negative impact on most suppliers, with 58% of respondents indicating as such. For 18% of suppliers, the pandemic has had a major negative impact on their organisation.

During the pandemic, suppliers have experienced a range of barriers to bidding and/or delivering a Scottish public sector contract. These barriers are summarised overleaf.

Figure 3.17: What were the main barriers to you or your organisation in bidding for – or delivering – Scottish public sector contracts during the pandemic? (Please tick all that apply.) (n=883)



For most, the difficulties in bidding for and/or delivering contracts resulted from a lack of contract opportunities in the first place, with 55% indicating as such. Again, this was especially challenging for SMEs. Fifty-seven per cent of SMEs highlighted a lack of contract opportunities during the pandemic, compared with 43% of large businesses.

Other difficulties highlighted by respondents of all business sizes included government restrictions, which have had a negative impact on suppliers' ability to undertake contracted activities (indicated by 41% of respondents). Forty per-cent of respondents felt hindered by a lack of time and/or employee capacity to bid for or deliver contracts.

A relatively small proportion of suppliers (16%) highlighted other important barriers affecting their ability to bid for or deliver contracts during the pandemic. Several participants reflected on the difficulties engaging and building relationships with public bodies during the bidding process – for example, we heard that the "final stage face-to-face [interview] over video conferencing hampers [our] ability to engage". Others highlighted the issues posed by the delay of tenders, the closure of buildings and sites, customer delays and issues with receipt of supplies.

Not all suppliers have received support during the pandemic. We asked respondents whether they or their organisation received any support from local government, national government or elsewhere to help reduce the impact of COVID-19 on their business. Of 1,537 respondents, 44% indicated 'no'.

Among those suppliers who have received support during the pandemic, such support has taken a variety of forms and has come from a range of organisations across the public sector. We asked respondents to provide information about the support they received during the pandemic (Table 3.1).

Table 3.1: What support did you or your organisation receive to minimise the impact of COVID-19? (Please tick all that apply.) (n=853)

Support received	**Proportion of respondents**
Modifications to existing public sector contracts (e.g. advanced payments)	6%
Furloughed staff	76%
Small Business Support Grant	32%
Pivotal Enterprise Resilience Fund	3%
Self-Employment Income Support Scheme	10%
Self-Employed Hardship Fund	1%
Bounce Back Loan Scheme	19%

Support received	Proportion of respondents
Coronavirus Business Interruption Loan Scheme (CBILS)	7%
Other financial/grant support from a public sector body (e.g. Third Sector Resilience Fund, Wellbeing Fund, Supported Communities Fund)	7%
Other	6%

Generally, the support received was of a financial nature. As shown above, the furlough scheme was the most common form of support taken up by suppliers during the COVID-19 pandemic, with 76% of respondents reporting that they have furloughed staff. Around one third (32%) of respondents were recipients of a Small Business Support Grant, while 19% reported taking part in the Bounce Back Loan Scheme.

A small proportion (6%) of respondents indicated that they had received other types of support. Again, much of this support was financial, with participants referring to, for example, tax and VAT deferral, rates relief and other grants and funding streams. Several also highlighted practical support they had received, such as the receipt of PPE, advice and guidance, and operational support.

In relation to public procurement matters specifically, the survey responses suggest that additional support would have been helpful. We asked respondents what other support, if any, would have helped their organisation to bid for or deliver contracts during the pandemic. Although many felt that they did not require any other support, or could not identify what else may be needed, several respondents highlighted a clear need for more guidance, support and training – either in relation to procurement and contract delivery during the pandemic, or to the procurement process more widely. For example, one participant felt there was a need for clearer guidance on what constituted 'essential work' during the pandemic:

"[We would have liked] clearer guidance [regarding] 'essential work'. If the contract had been placed during the pandemic, to be delivered in the pandemic, surely this equates to essential work, or the contract should not have been advertised? We have had confusion and difficulties [regarding] carrying out work during the pandemic as the public sector body has told us we are not able to travel to hold essential site visits/surveys etc, despite these being outside and/or manageable within the COVID-19 restrictions."

