

“Thousands of companies have benefited from attending BiP's tendering events – Now you have direct access to that tendering expertise.”

The PASS Mark Health Check considers your company's current organisational structures, strategies, processes, practices and related strengths and weaknesses in relation to public sector procurement. It delivers a detailed PASS Mark Health Check Outcome Highlight Report (OHR) that outlines your areas of strength as well as those requiring further attention, and provides an outline Project Initiation Document (PID) designed to deliver your company a more effective and efficient tendering process that will help you achieve even greater tendering success. After the PASS Mark Health Check is completed and your OHR is delivered, you are free to choose whether to progress with the recommendations it contains and implement the next stage with the support of the PASS team, or to implement the proposals yourself without making further use of PASS. The choice is entirely yours.

- The PASS Mark Health Check reviews your:
- resources for identifying tendering opportunities
 - knowledge of public sector tendering legislation
 - tendering process controls
 - practices for responding to "Expressions of Interest"
 - weaknesses in any of your current mandatory policies (health and safety/environment/equal opportunities, etc)
 - presentation of tender response documentation
 - knowledge of your clients' processes and practices, including their evaluation techniques
 - understanding of when and how to address government initiatives



The PASS Mark Health Check is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the PASS service, contact our Customer Services Team on +44 (0)141 332 8247, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/

COUNCIL 'SELLING TO' GUIDES

Local authorities in the UK spend in excess of £40 billion a year on goods and services. The way they ensure that they deliver value for money for their taxpayers is to have a varied and innovative supplier base. The key factor for these suppliers is being able to easily access the local government market to offer their valued goods and services. A local authority procurement strategy not only helps to effectively direct the corporate role of its procurement but can also inform departments on how to improve supplier access to its market.

The National Procurement Strategy outlined by the Office of the Deputy Prime Minister (ODPM) requires all local authorities to develop a 'selling to' guide in order to assist suppliers seeking to promote their services to local authorities. This guidance focuses on the core content of such 'selling to' guides, in order to assist suppliers' understanding of local government procurement processes and practices.

COUNCIL PROCUREMENT STRATEGY

- A council's procurement strategy should set out:
- The link between the council's priorities and procurement
 - The principles which underpin the council's procurement activity
 - The council's current procurement arrangements
 - The objectives for developing procurement within the council
 - A three-year medium-term action plan to support those objectives

A strategy should take account of the recommendations made in the Byatt report 'Delivering Better Services for Citizens' and the issues raised by the National Procurement Strategy for Local Government. It should be circulated to all key stakeholders and suppliers, and comments and views should be welcomed.

The mission statement of a procurement strategy should be: "To obtain best value through planned, responsive, professional, well-managed, sustainable procurement that contributes to achieving the council's priorities and meets the needs of the community."

WHY COUNCILS SHOULD HAVE A SELLING GUIDE

Councils buy goods, works and services from a range of suppliers. Contracts vary from small one-off purchases to large works or service contracts.



One of the key principles of a procurement strategy is to develop a mixed economy of suppliers and promote partnering arrangements. Councils should be keen to develop participation by small firms and the voluntary and community sectors, and to work with suppliers to deliver community benefits in a way that is consistent with best value and in compliance with procurement law.

A council should therefore develop a guide to assist all organisations wishing to bid for contracts with it.

The guide should provide an explanation of the council's contract and tendering procedures, and should make people aware of business opportunities. It should help companies take practical steps to ensure that they are in a position to compete for business.

Councils have a duty to protect the public interest and to ensure public money is properly spent. Legal requirements mean that an authority cannot favour businesses simply because they are located in the same area or employ local people. Authorities have to meet contract regulations and must always ensure they are providing equal opportunity and achieving the best quality at the best price.

WHAT COUNCILS BUY

Typical council purchases include:

- Goods:
- Computer hardware
 - Computer software
 - Stationery
 - Mobile phones
 - Photocopiers
 - Lease cars
 - Office furniture and equipment

- Vehicles
 - Clothing
- Works:
- Construction
 - Engineering
 - Property maintenance
 - Landscaping and grounds maintenance

Services:

- Consultancy
- Refuse collection
- External printing
- Agency staff
- Advertising
- Insurance
- Utilities
- Cleaning
- Catering
- Management

REGULATIONS

Councils have to follow particular regulations when they buy goods, works and services to ensure fair competition, probity and value for money. These cover how they advertise and tender.

