11th February 2025

DfT Supplier Event Cambridge



Mark Phillips—
Head of Lifecycle
Assurance—
Department for
Transport



# Agenda – Cambridge SME Event 11<sup>th</sup> February 2025

Item	Topic	Lead	Time
1	Welcome and introduction	Mark Phillips – Head of Commercial Lifecycle Assurance – Department for Transport	10:00
2	Keynote Speaker – Commercial Director – Department for Transport	Paul Rodgers – Commercial Director – Department for Transport	10:10
3	Commercial Policy Update	Ian Edwards – Head of Commercial Strategy, Strategy, Policy and Capability – Department for Transport	10:20
4	High Speed 2 – Supply Chain Opportunities	Robin Lapish – Supply Chain Lead – HS2 Ltd	10:40
5	DfT Small Business Action Plan & perceived barriers for SMEs	Robert Vaughan – Small Business Champion – Department for Transport	10:55
6		Break	11:05
5	Amey- Working with SME's and VCSE's	Amanda Felstead – Principal Procurement Manager	11:35
7	Transport for London- Delivering Supplier Diversity at Transport for London	Luke Jarvis- Director of Procurement & Commercial Capital	11:50
8	Balfour Beatty- The opportunity and how to become part of the journey	Chris Partridge- Procurement Manager – UK Construction Services	12:05
	East West Rail- Connecting People, Building Communities - the Economic Benefits of East West Rail	Mark Ollerton- Commercial Strategy & Supply Chain	12:20
9	Networking session	Department for Transport East West Rail High Speed 2 MCGA National Highways Network Rail Transport for London Railway Industry Supplier Qualification Scheme Amey Balfour Beatty Kier Skanska BAM Nuttall AECOM WSP RIA	12:35
10	Lunch/Networking		13:15

Paul Rodgers, Commercial Director, Department for Transport





# SME Supplier Event Commercial Policy Update

Ian Edwards
Head of Commercial Strategy, DfT
dftcommercial@dft.gov.uk

# DfT Group is large in... Scale, Scope and Reach



# Update on over-arching principles

#### **Procurement Policy Note 05/21: National Procurement Policy Statement**

- Creating new businesses, new jobs and new skills.
- Tackling climate change and reducing waste.
- Improving supplier diversity, innovation and resilience.
- New statement will come into effect by February 2025.

**National Procurement Policy Statement -GOV.UK (www.gov.uk)** 

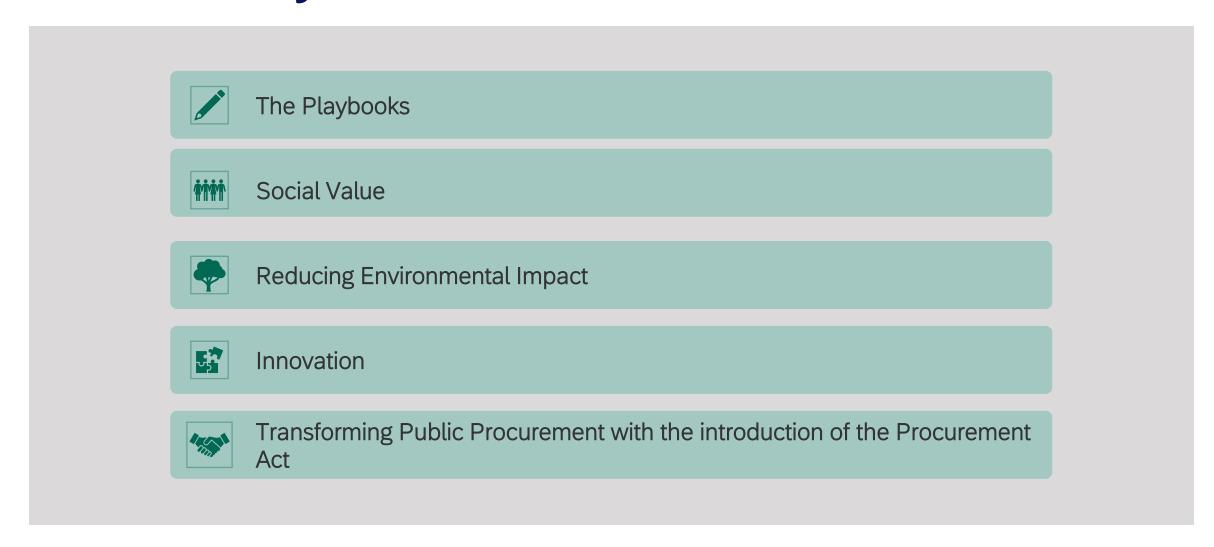
#### **Supplier Code of Conduct**

Codes of conduct for suppliers and grant recipients - GOV.UK (www.gov.uk)

Expecting our suppliers to act in a manner that is compatible with public service values, upholds the reputation of government, promotes innovation and expertise, opens up the market to small and medium-sized enterprises (SMEs), and contributes to growth and prosperity in the UK.



# The key areas we will cover:

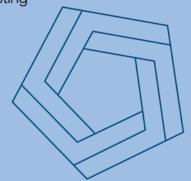


# The Playbooks



# The Sourcing Playbook

Government guidance on service delivery, including outsourcing, insourcing, mixed economy sourcing and contracting

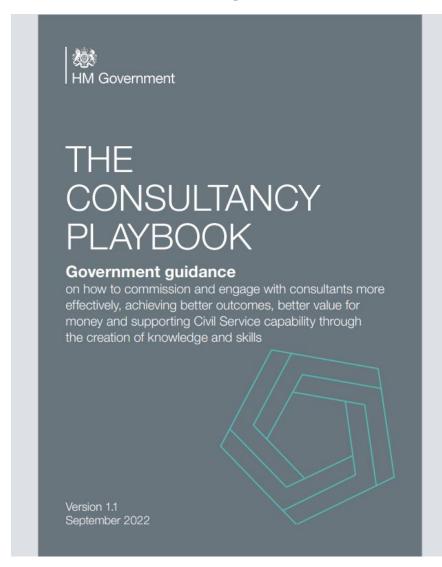


#### The Sourcing Playbook - GOV.UK

Updated Playbook published in April 2024 has renewed guidance around:

- Publishing Pipelines: to provide a better expectation of future opportunities.
- Preliminary market engagement: should actively seek out suppliers that can help to improve service delivery, including SMEs and Voluntary, Community and Social Enterprises (VCSEs).
- Proportionality: Procurement processes should be of proportionate duration and effort to the size and complexity of the contract.
- Enabling SMEs and start-ups: to lead or be part of public sector supply chains.

