

Responding to the Coronavirus Outbreak: What's been your experience? Supplier Views



Published: 13 July 2020

Prepared by: Supplier Development Programme

Summary

The current outbreak of Coronavirus (COVID-19) is unprecedented and will have a significant impact on businesses of all sizes. Many suppliers will struggle to meet their contractual obligations which could put their financial viability and put their ability to retain staff and their supply chains at risk. In response to this, the Scottish Government issued several new [Scottish Procurement Policy Notes \(SPPN\) regarding the Coronavirus](#) to support buyers and suppliers. The Supplier Development Programme promoted the SPPNs and supported suppliers with additional guidance and advice on what the SPPNs could mean for their business.

With the support of the Scottish Government, the Supplier Development Programme gathered suppliers' views in a survey on the effects of the Coronavirus outbreak. SDP targeted suppliers to share their experience during the Coronavirus crisis so far with specific regard to Supplier Relief and on SDP support more generally. It was promoted to all 16,500+ SMEs and supported businesses that are registered with SDP Scotland, through SDP's social media accounts, a media release issued by SDP and a PCS newsletter mailing at the request of SDP.

The survey was open from Thursday, 7 May to Tuesday, 26 May 2020. Within this time, 282 respondents shared their views through the online survey. Of these, 56% - 157 respondents - were current public sector suppliers. Of these, 15% - 24 respondents - were current suppliers and had requested Supplier Relief. Of the total of 157 respondents that were current suppliers, 59% - 93 respondents - were claiming furlough.

Respondents were asked if they or furloughed staff had participated in free online training during the Coronavirus (COVID-19) crisis. Roughly three quarters of the total 282 respondents- 74% of respondents (210) - stated that they had not participated in online training.

Finally, 79% of the total 282 respondents (222) said that they currently have the capacity to bid for public sector contracts.

The Supplier Development Programme thanks all businesses and organisations that supported this survey.

Procurement Guidance

The Scottish Government has published procurement guidance in relation to the Coronavirus (COVID-19) outbreak. These cover handling procurement issues which result from the Coronavirus outbreak, supplier relief options during this outbreak, and procurement options to consider as we move into a recovery phase. Over half – 57% of all respondents (161) - stated they were aware of the Scottish Government’s procurement COVID-19 guidance.

Supplier Relief Responses

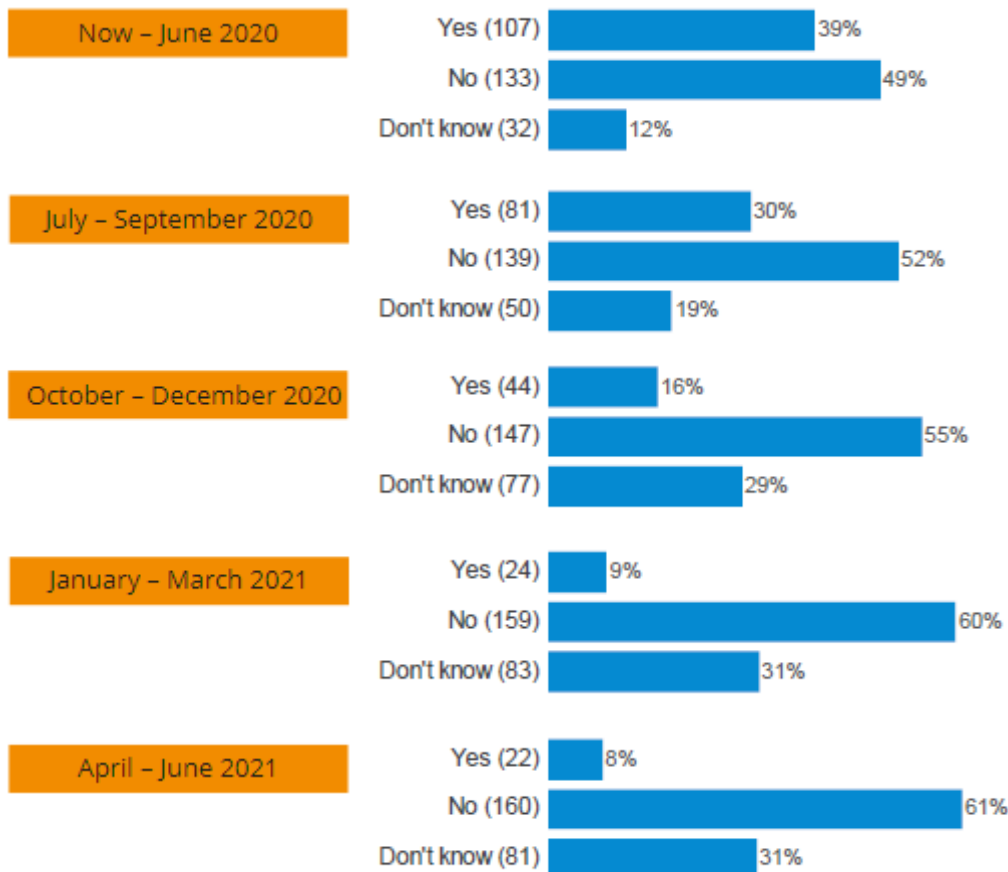
Supplier relief options apply to suppliers on a public contract and where the contract is affected by the outbreak and where the workers engaged in the delivery of that contract are not furloughed. In total, 56% (157) of respondents had a public contract. Of those that had a public sector contract, 59% - 93 respondents - were claiming furlough.

