

Doing Business with Greenwich Council GUIDE

September 2007

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Introduction

Greenwich Council spends nearly £303.7m on supplies, services and Works, providing businesses of all sizes with a wide range of commercial opportunities. The Council's priority is to secure the best value for money throughout a large and diverse organisation.

To achieve this objective, businesses wishing to contract with the Council should have some understanding of the purchasing process and of the Procurement vision that operates within the Council, in addition to where they can obtain advice if required.

The information in these pages is based on practices within the Council but the principles are the same throughout local authorities and, indeed, with central government. Advice is also provided here as to what is expected from companies who wish to trade with the Council. Although tenders follow a similar format, the requirements of each tender are different and so a basic outline is all that is practical.

The Greenwich Procurement Vision

By 2008, Greenwich's procurement will be acknowledged as 'best in class', underpinned by a unified corporate procurement function, eProcurement, consistent processes and meaningful key management indicators. It will add value through continued innovation, attracting optimum suppliers and will make a clear contribution to the Council's diversity, regeneration and sustainability objectives.

How to use this Guide

Although not exhaustive, the guide is fairly extensive and it tries to give you as much information as you need to get started in doing business with the Council. It explains our rules and the way we buy things and offers advice on bidding for work with us.

What does Greenwich Council buy?

The Council buys a wide variety of goods and services for use by all departments or, in certain cases, one department in particular. Some examples of commodities or services purchased are:

- Agency staff
- Building Consultancy and Construction
- Civil Engineers
- Community Services
- Consultancy Service
- Credit reference services
- Environmental Health
- Estate Management
- Food Stuffs
- Gas, Electricity and Oil
- Housing Services
- Janitorial Products
- Library Materials
- Office Furniture
- Office Products

- Quantity Surveying
- Residential Child Care
- Security Services
- Social Care
- Telecommunications
- Vehicle fuels
- Vehicle hire / leasing
- Waste Management
- Audio Visual equipment
- Books and journals
- Catering supplies
- Cleaning materials and equipment
- Electrical goods
- Fire and security equipment and maintenance
- IT equipment, consumables and maintenance
- Uniforms and Protective Clothing
- Building Materials
- Health and Safety equipment and signs

The Council's Rules for Buying

The Council tries to ensure value for money, fairness and probity in all its transactions. It therefore has a strict set of rules to abide by in its procurement activities. This section summarises the main rules and policies that would affect your dealings with the Council; it doesn't explain how to do it, just the rules that must be observed.

How the Council buys

The Council makes use of a range of methods for procuring products and services. The choice of method depends upon the type of product/service and its overall value. An explanation of how we make requests (for different types of products and services) of contractors and suppliers and how you should go about offering your trade to us is provided in the Council's Standing Financial Orders. The section also explains the standard tendering process the Council uses.

How do we buy?

The goods and services used by the Council are paid for with public money and so rules are in place to ensure a high level of transparency in all stages of the procurement process. Broadly speaking the rules fall into five groups:

- European Procurement Directives
- UK legislation
- Financial Regulations of the Council
- Contract and Procurement Rules of the Council
- Policy decisions of the Council

Strategic Procurement Services (SPS)

The Strategic Procurement Services (SPS) function is responsible for the development of a policy and strategy for procurement, and the provision and development of a procurement service, strategic and operational, across Greenwich Council.

The overall aim is to seek best value for money on all goods, services and works bought by Greenwich Council and to continuously improve the procurement process to ensure best value from contracts awarded and to minimise the administration involved in making purchases.

The SPS unit also strives to ensure that all procurement is open, transparent and accountable by complying with EU Public Procurement Directives, to the Council's own Contract Standing Orders and to procurement best practice.

They arrange contracts for goods and services for use by all departments and, also for specific departments or projects. Procurement activities are carried out at a level consistent with business efficiency or within specific directorates. The Strategic Procurement Services supports those directorates and acts as a central unit for advice and support.

Doing business with Greenwich Council

What do we look for?