# The Playbooks



#### The Consultancy Playbook - GOV.UK

Updated Playbook published in 2022 has renewed guidance around:

- Skills Transfer: Prioritising knowledge generation and knowledge and skills transfer.
- Engagement: Engaging with the whole market including SMEs.
- Access to opportunities: Key actions for contracting authorities to consider across the commercial lifecycle to facilitate access for companies of all sizes.

# The Playbooks



# The Digital, Data and Technology Playbook

Government guidance on sourcing and contracting for digital, data and technology projects and programmes

June 2023

# <u>The Digital, Data & Technology Playbook -</u> GOV.UK

The Playbook recognises that SMEs make a considerable contribution to the DDaT industry and have been key contributors to much of the innovation and product development that has emerged in recent years.

- Engagement: The Playbook sets out expectations for suppliers, particularly where SMEs and VCSEs are engaged through their supply chain.
- See <u>publishing.service.gov.uk</u>

## **Social Value**

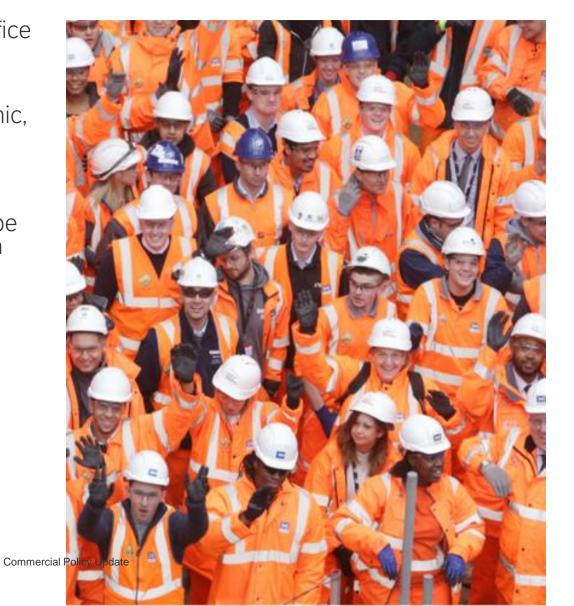
DfT has implemented the Cabinet Office Social Value Model.

This covers a range of social, economic, and environmental benefits.

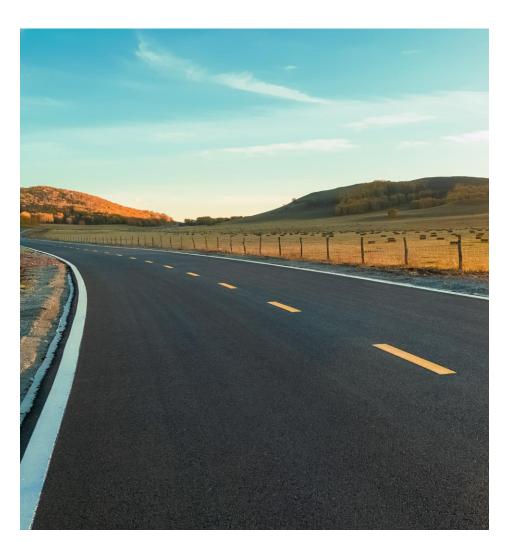
A minimum 10% of the overall award criteria for a procurement must now be attributed to questions focussing on a social value theme:

- Tackling Economic Inequality
- COVID-19 Recovery
- Fighting Climate Change
- Equal Opportunity
- Wellbeing

More information can be found in <u>Procurement Policy Note 06/20</u>



# Reducing Environmental Impact



#### **Carbon Reduction Plans:**

- Suppliers bidding for contracts over £5million per annum are required to submit an organisational carbon reduction plan.
- This includes a public commitment to achieving net zero emissions within their organisation by 2050.
- Failure to do so will mean suppliers are excluded from going through to the next round of bidding.
- More information can be found in <u>Procurement</u> <u>Policy Note 06/21</u>

#### Construction Playbook:

- The Construction Playbook also requires suppliers to provide whole-life carbon assessments, Net Zero strategies, and to consider the environmental benefits of Modern Methods of Construction where possible.
- A new Net Zero specific guidance note has been published alongside the latest version of the Construction Playbook and can be found here.

## **Innovation: More flexible IPR**

- Option 1: Buyer owns all New IPR with limited Supplier rights to all New IPR in order to deliver the Contract.
- Option 2: Buyer ownership of all New IPR with non-exclusive Supplier rights.
- Options 3 & 4: Supplier ownership of all New IPR with Buyer rights for the current contract only or broader public sector functions.
- Option 5: Options 2, 3, or 4, plus Buyer rights to a gain/profit share.

## Supplier ownership should in future be considered for use where:

- (a) There is no clear benefit in the Buyer owning the new IPR, or;
- (b) Where any new IPR created cannot easily be separated from the Supplier's Existing IPR.

See the <u>Model Services Contract - GOV.UK</u> (www.gov.uk) for further detail on how these options are intended to operate.



## Some SME initiatives to note:

#### Procurement Policy Note 01/18: Supply Chain Visibility - GOV.UK

The Contracts Finder platform enables suppliers to Government to advertise subcontracting opportunities. Will be strengthened through PA23.

Procurement Policy Note 01/18: Supply Chain Visibility - GOV.UK (www.gov.uk)

#### Procurement Policy Note 11/20: Reserving below threshold procurements - GOV.UK

Opportunities to reserve procurements for SMEs / VCSEs - this means being able to run a competition and specify that only SMEs and VCSEs can bid.

<u>Procurement Policy Note 11/20: Reserving below threshold procurements - GOV.UK (www.gov.uk)</u>

#### Short form terms and conditions - GOV.UK

Adoption of the Short Form Contract, aimed at avoiding the use of overly complex terms which can increase costs and act as a barrier to the involvement of SMEs.

