

Response by The Professional Contractors Group to the Draft OGC Supply Chain Management Guidance Document

The Professional Contractors Group represents independent freelance contractors who are most likely to undertake the “Strategic Contract” work identified in the “Supply Chain Matrix” table on page 18 of the draft guidance, and work in a range of sectors including IT, engineering and project management. Under current arrangements our members are unlikely, however, to act as prime contractors for government procurement.

There is much in the report that the PCG welcomes. The suggestion that first-tier suppliers should look for new entrants to the supply chain and remove barriers to SMEs will, if implemented, allow our members to contribute their expertise to government procurement more easily than at present. The mooted web-based “selling-to” guide should also have this effect, assuming larger suppliers implement it adequately. The greater use of SMEs in line with a more widespread awareness of public policy in procurement will, we believe, definitely encourage innovation in supply chains.

The PCG feels that in some respects the report could have been more bold in its recommendations. Such suggestions as the “selling-to” guide indicate that the report was written from the perspective of Departments and first-tier suppliers, and proceeded from the supposition that it would be difficult to make useful innovations in supply chains. In fact, there are large numbers of independent contractors who could offer extremely valuable expertise and who would be very keen to enter government supply chains. There is no need to consider how to attract such suppliers: they are already interested, and the real necessity is to consider how to remove barriers to their participation. There follows a number of observations and recommendations on this point.

It is important that contractors can obtain information about opportunities to tender for public sector work. This information should be available both for work in which the contract will be directly with a government Department and for contracts available further down the supply chain, and should be available from one place for all Government Departments. While arrangements such as the creation of the OGC have made information somewhat easier to obtain, there remains no one-stop shop for information on government procurement. The PCG believes that this is something which should be established sooner rather than later, and hopes that the Portal for which tenders are currently being offered will be a useful step towards this. We would also observe, as an aside, that the OGC's website is particularly difficult to use, and jargon-heavy; it is important that any future website or portal avoid these problems.

It is the PCG's strong belief that many supply chains would benefit if it were made possible for them to utilise independent contractors' expertise at a higher level. The criteria for appointing prime contractors are currently far too arduous for anyone other than large companies with substantial capital resources to be able to tender for such work. We would like to see them revised. The problem is often exacerbated by entire projects being contracted-out as single parcels of work; the report's suggestion that more varied supply chain structures should be utilised may remedy this, and allow a greater variety of companies to bid for contracts; failing this some similar reform should certainly be implemented to the same effect.

Further to this, it may be possible for contractors to be brought on-board at or near the top of supply chains in other ways. The interposition of an experienced independent contractor between the Department and prime contractor on an advisory basis could very often reduce the difficulties Departments experience in controlling costs and encouraging innovation. Such independent oversight could well reduce the ultimate failure rate of HMG programmes, which the OGC will no doubt agree is currently too high.

Overall, we are pleased that the report implicitly recognised the potential value to Government supply chains of SMEs, and look forward to the greater utilisation of freelance expertise in government procurement.