



Department of

Finance

An Roinn

Airgeadais

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**Central Procurement
Directorate (CPD)
Procurement Activity
2015/2016**

CPD PROCUREMENT ACTIVITY IN THE 2015/2016 YEAR

1 CPD CENTRES OF PROCUREMENT EXPERTISE

1.1 The information in this report relates solely to contracts awarded by the three CPD Centres of Procurement Expertise (Supplies and Services; Construction; and Health Projects) rather than the wider public sector.

2 KEY FACTS

2.1 Table 1 provides a summary of key facts about CPD procurement activity in the period 1 April 2015 to 31 March 2016.

Table 1: 2015/2016 Summary of CPD Procurement Activity

Numbers of contracts awarded
CPD awarded 1,251 contracts on behalf of the NI public sector: <ul style="list-style-type: none">• 1,123 supplies and services contracts• 128 construction contracts
SMEs won 83% of the contracts awarded by CPD.
SMEs based in Northern Ireland won 63% of the contracts awarded by CPD.
Value of contracts awarded
The total estimated value of contracts awarded by CPD was £563m.
SMEs won contracts worth an estimated value of £380m.
Location of suppliers
The percentage of contracts awarded to suppliers based in various locations is provided below: 73% - Northern Ireland 10% - Great Britain 2% - Republic of Ireland

3 NUMBER AND VALUE OF CONTRACTS AWARDED

3.1 CPD awarded 1,251 contracts in the 2015/2016 year, to the total value of £563m. Table 2 demonstrates the recent downward trend in the annual numbers of contracts awarded by CPD, and the associated value.

Table 2: Comparison of contracts awarded by CPD from 1 April 2013 to 31 March 2016

Financial year	2015/2016	2014/2015	2013/2014
Numbers of contracts awarded			
Total number of construction contracts awarded	128	213	899
Total number of supplies and services contracts awarded	1,123	1,399	773
Total number of contracts awarded	1,251	1,612	1,672
Value of contracts awarded			
Total value awarded in construction contracts	£174m	£171m	£354m
Total value awarded in supplies and services contracts	£389m	£592m	£439m
Total value of contracts awarded	£563m	£763m	£793m

3.2 Looking in more detail at the number of contracts awarded by CPD in 2015/2016, a large percentage (53.6%) of these contracts were of low value (up to £30k). These low value contracts total only £10.6m in value (less than 2% of the overall value awarded).

3.3 By contrast only 2.2% of the contracts awarded by CPD in 2015/2016 were of value over £3.5m, yet the total value of these contracts was £383m (68% of the total value awarded).

3.4 Both of these trends have been recognised in previous years, as shown in Table 3.

Table 3: Comparison of contracts awarded by CPD from 1 April 2013 to 31 March 2016 by value band

Financial year	2015/2016	2014/2015	2013/2014
Percentage of the total number of contracts awarded by value band			
Up to £30k	53.6%	51.9%	50.6%
Over £30k and up to £100k	16.1%	17.1%	20.0%
Over £100k and up to £1m	13.9%	19.5%	17.8%
Over £1m and up to £3.5m	3.8%	2.2%	5.6%
Over £3.5m	2.2%	2.8%	6.0%
Unknown	10.4%	6.5%	0.0%
Percentage of the total value of contracts awarded by value band			
Up to £30k	1.9%	1.6%	0.9%
Over £30k and up to £100k	2.2%	2.3%	2.5%
Over £100k and up to £1m	11.4%	12.7%	11.7%
Over £1m and up to £3.5m	16.5%	8.4%	6.2%
Over £3.5m	68.0%	75.0%	78.7%
Unknown	0.0%	0.0%	0.0%

