



**Improving Market and Social Research Procurement and
Commissioning within the Public Sector**

***The Market Research Society (MRS) Report: Recommendations for the
Creation of the New Pan-Government Market Research Framework***

**A document prepared by the Market Research Society for the
Crown Commercial Service & UK Shared Business Services Ltd**

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**Prepared by Debrah Harding, The Market Research Society
Contact details: debrah.harding@mrs.org.uk
Direct telephone number: + 44 (0) 207 566 1831**

CONTENTS

Foreword by MRS Chief Executive, Jane Frost, CBE

SECTION A: Background Information

SECTION B: An Assessment of the Current Market Research Framework

SECTION C: Recommendations for the New Market Research Framework

APPENDIX A: MRS' First Report – Executive Summary

APPENDIX B: MRS' Second Report – Executive Summary and Recommendations

APPENDIX C: MRS Top Ten Tips for procuring research and insight & SRA & MRS impact of poor procurement draft guidance



Foreword by MRS Chief Executive, Jane Frost, CBE

Research is used to support critical policy and operational decisions in all areas of public life. When procuring market research, government is procuring intellectual capital and evidence on which important decisions are based. The procurement practices should be structured to reflect this. The quality of market research evidence is an important factor in retaining trust and confidence at a time when both are in decline. Quality is particularly vital when government is trying to listen to hard to reach sectors of the public.

In 2018 the government is due to replace its existing market research framework (currently managed by UK Shared Business Services Ltd (UK SBS) in strategic alliance with the Crown Commercial Services).

MRS is the UK's regulator for market and social research and is the world's largest association for market research. Since 2011 MRS has advised government on its market research procurement practices, and is ideally placed to lead the development of the new framework.

In 2012 MRS issued its first report setting out its recommendations for the creation of the current market research framework. Some of these recommendations were adopted; some were not. In 2014 MRS issued its second report setting out some of the significant weaknesses with the current market research framework, many of which were as a result of the limited adoption of MRS' initial recommendations.

In readiness for the new framework in 2018, and following extensive consultation with MRS stakeholders, including research suppliers and in-house government research buyers and commissioners, MRS has compiled a new report, with detailed recommendations for the procurement approach for developing the new framework for market research services.

The opportunity exists for government not only to improve its efficiency but, in doing so, to reinforce the competitiveness of the UK in a major creative and intellectual capital business.

Many of MRS' original recommendations from 2012 continue to hold true. Analysis within this report by MRS has identified that the problems with the current framework could have been avoided if MRS' original recommendations had been adopted.

We strongly recommend that this time all of MRS recommendations are implemented to ensure that government market research procurement arrangements deliver the necessary insight and impact into public policy decision making which is essential if the UK is to continue to flourish.

Section A: Background information

About The Market Research Society (MRS)

With members in over 60 countries, MRS is the world's largest association for market, social and opinion research. For over 70 years MRS has been the world's leading authority on research and business intelligence.

MRS has a diverse membership of individuals at all levels of experience and seniority within agencies, consultancies, support services, client-side organisations, the public sector and the academic community.

MRS also accredits MRS Company Partners' agencies, suppliers of support services, buyers and end-users of all types and scale who are committed throughout their organisation to supporting professionalism, research excellence and business effectiveness.

MRS supports best practice by setting and enforcing industry standards. All accredited MRS Members and Company Partners must adhere to the MRS Code of Conduct, its associated regulations and compliance procedures.

More general information can be found on the MRS website www.mrs.org.uk

About the Report Compilation

This third report by MRS was compiled in full consultation with suppliers and commissioners which are using the UK Shared Business Services Ltd (UK SBS) market research procurement framework.

Suppliers consulted were either MRS Company Partners or organisations with MRS members. Suppliers covered the full spectrum of research suppliers: from the very large research groups to the very smallest micro-business, including independent consultants. In order to obtain a wider perspective of research procurement across government, MRS also consulted with suppliers which undertake government research work either via other research departmental frameworks and/or on an ad hoc basis.

Commissioners consulted were from a wide spectrum of government departments: those with large budgets and significant in-house research and procurement teams, to those with smaller budgets and limited departmental expertise.

The report, consultations and discussions with suppliers, commissioners and UK SBS was led by Debrah Harding, the Managing Director of MRS and co-author of the book, *Quality in Market Research: from Theory to Practice*.

The History of the Pan-Government Market Research Framework

In June 2011 it was announced that the COI would be replaced by the Government Communications Network to co-ordinate communications campaigns across government. At this time it was announced that a centralised procurement function, headed by the Government Procurement Service (GPS), would replace the former COI arrangements for market research. Whilst the new arrangements were being finalised, transitional arrangements had been agreed between government departments and the GPS, with the former COI frameworks continuing to be used for market research procurement until a new framework was agreed and implemented.

In December 2012 GPS signed a Memorandum of Understanding, creating a 'strategic alliance'¹, with UK Shared Business Services Ltd (UK SBS) as part of the on-going implementation of the Public Expenditure Committee for Efficiency and Reform recommendations. The aim of this strategic alliance was to expand the scope of collaboration to include the centralised deals available to customers across the public sector. At present this means that the UK SBS is taking the lead in the creation and management of procurement frameworks for the categories of research and construction.

Further to the strategic alliance, the Crown Commercial Service (CCS) has been created which has brought together Government's central commercial capability into a single organisation, amalgamating the Government Procurement Service with other commercial teams from the Cabinet Office and central government departments. Among other things, CCS has inherited the strategic alliance with UK SBS.

Since June 2012, MRS has been in discussions with UK SBS and the GPS (and its successors) to discuss the procurement arrangements for market research and in October 2012 MRS produced its first report, *Improving Market Research Procurement: MRS Recommendations on the Creation of Framework 2 for Research Services* (the Executive Summary is contained in Appendix A of this report) which recommended the most suitable approach for the creation of a new pan-government research framework.

Throughout these discussions, MRS engaged in wider discussions within government including the Cabinet Office and Parliamentarians plus MRS submitted evidence to the Public Administration Select Committee (PASC) in response to the PASC consultation on the effectiveness of public procurement; plus MRS input into the National Audit Office's (NAO) February 2013 report to the Public Accounts Committee on improving public procurement.

In April 2014, the market research pan-government procurement framework was launched. Some of MRS' recommendations from its initial 2012 report were adopted, however many were not. Furthermore, there were significant weaknesses in the delivery and implementation of the framework by UK SBS. As a result, in 2014, MRS produced its second report, *Improving Market and Social Research Procurement and Commissioning within the Public Sector: Lessons Learnt from the Creation of the Pan-Government Framework for Market Research Services*. This report assessed the performance of UK SBS and identified significant weaknesses with UK SBS' approach. These in summary were:

1. Breaching commercial confidentiality of suppliers

A serious error by UK SBS, which resulted in highly sensitive commercial pricing information from suppliers being shared with competitors. This serious commercial breach by UK SBS severely undermined its credibility with research suppliers.

¹ Extract from letter dated 5th April 2012 from Research Councils UK Shared Services Centre sent to stakeholders including MRS.

2. Not seeking value

UK SBS ignored recommendations from MRS, commissioners and suppliers, regarding the best approach to evaluating research, particularly regarding price. By preferring to treat research as a commodity rather than intellectual capital, UK SBS's approach to price evaluation failed first time round and had to be repeated. Even with the duplicated process, the approach favoured by UK SBS was inappropriate for research, and failed to meet the overarching objective which should be about maximising value, not just minimising price.

3. Not supporting SMEs

UK SBS continued to use its standard terms and conditions, developed originally for the construction sector, despite offers from MRS to assist with creating suitable terms & conditions which would attract SMEs and be consistent with those used widely for research. The result was that the terms and conditions used for the framework were inappropriate for the sector and ultimately too costly for many SMEs. This was best illustrated by the inclusion of consequential losses within the T&Cs. How would such a loss be measured for a research project? Why include such a costly insurance requirement if it can never realistically be applied?

4. Wasteful bureaucracy

The application process and documentation submission requirements for the framework were excessive, with UK SBS requesting significant amounts of information that were not to be used as part of the evaluation and were "for information only". It was unreasonable to place such an excessive and unnecessary administrative burden on suppliers, particularly in a sector that is dominated by SMEs. The primary advantages of a centralised procurement framework approach such as centralised documentation, pre-approved suppliers and their procedures, etc. were not being realised with departmental commissioners incorrectly requesting information already gathered by UK SBS as part of the framework process.