Purchasing decisions can be extremely complex and not confined only to price, the lowest price is not always the most suitable and may not provide the goods or service the Council would want. Examples of issues the Council would consider before awarding business include:

- Fitness for purpose (quality, suitability for the task to be undertaken etc.)
- Delivery and availability against price
- Cost of ownership
- Whole life cycle costs, including, spare parts, maintenance costs and projected down time
- On-costs (such as transport and storage)
- The cost of procurement itself
- Sustainability / Environmental / Corporate Social Responsibility

Your Application

If you wish to supply goods or services to the Council, your first step is to contact either the Strategic Procurement Service or one of the directorate leads if your products are specific to a particular type of activity.

You will then be advised whether the Council purchases those products directly, has joint arrangements with other public bodies or has existing arrangements in place and will not be entering the market for some time.

There may be little advantage in you submitting details if the services offered are outside the Council's remit, or the goods are purchased within a wider range of products.

While the Council actively encourages the development of businesses it may purchase goods through principal suppliers and not directly from you. There is a move away from the Council purchasing goods and services directly, to one of working very closely with partner bodies, voluntary organisations and other agencies, all of whom may indirectly provide services to the Council.

As part of supplier selection for the supply of goods or services to the Council you may be requested to complete a Pre Qualification Questionnaire, which seeks information on your firm and your business practices. In your response you are advised to note the Council's procurement vision.

Quotations and Tenders

The Council has procedures in place (Standing Financial Orders) that require it to invite quotations and tenders. Potential suppliers are either invited as a result of short-listing procedures or may be invited under open arrangements.

Assessment Criteria

In the tendering process each tender is evaluated according to predetermined criteria. These will often be stated in the appropriate Notice or the Tender Documents; this allows companies to define their offer accurately and to see exactly against what assessment criteria the council will use.

Each tender will contain a detailed specification of the goods or service required and this will provide a major element of the assessment criteria.

However, assuming the tender meets the specification; other aspects will also be evaluated.

These include:

- Status of Company
- Operational Considerations
- Goods/ Services offered

Status of Company

- Company profile
- Financial viability
- Quality assurance procedures and status
- Purchasing card capability
- Technical ability and flexibility for change
- Experience of successful completion of similar contracts
- Health and Safety policies
- Equal Opportunities for staff
- Reference sites

Operational Considerations

- Delivery lead times and performance
- Environmental issues
- Sales and marketing support
- Management information
- Resources available to support a flexible approach

Goods/Services Offered

- Extent to which they meet the minimum requirement
- Qualities above the minimum requirement that offer better value for money
- Conformity to standards
- Support arrangements

Cost of Acquisition

- Initial price
- Conditions of price (e.g. fixed, with or without variation, etc.)
- Payment terms
- Warranties and Guarantees offered
- Support costs

How you can enhance your business opportunities?

Council staff are available to support and advise, therefore please don't hesitate to ask for clarification. Additional contact information is contained within each tender document. Listed below are a few simple tips on how to support your company:

- **Be Compliant**

Make sure the quotation or tender is completed in full and that all instructions/ mandatory requirements are complied with. If there is any element of the instructions, which is not clear, it is vital that you seek clarification. Remember a very simple omission could result in your being excluded from a process. This is your responsibility.

- **Be on time**

Make sure the quotation or tender is returned to the right place at the right time.

- **Read the specification**
Make sure that the goods or service you are offering meets the specification in full, or, if you are offering alternatives or equivalent products/ services, ensure that you provide a full justification.
- **Identify aspects of added value**
Give thought to what you can do or provide which adds value to the offer.
- **Provide the information as requested**
Make sure that you provide the information requested in the format requested.
- **Sign your bid** and other supporting paper where required
All the information requested will be used to consider your tender application. It is important that all information is provided and the document has been completed fully.

Tendering/ Quotation Approaches

There are a number of tendering approaches that can be used in line with the Council's standing financial orders:

- Open Tendering
- Restricted Tendering
- Negotiated Tendering
- Quotes

Open Tendering

Open tendering is a one-stage bidding process, where all interested service providers responding to an advertisement will be invited to submit a tender.

The advertisement will state where interested parties may obtain tender documents and the last date when tenders will be accepted. Open tendering is not normally used when an Approved List already exists.

Restricted Tendering

This is a two-stage bidding process in which potential contractors expressing an interest in bidding are evaluated first. Then a shortlist is drawn up from the evaluation exercise for the sole purpose of inviting bids. The Restricted process is likely to be applied when a large number of applicants is anticipated (e.g. window cleaning), allowing that number to be reduced to manageable list of tenderers.