Short Form Contract - GOV.UK (www.gov.uk)

# Transforming Public Procurement

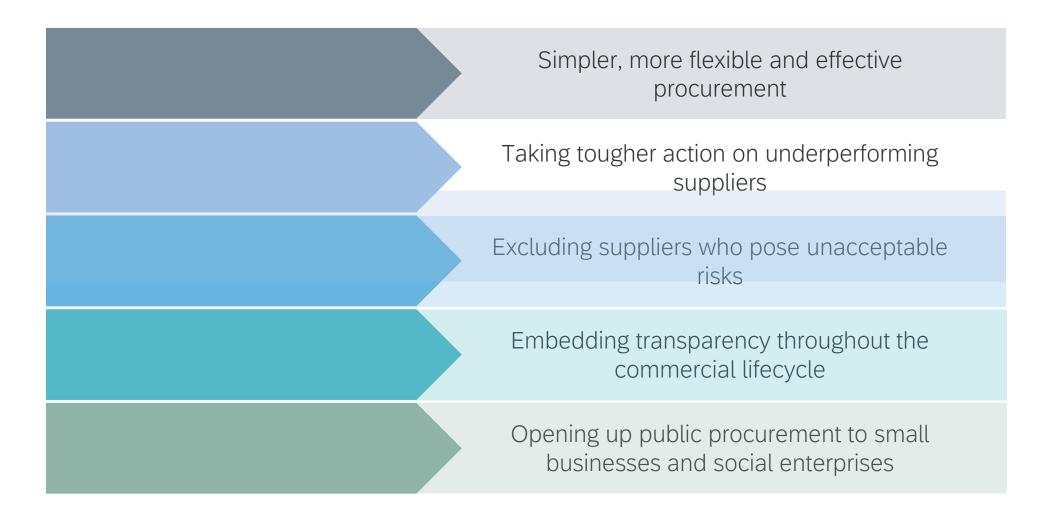
## What is it?

The Procurement Act (2023) replaces current procurement regulations and is expected to be implemented from February 2025.

You can view the new Procurement Act on the <u>UK legislation</u> website, and the official record of the Bill's progress through Parliament, with all supporting documents on the



# What is Changing?



# What this means for you

The Act places a requirement on contracting authorities to assess barriers facing SMEs and VCSEs throughout the entire procurement lifecycle, and to consider what can be done to overcome them.

Emphasis on **early engagement** and visibility of the engagement process in the early stages of the procurement lifecycle.

Increased transparency throughout the procurement process

Focus on fostering **innovation**, a key area that recognises SMEs and VCSEs are essential in providing new, innovative solutions in procurement projects.

Better **flexibility** through streamlining the process when bidding for public contracts, while also giving more room for negotiating prices and innovative solutions with companies.



# dftcommercial@dft.gov.uk

Ian Edwards
Head of Commercial Strategy, DfT



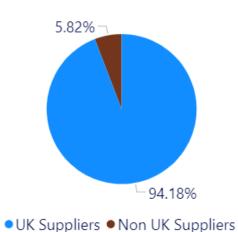
# **Project update**



- Over 50% complete
- New CEO incoming
- Peak construction to 2026
- Transition to rail systems
   & fit-out from 2026/7
- 31,000 people
- Over 1,500 new apprenticeships; 4,500 people back into work
- 40% carbon reduction in civils

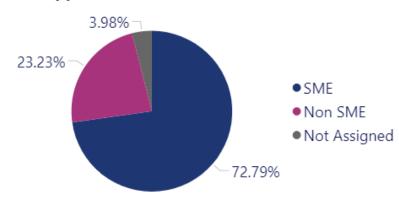
# HS2's supply chain

#### Suppliers UK/Non UK



UK/Non UK			UK Suppliers	
Tier	% Count of Suppliers	Count of Suppliers	% Count of Suppliers	Count of Suppliers
1	2.71%	59	97.29%	2119
2	10.76%	136	89.24%	1128
3	10.28%	11	89.72%	96
4	16.67%	1	83.33%	5
Total	5.82%	207	94.18%	3348

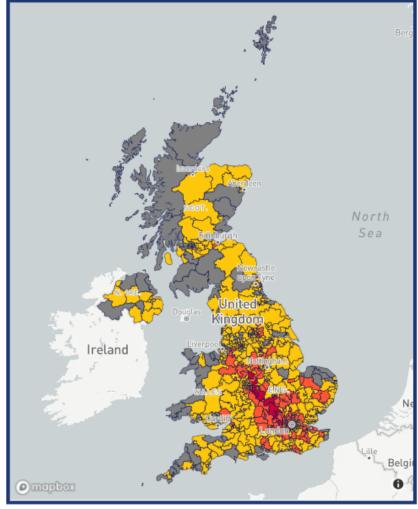
#### Suppliers SME/Non SME



Organisation Size ▲	Non UK Suppliers	UK Suppliers
Large	78	747
Medium	43	650
Micro	27	1069
Not assigned	17	124
Small	41 7	
Total	206	3348

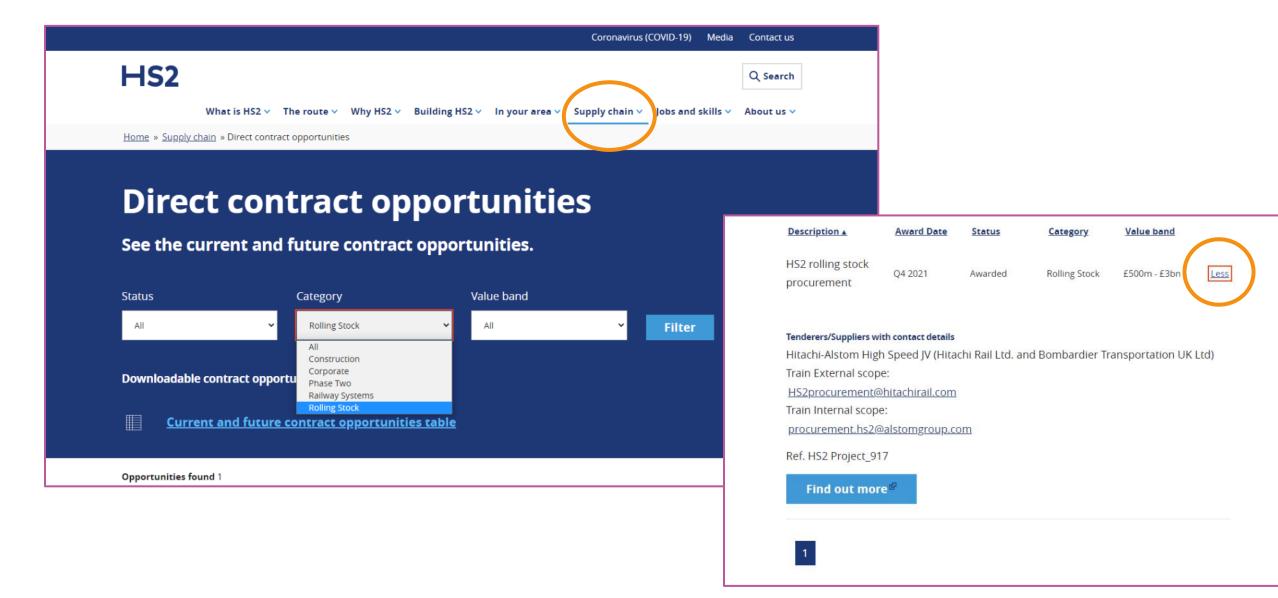
**3.98**% of the Supply Chain does not have Employee data submitted in Companies House. Therefore, SCM is unable to <u>categorise</u> the supplier by size.