5. Insufficient resources and structure supporting the process

Poor communications, weak administrative procedures and inexperienced junior staff hampered the project throughout the process. The feedback from all stakeholders listed a litany of incorrect communications (e.g. informing suppliers they were unsuccessful when in fact they were successful) and poor documentation (including documents with errors, tracked changes still showing, cross-references not aligning with text and so on).

6. Lack of expertise supporting the framework

The poor quality of some of the research briefs and ITTs coming via the framework demonstrated the lack of research commissioning knowledge in some departments. There were insufficient arrangements in place to fill these gaps.

7. Poor communication

There continued to be a lack of clarity and understanding regarding the relationship between UK SBS and CCS. Stakeholders from all sides were unsure about the relationship between the two organisations, how they worked together, where responsibilities lie, and plans for change going forward. Even relatively simple matters, such as commissioning routes for the framework, were not understood by all commissioners or suppliers.

Upon delivery of MRS' second report to UK SBS, and subsequent discussions with the then UK SBS CEO Jonathan Preece and other staff within UK SBS, there was a recognition of the need for more clarity of purpose in terms of ensuring the market research framework delivers quality market research within government, and to address the issues identified by MRS.

The second MRS report also contained eight **significant MRS recommendations** which UK SBS needed to implement in order to improve the effectiveness and efficiency of the pan-government market research arrangements. In summary, these were:

- 1:** Improve communication with stakeholders
- 2:** Make accessible all centrally held documents
- 3:** Provide workable standard templates building on existing materials
- 4:** Enhance research procurement skills and experience
- 5:** Streamline the access routes to procurement portals
- 6:** Gather performance metrics
- 7:** Adopt a continuous improvement approach
- 8:** Amend the framework terms and conditions

[Full details supporting these recommendations are in Appendix B.]

In April 2016, UK SBS decided to extend the market research framework for a further two years, to conclude in April 2018.

UK SBS are preparing to engage the sector in consultation regarding the replacement of the market research framework. In readiness for this, MRS has undertaken a new assessment to determine whether the seven significant weaknesses have been addressed, whether the eight recommendations for improvement have been taken on board, and to ascertain from suppliers and commissioners (consulted for this paper) their views as to how the new framework should be structured.

SECTION B: An Assessment of the Current Market Research Framework

Current Situation

Throughout October 2016 MRS held a series of consultation meetings with:

- **Group 1:** research suppliers on the current UK SBS market research framework
- **Group 2:** commissioners and buyers from the public sector which use the market research framework to buy market research services
- **Group 3:** research suppliers which supply services to the public sector via alternative routes to UK SBS' market research framework (such as via departmental frameworks, call-off contracts, ad hoc projects and so on).

Within these sessions MRS asked three key questions:

- **Question 1:** What is working well with the current market research framework and should be retained for any new framework?
- **Question 2:** What is not working well with the current market research framework and should be amended for any new framework?
- **Question 3:** Based upon questions 1 and 2, how should the new market research framework be structured?

The assessment of the market research framework is based upon the feedback from these three groups. Overall the feedback was remarkably similar.

The results are analysed as follows:

- **Tables B.1 and B.2** summarises responses regarding the current performance of the market research framework (question 1 and 2 above).
- **Tables B.3 and B.4** provide further analysis assessing the current performance of the market research framework compared to the weaknesses and recommendations identified in MRS' 2014 report.
- **Table C.1 in Section C** analyses the problems which have occurred as a result of UK SBS' failure to adopt MRS original recommendations.
- **Table C.2 in Section C** summarises responses regarding how the new framework for market research should be structured (question 3 above).

Table B.1: Question 1 - What Works Well

Procurement Process	Explanatory Narrative
1. Demand	<ul style="list-style-type: none"> A diverse range of research projects from a wide range of departments are available via the market research framework.
2. Approach	<ul style="list-style-type: none"> The 2-stage process (EOI+ short-list) when it is used works well and ultimately saves time for both commissioners and suppliers.
3. Roster & Lots	<ul style="list-style-type: none"> There is a diverse range of excellent research suppliers on the framework, including many SMEs, which offers commissioners a range of options for their research projects. For suppliers, being on the roster for the framework provides additional credibility and has resulted in some of the suppliers winning additional contracts from other sources. Some of the lots were found to be very effective as a source of suitable suppliers by the commissioners that used the framework (Lots 2, 4 and 8 were specifically mentioned).
4. Budgets & costings	<ul style="list-style-type: none"> Some departments are better at setting realistic research budgets for research projects being commissioned via the framework.
5. Evaluation & feedback	<ul style="list-style-type: none"> Useful feedback has been supplied when research suppliers have been unsuccessful. <u>However, this is not consistently being gathered or communicated.</u>
6. Commissioner & Supplier Communication	<ul style="list-style-type: none"> Some commissioners have become more accessible, within the parameters of the EU Procurement Directive, and this has enabled suppliers to gain a greater understanding of what commissioners are wanting from their suppliers. “Bidder Calls” between suppliers and commissioners can be helpful. <u>These are not however consistently available and some commissioners have been told they cannot hold such calls as they would be “illegal”.</u> Supplier and client “Open Days” are useful for procurement frameworks that are launched (Ofcom, not a user of the UK SBS framework, was noted as having held a particularly helpful supplier event). <u>This approach was not undertaken for the UK SBS market research framework, which was a lost opportunity.</u>
7. Administration	<ul style="list-style-type: none"> The UK SBS written guidance is now more helpful than when the framework was first launched.

Table B.2: Question 2 - What is Not Working Well

Procurement Process	Explanatory Narrative
1. Demand	<ul style="list-style-type: none">• No usage statistics are being communicated by UK SBS. Both suppliers and commissioners expressed a desire to have a better understanding of issues, such as:<ul style="list-style-type: none">○ how the framework is being used○ what types of research are being procured○ how much is being bought via the framework per dept.○ which suppliers are successfully winning contracts• Suppliers reported winning some research contracts which were not their areas of strength or expertise; and this had usually resulted from commissioners and buyers not understanding how best to use the framework and the various Lots.
2. Approach	<ul style="list-style-type: none">• The 2 stage process is not being consistently applied. Commissioners were very frustrated by this; and the recent guidance from UK SBS which states that 2-stage processes can no longer be used. Commissioners stated this as an example of UK SBS changing its approach without any consultation or communication with the users of the framework before implementing the change.
3. Roster & Lots	<ul style="list-style-type: none">• There are too many suppliers bidding for contracts on some of the Lots, and if a 2-stage process is not being used this results in suppliers having to devote significant resources to preparing proposals with a much lower likelihood of success (particularly with 1-stage processes). Suppliers mentioned that increasingly, in such circumstances, they have decided not to bid, due to the trade-off between potential success and the resources required to prepare a bid.• The procurement approach for the Lots and Roster are too tightly defined by UK SBS and as a result access to innovative approaches, techniques and methodologies has been stymied.• Some of the commissioners indicated that they found the Lot structure difficult to navigate; some indicated that to access certain types of suppliers that were on certain Lots they would adopt proposals to fit the Lot description. If there was more flexibility in the Lot and Roster structure this would not be necessary.• Some larger, more complex projects have multiple requirements. As only one supplier can be selected for such projects (when a consortium might be more preferable) many SMEs are excluded from being able to participate.

- There is no digital research within the Lot structure (*Note: at the time of the creation of the framework the Government Digital Service stated that digital research could not be included in the framework*).

4. Budgets & costings

- Commissioners expressed frustration in the lack of understanding about the balance between quality and costs in terms of being able to procure the right kind of research which will address departmental research briefs.
- Some commissioners reported that they preferred not to state budgets on briefs to encourage innovation and creativity from research suppliers. This approach was not favoured by research suppliers, particularly if there was limited communication allowed with buyers and commissioners.
- The cost grids are confusing and some described these as a “race to the bottom” in terms of procuring research services. The format is also not appropriate for the research sector. Costings should clearly separate between time and services - day rates are irrelevant. When procuring research services commissioners are buying the intellectual capital which researchers provide, not the time they spend doing it.
- Suppliers reported that pricing is very aggressive and at very low rates. As a result, suppliers are cautious about bidding for projects, as most of the time research suppliers’ efforts are not rewarded.