Some respondents stressed the need for more tender opportunities or for bidding to be made easier – in particular, by extending the timescales for bidding. We also heard from a few respondents that smaller businesses and local firms required more support, for example financial support.

From a supplier perspective, a variety of lessons – both positive and negative – can be learned from the COVID-19 pandemic in relation to Scottish public sector procurement. Some suppliers highlighted the increased flexibility that the pandemic has brought to the procurement process and to organisations' ways of working, owing to homeworking arrangements and the increased use of technology. Others felt that they had been well-supported during the pandemic, with good lines of communication between public sector bodies and their suppliers across the supply chain. Comments from respondents included:

"The use of Zoom and Team conferencing software has made bidding for Scottish contracts possible. Previously the cost of flying to Scotland for meetings and project management as well as open days precluded us from bidding."

"Home working actually helps bidding! As the office manager and main bid organiser, I now have time and peace to write and collate bids."

For other respondents, the pandemic has merely brought existing challenges with Scottish public sector procurement into the spotlight. Among many, there was a sense that more could have been done during the pandemic – and that more still can be done – to help SMEs, sole traders and local businesses in particular. Others highlighted the need for a more streamlined and simpler tendering process, or emphasised the need for greater flexibility in the procurement process:

"The process needs to be simplified in relation to SMEs bidding for work, especially in the strictures expected where SMEs are collaborating."

"Change the opportunities available to make more desk based work available that could be done from home."

We also heard from respondents who felt that the supplier base would have benefited from more communication from the public sector. This applied to both communication during the tender process and during contract delivery. For example, as one participant said:

"Communication of the status of future tenders and PQs[26] – which is vital for business to plan for resources and future workload, especially when staff have been furloughed – could have been better."

[26] Note that 'PQs' is likely a reference to the now obsolete pre-qualification questionnaires, which were later replaced by the ESPD.

Final reflections from respondents

Respondents were invited to provide any final comments on their experiences of bidding for Scottish public sector contracts. Several suppliers ended by providing positive reflections on the procurement process, some of whom praised particular aspects of the tendering process such as the Quick Quote system and the use of online tendering portals.

"Overall the platform seems fairly straightforward and once access was achieved, we have been able to use [it] without too much issue. The support for access requirements from the tender manager has been very good."

"We work across the UK and the Scottish system is by far the best in the UK – much clearer and simpler, easier to use, more comprehensive. The Quick Quote system has been invaluable."

Again, however, many highlighted that there is room for improvement with regard to Scottish public sector procurement, and especially so in relation to procurements involving SMEs and sole traders. Many respondents again stressed the complexities of the system and the difficulties that they sometimes face navigating it, understanding tenders and responding to stringent criteria in an often highly-competitive environment. Some felt that more guidance and support is thus required in relation to the bidding process. Comments from respondents included:

"I strongly suggest the use of appropriate page limits for tenders. Often these are not in place. Also, it often seems that bidders are asked to provide just as much information for lower value tenders as for higher value tenders – could this be streamlined? There are often quite extensive 'not scored' sections which require lots of information to be provided; procurement should consider whether this is necessary if these sections are not being scored in any case."

"For us, as a small consultancy, the insurance requirements are huge and do not make sense. No client has been able to identify a situation where we would need [these]."

On a related note, many respondents referred to the time-consuming nature of the procurement process and the 'costs' involved in submitting a bid:

"[Procurement] can be a full time post on top of everyday work for SMEs who struggle to finance a worker dedicated to procurement."

"Just because there needs to be a minimum of 35 days for submission, that does not mean that it has to be 35 days. Make it 40 or 50; complex

specifications, drive for innovation and partnerships take time. Allow that time. [Local authorities] take months and months (years!) to come up with a specification, then expect organisations to fully decipher it, look at alternative, innovative solutions, look for partners and write a comprehensive submission in 35 days, and usually at a very inappropriate time for an individual organisation."

