



FALKLAND ISLANDS GOVERNMENT PROCUREMENT POLICY STATEMENT: SUPPORTING LOCAL BUSINESSES

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1. Introduction

As part of the FIG Procurement Improvement Programme, this Procurement Policy Statement sets out the Falkland Islands Government's commitment to continue to support local businesses through opportunities to work on Government contracts.

2. Statement of Purpose

As a significant purchaser of goods and services, FIG is well placed to use its spending power to support the development of increased capacity in the Islands to deliver goods and services. This statement sets out the principles and practices that FIG will adhere to, to ensure that local people and companies benefit to the fullest extent possible from all tender opportunities generated by the Falkland Islands Government.

It seeks to support the development of the local Falkland Islands supply market and workforce in a sustainable manner; supporting capacity development and employment of Falkland Islands' people, and use of Falkland Islands goods and services through FIG's procurement activity and practices.

3. Overriding Principles

As a public body, FIG is required to ensure that it secures best value for money through all contracts. In practice, this means that tenders will be evaluated on the basis of both price and quality and the actual split between these elements will depend on the goods or services being procured. FIG undertakes to ensure that the documentation sent out with an Invitation to Tender is appropriate in terms of technical content, proportionate in terms of the volume of information and levels of accreditation required, and is not unreasonable in terms of insurances that we expect a contractor to need.

4. Definition of 'Local' - What constitutes a local company?

FIG recognises that there has previously been significant effort put in to developing the criteria for what qualifies a company as being local. For the purpose of this policy, it is proposed that a company be considered local if they meet the following conditions:

- i) are offering goods and/or services in the islands;
- ii) are primarily based in the Islands
- ii) are employing people in the islands (or are a sole trader); and
- iii) pay taxes in the islands.

FIG will assist international companies by developing a "Local Register" to support international companies preparing bids for work in the Falkland Islands to make contact with locally based companies to see if they can help them to deliver the service required through inclusion in the supply chain. Registration would not provide any guarantee on the quality of goods and services provided by the businesses, and neither would it infer any preferential treatment of that business in a competitive and open tender exercise.

5. FIG's Policy Commitments for Supporting Local Companies

5.1 Training and Capacity Building

FIG will hold ongoing supplier workshops in the forthcoming financial year to understand and address local market concerns as well as providing support for local companies

FIG will continue to drive a number of support initiatives that include:-

Increased Transparency

FIG will discuss and agree all tender documentation to be issued, ensuring that it is proportionate and relevant to the service or supplies required, and that the evaluation model with scoring methodology is clearly set out. This will ensure that bidders are confident in the approach that FIG officers will use for selecting the winning tender.

PROACTIS ProContract eProcurement System

Implementation of this system, which is configured to the FIG Financial Instructions, will support the competitive process, in that its use will ensure that all competitive procurements over £10,000 are openly advertised. Local Suppliers that register on the system will receive alerts and links to opportunities in the categories of service or supply they deliver. Whilst procurement activity under £50,000 remains devolved to departments, use of ProContract will be monitored and Departments will be held to account for any non-compliance.

Supplier Training

FIG will continue to provide training to local companies to assist their understanding of the procurement process and how to respond to the request for quality information as well as price.

Local Supplier involvement has supported the development and implementation of the eProcurement System and the procurement team will continue to provide training sessions and materials to improve knowledge and compliance.



Contract Packaging

FIG will, where possible, package work in smaller and larger bundles, both by size/value and duration in order to provide different opportunities for local contractors to deliver according to their capacity.

Advance Notification of Tenders

FIG will provide as much notice as possible for contracting opportunities, to enable local suppliers sufficient time to prepare. This will be improved with the wider launch of the eProcurement System which allows FIG to publish an advert in advance of the documentation being ready.

The Contracts Register will be provided through a “real-time” link to the electronic register from ProContract. Contracts awarded in the last quarter will be published in the Penguin News.

5.2 Local Procurement

Where the expected market is local, the capacity building and support initiatives will directly improve understanding of what FIG require in the way of information when responding to a tender.

In addition, FIG will only ask for information/accreditation and insurance that is appropriate to the work being tendered in order that local suppliers are confident in their ability to bid for FIG contracts.

5.3 Wider Market Procurement

FIG recognises that not all services, or specialities are available in the Falkland Islands and therefore it may be necessary to seek contractors or suppliers from overseas.

FIG will therefore include a requirement for such procurements that bidders evidence their willingness to partner or sub-contract with local suppliers where these opportunities exist during bid stage and contract delivery. The principles for these wider market exercises are set out in 5.4 below:

5.4 Seeking Bids From Overseas Contractors (Local Content/Involvement)

To support the aim that local companies are given opportunities to participate in the supply chain for larger contracts where it is anticipated that the main contractor will be international (UK based or otherwise), FIG will include this as a requirement at the tender stage.

The following elements will be included:

- FIG's principle of including local sub-contractors (and local employment) in the supply chain whilst ensuring best value is achieved
- A requirement for bidders to evidence in their tender response the supply chain strategy for the contract which should incorporate:
 - Advertising the opportunities locally
 - Ensuring that sub-contracting opportunities are reasonably achievable as far as possible for local companies in terms of size and requirements
 - Supporting training and accreditation for local companies where relevant for contract delivery
- Process for monitoring compliance with the supply chain strategy to ensure this is embedded into the contract delivery.

For this purpose, relevant questions have been created and added to the ProContract System for all Major Projects and other significant procurement exercises.