5. Evaluation & feedback

- Feedback is not being consistently issued, and when it is there is a huge variation in its quality and usefulness.
- Suppliers highlighted the lack of value of supplying scores without any accompanying narrative. Knowing why a score is allocated is the most valuable aspect of the post-tender feedback and evaluation.
- Suppliers mentioned a number of instances where errors had been found in the evaluation, including the addition of the scoring, resulting in suppliers failing to win contracts when in fact they should have won as they had the top scores.
- Commissioners and buyers indicated that more standard templates were needed from UK SBS, including for feedback, as consistency can only be obtained if such an approach were more widely used.

6. Commissioner & Supplier Communication

- Both suppliers and commissioners felt that there was little or no active or helpful communication between them and UK SBS.
- There is still an indifferent level of knowledge and understanding about research as a service and research as a sector within the UK SBS team.
- UK SBS fail to communicate important changes to the framework to either suppliers on the framework or commissioners using the framework.

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- Overall both research suppliers and commissioners highlighted a lack of transparency by UK SBS which resulted in a general level of caution when using and engaging with the framework.

7. Administration

- The basic administration, which all suppliers completed to be accepted on the framework, is not being used by commissioners. The same information is being asked for repeatedly for individual projects e.g. policies for data protection, IT security, health & safety, etc. In addition, departments will each ask for it in a slightly different way, which results in suppliers submitting the same information time and time again, all with slight variations.
- The overall approach to government procurement is too administratively burdensome. The multiple portals, log-ins and so on are not user friendly, and many SMEs expressed exasperation with the administration which absorbed far too much of their very limited resources.
- The approach used by UK SBS to disseminate documents to suppliers for projects was very poor. Basic things, such as the naming of documents to enable easy identification of key documents such as research briefs, were not being undertaken, all adding to inefficiencies within the procurement process.
- Suppliers reported that they were unable to amend basic administration with UK SBS, such as a change of primary email address, for on-going communication.

Table B.3 assesses the current performance of the framework and UK SBS - based upon the 2016 consultation with suppliers, commissioners and buyers - and compares this to the weaknesses identified within the 2014 MRS report. ***In summary, little or no improvement has been made by UK SBS in improving the performance of the framework.***

Table B.3: Current performance compared to weaknesses identified in the 2014 MRS report

Identified Weakness	Ranking <i>From 1 no improvement to 10 resolved</i>	Why?
1. Breaching commercial confidentiality of suppliers	5	No recent reports of similar problems but no evidence of any process improvements having been made to ensure that this does not re-occur.
2. Not seeking value	1	The over-emphasis on price continues to be the focus of market research procurement selection and evaluation.
3. Not supporting SMEs	5	Some of the SME suppliers on the market research framework are winning work, although the most successful supplier continues to be a large supplier. However, the process continues to be cumbersome, inefficient, ineffective and administratively burdensome which adds cost and resource responsibilities to all suppliers (with a disproportionate impact on the smaller suppliers).
4. Wasteful bureaucracy	1	Suppliers continue to be asked for documents and evidence which was submitted at the time the suppliers were selected for the framework. None of the administrative savings of having a centralised framework have been realised.
5. Insufficient resources and structure supporting the process	3	Staff within UK SBS are now more familiar with market research as a category and as such some improvements in service and query handling has been evidenced. However, the framework remains under resourced and overall communication remains poor. This was reported by both suppliers and commissioners.
6. Lack of expertise supporting the framework	3	Staff within UK SBS are now more familiar with market research as a category and as such some improvements in service and query handling has been evidenced. However, overall market research

Identified Weakness	Ranking <i>From 1 no improvement to 10 resolved</i>	Why?
		expertise and understanding is insufficient to offer quality support to suppliers and commissioners using the framework.
7. Poor communication	2	Communication continues to be a difficulty experienced by both commissioners and suppliers. Resource and expertise levels within UK SBS are a factor driving this. However, these are not the only reasons, and UK SBS remains too distant from its suppliers and users of the market research framework.

Table B.4 assesses the current performance of the framework and UK SBS - based upon the 2016 consultation with suppliers, commissioners and buyers - and compares this to the recommendations identified within the 2014 MRS report. ***In summary, there is limited evidence of any significant changes having being made and none of the significant recommendations appear to have been implemented by UK SBS.***

Table B.4: Current performance compared to recommendations identified in the 2014 MRS report

Identified Weakness	Ranking From 1 no improvement to 10 resolved	Why?
1. Improve communication with stakeholders	2	Communication continues to be one of the main complaints from both suppliers and commissioners using the framework.
2. Make accessible all centrally held documents	2	Although UK SBS have centralised and made available all the documents from suppliers, including standard policies such as data protection, health & safety and so on, the vast majority of commissioners seem unaware that this has been done and continue to ask for such information for each research project. Furthermore, each commissioner asks for slightly amended requirements, requiring suppliers to continually tweak their policies. This is a failing resulting largely from poor communication by UK SBS.
3. Provide workable standard templates building on existing materials	5	Some standard templates have been developed. However due to poor communication, use and awareness of the templates is low.
4. Enhance research procurement skills and experience	3	Time and use of the framework by UK SBS has inevitably improved knowledge of the market research category. However expertise remains relatively low. Repeatedly suppliers and commissioners expressed the view that they have “no relationship” with UK SBS. The lack of a Supplier Day throughout the life of the current market research framework continues to be seen as a wasted opportunity (by UK SBS) to have engaged the market.
5. Streamline the access routes to procurement portals	1	Suppliers report that the use of portals to communicate opportunities continues to be chaotic and confusing. Suppliers are unsure which portals should be used. This

Identified Weakness	Ranking From 1 no improvement to 10 resolved	Why?
		results in many suppliers and commissioners missing opportunities. It was recognised that this is an issue beyond the scope of UK SBS and relates more generally to the way in which procurement is managed within the public sector.
6. Gather performance metrics	3	<p>Metrics on the use of the framework are being gathered; although they are not being communicated to either suppliers or commissioners on the framework.</p> <p>The usage statistics however are incomplete as UK SBS can only track those which use UK SBS to commission from the framework. If suppliers spot buy via CCS, or departments use the framework independently, UK SBS does not track this activity. Furthermore UK SBS does not collect more detailed performance metrics measuring its own performance as a procurement supplier.</p>
7. Adopt a continuous improvement approach	1	With no performance metrics being gathered and many MRS recommendations being ignored, UK SBS continues to fail to adopt a continuous improvement approach.
8. Amend the framework terms and conditions	N/A	The framework terms and conditions remain the same although it is recognised that once the framework was finalised these would be fixed for the life of the framework. The opportunity for improvement comes with the new framework and whether the terms and conditions are amended to be more suitable for the supply of research services.

SECTION C: Recommendations for the New Market Research Framework

Recommendations

MRS' original overarching recommendations from 2012, detailed in Table C.1, remain central to the creation of any new market research framework (or indeed any market or social research framework). Table C.1 analyses which of the original recommendations were adopted by UK SBS and whether their lack of adoption has caused any of the subsequent problems identified, and if so which ones. It is clear that if more of the recommendations made originally by MRS had been adopted many of the current problems could have been avoided.

MRS' original recommendations have been supported and strengthened by the 2016/17 consultation undertaken by MRS with suppliers and commissioners which use the current market research framework. All of the original recommendations hold true, and Table C.2 contains the more detailed features which commissioners and suppliers have identified as essential for the creation of a successful market research framework. These either mirror, expand or complement the original MRS recommendations.