The public notice will give details on what information must be submitted by the supplier or how to receive the necessary documentation to be able to express an interest in being short listed.

Negotiated Tendering

This is when the Council, under certain limited circumstances, negotiates with one or more organisations of its choice.

The tendering process chosen is at the Council's discretion and will depend largely on the complexity, size and technical nature of the goods/ services being procured.

Quotes

For low value items/ services in line with the Council's standing financial orders, the Council may seek verbal or a form of written quotations.

The Tendering Process

Under procurement regulations, when the total value of a contract exceeds certain thresholds, the Council is obliged to advertise the contract to enable businesses to bid for the work.

The typical process has a number of stages that businesses need to understand and follow if they intend to bid for work from the Council.

The steps are as follows (and described in some detail in the following section):

- Stage 1 - Consultation, contract design and packaging
- Stage 2 – Contract Documentation
- Stage 3 – Advertising the contract
- Stage 4 – Responding to the advertisements
- Stage 5 – The bidding process
- Stage 6 – The tender evaluation process
- Stage 7 – Contract award

Stage 1- Consultation, contract design and packaging

The consultation process is the first stage in setting up or renewing a contract. It will normally occur some time before the contract start date.

On current contracts, existing service providers can be consulted with, as well as the receivers of the services. For new contracts, leading service providers are invited to share good practice and views on our outline proposals.

This feedback is crucial and helps sets the standards and requirements the specification demands and provides the opportunity for those who will both receive and provide the service to provide a balanced view on the type of service to be delivered.

This allows the contract to be practically designed to the required standard, enabling the provider to fully understand what is to be delivered and to make it as easy as possible to achieve the requested standards in performance. This process also informs how the contract is packaged in terms of length, size, standards, development opportunities and financial structure.

Stage 2 - Contract documentation

The contract documentation generally comprises three parts:

1. The Specification
2. The Terms and Conditions of the Contract
3. The Pricing Document

The Specification

The Specification describes the work and the standards that are required. Procurement officers normally prepare it jointly with the relevant Council

service to ensure the proper process and technical input are included in the specification. The consultation process will have determined much of the content of the specification.

The Terms and Conditions of the contract

This sets out the contract that will be entered into between the Council and the appointed contractor.

The Pricing Document

This enables the tenderer to set out and provide a price for the work.

Other documents you may be provided with include site plans, drawings and other supplementary information as appropriate to aid the bidder to submit an informed tender.

These documents may be set out in accordance with industry standards and practices, EU and English law and Council Standing Orders. They seek to achieve the most economically advantageous bid.

Stage 3 - Advertising the Contract

Once all the contract documentation has been agreed, contracts offered for tender by the Council may be advertised locally and/or in appropriate trade journals and on the Council's website. Depending upon the contract value, some contracts will also be advertised in the Official Journal of the European Union (OJEU).

The OJEU advertisement will:

- summarise the service required
- set out the contract start and end dates

- outline how the tenders will be evaluated by the Council
- provide relevant Council staff contact details
- determine timescales and deadlines
- ask interested organisations to express their interest in the contract

Within the OJEU process, up to 52 days are allowed to return a tender.

The restricted tendering process, including drawing up a select list allows up to 77 days.

The negotiated tendering process allows up to 8 months from responding to an advert to submitting an outline bid.

Stage 4 - Responding to advertisements

A business interested in bidding or tendering for work should, in the first instance, formally apply to the named contact person and address quoted in the advertisement. This can be done in writing, fax, e-mail or telephone call (followed up by a written application). The advert will usually state whether the tender will be let under the Open, Restricted or Negotiated procedure.

If the contract is being tendered depending on the circumstances, the Council may, on receipt of the application, forward a pre-qualifying questionnaire (PQQ) and application form to the applicant which needs to be completed and returned, accompanied by all requested information stated in the questionnaire, by a specified date which appears on the front page. The PQQ requires the applicant to provide evidence of its financial standing and technical expertise including professional or other relevant qualifications and references from similar works being undertaken with other bodies together with Health & Safety and Equalities policies. The information received will be evaluated against predetermined Council criteria and those applicants considered most suitable to undertake the contract will be included on a "Select Tender List" and will subsequently be invited to tender for the contract.

