

London Borough of Barnet

How to do Business with the Council

**A Guide for
Suppliers/Contractors and
Service Providers**

February 2009

About this Guide

1. The London Borough of Barnet has produced this guide to assist suppliers. Throughout this document reference to “suppliers” means the suppliers of goods, providers of services and contractors for works.
2. It aims to help in three ways:
 - It will make you aware of the rules the Council must follow
 - It informs companies about the opportunities to supply the Council
 - It explains how to bid for Council work
3. The Council encourages competition and welcomes bids from new and established suppliers (*see 5. and 10. below on how to apply*).

Contracts are generally awarded on the basis of what is most economically advantageous for the Council. The Council cannot discriminate in favour of local suppliers but they will be given every encouragement to compete for Council contracts.

4. In providing the information and guidance contained within this document it is hoped that suppliers will recognise that the Council makes full use of fair, non-discriminatory, honest and professional processes in the way it awards contracts and conducts its business processes.
5. If any company is interested in pursuing business opportunities with the Council, the company should:
 - Respond to invitation to quote as received, or
 - Respond to the individual tender advertisement advertised in OJEU (Official Journal of the European Union) contract notice, trade publication and/or local press
 - Access the Council’s website on
<http://www.barnet.gov.uk/index/business/tenders-and-contracts>
6. Our processes are continually reviewed in order to ensure they remain up to date and take into account the latest technology, good practice procedures and Council priorities. This guide will be updated where appropriate to reflect such changes in procedure.

Contractual Arrangements

7. The Council awards contracts covering the procurement of a wide range of supplies, works and services.
8. Some of the contracts will be in the form of a framework contract. These contracts allow the Council to identify a number of companies that have successfully met our standards in competition and enable us to operate with the selected suppliers over the period of the contract, with the need to use the mini-tender processes each time.
9. The Council also lets a wide range of works contracts, which in the main utilise Constructionline contractors for construction/refurbishment works, though individual tender advertisements are placed when appropriate. The style and nature of the tenders vary depending upon the required outcome of the project. However the main aspects of the procurement exercise will be detailed within any tender documentation.
10. In addition the Council utilises collaborative procurement contracts through the Office of Government Commerce (OGC), London Contracts and Supply Group (LCSG), Laser Kent CC and Eastern Shires Purchasing Organisation (ESPO) which enable goods and services to be provided in an efficient, cost effective and sustainable way and assist the Council to meet its corporate objectives. To participate in such contracts please refer to information on their respective web sites as follows:
www.ogc.gov.uk
www.lcsg.org/
www.kent.gov.uk/business/support-services-and-advice/commercial-services/laser.htm
www.espo.org/

The Importance of Effective Procurement

11. Effective procurement, based on value for money, supports the Council in achieving its vision and corporate objectives and helps to deliver high quality services which will meet the current and future needs of the community.
12. The Council strives to ensure that its activities are characterised by honesty, equality, integrity and transparency with the objective of delivering value for money.

Procurement rules and regulations

13. The Council is subject to regulations at a European, national and local level.
14. *European rules and EU Treaty* – all public sector contracts, no matter what their value within the European Union are covered by a treaty which incorporates the free movement of goods and services and require public monies to be spent with due regard to non discrimination, equal treatment and in a transparent way. The principles of the treaty are backed up by the new Public Sector Directive (2004/18/EC), adopted on 31 March 2004, which replaces and consolidates the previous Directives (Public Supplies Directive 1993 – 93/36/EEC, Public Services Directive 1992 – 92/50/EEC, Public Works Directive 1993 – 93/37/EEC, Amending Directive 1997 – 97/52/EC). The single Public Sector Directive (2001/18/EC) came into effect on 31 January 2006 and is included in the UK law as The Public Contracts Regulations 2006.
15. The directives and regulations require the Council to follow detailed procedures for all procurements above financial thresholds. The thresholds are reviewed every two years (with effect from 31 January 2008 the threshold is £139,893 for Supplies and Services and £3,497,313 for Works).
16. Further information about the EU Procurement Directives can be viewed at http://simap.europa.eu/index_en.html.
17. **National rules** – All Councils have a duty under Part 1 of the Local Government Act 1999 to review services and make arrangements to ensure continuous improvement having regard to economy, efficiency and effectiveness. Targets for improvement are set and published in the Sustainable Community Strategy (see London Borough of Barnet's website www.barnet.gov.uk).
18. The Council must also have regard to Part II of the Local Government Act 1988 (as amended) that prohibits "non commercial considerations" (apart from workforce matters) being taken into account when awarding contracts.
19. **Local rules** – procurement activities must also comply with the Council's own Contracts Procedure Rules in relation to contracts. (These can be viewed on the London Borough of Barnet's website, from the 'Business' pages www.barnet.gov.uk/index/business/tenders-and-contracts).
20. The process that will be followed is dependent on the nature of the item being procured and its value. A general guide is given in the table below, though it may be necessary for the Council to amend its procedures in response to special circumstances