Table C.1: Summary of MRS' recommendations from the first MRS report

Original MRS recommendation	Recommendation adopted by UK SBS?	Subsequent problem as per Table B.2
1. Reducing Costs and Improving Value for Money		
a) Streamlining administrative procedures	a) Tried but unsuccessful in practice	Approach Communication Administration
b) Two-stage or restricted procurement process	b) Adopted but not used enough and subsequently abandoned by UKSBS (for no apparent reason)	Approach
c) Procure research services to address specific business problems within government rather than procuring merely by research methodology	c) Yes adopted	None
d) Use established available recognised resources to save time and improve credibility in the market e.g. use the MRS' Research Buyers Guide to source regulated suppliers	d) No	Roster & Lots
e) Evaluation of research services should be based on assessing whether a proposed	e) No. A 60/40 quality price approach was used	Budgets & Costings

Original MRS recommendation	Recommendation adopted by UK SBS?	Subsequent problem as per Table B.2
solution is fit for purpose and good value for money	which over-emphasised price over quality	
<p>2. Building on What Works and Reducing Administration</p> <p>a) Select the effective elements of the COI framework, and develop and build on these</p> <p>b) Use the excellent network of existing in-house government researchers and suppliers who have expertise built-up in public service evidence generation</p> <p>c) Do not lose access to research expertise when procuring research services</p>	<p>a) No learning from COI was adopted</p> <p>b) No supplier and commissioner day held; limited engagement with commissioners</p> <p>c) Initially none and still limited research expertise in place</p>	<p>Commissioner & Supplier Feedback</p> <p>Commissioner & Supplier Feedback</p> <p>Commissioner & Supplier Feedback Administration</p>
<p>3. Supporting SMEs</p> <p>a) The framework should be equally accessible to all research suppliers large and small</p> <p>b) The terms and conditions underpinning the framework must be SME friendly</p>	<p>a) Yes</p> <p>b) Not at all. T&C's from the construction sector were used as the basis for the framework</p>	<p>None</p> <p>Budgets & Costings</p>
<p>4. Ensuring Legal, Ethical and Professional Standards</p> <p>a) Any future research framework must continue to recognise the basic 'hygiene' factors adopted by COI</p> <p>b) To procure research that is conducted in accordance with the ethical regulatory framework for research, the MRS Code of Conduct and its compliance procedures i.e. procure only from MRS</p>	<p>a) Largely yes</p> <p>b) Yes</p>	<p>None</p> <p>None</p>

Original MRS recommendation	Recommendation adopted by UK SBS?	Subsequent problem as per Table B.2
Company Partner organisations or from suppliers with MRS members		
<p>5. Supporting innovation and Ensuring Access to Best Practice</p> <p>a) Have access to the most up to date methods and ideas</p> <p>b) Adopt a feedback loop for the framework to ensure that it constantly evolves and improves in response to any identified weaknesses</p> <p>c) Retain some flexibility in roster development</p> <p>d) Have one lot that remains flexible e.g. an opening for new market entrants</p>	<p>a) No scope for innovation</p> <p>b) No continuous improvement built into the process; MRS has had to fulfil this role</p> <p>c) No</p> <p>d) No</p>	<p>Roster & Lots</p> <p>Commissioner & Supplier Communication Administration</p> <p>Roster & Lots</p> <p>Roster & Lots</p>

Table C.2: Results from consultation with suppliers and commissioners
Question 3 - Essential Features for the New Market Research Framework

Procurement Process	Explanatory Narrative
Demand	<ul style="list-style-type: none"> UK SBS must communicate more frequently and provide an agreed set of metrics regarding usage of the framework. This information should be clearly and regularly disseminated to suppliers on the framework and commissioners which use the framework.
Approach	<ul style="list-style-type: none"> 2-stage process (EOI+ 2ndstage) is <u>essential</u>. The ability to use call-off contracts, for approved suppliers on the framework, should be more actively encouraged for small value contracts.
Roster & Lots	<ul style="list-style-type: none"> Lot structures should continue to be categorised by list of subject areas. Both commissioners and suppliers preferred the adoption of a matrix approach when creating the Lot structure which is based on research subject areas, with a sub-cross segmentation which assesses within each Lot supplier's expertise in terms of: <ul style="list-style-type: none"> Methodologies Participant types e.g. children, hard to reach, etc. Greater flexibility within the framework to enable new suppliers to gain access after the framework has been set. The MRS Research Buyers Guide is a great resource for regulated suppliers, and includes new entrants; this should be used as one route to the framework and/or a recommended alternative avenue if commissioners are unable to find/source what they need from the market research framework.
Budgets & costings	<ul style="list-style-type: none"> When the new framework is being created a different ratio between quality and costs must be adopted. The value and pricing/cost ratio of 60:40 used in the current framework was disastrous (and resulted in some aspects of the tendering having to be amended and re-run). The 80:20 approach used by BIS for the Research & Evaluation framework should be adopted for the new framework. Remove the 1% Administration Charge for suppliers on the framework – or fundamentally overhaul the UK SBS administrative approach so the 1% is earned.
Evaluation & feedback	<ul style="list-style-type: none"> Devise an evaluation and feedback template, based upon examples already working within government, which are

	<p>mandatory for commissioners and buyers using the framework.</p>
<p>Commissioner & Supplier Communication</p>	<ul style="list-style-type: none"> • UK SBS must be more transparent and open to the market. Open Days, newsletters and so on are essential for good communication for any framework. • General procurement advice, such as that developed by the Cabinet Office, should be widely communicated so that commissioners and buyers have a better shared understanding of what can and cannot be done during the procurement process and the requirements and limits of the EU Procurement Directive.
<p>Administration</p>	<ul style="list-style-type: none"> • UK SBS must train its staff to better understand market research as a category. • The basic administrative and policy information collected as part of the framework tender process should be shared with all commissioners; and guidance developed stating why this information does not need to be collected by individual commissioners for each research project. • Standard templates should be developed across the procurement process and these should be widely promoted to ensure use. Many departments have already created some excellent examples and these should be used by UK SBS. • UK SBS should develop standard, logical descriptive wordings for files etc., which are issued for any projects via the framework. • UK SBS should instigate an annual update process with suppliers and commissioners to ensure that it has an up-to-date and useful contact database. • General procurement advice should be available from UK SBS and Crown Commercial Services regarding access to government procurement opportunities. This should include basic information about the portals, which ones are used for different types of contracts, etc.

Risks

The MRS and SRA Guidance documents in Appendix C and D provide general guidance on what good procurement looks like and explore some of the practical consequences of poor procurement practices on suppliers and commissioners, and some of the practical costs associated with these practices.

There are serious risks if the new market research framework is not shaped as recommended by MRS: reputation damage, SME withdrawal, commissioner disengagement and perceived bias are all significant possible outcomes. All of these are potentially high risk if the procurement framework is not shaped appropriately; Table C.3 sets out the impact and mitigation for the identified risks.

Table C.3: Risks if the MRS recommendations are not implemented plus mitigation recommendation

Risk Area	Why?	Risk	Likely Impact	Mitigation
Reputational damage if poor research is procured	<ul style="list-style-type: none"> • Impact of poor quality research or work undertaken that fails to meet legal, professional and ethical research standards • Framework fails to recognise the creativity and intellectual capital of research; concentrating too much on research tools i.e. methodologies • Framework includes unregulated researchers • Access to insufficient numbers of, and breadth of, research suppliers with the appropriate skills and services needed 	HIGH	<ul style="list-style-type: none"> • Government money is wasted on poor research • Bad decisions are made by government on poor evidence base due to unsuitable research being procured • Weakens Government's ability to successfully fulfil its listening agenda • Ineffective and inefficient decision making processes • Complaints about poor research are made which cannot be pursued as suppliers are not part of the compliance framework • Negative public and media perception of government procurement 	<ul style="list-style-type: none"> • Only use researchers that conduct research in accordance with the MRS Code of Conduct and associated compliance procedures i.e. MRS Company Partners and suppliers with MRS members • Structure framework to factor in research expertise – using suppliers and in-house resources more effectively • Take a procurement approach that is structured around a high labour intensive, intellectual, customisation and interaction service rather than one based on a 'methodology menu'
SME withdraw participation	<ul style="list-style-type: none"> • Disproportionate contractual terms and conditions required for access to the framework • Burdensome and complex procurement arrangements 	HIGH	<ul style="list-style-type: none"> • Failure to meet stated government SME targets plus Cabinet Office objectives • Narrow range of suppliers on the framework • Buyers unable to access all research services they require • Niche and specialists completely excluded 	<ul style="list-style-type: none"> • Adopt appropriate and proportionate terms and conditions for framework. Not a blanket 'one size fits all' • Adopt appropriate and proportionate administrative procedures
Commissioners disengage and procure increasingly 'off framework'	<ul style="list-style-type: none"> • Too open, no consistent quality or price control • Unregulated and inappropriately 	HIGH	<ul style="list-style-type: none"> • Waste and inefficiency • Confusion among suppliers and buyers 	<ul style="list-style-type: none"> • Only use researchers that conduct research in accordance with the MRS Code of