If the contract is being tendered under the Open procedure, the Council will forward the tender documents once the application is received. Although this is a more direct process, the PQQ as outlined above will still have to be completed at the time of submitting the tender and will form part of the tender evaluation process. Irrespective of the value of the submitted tender, the contract will only be awarded to a tenderer whose submitted information from the PQQ meets the Council's criteria.

Stage 5 - The bidding process

If you are subsequently invited to bid, you will be sent all the documents.

Tenderers should carefully read the advert, tender documents and instructions for tendering and pay close attention to:

- When and where to return a bid (time and date and correct building)
- Using unmarked packaging, excluding company logo etc.
- Returning the bid in appropriate format (don't change order of the documentation, or submit alternative responses)
- Providing all information required
- Signing and dating documentation where instructed
- Not adding items to qualify the bid and no alternative bids.

Sometimes the information the Council receives from suppliers is unclear or in need of further clarification. Once again you should provide any additional information sought by the closing date set.

The tender documents we send out to suppliers contain details of our requirements. The documents, particularly the specification, should be read carefully and all information completed fully and accurately.

If you do not understand any part of the specification or other documents, you should contact the Council officer named in the tender documentation and request further information. This must be done before the tender period closes. A deadline date will often be set for enquiries, which must be observed as no further enquiries will be dealt with after this deadline has passed.

Stage 6 - The Tender Evaluation Process

All information submitted as part of the bidding process will be treated in the strictest confidence.

Once a potential contractor submits a bid, it will be evaluated against a number of important factors, including a financial and capability appraisal, system and procedures appraisal, (health and safety, equalities) to determine the most economically advantageous bid. Where necessary, the Council will meet with bidders to seek clarification on aspects of their bids.

The evaluation criteria used to determine the successful bid is weighted in accordance with the type of contract. For example, health and safety issues score highly for a window-cleaning bid, but far less for a contract to procure books for libraries, which would place greater emphasis on technical

competence.

Stage 7 - Contract Award Process

An evaluation team will examine each tender received and make recommendations to the Council as to which represents the best tender. The Council will award the contract based on this advice.

Once the contract has been awarded, the successful and unsuccessful tenderers will be notified. Unsuccessful tenderers may obtain feedback of their tendering performance by applying in writing to the Council.

If the current contractor retains the contract, little post award, pre-start-up activity is necessary. If a new contractor is awarded the contract, both the new and existing contractors will be provided with each other's details. The new contractors have the responsibility to start negotiations if staff transfers are applicable. The Council always assumes that the Transfer of Undertakings (Protection of Employment) Regulations apply to its contracts (TUPE) where applicable. The TUPE regulations are in place to protect the rights of employees when a contract transfers from one contractor to another. It means that the existing workforce has the right to transfer to the incoming contractor with terms and conditions of employment protected.

Both the outgoing and the incoming contractors will be involved in meetings with the Council to ensure a smooth handover of service from the existing to new contractor. The new contractor will be asked to submit its mobilisation plan at these meetings, which will be agreed with Council Officers.

A contract award notice, if required, will be placed in OJEU within 3 months of the contract being awarded.

Equalities

Council spending generates and sustains thousands of jobs and the Council has a statutory duty to ensure that public money is not spent on practices that lead to unfair discrimination. The Council is committed to Equal Opportunities and must assure local people that contractors for the Council do not operate

discriminatory practices but offer equality of opportunity to all. The Council encourages and where possible requires those who supply services or goods to the Council to practice equal opportunities.

In the light of this, the Council will often include equality issues in the contracting process. This often includes a requirement in the standard business questionnaire to answer various equalities questions as well as a requirement to provide employment information while the contract is running.

Environmental Policy

The Council seeks to address the environmental impact of its activities and incorporate awareness of environmental issues into all its services.

In most cases, suppliers of goods or services will be required to demonstrate their appreciation of environmental issues and state how they operate an effective environmental policy. The Council has set out its commitment to buying only those products which ensure sustainability in its Corporate Purchasing Policy. You should read this document to see whether your product is suitable for the Council's use.