Contract Values for Supplies & Services	Action Required
Up to £25,000	Reasonable means of selection
£25,000 - £75,000	Minimum of two quotations
£75,000 - £139,893	Minimum of three quotations
Above £139,893	Formal Tender subject to EU legislation
Contract Values for Works	

Up to £25,000	Reasonable means of selection
£25,000 - £75,000	Minimum of two quotations
£75,000 - £150,000	Minimum of three quotations
£150,000 - £500,000	Five or more quotations from approved list
£500,000 - £3,497,313	Formal approved tender
£3,497,313 and over	Formal Tender subject to EU legislation

21. The Council aims to carry out all procurement in a framework of fair, transparent and open competition.

How to find out about opportunities

- 22. Traditionally, potential suppliers have been advised to regularly check local newspapers along with trade journals for advertisements placed by the Council seeking tenders for goods, works and services.
- 23. With the growing usage of electronic processes potential suppliers are also being recommended to refer to the Council’s website www.barnet.gov.uk to view existing contracts, current contracts out to tender and how to register for future contract opportunities.
- 24. In addition, contracts over the EU thresholds are advertised in the Official Journal of the European Union (OJEU). These can be viewed at www.euroguide.org or alternatively www.ted.eur-op.eu.int. and potential suppliers should regularly view the websites to obtain details of potential opportunities.

Standing List of Approved Contractors for Works Contracts

25. Contractors and Suppliers who are registered with Constructionline are acceptable to the Council but may need to supply further information if requested.

Applying for contracts that are advertised

- 26. The contract notice or advertisement will inform suppliers of the procedure to be followed and the information required. Applications must be formal, by letter, fax or e-mail. Potential tenderers will either be invited to tender (where an open tendering procedure is being followed) or will be sent a pre-qualification questionnaire to assess the potential bidder’s suitability to supply the Council and the ability to satisfy the contract. It is essential that companies supply all of the requested information and respond by the due date.
- 27. The general information requested provides basic details about an organisation, verifies that it can be identified as a legitimate discrete trading organisation (address of office, registration number and company group information), that it has acceptable levels of economic and financial standing and that it promotes good practices in areas of equal opportunities, protecting the environment, sustainability and health and safety.

28. **The areas assessed can be summarised as follows:**

- **Financial information** - in this section companies will be asked for certain financial information relating to each of the last three years. Private limited companies and public limited companies must submit fully audited accounts as registered with Companies House. Other applicants should forward authenticated copies of financial statements, business plans or a certified statement of turnover. This information is used to assess the financial position of the company in relation to the size of the contract. Information is also required to check that an organisation has the relevant Insurance Cover which should include Public Liability. For construction contracts, where appropriate, evidence is required of registration under the CIS Scheme for taxation purposes. If a sole trader, non VAT registered, provision of a completed Employment Status Evaluation Form will be required.

- **Equal opportunities** – The Council strongly supports equal opportunity, equal access and positive outcomes for all sections of the community. The Council aims to ensure that organisations that provide services comply with equal opportunities legislation and promote equality of opportunity. It also aims to encourage those organisations and individuals with which it does business to observe and adhere to the principles contained within the London Borough of Barnet's Equality Policy. Questions will be asked about how equality issues are included in a company's employment practices.
- **Environment** -The Council is committed to protecting our local environment and ensuring a better quality of life for everyone – now and for future generations. The Council expects its contractors to meet similar levels of environmental care and commitment and will seek information and evidence specific to individual tenders to determine the commitment from potential suppliers.
- **Sustainability** – The Council is committed to making Barnet a cleaner, greener and more environmentally friendly place to live and work. It is working towards a sustainable future for the environment and community. As a large purchaser of suppliers and services Barnet is committed to working with its suppliers to ensure its sustainability objectives and will request evidence of practices and procedures as they relate to the environment from potential suppliers.
- **Health and safety** – The Council is committed to providing a safe and healthy environment for its employees, service users and those affected by its operations. It recognises the key role its suppliers and contractors can play in achieving this. Prior to carrying out work for the Council, relevant information will be sought from suppliers concerning their safety policies, operational safety procedures and risk assessments.
- Barnet will request evidence of health and safety policy and procedures and clarify whether a potential supplier is entered on the Contractors Health and Safety database, known as the CHAS database.
- **Experience and technical ability** - further information requested will assess whether a company has the relevant experience, resources and technical ability to carry out the categories of work or to provide the type and quality of service required. In most cases it will be necessary to provide details of similar works carried out over recent years as well as providing contact details of at least 3 referees with whom confidential references can be directly obtained by the Council. Some further questions maybe asked tailored to the needs of the individual contract including CRB checks and the responses and supporting evidence will be used to assess whether a company has the required level of skills and abilities to tender. Key Performance Indicators, appropriate to the type of contract being tendered will increasingly be used by the Council in the assessment process.