#### **Supply Chain Constituency Map**



Map available for viewing on HS2 website on supply chain page

# Information & guidance via hs2.org.uk



# Subcontracts and pipelines



HS2

What is HS2 v Building HS2 v In your area v Supply chain v Jobs and skills v About us v

Home » Supply chain » Indirect contract opportunities

 $\equiv$  Also in this section

#### **Indirect contract opportunities**

We publish information on key awarded tier 2 subcontracts within our supply chain and encourage interested suppliers to get in touch using the contact details provided.

We also publish details of live and upcoming subcontract procurements to be undertaken by our tier 1 contractors, to provide early visibility of opportunities to the market.

Apply for live indirect contract opportunities on CompeteFor

Downloadable tier 2 awarded contracts AND tier 1 contractor procurement pipeline



**Current indirect contracts** 



JV Procurement Pipeline



# Maximise your chances of success

1 Get to know us - have policies and case studies in place

Build your networks - seek business support

Understand the process and requirements

Make a plan, ask questions early, evidence your capabilities

# **Key takeaways**













www.hs2.org.uk

Register on CompeteFor



www.Compete For.com/hs2

Use free industry resources

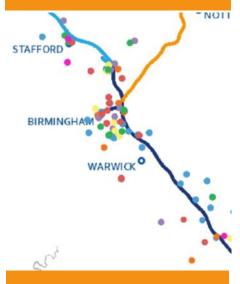
SCHOL



www.supplych ainschool.co.uk Work with business organisations



FSB, ACAS, Chambers, Growth Hubs Contact us directly



scc@hs2.org.uk

Perceived barriers for SMEs Open Discussion

If you have not scanned this QR code already, please do so and answer our quick poll on perceived barriers for SMEs.



# Break 35 minutes





We are a leading provider of full life-cycle engineering, operations and decarbonisation solutions, for transport infrastructure and complex facilities.

We combine exceptional expertise in Consulting & Design, Advisory & Analytics, Transport Infrastructure and Complex Facilities to design, manage, and maintain clients' assets throughout their lifetime.

Our leading data and analytics capability enable us to create transformative solutions that strengthen resilience and drive sustainable improvements.







**Buildings** - We deliver essential facilities management, asset management and decarbonisation services for the education, defence, health and prison estates

We manage and maintain approximately 4 million square miles of public and private buildings and work with organisations like the Ministry of Justice, the Ministry of Defence, the Department for Work & Pensions, and the NHS.

**Rail** - We support our clients to deliver major infrastructure investment projects to upgrade the rail network with the latest technology as well as deliver day-to-day operations, such as regular asset inspections, to keep the lines running safely.

We are one of the largest and most diverse multi-discipline rail organisations in the UK, covering rail systems including track, structures, signalling, power, and electrification, along with associated civil engineering works. We also operate light rail franchises through Docklands Light Railway (DLR) and Manchester Metrolink.

**Highways** - Our expert teams provide engineering design and whole-life asset management advice, recommending solutions which maximise road capacity, reduce negative environmental impacts and strengthen our infrastructure for a more sustainable future.

We design and maintain assets on local and strategic roads, managing over 30,000km of highway for National Highways, Transport Scotland, Department for Infrastructure (NI) and numerous local authorities.

- Group external spend 2024 was circa £1.2bn with over 3000 suppliers
- 55% of overall spend was with SME's
- Over £4.5m spend was with Voluntary, Community and Social Enterprises
- Our approach is to be open to all businesses, creating social value is key to the way we work
- We use Constructionline as our Supply Chain Accreditation system – Gold Standard is our standard requirement for service providers
- ESG is ingrained in our culture as we drive towards net zero solutions
  - Constructionline

- Aim is to foster supplier diversity and create an inclusive economy by making opportunities visible and accessible to SMEs and VCSEs
- Build strong, trusted relationships within the supply chain, enhancing communication, streamlining processes, and driving innovation
- Partner with organizations such as the Supply Chain Sustainability School (SCSS) to support suppliers in developing their skills and competencies
- Support SMEs by providing training and expertise to help them become accredited, allowing them to secure further opportunities and build capacity and capabilities

Development System Refresh

 Encourage supply chain to complete the National Highways Supplier Development System

Supplier





Our ESG strategy focuses on delivering this purpose

# Amey

Our three ESG goals

Delivering sustainable infrastructure solutions that enhance life and protect our shared future.

**ENVIRONMENT** 

Accelerate the change to a resilient and low carbon future

Decarbonisation and energy efficiency

Nature positive

Infrastructure resilience

Net Zero organisation

SOCIAL

Enhance the wellbeing of people and communities we impact

Investing in our people

Creating opportunities

Sustainable supply chain

Involved communities

GOVERNANCE

Achieve sustainable and responsible growth

Governance

Transparency and partnership

Ethics and compliance

Risk management



PRIORITY ACTIONS 2023-2025

Enhancing the wellbeing of people and communities we impact.

