



Re-Shaping Your Procurement Strategy in Light of Coronavirus

VWV's Stephanie Rickard looks at the issues, risks and opportunities for teams to consider when re-shaping their procurement strategies to mitigate the implications of coronavirus (COVID-19).

For many universities, lockdown may have ripped up the best laid plans and it remains an uphill struggle trying to deal with managing existing contracts and urgent procurement needs, along with the task of planning for the year ahead.

However, looking forward there are a number of reasons why procurement is going to look different and so now maybe a good time to reflect upon how your procurement strategy will need to adapt.

Firstly, resourcing shortages and financial restrictions may mean your procurement pipeline will need to be reviewed to see if it is still feasible.

In the short term the Cabinet Office and the EU Commission have issued guidance advising how the urgency exemption and accelerated timescales can be used to fast-track urgent procurement processes. Other procurements are likely to take longer as a result of potential delays to the internal process of agreeing the specification, carrying out market engagement and the need to ensure contractors have sufficient time to respond. Helpfully the guidance also sets out the grounds under Regulation 72 of the *Public Contracts Regulations 2015*, when extending contracts are permissible.

On a practical note, try to ensure that contract extensions are staggered to allow for re-procurement to be conducted at different times.

Secondly, the way you carry out tenders will need to adapt to reflect the new business environment.

Market engagement and site visits may have to move online. Engagement with the market will be critical to understanding if contractors are able to meet the proposed specifications within the timelines, gauge the level of interest in bidding, and to find out if there are alternative, innovative supply solutions.

Selection and evaluation criteria will also need careful consideration. Looking at the financial track record of suppliers over the last 6-12 months may not be reliable. Where there are issues over past performance, suppliers will need to be given the opportunity to explain whether these were linked to COVID-19 rather than being attributable to fault. If interviews and presentations are part of the evaluation criteria, can they be replaced with written clarification questions or verification by third parties? Or does the process need to be re-designed for an online format, particularly questions from multiple panel members?

In practice, these challenges may not be too great given the rapid transformation and take-up of digital communications by most organisations since lockdown. However, universities should ensure their electronic platforms are secure and data protection compliant. Whatever process they use must be fair, transparent and not unfairly disadvantage bidders who may not have the same levels of access.

Social value has been moving up the agenda, particularly in the HE sector. Now more than ever, universities and other contracting authorities will be looking at ways to protect their communities and ensure the continuity of their supply chains. The Government consultation on social value in government procurement, issued last year, contains tools on how social value can be incorporated into a procurement process. It recommends evaluation weighting of 10% for social value and contains sample evaluation questions, e.g. asking contractors to set out what steps they are taking to ensure diverse supply chains, improved workforce skills and staff mental health and wellbeing.

Thirdly, the strategy should consider the threats and opportunities of the UK leaving the EU.

The Public Procurement (Amendment etc.) (EU Exit) (No. 1) and (No.2) Regulations 2019, will provide some continuity with the EU regime at the end of the transitional period. However, the future shape of procurement in 2021 is difficult to predict, so the threat of uncertainty remains. Negotiations are underway between the UK Government and the EU institutions, but there is a difference and tension in the desired approach. The UK's preference is for a WTO regime with greater flexibility, whereas the EU is seeking alignment with current EU procurement rules.

Finally, as well as the challenges, the lessons learned from the lockdown show there are valuable opportunities to take in terms of greater efficiency of processes and the ability of teams to adapt.

Additional resources

[Cabinet Office Procurement Policy Note 1/20](#)

[Commission Guidance on using the public procurement framework in the emergency situation related to the COVID-19 crisis](#)

[Social value in government procurement consultation - March 2019](#)

VWV is a supplier on the national [Legal Services framework](#)