	<p>qualified researchers may be used for such projects</p>		<ul style="list-style-type: none"> • Government money is wasted on poor research • Bad decisions are made by government on poor evidence base due to unsuitable research being procured • Ineffective and inefficient decision making processes • Complaints about poor research are made which cannot be pursued as suppliers are not part of the compliance framework • Negative public and media perception of government procurement 	<p>Conduct and associated compliance procedures i.e. MRS Company Partners and suppliers with MRS members</p> <ul style="list-style-type: none"> • Use the MRS' existing Research Buyers Guide (RBG) directory as the source for any off framework contracts; ensuring only regulated suppliers are used and allowing for new suppliers and techniques to be considered for government projects
<p>Perceived unequal treatment of suppliers</p>	<ul style="list-style-type: none"> • Lack of transparency in procurement process • Some suppliers benefit more than others from the framework approach 	<p>HIGH</p>	<ul style="list-style-type: none"> • Disenchantment among suppliers with government procurement • Increasing number of suppliers stop bidding for government work • Fewer research suppliers available to provide services to government 	<ul style="list-style-type: none"> • Fairness and transparency in the creation of the framework and lots • Ensure all suppliers have equal access to government research projects • Flexibility in the selection of suppliers including access to the full research market of suppliers by actively promoting the RBG as a source of 'off framework' suppliers

Conclusions

Since 2011 MRS has actively assisted government in improving its research procurement processes, with a mixture of success and failure.

By not taking on board all of the original recommendations detailed in MRS' 2012 report, the government failed to create an effective and efficient market research framework, which maximised value for the public sector and provides the full insight that is critical to public life. When procuring market research, government is procuring intellectual capital and evidence on which important decisions are based. The procurement practices should be structured to reflect this.

The creation of a new market research framework provides a second opportunity to overcome the current failings and create a framework which is truly fit-for-purpose. There are a number of significant risks if this is not done.

Market research is the most significant avenue for determining citizens' views and is essential at a time when the government is implementing a "listening agenda" to ensure that all UK citizens' voices are being heard and reflected within policy making.

To ensure that the government is supported in its listening agenda, it is essential that the new market research procurement framework is effective, populated with suppliers who can provide access to citizens' voices and is used by commissioners who can ensure that challenges within the public sector are being adequately resolved. To achieve this **all of MRS' recommendations should be implemented with the creation of the new market research framework.**



APPENDIX A: MRS' First Report

Improving Market Research Procurement: MRS Recommendations on the Creation of Framework 2 for research services

A document prepared by The Market Research Society for the Government Procurement Service (*now Crown Commercial Services*)

The Executive Summary

Research is used to support critical policy and operational decisions in all areas of public life.

When procuring market research, government is procuring intellectual capital and evidence on which important decisions are based. The procurement practices should be structured to reflect this.

MRS is the world's leading professional research association setting professional and ethical standards for over 60 years. MRS is globally recognised for its expertise in training and the UK's research market represents a major asset in the UK, in terms of both the creation of intellectual capital and export revenues.

MRS believes government should take advantage of the experience and expertise of one of the UK's world leading industries and welcomes this opportunity to help government do so affordably and sustainably.

The opportunity exists for government not only to improve its efficiency but, in doing so, to reinforce the competitiveness of the UK in a major creative and intellectual capital business.

Following extensive consultation with MRS stakeholders, including research suppliers and in-house government research buyers, MRS has compiled the attached report, with detailed recommendations for the procurement approach for developing framework 2 for market research services, to replace the former COI framework.

In summary:

Reducing Costs and Improving Value for Money

- We recommend streamlining administrative procedures by adopting some simple changes e.g. standardising core documentation and information requirements (e.g. Health & Safety policies, data protection and so on) and storing such information centrally.
- We suggest a two-stage or restricted procurement process rather than a completely open one; this will reduce the amount of wasteful and unproductive effort for buyers, procurers and suppliers.

- You should focus on procuring research services to address specific business problems within government as opposed to procuring research solely by research methodology. Research methodologies are tools not research business solutions.
- If you use established available recognised resources you will save time and improve credibility in the market. MRS's Research Buyers Guide, a published and fully searchable online directory, is the only list of MRS accredited research suppliers in the UK. The government would save a lot of money, reduce waste and ensure only research, conducted in accordance with the MRS Code of Conduct and its associated compliance procedures, was procured if the GPS adopt the use of this directory as an 'open' lot on the framework and the resource to access research services for the Agile Route to Market.
- Research is an intellectual capital and creative service depending on skills, training and intellectual capacity. It is highly labour intensive, often requires high levels of customisation and interaction service rather than one based on a 'methodology menu'. As such any marking criteria used to evaluate research services should be based on assessing whether a proposed solution is fit for purpose and good value for money; not on lowest cost. Lowest cost does not equate with value for money.

Building on What Works and Reducing Administration

- The most effective approach to ensure a smooth transition and prevent the loss of capability and knowledge that have been invested in government research data and insight is to select the effective elements of the COI framework and develop and build on these.
- There is an excellent network of existing in-house government researchers and suppliers who have expertise built-up in public service evidence generation. This could be more effectively deployed.
- Do not lose access to research expertise when procuring research services – these are essential for ensuring that the most appropriate research is being procured.

Supporting SMEs

- The research market is dominated by SMEs, niche and specialist suppliers in addition to the small number of very large research groups. The framework and the Agile Route to Market should both be equally accessible to all research suppliers large and small.
- The terms and conditions underpinning the framework (and the Agile Route to Market) must be SME friendly. Disproportionate contractual burdens e.g. unlimited indemnity, obligations to pay 0.5% of charges for services invoiced, numerous warranties, responsibility for changes to contracts, etc. which if adopted (as for framework 1) will effectively drive many excellent small and micro suppliers not to apply for the framework.

Ensuring Legal, Ethical and Professional Standards

- Research is reliant on the trust of customers who take part in its programmes. It is increasingly dependent on the use of personal data. Policy makers and operational managers must have reliable evidence which is acquired legally and ethically. This is especially true when dealing with children or other vulnerable members of the public.
- In an era of high levels of public and press scrutiny confidence in the quality of evidence used in, for example Equality Impact Assessments must be high.

- Any future research framework and accompanying Agile Route to Market must continue to recognise the basic 'hygiene' factor adopted by COI; only to procure research that was conducted in accordance with the MRS Code of Conduct and its compliance procedures i.e. from MRS Company Partner organisations or from suppliers with MRS members.

Supporting innovation and Ensuring Access to Best Practice

- The UK is the world's second largest research market, after the US, characterised by the innovation and adaptability of its organisations. In order to ensure policy makers and operation managers have access to the most up to date methods and ideas. You should adopt a feedback loop (such as the Cabinet Office's approach of using Mystery Shopping for Contract Finder) for the framework to ensure that framework 2 constantly evolves and improves in response to any identified weaknesses.
- You should also retain some flexibility in roster development; have one lot that remains flexible and open to new entrants to ensure continued access to new suppliers and evolving techniques which might better serve future government research needs.



APPENDIX B: MRS' Second Report

Improving Market and Social Research Procurement and Commissioning within the Public Sector

Lessons Learnt from the Creation of the Pan-Government Framework for Market Research Services

**A document prepared by The Market Research Society
for the Crown Commercial Service and UK SBS**

The Executive Summary

INTRODUCTION

Research is used to support critical policy and operational decisions in all areas of public life. It is particularly important in areas where behavioural management or change are important to policy or operational delivery.

When procuring market research, government is procuring intellectual capital and evidence on which important decisions are based. The procurement practices should be structured to reflect this.

MRS is the world's leading professional research association setting professional and ethical standards for over 60 years. MRS is globally recognised for its expertise in training and qualifications. The UK's research market represents a major asset in the UK, in terms of both the creation of intellectual capital and economic contribution with a conservative GVA of £3bn, it is bigger than many other creative industries and is an export success (with an export value of circa £1bn GVA).