29. **Tendering for contracts**

If a company is successful in applying for a tender, a set of tender documents will be sent to them. On some occasions the Council will use an open tendering procedure which means that any interested company can tender for the contract and will be assessed for suitability to deliver the contract following receipt of tenders. The tender documents will consist of all or some of the following:-

- ITT Covering Letter - this will advise when and where tenders should be submitted.
- Instructions for Tender – provides guidance for completing the tender documentation.
- Form of Tender – a company's agreement to the terms and conditions of tender.
- Collusive Tendering Certificate – a company's agreement to act in a bona fide manner relating to the tender.
- Draft Deed of Guarantee – a company's guarantee covering the contract resulting from the tender.
- Form of Bond – a company's surety to discharge and damages.
- Specification - sets out what needs to be achieved including policies, procedures or guidelines to be followed. It sets out the performance standards and the outcomes expected.
- Schedule of Rates/Pricing Document - the document where all prices are entered.
- Terms and Conditions of Contract - defines how the Council will let contracts, the rules tenderers must comply with and the relationship between The Council and the successful supplier.

- Quality Requirements/Method Statement Questions – questions about how a company intends to provide the service including supporting evidence demonstrating relevant experience. This will be used to help evaluate the quality of the bid. A company will be expected to demonstrate its commitment to London Borough of Barnet policies as outlined in the documentation and supporting information in its responses.
 - Tender Evaluation Criteria – advises how the tender submission will be evaluated and the contract awarded. The Council will ensure that this is clear and understandable.
 - Code of Conduct – Guidance and procedure for contractors and consultants carrying out work on behalf of the Council.
 - Tender despatch checklist – identifies all documents released for tender.
 - Pre-addressed tender return envelope – states the time and date by which the tender must be returned.
30. **Tender evaluation and contract award** - returned tenders will be evaluated against a pre-determined criteria. Evaluation will focus on examining how the tender proposals will deliver the service (quality) and the cost of the service (price). The balance between quality and price will depend on the characteristics of the contract. Normally the London Borough of Barnet will award the contract on the basis of the most economically advantageous tender. Tenderers will be notified in writing by letter or official electronic communication in compliance with U.K. and European legislation.
31. **Debriefing** – within the limits of commercial confidentiality, the London Borough of Barnet will, upon request, endeavour to provide unsuccessful tenderers feedback to find out why their bid has failed. This information can be used to help with any future bids as being unsuccessful in one contract does not mean that a company will be unsuccessful in the future.

Freedom of Information Act 2000

32. The London Borough of Barnet has obligations and responsibilities under the Freedom of Information Act (2000) from 1st January 2005 to provide on request access to recorded information held by it. The FOI provides the public with a general right of access to information from all public authorities, including local authorities.
33. Tenderers who consider that any information submitted/to be submitted in the Tender, Contract Documents or subsequently should not be disclosed to a third party because of its sensitivity, should provide the Council with a schedule of this information. The schedule should contain:-
- a) Full reasons as to why it is considered to be likely to prejudice the commercial interest of the tenderer or a trade secret by disclosure of that information.
 - b) Reasonable timescales during which that information should not be disclosed.

Electronic Trading

34. The London Borough of Barnet is committed to increasing the levels of electronic business which includes ordering, invoicing, payment and electronic tendering (eTendering). The aim is to improve the efficiency of the procurement process for the Council and its suppliers. Barnet will seek to work with suppliers to help deliver its eProcurement Strategy.

Contract Performance

35. The London Borough of Barnet's suppliers and contractors will be monitored to assess their compliance with pre-defined performance criteria. Contracts have to be performed in accordance with the requirements set out in the contract documentation. The council is committed to demonstrating continuous improvement and it expects its suppliers to do the same. Contract conditions will be strictly applied.

Complaints Procedure

36. The London Borough of Barnet will adopt a variety of contract monitoring arrangements appropriate to the value and nature of each contract. Most complaints will be discussed and resolved through these arrangements. However, if any contractor or prospective supplier has a complaint about unfair treatment or discrimination that cannot be resolved through normal commercial contact with the Council, the complaint can be made in writing through the London Borough of Barnet's Complaints Procedure which is accessed by forwarding an email to first.contact@barnet.gov.uk.

Further Information

37. If you require any further information regarding a tender opportunity detailed on the Council's website <http://www.barnet.gov.uk/index/business/tenders-and-contracts> please utilise the link from the website or alternatively forward an email to spt@barnet.gov.uk.

The Council contracts & contacts

38. If you require further information and guidance on procurement processes followed by London Borough of Barnet, then please feel free to contact the Corporate Procurement Team at spt@barnet.gov.uk.