



MRS Policy Unit

Submission to Consultation on Procurement Regulation in Wales

Introduction: About MRS and the research market

1. 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. MRS supports best practice by setting and enforcing industry standards. All MRS Members and Company Partners must adhere to the Code of Conduct.

2. The UK is the second largest research market in the world (second to the US) and the UK research sector is recognised as leading the way in the development of creative and innovative research approaches. In 2015, MRS with PWC undertook an updated assessment of the size and impact of the UK research and evidence market, The Business of Evidence 2016. One of the main findings from this report is the size of the UK 'business of evidence' market, which employs up to 73,000 people and generates £4.8 billion in annual gross value added (GVA).

3. MRS represents both large businesses and small and medium sized enterprises (SMEs) and we have a range of research suppliers included in our membership, from large research groups to independent individual consultants. However the research supplier market is dominated by SMEs.

About this response

4. MRS is pleased to respond to this consultation which will inform the development of new Welsh Regulations on public procurement. We have taken into account the questions posed in the consultation document and focused our response on the key factors to take into account in procuring market and social research considering in particular the impact of the proposals on small businesses.

5. Procurement of market and social research supports evidence based decision making in government and it is important that this is delivered in an affordable and sustainable manner to the Welsh Public Sector. Procurement terms and conditions must also be suitable for SMEs and not be unduly restrictive. Procurement from regulated



research suppliers, who follow professional standards as members of a recognised professional association, is critical and should be a qualifying requirement for public procurement of market research. High ethical, commercial and methodological practices supported by a Code of Conduct and clear compliance procedures will both support those engaged in research and reassure the general public that research is carried out in a professional and ethical manner.

6. We confirm that no parts of the response are confidential and that the information may be attributed to MRS.

Response to Consultation Questions

Breaking down barriers

Q.4

4 (a) Use of sell2wales website

Should the Welsh Public Sector be under a legal duty to advertise all contracts over £25,000 on www.sell2wales.gov.wales, except for call off contracts from pre-competed framework agreements? OR Should the Welsh Public Sector be under a legal duty to have regard to any guidance issued by the Welsh Ministers in relation to advertising of all contracts over £25,000 on www.sell2wales.gov.wales, except for call of contracts from pre-competed framework agreements? If yes, do you think that the threshold of £25,000 is appropriate? If not, what do you think it should be and why?

4 (b) SQuID approach to supplier selection

Do you think that the Welsh Public Sector should be under a legal duty to use the SQuID approach to supplier selection? OR Do you think that the Welsh Public Sector should be under a legal duty to have regard to any guidance issued by the Welsh Ministers to the SQuID approach to supplier selection?

4 (c) Joint Bidding Guide

Should the Welsh Public Sector be under a legal duty to apply any guidance issued by the Welsh Ministers in relation to Joint Bidding to help identify those contracts which are suitable for consortia bids? OR Should the Welsh Public Sector be under a duty to have regard to any guidance issued by the Welsh Ministers in relation to Joint Bidding to help identify those contracts which are suitable for consortia bids?

- MRS welcomes initiatives to increase the number of lower value contracts advertised on www.sell2wales.gov.wales as this improves transparency and is likely to encourage greater participation of small/low value lots which will mean that smaller businesses are more likely to apply to provide goods and/or tender services.

- A flexible approach to procurement that incorporates some retention of discretion can be helpful. For instance splitting lots in a research context can assist in obtaining greater expertise as small market and social research businesses can provide niche expertise and filtering by research business specialism/subject matter would be a useful model for creation of smaller lots such as for creative development, pretesting, campaign evaluation, customer insight etc..
- We agree that the Welsh Public Sector should be under a duty to have regard to guidance issued in relation to advertising of contracts over £25,000, the SQuid approach to supplier selection and Joint Bidding. The obligation placed on the Welsh Public Sector should be a duty to have regard to guidance issued by the Welsh Ministers rather than an absolute legal duty as this allows for tailoring and adaptation to particular circumstances. Authorities would be expected to have cogent reasons for departing from guidance issued which in itself should encourage greater transparency in the procurement process.

Q.5 Should the Welsh Public Sector be under a legal duty to utilise specific contracts, which will be determined on a case by case basis, which have been let by Central Purchasing Bodies?

- Centralised procurement should be used with discretion and only where the benefits of centralisation can be realised. However streamlined and efficient administrative procedures e.g. standardised core documentation and information requirements (e.g. contract terms, Health & Safety policies, data protection and security etc.) can be appropriate.

Q. 6 Do you agree that contracts for the services listed in Schedule 3 to the Public Contracts Regulations 2015 should only be awarded by the Welsh Public Sector on the basis of most economically advantageous tender? If not, why not? If yes to the question above, should it be a legal duty for the Welsh Public Sector to award contracts for those services listed in Schedule 3 to the Public Contracts Regulations 2015 should only on the basis of most economically advantageous tender?

- MRS notes that the services in Schedule 3 are generally social care services and (as in the research sector) consider that it is important to recognise that generally although price and cost are key factors to ensure value for money other criteria are also valuable. We agree that contracts should not be awarded on the basis of price or cost alone. Design of the appropriate contract award criteria is important in ensuring that procurement is carried out adequately. A range of criteria should be



reflected in the scoring criteria used, either the current 'most economically advantageous tender (MEAT) approach or evaluation on the new 'best price quality ratio'.

Social and other specific services

Ethical supplier conduct in delivery of public contracts

Q.7 Should the Welsh Public Sector be under a legal duty to apply any guidance issued by the Welsh Ministers relating to collective agreements regarding environmental, social and/or labour law? OR Do you think that the Welsh Public Sector should be under a legal duty to have regard to any guidance issued by the Welsh Ministers relating to collective agreements regarding environmental, social and/or labour law?

- We note that it is proposed to issue statutory guidance requiring the Welsh Public Sector to be under a legal duty to either apply or have regard to guidance issued by the Welsh Ministers in relation to collective agreements regarding environmental, social and/or labour law and support a requirement that they have regard to guidance.
- This type of statutory guidance could usefully reference and/or incorporate membership of self-regulatory schemes as either a mechanism for measurement or an indication of the manner in which suppliers take the relevant social, environmental and employment issues into account. Codes adhered to by regulated suppliers set out useful ethical principles and standards of behaviour. For example under the MRS Code of Conduct researchers are required to, inter alia, "be straightforward and honest in all their professional and business relationships" and "respect the rights and well-being of all individuals." These high level overarching principles which are supplemented by more detailed Code rules guide researchers in the application of ethical standards on employment and other matters. The importance of regulation of supplier activities has been accepted a core part of other research frameworks (such as that under UK SBS). Being an unregulated supplier should be sufficient to exclude companies from research procurement as there are several market research professional associations that include oversight and regulation such as MRS regulation of Company Partners and ESOMAR's corporate membership scheme.

MRS is keen to continue the conversation on the development of a public procurement and to work with the Welsh Government, particularly in regard to how research services are procured. Openness and transparency should be balanced with rigour and robust



regulation.

For further information or clarification on this submission please contact Michelle Goddard, Director of Policy and Standards, (michelle.goddard@mrs.org.uk 020-7566-1882).

This submission is made on behalf of The Market Research Society, 15 Northburgh Street, London EC1V 0JR. The Market Research Society is a company limited by guarantee, registered in England No. 518685.

04/07/2016