Some respondents felt that they are missing out on procurement opportunities, or on information about contracts awarded. As one respondent said:

"Visibility of contracts is difficult, and large quantities of them are much more accosted with working with larger consortia to get on them. Working in the building industry, local government tends to procure all services though one. We are not contacted or informed, so it is tough to know what projects are being bid for and who has applied to bid on them. Finding out is very time-consuming."

4. Conclusion

The survey findings indicate that there is much to be positive about in respect of Scottish public sector procurement and the recent work done to improve it. At the same time, however, there are clearly areas in which the Scottish public sector could do more to maximise the impact of public procurement.

On the whole, suppliers are relatively well-equipped to bid for and deliver Scottish public sector contracts and, in doing so, are generally asked to consider a range of issues – particularly where they relate to the Sustainable Procurement Duty. There is clear evidence that the embedding of social and environmental matters in the procurement process has improved to the extent that now, most suppliers are being asked to consider these matters when tendering. However, more could be done to encourage greater consideration of innovation during the procurement process as this is an area of the Duty in which the public sector is performing less well.

There were strong indications from suppliers that the tendering process could be better-streamlined and simplified, with many suppliers indicating that the system is still overly-complex and that the process is somewhat burdensome. This was a recurring theme throughout the survey responses and one which, for some, was further underlined by the COVID-19 pandemic. Moving forward, where possible, it is important to prioritise and maintain focus on work which will make procurement processes simpler and easier for businesses.

There was a clear sense that SMEs, third sector organisations, sole traders and local suppliers are finding it particularly difficult to navigate this system and also to access, bid for and deliver contracts. Moreover, SMEs are more likely to experience challenges accessing – and having visibility of – public contracts compared to large businesses. This is not to say that large businesses do not also face these issues. Rather, it means that efforts to further streamline procurement systems and improve access to tendering opportunities should be geared towards SMEs in particular.

Clearly, significant proportions of respondents felt they were unable to comment on the extent to which public procurement has changed in recent years, or on the impact of the work undertaken to improve it. This partly related to the demographics of the businesses represented in the survey – typically, newer companies with less experience of tendering felt they were less able to comment. However, it also suggests that more could be done to improve supplier visibility and awareness of changes in public procurement policy and practice and to promote key policy areas and legislative requirements – for example, the Sustainable Procurement Duty – to all suppliers.

Those suppliers who engaged in sub-contracting opportunities reported largely positive experiences of sub-contracting work. However, the evidence shows that late payment of sub-contractors is a significant issue within the current procurement landscape, with the construction industry particularly affected. It is crucial that steps are taken to explore ways in which late payment within supply chains can be tackled more adequately, with the construction industry representing an appropriate focal point.

A range of mechanisms are in place for suppliers seeking training, support or advice on the tendering process – for example, the Supplier Development Programme and the SPoE – or for those seeking practical support to manage the impact of the COVID-19 pandemic on their organisation. Moreover, where it is requested, the feedback provided to suppliers by public bodies following a procurement exercise is often of a good (or at least acceptable) standard.

However, supplier awareness and take-up of training, support and advice on tendering has been limited – both in normal times and during the pandemic. Meanwhile, the feedback provided by public bodies following a procurement exercise is not always useful to suppliers. The findings suggest that public bodies could and should do more to promote awareness of the support that is available for tendering processes, while also taking a more proactive approach to issuing constructive and high-quality feedback following tender exercises.

Value for money represents another area in which more could be done to maximise the impact of public procurement activity. Some suppliers felt that Scottish public procurement currently places more emphasis on minimising costs than it does on achieving value for money. As such, there is room for greater consideration of how public bodies can ensure that value for money is placed – and remains at – the forefront of their procurement processes.