For larger contracts, suppliers are likely to be expected to have a recognised accreditation in environmental management systems, which is at least equivalent to ISO 14001.

Quality Management

In many cases, particularly the larger contracts, the Council operates a system of direct monitoring of the contract in conjunction with a quality management system operated by the contractor. Such a management system will be required to include an extensive inspection regime with regular reporting to the Council on contract performance, which will be compared to the Council's own monitoring results. In submitting a tender for work, organisations will be expected to explain the quality management system they will operate, which will be required to be installed at the commencement of the contract. The Council will expect tenderers to have a recognised accreditation in quality management systems. However, the Council will entertain

submissions from organisations that have developed their own systems which are at least equivalent to ISO 9000 series.

Health and Safety

When expressing an interest to tender you will normally be asked for details of your Health and Safety policies and procedures. You must also submit a copy of your Health and Safety Policy as required by Section 2 (3) of the Health and Safety at Work Act 1974 and any codes of safe work practices issued to employees.

Additional questions concerning Construction Design and Management Regulations (1994) may also be asked by the Council where appropriate.

Health and Safety practices will be keenly monitored by the Council during the life of a contract. Breaches of the Health and Safety at Work Act 1974 and other examples of poor practice will be considered as grounds for termination of a contract.

How we pay our contractors / suppliers

Payment terms are normally set out in the contract documents, but they may be annual / quarterly / monthly payments or payment on completion.

Payment is normally within 30 days of receipt of a correct invoice, so to ensure that your payment is dealt with efficiently, (and to avoid delays), we ask for the following:

- Submit the invoice in the format agreed in the contract or purchase order
- Quote the order number and / or contract title
- Address it to the correct officer and location
- Ensure that it adds up correctly
- Include as much information as possible about what payment is for

- Only include requests for payment of supplied goods or services
- Supporting documents such as Inspection Reports, Proof of delivery etc.

The majority of Council payments are by BACS in order to ensure that payment goes directly into the contractors / suppliers bank account.

Useful Links

Organisation	Web Page Address
Guidance on meeting Equal Opportunities standards	
Commission for Racial Equality	www.cre.gov.uk
Equal Opportunities Commission	www.eoc.org.uk
Advice and support on Environmental Management policy and good practice	
Environ	www.environ.org.uk
Envirowise	www.envirowise.co.uk
Guidance on Health & Safety policy and law	
Health & Safety Executive	www.hse.gov.uk
General fact sheets and information about selling to the public sector	
Fit to Supply	www.fittosupply.org
Society of Procurement Officers	www.sopo.org
London Centre of Excellence	www.lcpe.gov.uk
Government Opportunities	www.gvopps.co.uk
Business Link	www.supplygovernment.gov.uk
ChamberLink	www.tvc.org.uk

Glossary

Term	Definition
Procurement	In Greenwich, the process for achieving best value through the acquisition of the goods, services, and works needed to provide services to the Council, its community and its citizens both now and into the future. This encompasses the whole process of acquisition of goods, services, and works, from the initial assessment of business need, through option appraisal to the end of the life of the asset or service, both from third parties and from in-house providers
EU Legislation	EU Public Procurement Directives, which are the rules and regulations that public sector organisations must comply with when completing any procurement process.
OJEU	Official Journal of the European Union, where every procurement process in excess of the OJEU thresholds must be advertised. OJEU thresholds for 2004/05 are as follows: Supplies - £153,376 Services - £153,376 Works - £3,834,411
Contract Standing Orders	Greenwich Council's internal control procedures for procurement and contracting.
OJEU Tender	The most formal and complex of all procurement processes for requirements with a total aggregated value in excess of the thresholds detailed in the OJEU section above.
Tender	Formal procurement process for all requirements with an aggregated value of between £60,000 and £153,376 (Goods or Services) or £3,834,411 (Works), with very detailed and specific documentation, but where the timetable is more flexible than in an OJEU process.
Quotation Process	A procurement process where the documentation issued is less detailed and less specific than is used for tenders. A Quotation process is the least formal of the procurement processes.
FOI	Freedom of Information Act 2002
eProcurement	The use of an electronic system to acquire goods, works and services and payments from third parties

