

## **Socio-economic Procurement Approach at DSRL**

### **Introduction**

With increasing emphasis being made on socio-economics and sustainability, there is a potential conflict with these initiatives and the Public Procurement Regulations. For example, contracting authorities may wish to have a preference for local suppliers. However, this would breach the EU treaty obligations on free movement of goods, services, people and capital. DSRL has an obligation to follow the Public Procurement Regulations and non-compliance with these rules could lead to significant financial and operational issues.

This statement summarises recommendations as to what DSRL can do, within the Public Procurement Regulations, to assist with socio-economic commitments.

### **Recommendations**

To assist with socio-economics at DSRL, it has been advised that the following things can be considered:

- DSRL have a right to establish the acquisition and contracting strategy and therefore can specify smaller contracts or split larger contracts into smaller lots allowing local, smaller suppliers an opportunity to compete.
- Specifications and contract conditions can be set in performance terms to ensure that due weight is placed on important economic advantages of local suppliers.
- DSRL can engage with the local market in pre-procurement activities such as Supplier Briefing Events to communicate future opportunities.
- Rationalisation of the Contractor Selection Process and reducing the extent of the information requested. There should be a reason for each question asked and standard questions should be considered to avoid unnecessary costs for suppliers.

These recommendations should be considered when compiling the contract strategy and should only be used when it is deemed appropriate and sensible to do so. For example, if creating smaller packages of work is not the best strategy for DSRL then it is for the supply chain to find alternative ways of working, such as forming an alliance, to manage a larger package. These recommendations above do not diminish the responsibility for the supply chain to seek to obtain value for DSRL and, in turn, the taxpayer.

It has been advised that the following things should not be done:

- DSRL cannot tell a supplier who to source locally and cannot give local suppliers an unfair advantage.
- Specifications must be objectively justifiable and must not be tailored to suit only local or one contractor.
- Selection criteria and contract conditions used by DSRL must not be discriminatory.
- In the selection process, DSRL should avoid adding a weighted section for socio-economics. This may be used as secondary assessment criteria.

### **Conclusions**

There are various ways DSRL can assist socio-economic commitments within procurement and these should be considered when writing the contract and acquisition strategies. These aspects can be applied at various stages throughout the procurement process, from the initial scoping and specification stages right through to the contract award and management stage.