These findings appear all the more relevant in light of COVID-19 and this survey has demonstrated the significant impact of the pandemic on both our supplier base and wider economy. We always want to ensure that all suppliers – regardless of size, sector or location – are provided with a level playing field within which to bid for public contracts, and that they are supported along every step of the way. However, for many businesses, this is now more important than ever. We must not underestimate the role that public procurement can play in driving inclusive and sustainable economic growth as we begin to recover from the devastating impact of the pandemic.

At the same time, the survey has highlighted positive learning from the pandemic – learning which can also help the Scottish public sector to improve its procurement processes. In particular, some suppliers have benefited from the increased flexibility brought to the procurement process through the use of technology and homeworking. As Scotland moves into the recovery phase, it is important that this learning is used to good effect.

Next steps

We will seek to use the findings from this survey to shape the future of public procurement policy and practice in Scotland by considering what more we can do – or whether we can do things differently – to further improve our public procurement system.

Moving forward, over the coming months we will continue to demonstrate our commitment to improving the procurement landscape. First, we will take the time required to fully consider the findings of this survey and its implications for our work in both the medium- and long-term, and we will engage our partners and stakeholders in this process along the way.

By continuing to strive for improvement, we can realise our aspirations of using public procurement as a means of delivering outcomes that are:

- good for business and employees;
- good for society;
- good for places and communities;
- open and connected.

This survey has also opened up opportunities for further research. As mentioned previously, a key limitation to the survey is that it largely reflects the views and experiences of more established businesses who have already been tendering for – and winning – Scottish public sector contracts for quite some time. This paves the way for further research with newer and less-established businesses with less experience of the tendering process, to explore their views on public procurement, the extent of their interest in bidding for public contracts and any challenges faced.

For example, the findings show that newer businesses with less experience of tendering are less likely to have taken up opportunities for training, support and advice on tendering. Research with these groups would enable us to explore why that is the case – it may be that newer businesses have less awareness of such opportunities, or it may also be that they require a different type of support to that currently on offer.

Appendix 1: List of survey questions

1) * How would you describe your organisation?

- Mainly seeking to make a profit (e.g. for owners or shareholders)
- A charity or voluntary sector organisation or a social enterprise
- A local-government financed body (such as a service provided or funded by the council such as leisure centres, social care, waste or environmental health services)
- A central government financed body (such as the Civil Service, any part of the NHS, a college or university, the Armed Services, an Executive Agency or other non-departmental bodies)
- Other (please specify)

For the purposes of public procurement rules, an organisation can be classed as a supported business if:

- it has the social and professional integration of disabled and disadvantaged people as its main aim
- and at least 30% of its employees are disabled or disadvantaged.

2) Do you consider your organisation to be a supported business?

- Yes
- No

3) * Approximately how many people work in your organisation? By that, we mean both full-time and part-time employees on your payroll, as well as any working proprietors or owners, but excluding the self-employed and outside contractor or agency staff.

- Under 10
- 10-49
- 50-99
- 100-249
- 250-999
- 1,000+
- I don't know

4) Which of these ranges did your organisation's turnover fall into, in the last financial year?

- Less than £82,000
- £82,000 - £99,999
- £100,000 - £249,999
- £250,000 - £499,999
- £500,000 - £999,999
- £1 million - £1.99 million
- £2 million - £2.8 million
- £2.81 million - £4.99 million
- £5 million - £9.99 million
- £10 million - £14.99 million
- £15 million - £24.99 million
- £25 million or more
- Prefer not to say
- I don't know

5) * What sector does your business operate in? (Please tick one. If your business operates in more than one sector, please tick the sector of your principal business activity.)

- Agriculture, forestry and fishing
- Mining and quarrying
- Manufacturing
- Electricity, gas, steam and air conditioning supply
- Water supply, sewerage, waste management and remediation activities
- Construction
- Wholesale and retail trade, repair of motor vehicles and motorcycles
- Transportation and storage
- Accommodation and food services
- Information and communication
- Real estate activities
- Professional, scientific and technical activities
- Administrative and support service activities
- Public administration and defence, compulsory social security
- Education

- Human health and social work activities
- Arts, entertainment and recreation
- Other service activities

6) How many years have you been trading?