EUROPEAN RULES

European rules state that if a contract exceeds the relevant EU threshold (Works – £3,834,411; Supplies or Services – £153,376) the authority normally has to advertise in the Official Journal of the European Union (OJEU), inviting expressions of interest to tender.

There are European Directives that set the timescales authorities have to follow. These rules aim to ensure open and non-discriminatory competition (find out more about the European rules from www.bipsolutions.com).

COUNCIL CONTRACT STANDING ORDERS

Council Contract Standing Orders regulate how local authorities conduct their business and anyone employed by the council (staff, consultants, etc) must comply with them. They set out the procedures for advertising, evaluating and letting contracts of different values.

HOW TO FIND OUT ABOUT CONTRACT OPPORTUNITIES

In addition to advertising for contracts above a certain value, councils should also look at the way in which they publicise contracts.

In particular, councils should include a register on their website where people can find information on contract opportunities.

If a contract value is such that it needs to be advertised, the council can publish it in at least one local, national or trade newspaper, and in specialised and trade journals if appropriate. If the value is above the EU threshold for the relevant type of contract, the contract should be advertised in the OJEU and through BiP Solutions publications such as *Contrax Weekly*.

The advertisement should summarise the service required, the relevant tendering timescales and deadlines, and ask for expressions of interest.

TENDERING FOR BUSINESS

WHO CAN SUBMIT A TENDER?

For all contracts, regardless of value, a contractor must be selected who:

- Can confirm a business contact address and telephone number.
- Has an acceptable level of public liability insurance (and, where appropriate, other necessary insurances).
- Is registered for tax and holds a valid certificate (where appropriate).
- Is able to provide two independent referees from whom reference may be sought for contracts completed within the last three years.
- Complies with the relevant industry standards.

THE TENDER PROCESS

If you are interested in tendering for a contract you need to express your interest.

Depending on the contract, a council may issue a Pre-Qualification Questionnaire, which it will use to decide who to invite to tender.

If you are successful in being invited to tender, an authority may forward you the following documents:

- An Invitation to Tender – showing when, where and how the tender should be submitted.
- Contract Conditions – defining the terms of business between the council and the successful supplier.
- Specification – setting out the council's requirements and any technical requirements.
- Schedule of Rates – for entering prices.
- Form of Tender – where the supplier makes its formal tender offer.

It is important that you follow all instructions concerning what you need to include and how to return the tender, to avoid disqualification. The tender must be submitted on time, as extensions are not normally allowed.

AWARDING AND MONITORING CONTRACTS

EVALUATION OF TENDERS

Once received, all tenders will be kept securely until the closing date. They will be opened together, in the presence of at least two officers. They cannot be opened by the officers involved in the project. Details of the contractor and the value of the tender will be recorded in a register.

If fewer than 50% of those invited actually submit a valid tender, the council may decide to reject all tenders and to start the process again.

To preserve the integrity of the competitive process, evaluation of tenders is carried out objectively and in a consistent way. Suppliers are usually selected on the basis of overall value for money. Price is important, but there are occasions when other criteria will be considered such as quality, reliability, delivery times, technical assistance, after-sales service, etc.

If necessary post-tender discussions will be carried out with tenderers to seek more clarification on non-financial aspects of the tender, prior to awarding the contract.

AWARDING CONTRACTS

Councils will not normally award contracts to companies, partnerships or other businesses in which any councillor or employee of the council is a director or partner, or holds 20% or more in shares or other interest.

The council will inform all tenderers of the outcome of their tender as soon as is practical after tenders have been opened, and will discuss terms and conditions with the successful tenderer.

With regard to contract documentation, for contracts valued under £76,688 councils will issue forms of agreement or correspondence supported by a purchase order. If the value is more than £76,688 councils will prepare Conditions of Contract documents covering dayworks, collusion, corruption, insurance, liquidation damages, performance guarantees, sub-contracting and policy requirements.