Over the last two years, MRS has successfully assisted government as it has developed its post-COI market research procurement arrangements, focusing on delivering research procurement which is affordable and sustainable. However, the process has not been without its problems, and the aim of this report is to identify those areas which have worked well, those where it failed, and what can be put right now and in the future.

Following extensive consultation with MRS stakeholders, including research suppliers and in-house government research commissioners, MRS has compiled the attached report with detailed recommendations for the way forward. The findings of this report should be a significant consideration in future framework developments, notably the potential creation of new research framework(s) for social and economic research.

The management at UK SBS have been open in encouraging this report and should be congratulated on their willingness to listen to the more critical of the findings that it contains.

KEY FINDINGS

In summary our report details:

Some success with the creation of the pan-government market research framework

- UK SBS adopted many MRS recommendations from MRS' first report, *Improving Market Research Procurement: MRS Recommendations on the Creation of Framework 2 for Research Services*. The recommendations that were adopted – such as a business and policy focused lot structure – have been warmly welcomed by all stakeholders.
- Recognition and appreciation of the professionalism and flexibility of some of the senior project team members within UK SBS, particularly those that managed the project to create the new framework.
- Acknowledgement that a working framework is in place, and market research is being commissioned via the framework.

Significant concern: breaching commercial confidentiality of suppliers

- A serious error by UK SBS, which resulted in highly sensitive commercial pricing information from suppliers being shared with competitors. This serious commercial breach by UK SBS, severely undermined its credibility with research suppliers.

Significant concern: not seeking value

- UK SBS ignored recommendations from MRS, commissioners and suppliers, regarding the best approach to evaluating research, particularly regarding price. By preferring to treat research as a commodity rather than intellectual capital, UK SBS's approach to price evaluation failed first time round and had to be repeated. Even with the duplicated process, the approach favoured by UK SBS was inappropriate for research, and failed to meet the overarching objective which should be about maximising value, not just minimising price.

Significant concern: not supporting SMEs

- UK SBS continue to use its standard terms and conditions, developed originally for the construction sector, despite offers from MRS to assist with creating suitable terms & conditions which would attract SMEs and be consistent with those used widely for research. The result was that the terms and conditions used for the framework were inappropriate for the sector and ultimately too costly for many SMEs. This was best illustrated by the inclusion of consequential losses within the T&Cs. How would such a loss be measured for a research project? Why include such a costly insurance requirement if it can never realistically be applied?

Significant concern: wasteful bureaucracy

- The application process and documentation submission requirements for the framework were excessive, with UK SBS requesting significant amounts of information that were not to be used as part of the evaluation and were "for information only". It is unreasonable to place such an excessive and unnecessary administrative burden on suppliers, particularly in a sector that is dominated by SMEs.
- The primary advantages of a centralised procurement framework approach such as centralised documentation, pre-approved suppliers and their procedures, etc. are not

being realised with departmental commissioners' incorrectly requesting information gathered by UK SBS as part of the framework process.

Significant concern: insufficient resources and structure supporting the process

- Poor communications, weak administrative procedures and inexperienced junior staff hampered the project throughout the process.
- The feedback from all stakeholders listed a litany of incorrect communications (e.g. informing suppliers they were unsuccessful when in fact they were successful), poor documentation (including documents with errors, tracked changes still showing, cross-references not aligning with text and so on), etc.

Significant concern: lack of expertise supporting the framework

- The poor quality of some of the research briefs and ITTs coming via the framework demonstrates the lack of research commissioning knowledge in some parts of the government. There are insufficient arrangements in place to fill these gaps. For example, there is seemingly no arrangement in place for assisting research procurement for those departments that have no in-house research expertise and are not in direct contract with UK SBS.

Significant concern: poor communication

- There continues to be a lack of clarity and understanding regarding the relationship between UK SBS and Crown Commercial Services (CCS). Stakeholders from all sides are unsure about the relationship between the two organisations, how they work together, where responsibilities lie, and plans for change going forward.
- There is a need for more, and improved, communication with all stakeholders by both organisations. Even relatively simple matters, such as commissioning routes for the framework, are not understood by all commissioners or suppliers.
- Overall there was a lack of clarity of purpose about the way the exercise was approached. This must be rectified for any frameworks created in the future.

KEY RECOMMENDATIONS

Recommendation 1: Improve communication with stakeholders

In order for CCS and UK SBS to be the "go-to" place for expert commercial and procurement services, its services need to be better understood, and indeed the relationship between UK SBS and CCS clarified. Key to this is improved, clear communications to all stakeholders - commissioners, departmental procurement professionals and suppliers - without using procurement jargon.

Communications should also be used to improve representation and participation across government with the framework; and any future improvements or developments that might be implemented.

There is a clear misunderstanding about when UK SBS and/or CCS are responsible for commissioning, and the relationship between the market research framework and other departmental frameworks.

Initially UK SBS and CCS need to clarify their responsibilities for the other procurement frameworks and relationships throughout government. This communication needs to be relayed to all relevant stakeholders, for example via supplier days for all the suppliers that are on the framework.

Recommendation 2: Make accessible all centrally held documents

One of the key benefits of a pan-government framework approach is that all the necessary checks of suppliers' policies and procedures, etc. have been undertaken during the framework evaluation process.

However, at present, government departments are repeating these checks through asking unnecessary and wasteful questions whilst undertaking departmental procurement. This is not extracting maximum value; time and resources are being wasted on all sides.

It should be made clear to all users of the market research framework what information has already been gathered and has been evaluated positively, clarifying information does not need to be gathered again from suppliers. The information should be made readily accessible to commissioners, in order to meet their departmental needs.

A centralised approach to retaining and enabling access of information should be relatively straightforward to implement.

Recommendation 3: Provide workable standard templates building on existing materials

There are experienced commissioners and research procurement professionals throughout government.

There are a number of government departments that have a long, successful history of procuring research services. Use this experience, don't ignore it. For example:

- HMRC and OFT were specifically mentioned by suppliers for having some good practice documents which UK SBS and CCS could use. They have excellent guidance for Expressions of Interest and Briefs.
- DWP's existing social and economic research framework could be a useful guidance point when developing the pan-government social and economic research framework/s.
- Although the UK SBS Buyers' Guide is helpful, there are gaps within the documentation. Some of the departments have re-written the UK SBS guidance to fill in the gaps. Gather together the amended Guides and update the UK SBS document so it represents the best advice from across government, not just from within UK SBS.

From the experienced government base, some standard templates could easily be derived by adapting materials used successfully by others over a number of years; for example, standard templates for specifications/briefs, Expressions of Interest, evaluations, evaluation weightings etc. MRS is willing to assist in such an exercise if this would be helpful.

Recommendation 4: Enhance research procurement skills and experience

There are gaps in available expertise due to the way in which UK SBS and CCS work together and work with government departments. There is a significant difference between procuring construction and procuring activities that are creative and intellectual capital such as research. Not only is the skillset different, it also requires a cultural shift in perception in the procurement approach; with greater flexibility and use of judgement about what is likely to deliver quality and value for money.

If a government department has no in-house procurement expertise and is not in direct contract with UK SBS they can ask CCS to spot buy their market research services. Similarly, UK SBS will do this for all departments that it is in contract with. However, there is no arrangement for government departments with no or limited research expertise. If a department has no research expertise there is nowhere for them to go to obtain advice.

Clearly when COI existed there was extensive research expertise available. It is appreciated that the level and quality of support and expertise that COI provided within government is no longer available.

It is however, unacceptable to leave a black hole with no advice being given. This gap needs to be addressed urgently if market research procurement is to work effectively and efficiently within government. The types of activities that should be considered include:

- **Appoint or second some experienced people:** There are still significant numbers of former COI staff available within government. Use their experience.
- **Market research training:** MRS is happy to assist with providing training of the appropriate standard to address this need. This training should be available widely within government and across departments; to all those that have some responsibility for research commissioning and procuring.
- **Work experience and orientation:** Suppliers have expressed a willingness to enable UK SBS staff to gain some work experience from within their research companies.
- **Access to experts:** there are excellent researchers within government that understand how to buy research, including the Government Social Research Service. UK SBS should use this readily accessible expertise and work in greater partnership with commissioners throughout government.