- 0-5 years
- 6-10 years
- 11-20 years
- Over 20 years

7) * In which local authority is your organisation located? If your organisation is based across multiple sites, please select the local authority in which your head office is located.

- Aberdeen City
- Aberdeenshire
- Angus
- Argyll and Bute
- City of Edinburgh
- Clackmannanshire
- Dumfries and Galloway
- Dundee City
- East Ayrshire
- East Dunbartonshire
- East Lothian
- East Renfrewshire
- Falkirk
- Fife
- Glasgow City
- Highland
- Inverclyde
- Midlothian
- Moray
- Na h-Eileanan Siar
- North Ayrshire
- North Lanarkshire

- Orkney Islands
- Perth and Kinross
- Renfrewshire
- Scottish Borders
- Shetland Islands
- South Ayrshire
- South Lanarkshire
- Stirling
- West Dunbartonshire
- West Lothian
- N/A - my organisation is based outside of Scotland (please tell us where).

8) What is the predominant market focus of your organisation?

- Local (i.e. operating within 25 miles of base/head office)
- Regional (i.e. operating range of more than 25 miles but within 100 miles of base/head office)
- Scotland-wide
- UK-wide
- EU-wide
- International

9) * How many years' experience does your organisation have in tendering for Scottish public sector contracts?

- Less than 2 years
- 2-5 years
- 6-10 years
- 11-20 years
- Over 20 years
- My organisation has never tendered for a contract with the Scottish public sector

10) In terms of the contract value, what size of Scottish public sector contract(s) does your organisation typically tender for? (Please tick all that apply.)

- Less than £10,000 in value
- Between £10,000 and £49,999
- Between £50,000 and £119,999

- Between £120,000 and £189,999
- Over £190,000 in value

The next few questions ask about the Scottish public sector contracts that your organisation has tendered for in the last two years.

11) How many Scottish public sector contracts did your organisation tender for in the last two years?

- None
- 1-5
- 6-10
- 11+

In the previous question, you indicated that your organisation has not tendered for any Scottish public sector contracts in the last two years.

12) Please state why not.

For a list of examples of executive agencies and non-departmental government bodies, please click here.

13) Which part(s) of the Scottish public sector are covered by the contracts that you tendered for in the last two years? (Please tick all that apply.)

- Central government (including executive agencies and non-departmental public bodies)
- Local government
- NHS
- Universities and colleges
- Registered social landlords
- Other (please specify)

The next few questions ask about the Scottish public sector contracts that your organisation has won in the last two years.

14) How many Scottish public sector contracts did your organisation win in the last two years?

- None
- 1-5
- 6-10

- 11+

15) Which part(s) of the Scottish public sector are covered by the contracts that you won in the last two years? (Please tick all that apply.)

- Central government (including executive agencies and non-departmental public bodies)
- Local government
- NHS
- Universities and colleges
- Registered social landlords
- Other (please specify)

16) Did you request feedback from the relevant public body on your tenders in the last two years, regardless of whether you won the contract(s) or not?

- Yes - on all of them
- Yes - on some of them
- No - on none of them

You indicated in the previous question that you have requested feedback from the relevant public body on at least one tender in the last two years.

17) How would you rate the quality of the feedback you received?

- Very poor
- Poor
- Average
- Good
- Excellent

18) Please explain your answer to the previous question.

You indicated in the previous question that you did not request feedback on any of your tenders in the last two years.

19) Please tell us why you did not request any feedback.

20) How is the process of tendering for public contracts managed in your organisation?

- One person is responsible
- A number of people/a team is responsible
- Everyone in the organisation shares responsibility
- We commission external support
- I don't know

21) * Has your organisation ever been involved in the delivery of Scottish public sector contracts as a sub-contractor (elsewhere in the supply chain)?

- Yes
- No

22) How would you rate your organisation's experiences of delivering Scottish public sector contracts as a sub-contractor?

- Very poor
- Poor
- Average
- Good
- Excellent

23) Please explain your answer to the previous question.