#### INVESTING IN OUR PEOPLE

Championing a safe and progressive workplace where people can be their best

#### Our actions

- Refresh and enhance our approach to behavioural safety, centred around our Zero Code
- Use Safety Improvement groups to focus on common injury and fatal risk reduction
- Build on our Wellbeing & Inclusion Strategy, with the aim to be the best in our sector for employee health, wellbeing and inclusion
- Develop our people to create high performing teams in a changing world

- Increasing productivity

#### CREATING OPPORTUNITIES

Creating new employment and skills opportunities, delivering the infrastructure needs of the future

#### Our actions

- Develop education and employment pathways to encourage and enable young people into our sectors
- Offer bespoke programmes for those that face barriers into employment, targeting areas of social deprivation so everyone can access employment
- Embrace difference and nurture diverse talent across our sectors and workplace
- Communicate our ESG ambitions to attract and retain the best talent to deliver for our customers
- Opportunity for growth
- ☐ Increasing productivity

#### SUSTAINABLE SUPPLY CHAIN

Engaging and integrating suppliers, championing local business and elevating the total value they bring

#### Our actions

- Achieve ISO 20400
   Sustainable Procurement
   Management
- Champion and mentor VCSEs within infrastructure services to develop and grow
- Provide opportunities and development for SMEs and VCSEs, supporting local economic growth
- Collaborate with suppliers to implement innovation

- Opportunity for growth
- Increasing productivity

#### INVOLVED COMMUNITIES

Engaging the people who are impacted by the solutions we're designing and delivering

#### Our actions

- Track the social and economic value we bring to continuously improve
- Strengthen our community engagement and social value activity across our portfolio of project
- Offer solutions that improve safety, enable access to green space and create healthy communities
- Add social value within all the services we provide

Opportunity for growth

- Our door is open
- To work on Amey sites providing services you will need Constructionline Gold status
- We support SME's with obtaining relevant accreditations
- We want to help you achieve your goals and offer support for more SME and VCSE organisations
- Please feel free to come and talk to me, or make contact on the details below



Amanda Felstead
Principal Procurement Manager
Amanda.felstead@amey.co.uk



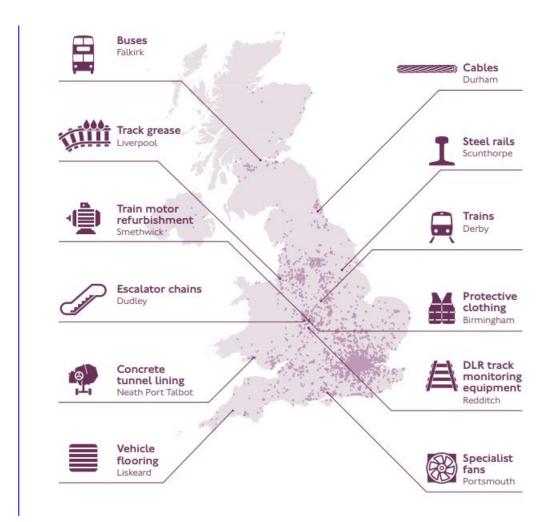
## **Transport for London's Supply Chain**

We source products and services from across the UK:

- £6bn annual spend
- 3,172 UK based suppliers
- 1,780 SMEs

Impact on the UK economy

- £5.3 billion in Gross Value
   Added to the UK economy
- Supported 92,580 jobs
- Nearly 2/3 outside of London





# Responsible Procurement Policy

# Improving environmental sustainability

Accelerating the transition to a low carbon and circular economy

Protecting labour rights and

preventing modern slavery

# Improving supply chain diversity

Removing barriers to local, small and diverse businesses entering our supply chain

procurement



Encouraging a diverse and representative workforce supported by a real living wage

Promoting ethical and employment opportunities

Addressing skills shortages and underrepresentation; creating green jobs



#### **Background** Increasing TfL spend with Small and Diverse Businesses

As part of the Mayor's Responsible Procurement Policy and Implementation Plan and as signatories of the London Anchors Institutions' Network charter, TfL is committed to:

'working towards purchasing 20% of goods and services from small and medium enterprises directly or via the supply chain'

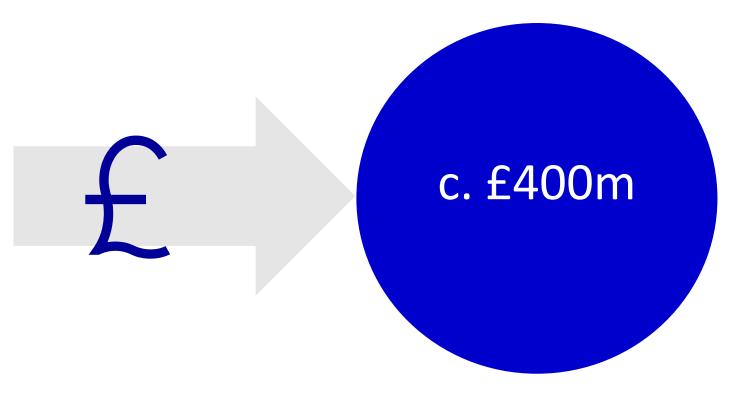
To reach this target Transport for London have been implementing a number of actions to open up our supply Chain







# TfL's direct spend with SME suppliers (2023/24)

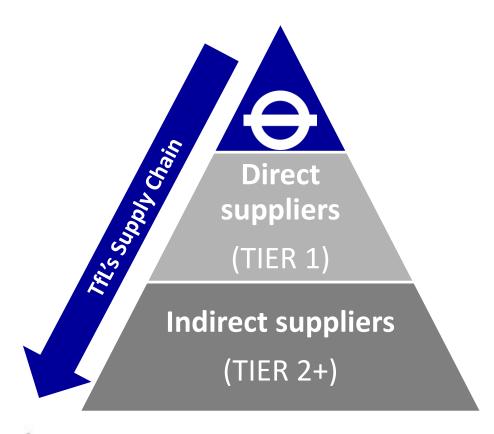


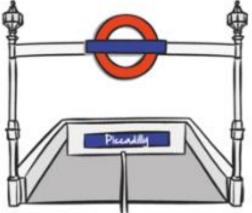
TfL's direct annual spend with SMEs is **c.£400m** or **8.9**% of our total addressable spend in 2023/24



# Supply chain opportunity

Along with increasing our direct spend with SME, there is significant opportunity to spend more TfL money with SME suppliers, within TfL's vast supply chain (our indirect suppliers).

