

THE LONDON DEVELOPMENT AGENCY (LDA)

The LDA, one of the UK's nine regional development agencies, works to deliver the Mayor's vision for London to be a sustainable world city with strong, long-term economic growth, social inclusion and active environmental improvement. To do this, we produce the Mayor's Economic Development Strategy for London, which focuses on places and infrastructure, supporting people, encouraging business, and promoting the capital.

LDA procurement spend

The LDA spends approximately £600 million per year, the majority of which is spent on grant-funding to drive the agency's work on supporting and helping create businesses, and developing skills and employment.

Approximately £170 million of total annual LDA spend is on the procurement of goods, works and services. Items bought range from print and publicity materials, temporary staff, consultancy and legal support, and construction and refurbishment works. Our buying is carried out in accordance with our procurement code, which sets out the framework for how we procure as an organisation. It incorporates best practice, regulation, our processes and our procedures for tendering and awarding contracts.

Embedding Responsible Procurement

We have taken steps to embed the goals of responsible procurement in our routine working practices at the LDA. Quarterly updates on RP to staff provide a forum for updating both procurement specialists and others on developments, building on the work of a cross-functional responsible procurement programme board which met from May 2007 – March 2009 to ensure RP considerations were integrated into major projects. The shift towards more routine reporting, as opposed to working through special reporting lines linked to particular projects, is an indicator of the extent to which RP has become established in our regular ways of working.

“RP is deemed ‘business as usual’ within the LDA and is embedded in procurement activity. The LDA has had success rolling out CompeteFor, with a dramatic increase in our supplier diversity, whilst achieving value for money and posting around 100 CompeteFor opportunities on the website.”

Andrew Travers

Group Director, Strategy Performance and Resources, LDA

Case study

Improving the transparency of procurement opportunities: CompeteFor

Finding out about opportunities to bid for contracts is a major hurdle for many companies, particularly for SMEs. On several occasions, including recent submissions to the Glover Report commissioned by the Treasury to examine how to increase SME involvement in public sector contracts, SMEs have registered dissatisfaction with public procurement processes. One of the main hurdles to their participation has been the lack of transparency, shown by the simple fact that many SMEs remain unaware of the opportunities that exist. Our own 2008 supplier survey found that finding out about contract opportunities was the single most important area where the GLA's procurement processes could be improved.

To increase awareness and open access to opportunities, particularly in relation to London 2012, the LDA have led the development of CompeteFor, a web portal and online service matching buyers and potential suppliers.

Key themes

Launched in January 2008, CompeteFor has become a key means for SMEs to learn about opportunities for work from both public and private sector organisations in London. The system requires suppliers to complete a business profile, requesting basic information on their company's products or services, ownership, and financial background. The system is flexible, enabling suppliers to provide brief or more detailed information as they choose. By indicating the business areas of interest to them, registered suppliers are routinely alerted by email of relevant opportunities.

Supplier interest in CompeteFor has been strong and continues to grow. By June 2009, more than 75,000 suppliers had registered and more than 3,000 business opportunities have been published on the system. About 100 LDA opportunities, worth approximately £84 million, have been placed on the system. We also >>



Secure site: checking gate security at the Silvertown Way development.

Delivering responsible procurement

Functional body overview – LDA

expect to use CompeteFor to award the Business Link successor programme, which is worth approximately £200 million.

Following introduction of the CompeteFor 'flow-down' clause in our standard grant and service agreements, more than 200 sub-contracting opportunities have been published on the system by various suppliers in different tiers of our supply chain.

TfL, the GLA, LFEPA and the MPS have been piloting use of the system, including the introduction of the CompeteFor flow-down clause introduced to their key suppliers. LFEPA, for example, have developed flow-down clauses to add to their construction standard terms and conditions. Its inclusion in the contract for the design and build of nine new fire stations, to be let in future through a Private Finance Initiative (PFI) contract, is also being considered.

The GLA bodies advertising opportunities through CompeteFor, although high-profile, represent just a small proportion of the organisations that now place contract opportunities on the system. In total, more than 220 buying organisations are now registered; most of whom are private sector companies. The extent and variety of opportunities is vast. One example, London 2012, shows the scale of potential contracting opportunities: we estimate that more than 50,000 contracts will be procured through the London 2012 supply chain and related work.

Outcomes

The growth in users of CompeteFor provides a good indicator of its success. Our aim is to continue to increase the number of buyers and sellers using the system.

Improvements are being made to CompeteFor as take-up grows and experience is gained. An additional £1.8 million of Mayoral funding has been provided in 2009 to develop the system. We have made a commitment to significantly expand the number of contracts advertised through the system during 2009-10.

As part of this effort, a buyer engagement team has been working with London's boroughs. Five boroughs to date have been identified to pilot the system.

Westminster and Tower Hamlets have started their pilot, while Haringey, Havering, Waltham Forest and Ealing are set to begin a trial by September 2009.

CompeteFor has also generated better linkages to other support and advisory services on offer to small businesses, including Business Link London. Suppliers who fail to meet the system's registration criteria are referred to a regional Business Link, enabling these companies to benefit from the business advisory services on offer. This forms part of a wider effort within the Mayor's economic recovery action plan to raise awareness among businesses of the range of support and advice services available to them.

CompeteFor has proved useful as a mechanism for helping SMEs find partners to form consortia. This helps bidders in the short and long term.

The LDA's use of CompeteFor when looking for a company to help with the regeneration of a site in



East London, Silvertown Way, is a good example of the benefits the system offers.

In order to speed up the process of letting firms compete for a demolition and land remediation contract, the LDA used CompeteFor on advice from the procurement team.

LDA Project Manager Amjad Malik believes he saved both time and money by using the website to obtain a shortlist of qualified contractors instead of a traditional pre-qualification questionnaire.

“We were one of the first LDA projects to try CompeteFor. The procurement team helped me the first time I used CompeteFor, and also supported me through the subsequent tender process. Since then I’ve used CompeteFor again for other projects.”

The successful contractor Birse Civils exceeded the expectations of the LDA. “The work was completed

ahead of schedule and within budget,” Mr Malik said. “We now have 0.91 hectares of remediated land as opposed to the expected 0.8”. The project also had an excellent safety record, with no working hours lost due to accidents.

Birse Civils Tenders Manager Matt Wheeler said the LDA contract for Silvertown Way was the first contract they had competed for through CompeteFor. “The process worked smoothly and we have since organised ourselves to ensure that we respond to other relevant notifications that are emailed to us from CompeteFor,” he said.

Mr Wheeler said he was accustomed to sending numerous bound copies of pre-qualification questionnaires via courier to prospective clients such as the LDA. “But with CompeteFor, the pre-qualification process is simpler, allowing us more time to concentrate on preparing our detailed tender. We are very comfortable with it.”



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