24) When delivering contracts as a sub-contractor, have you always been paid within 30 days?

- Yes
- No

You indicated in the previous question that you have not always been paid within 30 days when delivering Scottish public sector contracts as a sub-contractor.

25) For any of the sub-contracts where you were not paid within 30 days, did they include provisions that you would be paid within 30 days?

- Yes - all of the sub-contracts contained these provisions
- Yes - some of the sub-contracts contained these provisions
- No

26) Was your experience of not being paid within 30 days as a sub-contractor limited to a single public contract?

- Yes
- No - I have experienced this with more than one public contract

27) Have you ever experienced late payment issues as a sub-contractor on two or more contracts where the prime contractor was the same?

- Yes
- No

28) For any contracts where you have not been paid as a sub-contractor within 30 days, what was the nature of the contract(s)? (Please tick all that apply.)

- Goods
- Works
- Services

29) For any contracts where you have not been paid as a sub-contractor within 30 days, who (if anyone) did you raise the issue with? (Please tick all that apply.)

- The public body
- The contractor or sub-contractor delaying payment
- I did not raise the issue with anyone
- Other (please tell us who)

You indicated in the previous question that on at least one occasion, you did not raise the issue of not being paid (as a sub-contractor within 30 days) with anyone.

30) Please tell us why you did not raise the issue with anyone.

A consortium bid is when two or more suppliers come together to bid during a procurement.

31) Has your organisation ever been involved in the delivery of Scottish public sector contracts as part of a consortium bid?

- Yes
- No

32) On average, what extent of your organisation's annual turnover in the last two years has come from winning Scottish public sector contracts?

- 0-25%

- 26-50%
- 51-75%
- 76-100%
- Prefer not to say
- I don't know

33) On average, what extent of your organisation's annual turnover in the last two years has come from working on a Scottish public sector contract as a sub-contractor (elsewhere in the supply chain)?

- 0-25%
- 26-50%
- 51-75%
- 76-100%
- Prefer not to say
- I don't know

34) Have you - or has someone in your organisation - received training, support or advice on tendering for Scottish public sector contracts, at any stage?

- Yes
- No
- I don't know

In the previous question, you indicated that you (or someone in your organisation) have received training, support or advice on tendering for Scottish public sector contracts.

35) Please select the source(s) of the training, support or advice provided. (Please tick all that apply.)

- Supplier Development Programme
- Scottish Government Supplier Journey
- Private contractor
- Received a feedback session from a public sector organisation linked to a tendering process
- Attended a specific contract event
- Support via Business Gateway
- Other (please specify)

In the previous question, you indicated that you (or someone in your organisation) have not received training, support or advice on tendering for Scottish public sector contracts.

36) Please tell us why not. (Please tick all that apply.)

- I/we did not know that free tender training is available
- I/we did not have enough time to seek support
- The training was too expensive
- Other (please specify)

The Scottish Government, in conjunction with Scottish local authorities, provides the Supplier Development Programme which offers free training for organisations interested in tendering for services to Scottish public sector organisations. (For more information, please click here.)

37) Are you/is your organisation aware of the Supplier Development Programme?

- Yes
- No

38) Have you, or has someone in your organisation, attended any of the Supplier Development Programme training events/webinars?

- Yes
- No
- I don't know

39) Have you, or has someone in your organisation, attended an annual Supplier Development Programme 'Meet the Buyer' event?

- Yes
- No
- I don't know

40) Please rate the ability of your organisation on each of the following eight aspects of Scottish public sector tendering.

(Strongly disagree, disagree, neither agree nor disagree, agree, strongly agree)

- We are able to use our knowledge/experience of the market/sector to inform the development of the tender specification
- We are able to communicate our value proposition to inform the tender specification

- We are able to satisfy the qualification criteria of tender requirements
- We are able to understand the evaluation criteria of tenders
- We are able to respond effectively to evaluation criteria
- We are able to respond effectively to feedback on submitted bids
- We are able to successfully manage an awarded contract
- We are able to submit a bid within the timescale

41) Please add any comments related to your response to the previous question.