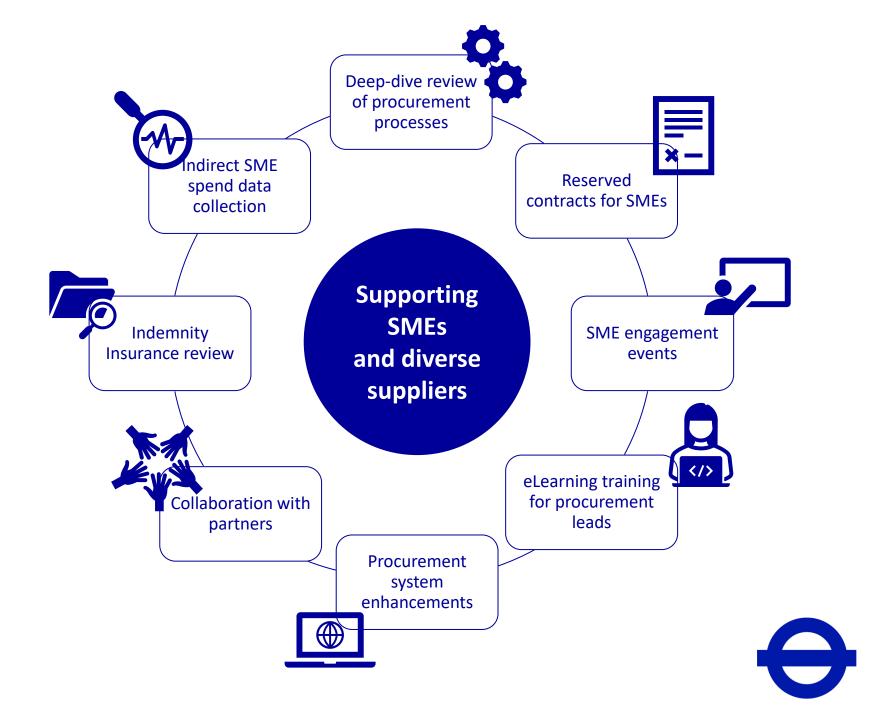




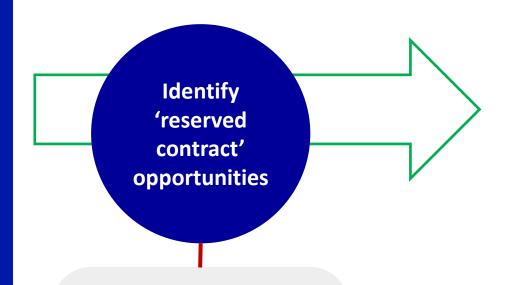


# **Supplier Diversity**

TfL: Our key activities



# **Supporting supplier diversity within P&C |** *Reserved contract opportunities*



#### **Project or Programme title**

- ✓ Name badges
- ✓ Fire Risk Assessments Work Package 4, 5
- ✓ Painting and Decorating Work Package 1
- ✓ Research and engagement
- ✓ Pest Control

Future below threshold contract opportunities to be 'reserved' for SME suppliers

 Using Cabinet Office's PPN11/20 More information can be found on the GLA's Grow London Local and London Anchor Institution Network webpages

Including SME training guides that TfL supported production:

- Guide to Social Value for SMEs
- Guide to Public Sector procurement



<sup>\*</sup>For illustrative purpose only

#### What's next

#### New Procurement Act

- '...duty to have regard for SMEs...'
- Continue to consider barriers and how to reduce them

#### New Responsible Procurement Implementation Plan

- Supplier diversity will continue to be a priority
- Increased focus on Tier 1 subcontracting
- Collaboration and upskilling of SMEs



#### How to access TfL opportunities

- ✓ To become one of our suppliers, your organisation needs to register on **Find a Tender Service** and/or **Contracts Finder.**
- ✓ It is also important that you register on our e-tendering system, SAP Ariba Business Network.
- ✓ For additional help and support in registering on SAP Ariba, contact TfL's Supplier Enablement Team by email:
  ariba supplier enablement@tfl.gov.uk.







- ✓ Our contract pipeline is updated every 4 weeks and reflects upcoming contracts over £100k
- ✓ We publish our direct awarded contracts (typically over £5,000) on our website.



Come and find us at the event today to know more

## **Balfour Beatty**



Cambridge - 2025





Balfour Beatty is a leading international infrastructure group

With 26,000 employees, 12,000 based across the UK

Beatty finances, develops, delivers and maintains the increasingly complex infrastructure that underpins the UK's daily life

Projects across transportation, power and utility systems, social and commercial building

# **Our Supply Chain**

In the UK, Balfour Beatty has **7,922** suppliers, many of which we have worked in partnership with for over a decade, and some of which we have worked with for over 30 years

They include large multinational companies, micro businesses and social enterprises.

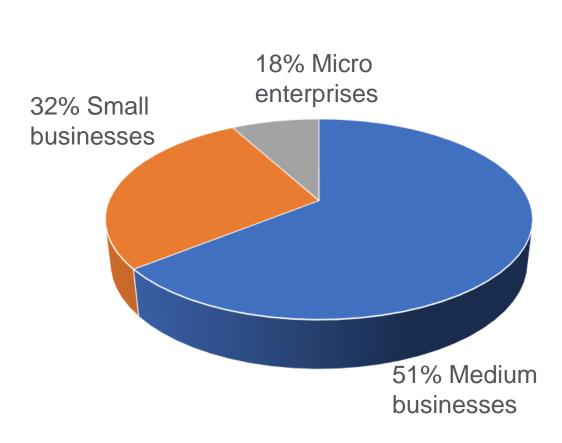
Out of 7,922 suppliers, 4,941 or 62% are SMEs

In 2024, our total UK spend with our suppliers was > £4.7bn

40% of our spend is with SMEs equating to £1.9bn.







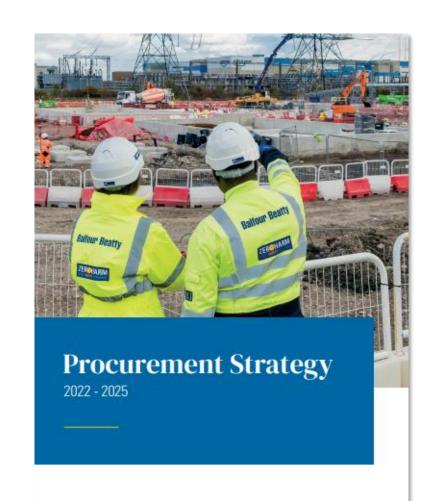
## **Our Procurement Strategy**

Our Procurement Strategy builds on recent achievements, sets out our procurement priorities and how we will do business with our valued supply chain partners

We spend two thirds of our revenues in procuring goods and services from our supply chain partners

Making sure that we are spending this money wisely is, therefore, a priority

Our goal is to deliver continuous improvement and bring value to Balfour Beatty, our customers and the communities we work within.