Recommendation 5: Streamline the access routes to research procurement

There are too many entry points for procurement within government. Government does not act as a single customer, when RFQs can arrive directly from customers or via the CCS, and when from the CCS either direct from CCS or the Spot Buying Mailbox.

A statement by CCS and/or UK SBS as to how it works, plus plans for how the two organisations intend to work in future, would be helpful for all stakeholders. Such communication would also help stakeholders identify those areas which UK SBS and CCS can address and those which it cannot.

Recommendation 6: Gather performance metrics

Commissioners and suppliers are obligated to submit a significant amount of information to UK SBS and CCS, including monthly management information from suppliers and quarterly commissioning and pipeline reports from commissioners. However, the same level of accountability is not evident for those that are responsible for the procurement i.e. CCS and UK SBS.

Information should be gathered on the performance of UK SBS and CCS and the market research framework (and any subsequent research frameworks that are developed) to assess the effectiveness of their performance. In order to do this Key Performance Indicators should be set which assess all aspects of research procurement (NOT just price) including UK SBS's and CCS's performance, user experience, value for money, quality of research, savings resulting from research recommendations and insights, % of managed spend, etc.

In order to ensure that such measurement is objective it should be conducted by an independent third party, which is separate from all government procurement relationships.

Recommendation 7: Adopt a continuous improvement approach

A continuous improvement approach should be adopted by UK SBS and CCS to ensure that it is focused on increasing the effectiveness and efficiency of the research procurement approach, based upon the needs of all the stakeholders. This would include suppliers, users and other stakeholders such as MRS. There is a real need to ensure that the voice of the stakeholder is heard and responded to.

Gathering metrics, as detailed in recommendation 6, would be a start of this process by determining current performance, from which areas of improvement and a wider continuous improvement process could be determined and applied.

Recommendation 8: Amend the framework terms and conditions

The current Terms & Conditions used by UK SBS do not work, specifically the inclusion of consequential losses as a contractual requirement. We suggest that as a matter of urgency the contractual terms are amended and this requirement removed.

There is also a need for clarity regarding which organisation will be taking the lead for future research frameworks. Will CCS's Terms and Conditions be used in future? Will these replace those of UK SBS, including for awarded frameworks such as the market research framework? Would it be possible to have a specific set of Terms and Conditions for all the research frameworks which reflect common practice within research procurement (as opposed to construction as is the current case)? Mike Jones, DCPO from UK SBS initially indicated a willingness to explore this, which MRS pursued. Unfortunately after initial willingness was expressed to discuss the concept, no headway was made. This concept should be revisited. There are existing examples of good research Terms and Conditions in use for other existing government research frameworks (such as DWP's), which could be used as a start point for a standard set of Terms and Conditions for all government research frameworks.



APPENDIX C: RESEARCH PROCUREMENT BEST PRACTICE GUIDANCE
GUIDE 1: MRS TEN TOP TIPS FOR PROCURING RESEARCH & INSIGHT

MRS Top Ten Tips for procuring research and insight

The business of research and insight is growing rapidly in the UK. According to a study by PwC, the research sector has grown by over 60% in the past four years and now contributes £4.6bn to the UK economy and employs some 73,000 people.²

Good research and insight provides a significant competitive advantage to organisations. Business leaders cite better planning, more confident decision-making, reduced risks and increased efficiency as the top benefits that quality research brings. Key to this is understanding how to commission good research, but poor buying practices are still all too common and undermine the benefits research, evidence and insight bring.

These Top Ten Tips are a first step to procuring effective research. For further information see www.theresearchbuyersguide.com and the resources listed at the end of this guide.

1 Approach the process of buying research as a business investment

Businesses that derive the most success from research and insight are focused from the outset of the buying process on maximising the benefits of the research, not minimising its cost.

Optimising spend in the research category requires a different approach to direct materials categories. The process must be approached with a ROAR (return on analysis and research) outlook. Cost matters, but only in relation to the value it will create.

Focusing on driving down costs during the procurement process will most likely result in reduced quality somewhere within the research itself – it could be anywhere from the process of collecting data through to the analysis and insight that resolves business issues. The end result can mean money is spent that produces little business impact or return. Buying research and insight must be treated as a long-term investment, not a short-term cost. Conversely, poor decisions based on research which is not fit for purpose are costly and can be difficult to remedy.

² *Business of Evidence 2016* - study by PwC, commissioned by the Market Research Society (MRS)

2 Keep up to date with the research and insight sector

Market and social research is one of the fastest-moving sectors of the UK economy with new trends emerging all the time. Data analytics has grown by 350% in the past four years, and other complex areas like behavioural economics, predictive analytics, social media analysis and research involving wearables are growing rapidly too.

Commercial organisations use a huge number of techniques and approaches for research, **so procurement teams will benefit from having a basic level of understanding about the trends and developments in research** in order to support their businesses in making the right purchasing decisions.

3 Understand the main stages of a research project

Commercial organisations use many techniques and processes for research. In order to support a business well in procuring these services, good buyers should understand what is involved in conducting the basics of a research project to ensure they can select the right suppliers for the project or research participants (audience).

Most research projects will follow a similar pattern of:

- Agreeing a research design to solve a particular business objective.
- Gathering data about a market or audience.
- Analysing the data and using it to provide evidence, insight or recommendations that enable the organisation to meet its business objective.

Some focus on the methods of research (qualitative or quantitative), rather than the problems they solve. But in a sector that's evolving so rapidly, a more effective approach is to **focus on the specific problem type, market or audience being analysed, and combine skills and methodologies to meet the particular research objective.**

4 Build trust and relationships to inform the buying process

Identify key stakeholders both for the short-term buying process and the longer-term use of the research and insight outputs – these could be more varied than you think. To give the best chance for business and research objectives to be met, **a strong relationship must exist between the procurement team and the internal teams commissioning and consuming the research.** Often, commissioners are exploring an entirely new market or product so have limited experience or expectation of what the research should look like. Selecting the best proposal is something that procurement teams and client commissioners need to work closely together on, comparing quality, cost, risks and potential returns. Good buyers know what works for their internal stakeholders, while still getting value from the supply chain.

Think about trust and relationships with research suppliers too. In an environment of rapid client-side competitor activity, or limited knowledge of new markets and products, having a high-trust supplier relationship is critical as it is impossible to contract for the ambiguous or unknown. It is easy to talk about supplier partnership, but if the reality is harsh contract terms or unrealistic objectives, then the sense of partnership can quickly disappear.

5 Consider what other research buying decisions may be under way in your organisation

Commissioning research in one area of an organisation often impacts sourcing decisions in another. It can be a highly fluid process and worth taking a wide view on. Suppliers can provide any combination of viewing studios, participant recruitment, qualitative research, quantitative data collection and research analysis... to name a few. But all those sourcing decisions have to be carefully integrated and managed as a whole.

Consider also that a supplier will gain knowledge in the area it undertakes research in, as well as building a deeper understanding of your business in the process. It might be

beneficial to make a long-term investment with one supplier or a small number of suppliers to integrate knowledge across multiple projects and data sources – potentially providing savings down the line. Again, it is key to approach the decision as an investment, not a one-off cost.

Larger organisations can also benefit from co-ordinating global vs local purchases to optimise what's best bought close to local market and what's able to be centralised successfully. Few research supplies require a truly global supply infrastructure so local supplies can make sense provided contract duplication is avoided if suppliers operate in multiple territories.

6 Be realistic about the RFP – some research specifications can't be fixed

It is very hard to write a fixed specification for good research. Even with routine research purchases, quality cannot be fixed in the way it can with direct materials. In areas new to market, a typical research specification often only goes as far as outlining the business problem and related research objectives. Roster tenders can assess suppliers' basic research capabilities, experience and reputation, but there are many variables thereafter.

Procurement teams should be comfortable with some uncertainty in the buying process – which is again why internal relationships must be strong. Avoid trying to impose fixed boundaries in the RFP – they are not the reality in research. Often, a research RFP is a search for suppliers to come up with the best research design (i.e. buying specification). Commissioners choose on design as much as price and rightly so. A good research design will optimise wider organisation benefits (see below).