42) Have any of the following posed a difficulty for your organisation in relation to Scottish public sector contracts?

(Never/seldom poses a difficulty, sometimes poses a difficulty, always/often poses a difficulty)

- Identifying available public sector contracts
- Communicating with public sector buyers
- Understanding questions asked in the request for tender documentation
- Costs of compiling a tender
- The timescale for preparing a bid
- Meeting financial capacity requirements
- Meeting insurance requirements
- Organisational capability / capacity for managing a public sector contract
- Requirements for professional qualifications / accreditations (including health and safety)
- Requirements for previous experience in supplying to public sector
- Finding a partner with which to make a joint bid for a contract
- Accessing tender documentation
- Gaining feedback on a tender
- Late payment of a valid invoice by a public sector body
- Terms and conditions of the proposed contract
- Other

You indicated in the previous question that your organisation has experienced other difficulties in relation to Scottish public sector contracts.

43) Please tell us what these other difficulties were.

The rules around public procurement changed significantly in 2016 and the Scottish Government has been working to improve Scottish public procurement through promoting good, transparent and consistent practice. (For more information, please click here.)

44) Since 2016, to what extent do you believe that Scottish public procurement delivery:

(Strongly disagree, disagree, neither agree nor disagree, agree, strongly agree, I don't know/not applicable)

- Has improved?
- Has become more open and transparent?
- Has become simpler?
- Has become more business-friendly?
- Has become more social enterprise/third sector friendly?

45) Please add any comments related to your response to the previous question.

46) Please state your level of agreement with the following statements in respect of Scottish public procurement.

(Strongly disagree, disagree, neither agree nor disagree, agree, strongly agree, I don't know/not applicable)

- I felt that I was treated fairly and equally throughout the procurement process
- Contracts are divided into lots in order to facilitate SME / Third Sector access where it is possible to do so
- Prequalification criteria are relevant and proportionate to the circumstances of the contract
- Joint bidding among SMEs and third sector bodies is encouraged
- I have regular meetings with the customer organisation to ensure effective delivery of the contract
- Scottish public procurement focuses on achieving value for money rather than driving down costs (i.e. through achieving an appropriate balance of cost, quality and sustainability)
- I am encouraged to suggest innovative solutions to public contract delivery

47) When bidding for Scottish public sector contracts, how often have you been asked to consider:

(Never, sometimes, always)

- Community benefits in procurement (for example, apprenticeships or training opportunities)?
- Fair Work practices for employees (for example, employment and pay matters)?
- Environmental impacts or concerns?
- Payment terms within the supply chain?
- Innovation?
- Advertising sub-contract opportunities?

48) What impact, if any, has the work to improve Scottish public procurement had on each of the following aspects of procurement?

(A lot worse, somewhat worse, no change, somewhat improved, improved a lot, I don't know)

- Transparency and clarity in the procurement process (e.g. making it easier to locate, understand and bid for contracts)
- Participation of SME/third sector/supported business in the procurement process
- Embedding social and environmental matters in the procurement process
- Increasing competition between suppliers
- Encouraging consortia bidding
- Encouraging innovation
- Quality and consistency of feedback
- Visibility of low value contracts (QuickQuote)
- Effective contract and supply chain management
- Public sector engagement with suppliers

49) Has your organisation been unhappy about a procurement exercise carried out by a Scottish public body in the past two years?

- Yes
- No

In the previous question, you indicated that your organisation has been unhappy about a procurement exercise carried out by a Scottish public body in the last two years, on at least one occasion.

50) What action(s) did you take? (Please tick all that apply.)

- Raised the issue with the public body

- Approached the Single Point of Enquiry
- Initiated a legal challenge
- None
- Other (please specify)

51) Please add any comments related to your response to the previous question.

52) Are you/is your organisation aware of the Single Point of Enquiry?

