Small and Medium Sized Enterprises

This document informs central Government departments of the policy on involving Small and Medium Sized Enterprises (SMEs) in public sector procurement.

The Government’s policy on SMEs is to encourage and support these organisations to compete for public sector contracts where this is consistent with value for money policy the UK regulations, EU Treaty principles and EU procurement directives.

Small Supplier…..Better Value discusses opening supply opportunities to SMEs, building effective relationships with them, and removing some of the barriers they face in the successful delivery of Government contracts. The guidance explains it is not about giving preferential treatment to SMEs but about facilitating a more level playing field. It suggests that small firms can offer better value for money and greater innovation, outlines the issues that can make it difficult for them to win public sector business, and sets out how public procurers can help level the playing field for SME participation in public procurement, including as sub-contractors in supply chains.

The Government supported web portal www.supply2.gov.uk offers consolidated access to lower-value opportunities from across the UK public sector, improving the visibility of public procurement opportunities. Supply2.gov opens up the market to all types of businesses, but particularly to SMEs.

Links to Other Policies and Guidance

- All procurement activity is subject to VFM Policy and EU Law
- Social issues in purchasing talks about ensuring access to government contracts and how to assist SMEs
- Aggregation - is bigger always better explains to procurers that bundling contracts together can exclude SMEs and is not always best for VFM.
- The Small Business Friendly Concordat sets out what small firms and others supplying Local Government can expect when tendering for Local Authority contracts.
- Supply Chain Management Guide and Supply Chain Management - Aide memoir were developed to ensure a diverse, competitive and open supply base.
- Working Through Larger Suppliers looks at how smaller suppliers can access the public sector chain.
- Tendering for Government Contracts is an SBS/OGC publication which advises small businesses on finding and bidding for public sector work.

Questions and Comments

Questions on this policy should be addressed in the first instance to the OGC Service Desk on 0845 000 4999 or at servicedesk@ogc.gsi.gov.uk