CONTRACT MANAGEMENT AND MONITORING

Councils will monitor contract progress, or the standard of services provided on their behalf, to ensure that contract requirements are being met. For works contracts this will involve regular communication with a contract administrator and submission of activity records. For service contracts an officer will be designated to monitor the performance of the service provider.

Payment will be made in accordance with the agreed terms and conditions.

POLICY CONSIDERATIONS

HEALTH AND SAFETY

Contracts will only be awarded to contractors who can satisfy the council's requirements in terms of health and safety competence, and who can demonstrate compliance with health and safety legislation. You can obtain more information from the Health and Safety Executive by visiting www.hse.gov.uk

EQUAL OPPORTUNITIES

Local authorities should be committed to promoting equality of opportunity irrespective of sex, age, race or disability. Most authorities expect all of their suppliers to have equal opportunity policies in place, and to comply with all current legislation and the codes of practice issued by the equality commissions. You can obtain more information from the Equal Opportunities Commission by visiting www.eoc.org.uk, or from the Disability Rights Commission by visiting www.drc-gb.org

SUSTAINABILITY

Councils should also be committed to addressing the environmental impact of their activities and should adopt a Sustainability Policy with core values covering engagement, equity, environmental protection and economic development.

Suppliers should be encouraged to demonstrate an awareness of sustainability issues and to promote practices that are consistent with such policies. You can obtain more information on sustainable procurement from the Environment Agency by visiting www.environment-agency.gov.uk

PREPARING FOR E-PROCUREMENT

The Government expects all local authorities to be 100% capable of delivering services electronically by 2005. This includes the ability to carry out e-procurement – using electronic systems to source, order, invoice and pay for goods, works and services from suppliers.

The approach is expected to improve the efficiency and effectiveness of procurement, resulting in a number of benefits and resource savings for local government and suppliers through faster processing, better use of information, reduced transaction costs and more effective communication.

The Government has drafted a National Procurement Strategy for Local Government and has set a number of priorities for all local authorities:

- Online publication of 'Selling to the Council' guides
- Appropriate systems for paperless ordering, invoicing and payment
- Promoting the advantages of e-procurement to local suppliers
- Improvement in the time taken by local authorities to pay invoices
- Regional cooperation between local authorities on e-procurement and purchasing

Successful e-procurement requires suppliers that are willing and able to trade electronically with local authorities. It is helpful, therefore, for councils to draft a three-year E-Procurement Strategy. This should set out how the council will develop and implement electronic procurement, working with suppliers and other partners to explore issues and assess the impact on the local economy and existing business processes.

Broadly, the timetable might be:

- Year 1 – Consulting suppliers, reviewing current processes, and developing appropriate electronic systems.
- Year 2 – Developing electronic advertising, tendering and contract awarding.
- Year 3 – Reviewing the impact of the new processes and investigating other options.

Once the Strategy is finalised it should be published on the council's website together with an action plan, augmented by regular progress reports.

FURTHER INFORMATION

Further information on selling to councils can be obtained by contacting:

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Website: www.bipsolutions.com

Office of Government Commerce

Tel: Service Desk 0845 000 4999
Email: servicedesk@ogc.gsi.gov.uk
Website: www.supplyinggovernment.gov.uk

Health and Safety Executive

Caerphilly Business Park, Caerphilly CF83 3GG
Tel: 08701 545500 Fax: 02920 859260
Email: hseinformationsservices@natbrit.com
Website: www.hse.gov.uk

Equal Opportunities Commission

36 Broadway, London SW1H 0BH
Tel: 0207 222 1110 Fax: 0207 222 2810
Email: media@eoc.org.uk
Website: www.eoc.org.uk

Disability Rights Commission

FREEPOST MID02164
Stratford upon Avon CV37 9BR
Tel: 08457 622633 Fax: 08457 778878
Textphone: 08457 622644
Website: www.drc-gb.org

Environment Agency

Thames Region, Swift House
Camberley, Surrey GU16 5SQ
Tel: 01276 454300
Website: www.environment-agency.gov.uk/business/

Federation of Small Businesses

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Guidance developed from
Basingstoke and Deane Borough Council's Selling Guide