**Balfour Beatty** 

## **Key Opportunities (Map)**



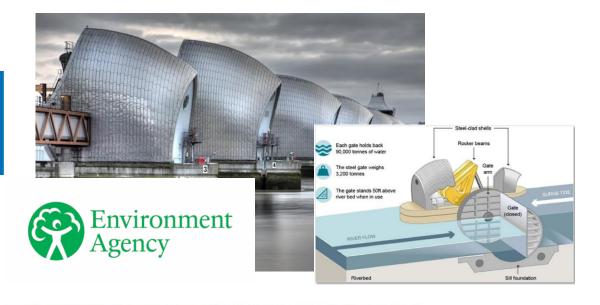
#### **Key opportunities:**

- MSF4 Cross City Bus Corridors £95m
- SCAPE Hagley Road Phase 2 £18m
- SCAPE3 Chelmund's Cross £10m
  - SCAPE3 A43 Phase 3 £28m
- MSF4 A509 Isham Bypass £110n
- MSF4 M6 Jct 3 Improvements £15n
  - PT&D: Bramford Substation £20m
  - CCS USVF RAF Mildenhall £23m
- Cambourne to Cambridge Strategic Bus Corridor £100m
- Cambridge Southeast Transport £160m
  - SCAPE3 Leigh Port £14m
- SCAPE3 River Thames Term Service Contract £TBC
  - Project Halo £30m

## **2025 Exciting Year Ahead**











# What you need to do

- Please contact us if you wish to be engaged on regional or national opportunities
- All subcontractors need to be a member of ConstructionLine and be at Gold level or to the Common Assessment Standard (CAS).
- All of our enquiries are issued via our Jaggaer Balfour Beatty procurement portal

#### Contact for further info:

- Chris Partridge, Procurement Manager, Balfour Beatty UKCS Regional Civils
- Chris.partridge@balfourbeatty.com