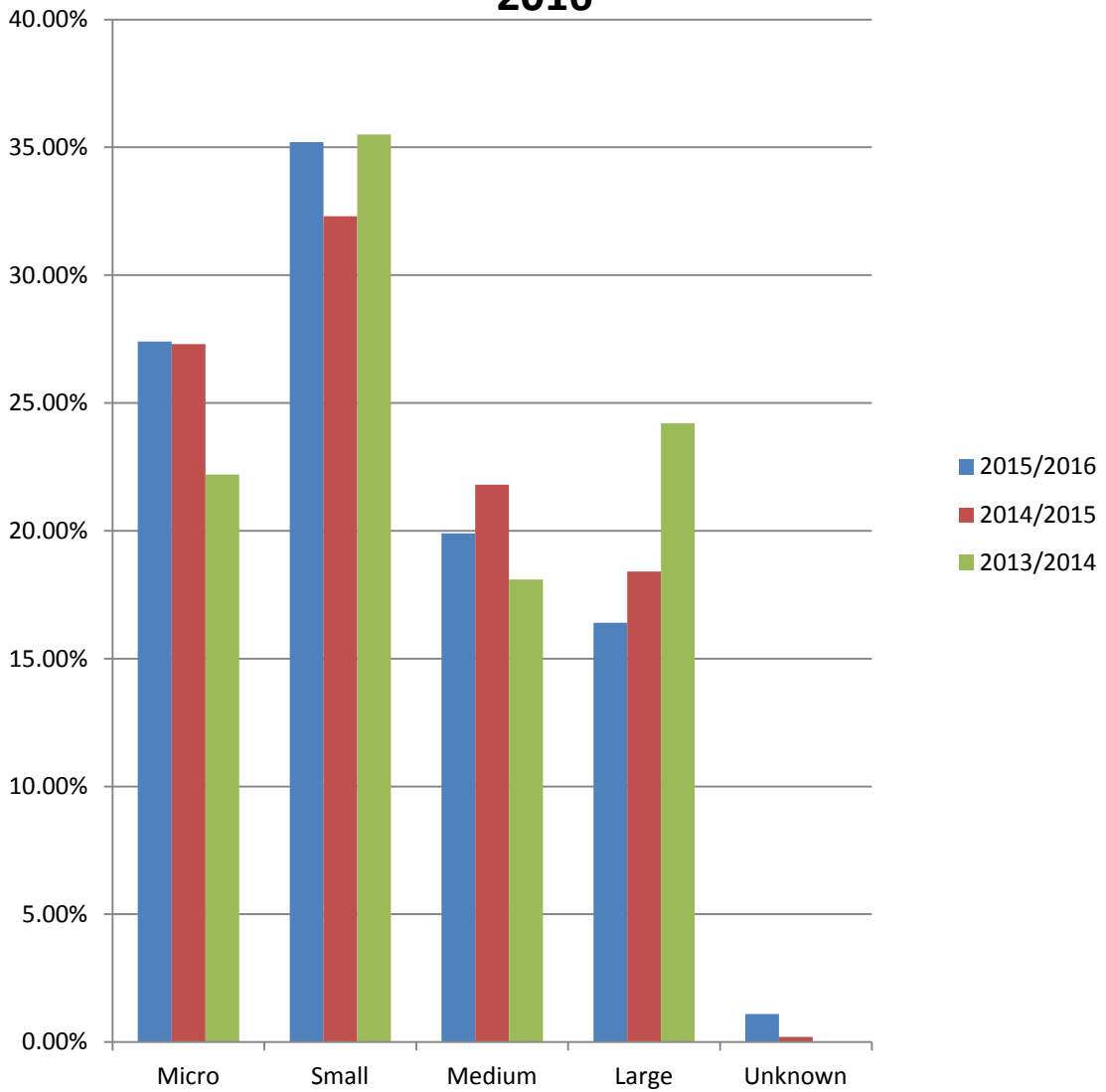
4 SME SUCCESS LEVELS

- 4.1 Table 4 demonstrates the rising success of micro businesses (less than ten employees) in winning contracts awarded by CPD, winning almost a third of all contract opportunities in the 2015/2016 year (also shown in Chart 1).
- 4.2 Table 4 also shows that SMEs in general are competing effectively for contracts awarded by CPD, with a slight upward trend in the last two years – with SMEs now winning more than four fifths of contracts awarded by CPD for the NI public sector.

Table 4: Comparison of contracts awarded by CPD to SMEs from 1 April 2013 to 31 March 2016

Financial year	2015/2016	2014/2015	2013/2014
Percentage of total number of contracts awarded to each category of business:			
Micro	27.4%	27.3%	22.2%
Small	35.2%	32.3%	35.5%
Medium	19.9%	21.8%	18.1%
Large	16.4%	18.4%	24.2%
Unknown	1.1%	0.2%	0.00%
All SMEs	82.5%	81.4%	75.8%

Chart 1: Comparison of contracts awarded by CPD to SMEs from 1 April 2013 to 31 March 2016



4.3 Looking at the value of the contracts that SMEs are winning – in the 2015/2016 year, SMEs won £380m out of an overall £563m of contracts awarded by CPD (67.5%).

4.4 Table 5 presents the improving trend in the value of contracts won by SMEs – rising from two fifths in 2013/2014 to just over two thirds of the overall value by 2015/2016.