- Yes, and I/we have made use of the service
- Yes, but I/we have not made use of the service
- No

You indicated in the previous question that you are aware of the Single Point of Enquiry, but you have not made use of the service.

53) Why not?

You indicated previously that you have used the Single Point of Enquiry service in the past.

54) How satisfied were you with the service you received?

- Very unsatisfied
- Unsatisfied
- Neutral
- Satisfied
- Very satisfied

55) Please add any comments related to your response to the previous question.

56) Have you considered initiating a legal challenge following an unsuccessful tender at any stage (i.e. not just within the last two years), regardless of whether you went through with it?

- Yes
- No

You indicated previously that you have considered initiating - or have initiated - a legal challenge following an unsuccessful tender.

57) Did you/your organisation experience any barriers to initiating a legal challenge?

- Yes
- No

You indicated in the previous question that you/your organisation experienced barriers to initiating a legal challenge following an unsuccessful tender.

58) Which of the following factors acted as a barrier to initiating a legal challenge? (Please tick all that apply.)

- Cost of raising legal proceedings in court
- Reputational risk and/or fear that raising an action could be held against the organisation in future competitions
- Duration of legal proceedings
- Time period provided to initiate a challenge
- Lack of capacity within the organisation to initiate a challenge
- Lack of knowledge of the procurement remedies legislation
- Other (please specify)

The final few questions in this survey relate to the impact of COVID-19 on your organisation and on the public procurement landscape in Scotland.

59) To what extent, if any, has the COVID-19 pandemic had a negative impact on your organisation's ability to bid for and/or deliver Scottish public sector contracts?

- No impact
- Some impact
- Major impact

You indicated in the previous question that the COVID-19 pandemic has had a negative impact on your organisation's ability to bid for and/or deliver Scottish public sector contracts

60) What were the main barriers to you or your organisation in bidding for – or delivering – Scottish public sector contracts during the pandemic? (Please tick all that apply.)

- Lack of contract opportunities
- Lack of time and/or employee capacity to bid for or deliver contracts

- Lack of financial capacity/issues with cashflow
- Lack of guidance, advice and support
- Impact of government restrictions on ability to undertake contracted activities
- Other (please tell us what)

61) Did you or your organisation receive any support from local government, national government or elsewhere to help reduce the impact of the COVID-19 pandemic on your business?

- Yes
- No

You indicated in the previous question that you or your organisation has received support to minimise the impact of COVID-19.

62) What support did you or your organisation receive? (Please tick all that apply.)

- Modifications to existing public sector contracts (e.g. advanced payments)
- Furloughed staff
- Small Business Support Grant
- Pivotal Enterprise Resilience Fund
- Self-Employment Income Support Scheme
- Self-Employed Hardship Fund
- Bounce Back Loan Scheme
- Coronavirus Business Interruption Loan Scheme (CBILS)
- Other financial/grant support from a public sector body (e.g. Third Sector Resilience Fund, Wellbeing Fund, Supported Communities Fund)
- Other (please tell us what)

63) What other support, if any, would have helped you or your organisation to bid for or deliver a Scottish public sector contract during the pandemic?

64) What lessons, if any, can be learned from the COVID-19 pandemic in relation to Scottish public sector procurement?

65) Please use this box to add any final comments on your experiences of bidding for Scottish public sector contracts.

We are keen to have follow-up conversations with respondents, so that we can further explore some of the issues raised so far in the survey. This will take the form of a brief telephone call with a member of our team, at a time and date convenient to the respondent.

66) * Are you happy to take part in a telephone conversation, to discuss your responses to any of the previous questions?

- Yes
- No

You indicated in the previous question that you would be happy to take part in a telephone conversation to discuss your responses to the survey.

67) Please provide your name and contact details below, and a member of our team will be in touch. Please note that your answers to this survey will remain anonymous.

- * Name
- * Email address
- * Telephone number

social research

The views expressed in this report are those of the researcher and do not necessarily represent those of the Scottish Government or Scottish Ministers.

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