



Procurement Reform Bill Team
Area 3D North
Victoria Quay
Edinburgh EH6 6QQ

Sent by email to: procurementbillconsultation@scotland.gsi.gov.uk

2 November 2012

Dear Sir,

Procurement Reform Bill

I write on behalf of The Market Research Society (MRS) in response to the consultation on the Procurement Reform Bill. MRS welcomes the opportunity to respond to the consultation and we confirm that no part of this response is confidential.

About MRS

The Market Research Society (MRS) is the world's largest research association. It's for everyone with professional equity in market, social and opinion research and in business intelligence, market analysis, customer insight and consultancy. In consultation with its individual members and Company Partners, MRS supports best practice by setting and enforcing industry standards. The commitment to uphold the MRS Code of Conduct¹ is supported by the Codeline service and a wide range of specialist guidelines.

The market research sector

The UK is the second largest research market in the world (second only to the US) and the UK research sector is recognised as leading the way in the development of creative and innovative research approaches. According to the Office for National

¹ http://www.mrs.org.uk/standards/code_of_conduct/

Statistics' (ONS) Annual Business Survey² estimates the total UK turnover of the 3,143 enterprises involved in market research and opinion polling to be £3,401 million in 2010. This is a sizeable sector but considerably smaller than other marketing communications sectors such as advertising, which is five times larger³.

Due to the relatively modest size of the sector, the supplier market is dominated by SMEs. For example, based on the MRS 2010 League Tables⁴, which details the largest suppliers of market research, analysis, intelligence, ranked by Individual company UK-based turnover (£m) reported in 2010, once outside the Top 15 companies, all other suppliers are SMEs and there is a considerable number of small and micro business suppliers.

The Procurement Reform Bill Consultation

We have reviewed the consultation document and have taken the consultation questions into account in preparing this response. We support the proposed aim of the bill, as set out in paragraph 50 of the consultation document. We are responding to parts I and II of the paper in particular.

Part I – Public Procurement processes are transparent, streamlined, proportionate, standardised and business-friendly.

Standardising the prequalification process for public contracts would be an important step in making procurement processes more business friendly. A significant improvement to procurement overall is if the various core documents and information requested (e.g. Health & Safety policies, data protection policies, etc.) were standard across the public sector i.e. the same information is requested in the same format whatever the research, and should only be asked from successful bidders with the contract being subject to the policies being satisfactory (with clear guidelines being provided as to exactly what is required). Ideally this information should be held centrally and once a supplier provides this information,

² Office of National Statistics (ONS), (2011) Annual Business Survey. Standard Industrial Classification (SIC) 73.2: Market research and opinion polling.

³ According to the AA/Warc online Expenditure Report total UK advertising expenditure was £15.5bn in 2010

⁴ See www.mrs.org.uk/intelligence/industry_statistics for more information about the MRS league tables.

the information is not requested again but obtained from a central procurement point within government. This alone would reduce a huge amount of repetition and waste. MRS is very willing to work with the Scottish Government in developing a standard approach for research information.

It should also be noted that research suppliers are moving away from being methodology specific. Aside from very specific activities such as field and telephone data collection - and viewing facilities - most modern research suppliers offer 'method neutral' solutions rather than specific methodologies. A better approach is to find a research solution to address a business problem rather than procuring a research methodology that a supplier has been pigeonholed into using.

Having lots or individual contracts split between research methodologies fails to recognise that for any given business problem there are a variety of approaches that could address and answer the challenge. Many business problems and challenges can be answered by multiple research approaches; structuring too tightly at the beginning minimises the opportunity to use the most appropriate and, ultimately, the most cost effective solution.

The best way to initially filter between lots should be by research business specialism/subject matter. For example there could be lots for creative development, pretesting, campaign evaluation, customer insight, etc. Within the research business specialisms additional information such as experience, skills, tools (e.g. methodologies) can be gathered to assist the selection process.

We welcome the proposal to require public bodies to provide de-brief information to suppliers which bid for public contracts in situations not covered by the 2012 regulations. There should not be a minimum contract value threshold for this requirement, as this information is particularly important for new and developing businesses bidding for public contracts for the first time, and who will in all likelihood be bidding for smaller contracts.

The bill should also prohibit charges being levied for the issue of tender documents.

Part II – Making it easier for businesses, particularly newer businesses, SMEs and Third Sector organisations to access public contract opportunities and sub-contracting requirements.

The bill should include a general duty to consider and act to facilitate access to contract opportunities by newer businesses and SMEs. A particular consideration is the time and cost of requirements for submitting a bid which for some SMEs and micro-suppliers are cost-prohibitive. This reduces the breadth of suppliers that responded to certain bids, reducing the choices available for selection.

Further, an additional problem identified by MRS members in Scotland is the large number of bidders for single stage tenders. This is massively wasteful for all the parties concerned, client and supplier alike.

A two tier process, which would identify suitable suppliers and provide some basis to narrow down the number of bidders writing a full proposal, would mean that SMEs and micro businesses could concentrate their efforts on contracts where there is a higher chance of success.

The bill should not place a duty on public bodies to publish contract documentation. Research is an intellectual capital professional service, the same as other professional services such as management consultancy, accountancy, law, etc. It also uses proprietary and innovative methodologies, the publication of which would deter suppliers from bidding for public contracts and would reduce the value for money achieved on behalf of taxpayers.

Conclusion

MRS is very interested in developments on this topic and would appreciate being involved in any future consultations. We are also very willing to assist the Scottish Government in the development of the procurement framework, particularly in regard to how research services are procured.

Please do not hesitate to contact me if you have any queries regarding this response.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Barry Ryan'.

Barry Ryan

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