Moreover, 15% - 24 respondents - were current suppliers and had requested Supplier Relief. Of those 24 respondents, a third, 33% - 8 respondents – had not furloughed staff. From the 133 respondents who have contracts with the public sector that did not request Supplier Relief from a public sector buyer due to the Coronavirus (COVID-19) crisis, 18 comments were received. Half - 50% - of these comments suggested that they were not aware of the existence of Supplier Relief.

Capacity to Bid

In total, 79% of respondents (222) said that they currently have the capacity to bid for public sector contracts. Respondents were also asked if they foresee any difficulty in bidding for contracts over time. Figure 1 shows that while perception of difficulty in bidding decreased over time from 39% of respondents (107) foreseeing difficulties in May 2020 to just 8% (22) in April to June 2021, uncertainty also increased from 12% of respondents (32) to roughly a third - 31% of the respondents (81) - over the same period.

Figure 1



Points of Action

The Supplier Development Programme will take forward the following actions:

- Consider the implications of new terminology relating to the impact of COVID-19 on procurement terminology, including but not limited to updating SDP's jargon buster, adjusting SDP course materials, and a social media campaign to increase supplier awareness of definitions and contract terminology as public sector procurement transitions to new, sustainable solutions;
- Work with SDP membership organisations to feed back the qualitative feedback submitted by suppliers, with the aim of providing aligned support where required; and
- Support future surveys on the experiences of Scottish SMEs and supported businesses as suppliers to the public sector.

Further Information

Further information on this survey can be found by contacting the Supplier Development Programme at info@sdpscotland.co.uk or by visiting www.sdpscotland.co.uk.

Appendix I: Supplier Profile Responses

Business Location and Sectors

Suppliers responded from 31 out of 32 Scottish local authority areas. Business sectors represented by respondents included Construction with 15%; Professional, Scientific and Technical activities with 14%, Other service activities with 10%; Information and communication with 9%; Transportation and storage with 8%; Human health and social work activities with 6%; Manufacturing with 6%; Education with 4%; Arts, Entertainment and recreation with 3%; Wholesale trade with 3%; and Other sector with 16%.

Business Size

Two thirds of suppliers - 66% - that responded to the survey employed less than 10 staff, with 44% operating as micro businesses and 17% as sole traders. A further quarter of suppliers that responded employed less than 50 staff (26%). 97% of all respondents were SMEs and just one charity/supported business responded.

Registration Information

With 93%, almost all respondents (263) said they were registered on Public Contracts Scotland. Almost three quarters - 73% of respondents (205) - stated they were registered with SDP Scotland. More than half - 56% of respondents (157) - said they were currently delivering a contract for a public body in Scotland. Examples of public sector contracts include a direct contract, Quick Quote award, framework supplier, or place in a supply chain (as a subcontractor) for goods, works or services.