# Balfour Beatty



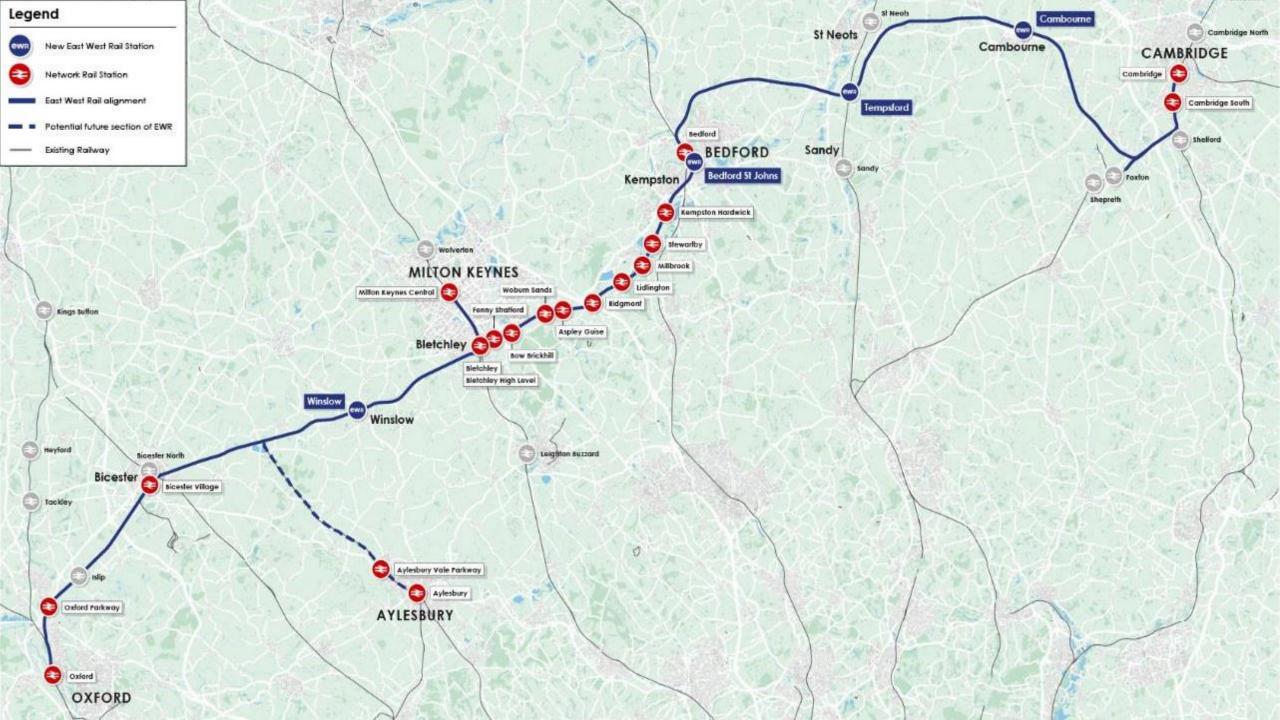
# **East West Rail**

#### **Mark Ollerton**

Commercial Strategy and Supply Chain

11 February 2025





#### **Benefits of EWR**

Cut travel times and bring more jobs within reach of local people

Open up new areas for businesses to grow

Spread prosperity across the region

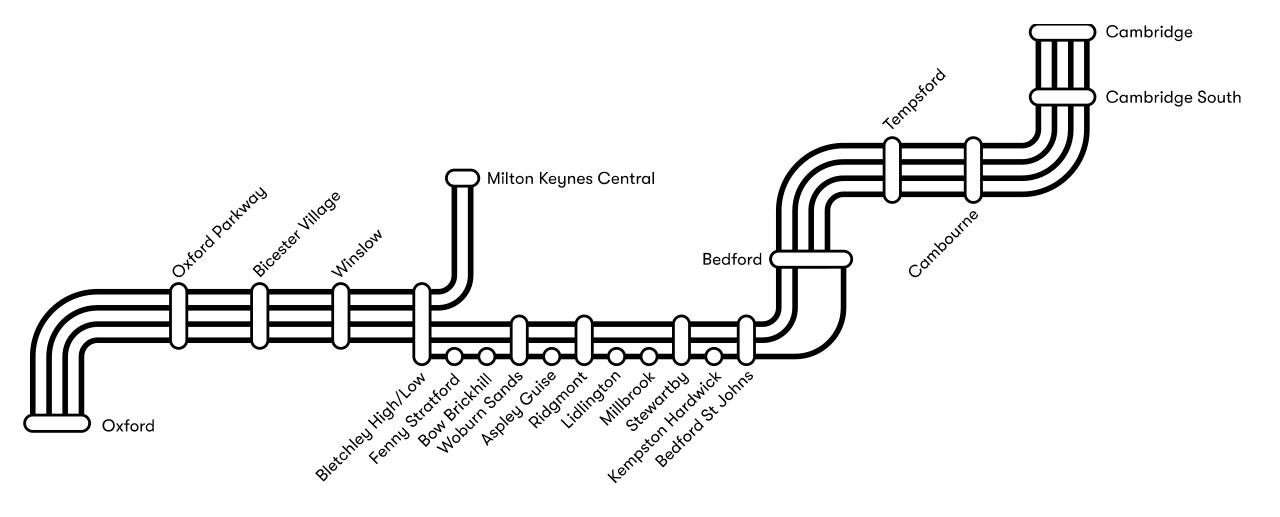
Improve quality of life

Ease congestion and open up new journeys

Provide a greener way to travel



### Proposed service pattern



# **Connection Stage 1**

Track works fully complete

Test trains have commenced

Entry into service 2025

• 99,320 railway sleepers

• 267,266 tonnes of ballast



# **Bletchley to Bedford**

£240m to accelerate Oxford to Bedford services

Upgrades to the Marston Vale Line

Introduction by 2030



# East West Railway Company Ltd

#### **Connecting Lives, unlocking the future**

EWR has the potential to unlock transformational economic growth between Oxford and Cambridge. Joining up globally competitive science supercluster, and enabling homes, jobs and investment, EWR will bring billions of pounds in benefit not just to the region but the UK as a whole.

EWR Co will develop and deliver this new railway service into use, specifically focusing on unlocking economic growth. Once delivered, we'll hand over the railway to Network Rail (or the future transitioned organisation GBR), to be operated and maintained as part of the national network. EWR Co is a catalyst for growth and is benefits-led, community-conscious and delivery focused. We'll integrate all the necessary elements of the railway to deliver it quickly, safely, sustainably and cost effectively, applying lessons from previous programmes and setting new industry benchmarks.

# Non-statutory consultation 2024

- 16 in-person events
- 3 online events
- 24 / 7 virtual consultation room
- Plans available at information points across the route



people visited a consultation event



website views during consultation



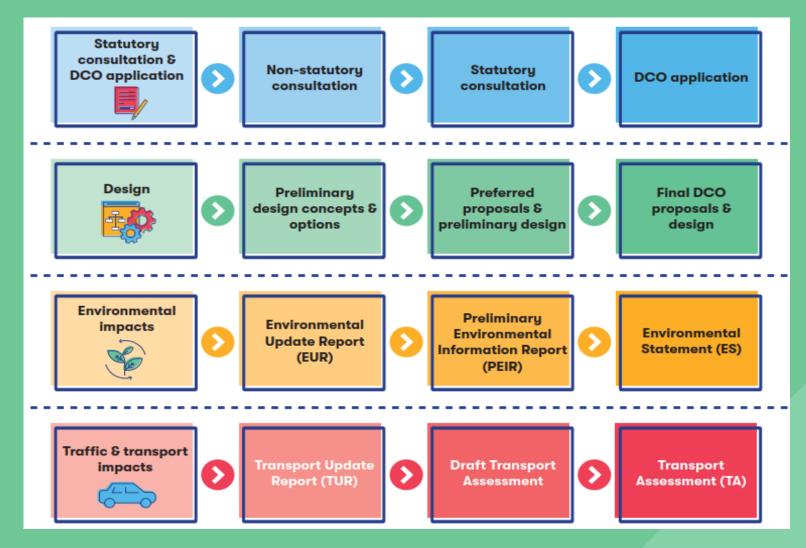
responses to consultation



days of consultation

# Key documents – From now until DCO application





# **Environment & Biodiversity**

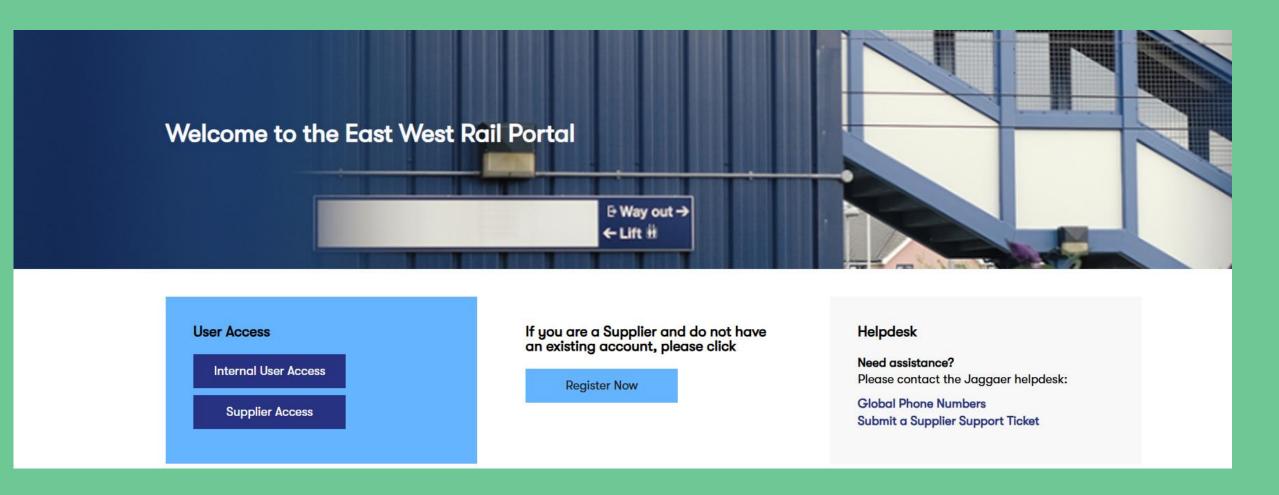
- Environment and sustainability
- At the heart of everything we do
- We have aligned our nine environmental principles with ten of the UN Sustainability Development Goals



#### **Biodiversity**

- 10% biodiversity net gain
- 20 Ecological Compensation Sites (ECS) on CS1
- 45 ponds, badger setts, over 70 bat boxes
- Planted more than 150,000 plants and trees





**Click Here to Register** 





# Open Networking Session Lunch 13.15

QR Code for Feedback