Table 5: Comparison of value of contracts won by SMEs from 1 April 2013 to 31 March 2016

Financial year	2015/2016	2014/2015	2013/2014
Percentage of total value of contracts awarded to each category of business:			
Micro	3.4%	5.6%	4.1%
Small	17.7%	24.8%	9.9%
Medium	46.4%	19.0%	25.9%
Large	32.0%	50.5%	60.1%
Unknown	0.5%	0.1%	0.0%
All SMEs	67.5%	49.4%	39.9%

5 LOCATION OF SUCCESSFUL SUPPLIERS

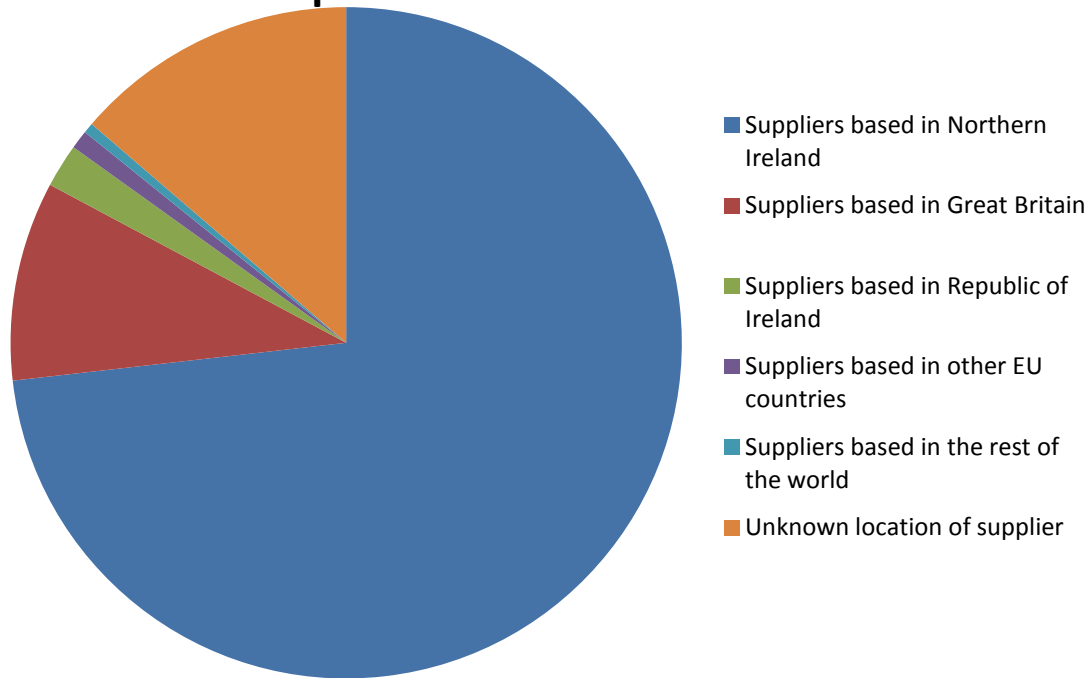
5.1 As shown below in Table 6 and in Chart 2, Northern Ireland based suppliers won approximately three quarters of contracts awarded by CPD in the 2015/2016 year.

Table 6: Comparison of CPD location of suppliers for numbers of contracts awarded from 1 April 2013 to 31 March 2016

Financial year	2015/2016	2014/2015	2013/2014
Suppliers based in Northern Ireland	73.2%	73.8%	88.9%
Suppliers based in Great Britain	9.6%	10.6%	9.1%
Suppliers based in Republic of Ireland	2.1%	1.7%	1.6%
Suppliers based in other EU countries	0.9%	0.4%	0.3%
Suppliers based in the rest of the world	0.5%	0.3%	0.1%
Unknown location of supplier	13.7%*	13.2%	0.0%

5.2 Table 6 also demonstrates steady trends in the volume of contracts awarded to other jurisdictions. The low number of contracts awarded to suppliers based in the Republic of Ireland is directly related to the small number of tenders received from Irish enterprises. CPD worked in partnership with InterTradeIreland and Enterprise Ireland throughout the 2015/2016 year, attending 'Meet the Buyer' events around the island of Ireland, to tackle myths that there are barriers preventing Irish enterprises from tendering in Northern Ireland.

**Chart 2: Comparison of CPD location of suppliers for numbers of contracts awarded
1 April 2015 to 31 March 2016**



** From 2014/2015 onwards the statistics included the contracts under £30k in value, for which it has not always been possible to identify the location of the supplier in annual procurement activity statistics. It is likely that the majority of these smaller contracts are also won by suppliers based in Northern Ireland, meaning that the actual percentage of contracts won by NI suppliers is somewhere between 73.2 and 86.9%.*