

## **Blog: Harnessing our collective purchasing power – Reserve contracts**

As part of our commitment as members of the [London Anchor Institutions' Network](#), we have pledged to spend up to [insert %] of our annual procurement budgets with London's smaller and diverse-led businesses. This year, that translates into a target of [insert numeric figure £]. We've been taking a range of actions to achieve this, from hosting market engagement events to producing guides on [Public Sector Procurement](#) and [Social Value](#) to help demystify public procurement and social value for businesses who would like to work with us.

One of our additional focus areas is to trial 'reserve contracts' for goods and services we regularly buy.

### **What are 'reserved' contracts?**

Reserving contracts essentially means ringfencing smaller contracts - up to £150,000 in value excluding VAT - specifically for London-based micro, small and medium-sized enterprises (MSMEs) and the Voluntary, Community and Social Enterprise (VCSE) sector. Reserving contracts in this way means that only these types of businesses can tender for an opportunity.

### **Why are we doing this?**

Our aim in reserving contracts is to encourage more small and diverse businesses to bid to work with us, in the knowledge they are bidding against similarly resourced competitors on a level playing field.

With an annual procurement spend of over [insert figure], our organisation has huge potential to encourage more small and diverse-led businesses to enter our supply chain, increasing our own supply chain resilience and driving inclusive economic growth through our day-to-day business activity.

### **What types of goods and services are relevant?**

GLA commissioning officers not using a GLA framework or targeted shortlist should consider reserving contracts for their upcoming goods and services, considering the below:

- Lower value contracts of more than £25,000 and up to £150,000 excluding VAT
- Lower risk contracts, i.e. where there is adequate time to procure a good or service, or where a potentially smaller pool of responses will not cause severe knock-on consequences for your project or programme
- Contracts for goods and services that have been previously supplied by MSMEs

Example contracts for good and services that may be particularly relevant for smaller and diverse businesses include professional services, research and evaluation, community engagement, or social media, design work, catering, cleaning, pest control, training, landscaping or security services.

### **Your role**

We all have a role to play in making this happen!

When first filling in your e-engagement form and liaising with Procurement and Commercial colleagues to start the process of purchasing a good or service, be sure to flag your interest in exploring whether reserving the contract might work for you.

Think ahead! It's helpful for our colleagues to know about the goods and services you plan on buying across the year. Provide as much advance notice as possible, ideally up to 3 months in advance minimum.

To help expand the number of channels we disseminate these opportunities through, you can also work with procurement colleagues to signpost live contract opportunities to any relevant business networks we've collated, to help reach smaller and diverse-led businesses, and receive high quality responses.

Finally, we and colleagues have developed e-learning modules highlighting actions you can take to support **[insert organisation name]** doing more business with London's smaller and diverse businesses.

Thanks for reading!