7 Weigh up the hard and soft qualifications of suppliers

People are the key asset in research – not technology or processes – so differentiating between suppliers is a subtle process.

Certain formal measures of quality do exist for research suppliers. The Market Research Society (MRS) Code of Conduct which all MRS Accredited Company Partners have to adhere to gives a level of confidence about the research quality (see tip 10).

Fair Data is a recognised mark, also run by MRS, which enables consumers to make educated choices about their data. It provides consumers with a level of confidence that their data is safe with an accredited Fair Data supplier (www.fairdata.org.uk).

International Standards are available for full service agencies (ISO20252); panel providers (ISO26362); and – importantly – for organisations seeking to demonstrate high standards in dealing with personal and customer data (ISO27001). The implications of not using personal data securely can mean hefty fines and serious reputational and brand damage.

A good research supplier is the sum of its formal qualifications and its 'softer' skills and experience. Things like ownership, agency size, culture, ethics and human talent are all important criteria to consider. But assessing these differences across suppliers takes time and practice. As procurement teams generally don't consume the research they buy, good feedback channels need to exist with the end users of the research.

8 Be aware of the wider business implications of buying decisions

Prioritising cost over research methodology, information security or analysis could mean organisations end up basing commercial decisions on incomplete or incorrect evidence and, in the case of poor data security, risk serious reputational damage and fines.

Costs need to be weighed up alongside quality, impact, risk and long-term value. Simply funding some types of participants (such as vulnerable people or those culturally averse to participating in research) can be expensive. The consequences of

choosing one research methodology over another can be huge for a business – there is little point in buying least-cost interviews if, for example, your supplier cannot validate who you are actually interviewing, nor safeguard the sensitive personal data that results from the interview. Focusing on contractual deliverables without considering wider commercial issues can have significant long-term consequences for a business.

9 Get comfortable leading with metrics for value added

When evaluating the performance of a procurement team in buying research, the standard metric of cost savings delivers the wrong incentive and organisational result. If you accept that research is a discretionary spend, not an operational expense, then if you seek to maximise cost savings the logical conclusion is to stop all spend in research and marketing. But high performance organisations continue to spend on research because they believe that £1 spent on quality research will deliver more than £1 in return to the bottom line. So metrics that measure the value of returns and the management of investment in research make sense; pure cost reduction metrics without regard for returns do not.

It's important to state this for the category. If we don't, the performance of those buying the category is not understood and everything becomes viewed through a cost saving lens because it's easy to measure rather than because it's the right metric for the buyer's organisation.

We would encourage limiting or focussing on ambitions of a research programme rather than driving down cost.

10 Appoint an accredited supplier

There is a ready-made set of industry contractual obligations – the MRS Code of Conduct – which is the key benchmark for quality and ethics in research and insight, based on 60 years regulatory experience. Organisations accredited by MRS and MRS members must abide by the Code of Conduct. This quality specification and threshold can prevent procurement and supply chain reducing quality excessively in the quest for cost reductions. The minimum standards set by MRS Code include:

- Members must take reasonable steps so that research participants are not led to a particular point of view (**there's little point in research if it's biased**).
- Members must ensure the research conforms to national and international legislation including the Data Protection Act.
- Members must ensure that outputs and presentations clearly distinguish between facts, opinion and interpretation (recommendations should be evidenced).

Top resources:

Information sources:

- The Market Research Society (www.mrs.org.uk),
- The MRS Code of Conduct (https://www.mrs.org.uk/standards/code_of_conduct)
- Research Live (www.research-live.com)
- The Research Buyers Guide – the only source of accredited research suppliers in the UK and Ireland (www.theresearchbuyersguide.com)
- The Pan-Government Framework for Market Research Services – MRS reports and evaluations (www.mrs.org.uk/researchprocurement)
- Fair Data mark (www.fairdata.org.uk)
- Towards an Insight Driven Organisation – includes best-in-class frameworks including the public sector (<http://insight.mrs.org.uk/>)

GUIDE 2: SRA & MRS IMPACT OF POOR PROCUREMENT GUIDANCE (*draft*)

The SRA-MRS Commissioning Group has been discussing issues that have arisen in procurement from Government and other clients, and the consequences of poor practice for suppliers and clients/commissioners. This has led MRS and SRA to develop some initial draft good practice guidance in procurement. The following table sets out issues that should be taken into consideration when procuring research projects, what good practice looks like in relation to each issue and the potential consequences for clients and suppliers if good practice is not followed.

Considerations	Good practice	Potential impacts on quality and costs (<i>cost estimates based on real-life examples</i>)
Timing of commissioning	Planned research has full buy-in internally, budgets confirmed and the policy/ programme to which the research relates is confirmed as going ahead	Research cancelled at late stage in procurement or after commissioning, with costs incurred by client and suppliers. Cost: c.£10k-£30k
	Research commissioned early enough to be able to deliver useful findings, for example allowing baseline data to be collected before an intervention begins.	Issues with policy/ programme delivery not detected in early stages. Research unable to measure impact of intervention robustly
Procurement timetable	<p>Sufficient time allowed for preparation of tenders, considering:</p> <ul style="list-style-type: none"> the likely complexity of the research design; how tightly specified the requirement is, do suppliers need to come up with research design or options? are bidders likely to need to collaborate amount of information requested from bidders <p>Two weeks is reasonable for a straightforward, single method, tightly specified requirement. More complex requirements e.g. multi-method evaluation should allow at least four weeks. Prior notification that ITT for large project will be issued helps</p>	<p>Quality of bids lower, project commissioned with sub-optimal design because of lack of time to develop approaches. Fewer bids received, reducing supplier choice</p> <p>For existing projects, incumbents at an advantage, reducing competition.</p>

<p>Word limits for tender sections</p>	<p>suppliers to plan ahead and ring fence time.</p> <p>Set sensible limits for each section. Consider:</p> <ul style="list-style-type: none"> the requirements set out in the ITT the number of questions asked in each section, the proportion of marks allocated in scoring to each section the complexity of the research <p>Word limits should be set individually for each tender rather than 'one size fits all'.</p>	<p>Additional time spent editing to reduce word count where limits are inappropriate for complexity of research or the number of questions asked. Cost: up to £1k per bidder</p> <p>Insufficient detail provided for client to make informed decisions. This might require asking suppliers for more information, potentially extending the procurement timetable. Project may be commissioned with client lacking detailed understanding of what will be delivered.</p>
<p>Background information provided in ITT</p>	<p>ITT should provide detailed information on policy/ programme to which the research relates if this is not publically available and make available findings of any earlier research conducted.</p>	<p>Proposed research designs may be unsuitable if suppliers unaware of issues or earlier findings. Suppliers of earlier research at potential advantage if they have knowledge not made available to others. This could reduce competition, so client has fewer strong bids to choose between and risks complaints of unfair procurement.</p>
<p>Information on budget provided</p>	<p>Indication of budget helpful, particularly if design left open. Could state fixed budget, range or upper limit.</p> <p>If both budget and design tightly specified, indicate if there is flexibility with either.</p>	<p>Suppliers propose research designs that are unaffordable to client when lower cost alternatives could have been provided if budget known.</p> <p>Suppliers spend resource on tenders they would have declined if budget available.</p> <p>If inflexible on budget and design, client may receive few good-quality bids, reducing choice. Cost: c.£3k per bidder</p>
<p>Scoring/ evaluation criteria</p>	<p>If scoring bids, consider importance of each element to the research and ensure weighting reflects relative importance</p> <p>State clear evaluation criteria even if no specific scores.</p>	<p>Projects may be awarded to suppliers who were weaker on aspects that will be important to delivery.</p> <p>Suppliers may not include all relevant information, quality of bids may be lower.</p>

		Procurement process may not appear transparent and could be open to challenge.
Post-tender negotiations	Additional information/ costs requested are reasonable	Significant amount of supplier time spent preparing alternative designs and costs which are then not considered by clients Cost: £1-9k
Notification of outcomes	Successful and unsuccessful bidders notified in timely way	Resource allocated to project may not be available if delayed notification of award means timetable significantly slipped. Suppliers may not bid for other projects if holding resource for tendered project. Cost: c.£3k