

HOW TO DO BUSINESS WITH GLOUCESTER CITY COUNCIL

A Guide For Suppliers and Service Providers

Introduction.

This guide has been produced to assist prospective tenderers who wish to bid for contracts with Gloucester City Council. It provides an insight into our tendering procedures for supplies and services and gives potential suppliers information about what opportunities might exist for doing business with Gloucester City Council.

At the link below, further information is available about the goods and services that we plan to procure in 2004/05, with a list of contact names, and details attached to each item if you want to find out more. This list is not an invitation to tender, but aims to provide advice for our suppliers and potential suppliers about our anticipated requirements. As our requirements develop for other specific purchases, this web page will be used to signpost opportunities. We will continue to advertise tenders in professional and local publications.

www.gloucester.gov.uk/

1. Providing Best Value for Gloucester City Council.

In April 2000 the government introduced a new regime for all councils called “Best Value”. All council services must be reviewed to improve the quality, efficiency and effectiveness in the way in which they are provided. In order to do this, we must ensure that the way we deliver our services satisfies the needs of our customers, and *is* based upon an assessment of our performance in relation to other providers. Once any review has been carried out, and all evidence gathered a decision is then taken on the best way forward.

Fpr the Procurement team this means that we will offer advice on the contractual method of service delivery which will most likely deliver “Best Value” to the public.

If a decision is made to change a part, or the whole of an area of service provision, which involves a tendering procedure, we have a duty to ensure that the contract demonstrates “ Best Value” and continuous improvement. We also recognise that alternative providers can often add value to the process based on their own experience and we will work to draw this out via our contractual arrangements.

The City Council is obliged to provide information to suppliers which relates to the process of bidding for contracts. The following are the key elements which contractors should be aware of. If you require any further information please contact :

Gloucester City Coucil’s Procurement Manager, can be contacted on 01452 396207.

PUBLIC SECTOR PROCUREMENT RULES AND REGULATIONS

European Rules

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 which prevents discrimination against firms on the grounds of nationality.

The principles of the treaty are backed by a series of EU Procurement 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 (amends the three directives above)
- Commission Directive 2001 - 2001/78/EC (amends four directives above)

These directives are incorporated into UK law in the form of number of regulations:

- The Public Supply Contracts Regulations 1995 S.I No.201
- The Public Services Contracts Regulations 1993 S.I No.3228
- The Public Works Contract regulations 1991 S.I No.2680
- The Public Contracts (Works Services and Supply (Amendment) Regulations) 2000 S.I no.2009 (amends all above regulations)
- The Public Contracts (Works Services and Supply) and Utilities Contracts (amendment) regulations 2003 S.I No.46 (amends above regulations).

The Directives and Regulations require the City Council to follow detailed procedures for all procurements above certain financial thresholds. These thresholds are reviewed every two years (for the period 01.01.2004 – 31.12.2005 the threshold is £153,376.00 for supplies and services).

The Council is obliged to follow some basic principles:

- For supplies and specific services over a specific contract cost, a Tender Notice must be placed in the supplement to the Official Journal of the European Union (OJEU) to give all providers within the EU an opportunity to tender.
- Tenders must be invited in accordance with one of the prescribed procedures (open, restricted, negotiated – there are also two separate urgency procedures). Each procedure imposes minimum time scales covering the tender activities to ensure that reasonable time is given to interested parties to respond to advertisements and prepare submissions.

- A notice of contract award must be placed in the OJEU, and unsuccessful contractors must be debriefed if requested.

Further information about EU procurement directives can be obtained at www.simap.eu.int

National Rules

The Council must also adhere to Part II of the Local Government Act 1988 that prohibits “non commercial considerations” being taken into account when awarding contracts.

Local Rules

Procurement activities must also comply with the Councils own Standing Orders and Corporate Procurement Strategy.

Where required, contracts will be advertised and will be subject to competitive tenders being obtained. Tender documents will provide details of the requirements. Tenders can be restricted and invited from some or all respondents to advertisements providing they comply with the selection criteria.

All tenders must be submitted in a plain sealed envelope endorsed with the title of the specific tender and without any mark which could reveal the tenderers identity. All envelopes containing tenders will be held by the appropriate council officer and will be opened at the same time. Any tender received after the deadline will not be considered.

Application Forms

Questionnaires are often used as a means of assessing and shortlisting applicants for select tender lists for supplies and specific service contracts.

The forms are not limited as to what information is requested but will usually include the following:

- **General Information**
The general information requested provides basic details about a prospective tenderer and verifies that it can be identified as a legitimate, discrete trading organisation.
- **Financial Information**
Companies will be asked for certain financial information relating to the recent historical performance of the company, normally the last three years. Private and

Public Limited Companies must submit fully audited accounts as registered at Companies House. Other applicants will be requested to submit copies of financial statements, business plans and/or a certified statement of turnover.

This information is used to assess the financial position of the organisation in relation to the size of contract. Information is also required to check that an organisation is registered (if appropriate) for tax purposes and complies with specific insurance requirements.

- **Technical Resources and References**
Information is requested to enable the council to assess the resources a prospective tenderer has at its disposal to carry out the contract. By taking up references the council will be able to make an assessment of past performance.
- **Equal Opportunities**
The council strongly supports equal opportunity, equal access and positive outcomes for all sections of the community and aims to ensure that organisations that provide services on behalf of the city council comply with equal opportunity legislation and promote equality of opportunity.

The council also aims to encourage those organisations with which it does business to observe and adhere to the councils principles contained within the councils RaceEquality Scheme. Questions will be asked about how race equality issues are included in any potential suppliers of employment practices..
- **Health and Safety**
Depending upon the nature of the goods and/or services, prospective tenderers will be required to submit a health and safety policy which refers to health and safety legislation signed by a senior representative. Historical data may also be requested which indicates their record and performance in health and safety issues.
- **Declaration**
The prospective tenderer will be required to sign a declaration that the information supplied is accurate and that there has been no collusion in preparing the tender.

Tendering For Contracts

If an organisation is successful in applying for a tender, a set of tender documents will be forwarded. On occasions the council may use an open tendering procedure. This means that that all applicants will be invited to tender for the contract.

The information submitted will be considered together with the tender bid at the same time. The tender documents will typically consist of all or some of the following :-

- Letter of Invitation
This will advise where, and by when, tenders should be submitted. Companies may be requested to complete and return an Intention to Tender form. This acknowledges receipt of the tender documents and advises whether they intend to tender.
- Instructions to Tenderers
This provides guidance for completing the tender documentation.
- Form of Tender
The company's agreement to the terms and conditions of the tender.
- Terms and Conditions of Contract
Defines how the council will let the contract, the rules the tenderer must comply with and the relationship between the council and the successful contractor.
- Performance Bond
This will be required in respect of contracts over a certain value threshold or at the discretion of the council.
- Specification
Sets out what needs to be achieved including policies, procedures or guidelines to be followed. It sets out the performance standards and outcomes expected.
- Schedule of Rates
The pricing document where the tenderer enters their price for performance of the contract.
- Quality requirements/ Method statements
Defines how a company intends to provide the supplies or service, and provides evidence demonstrating relevant experience and capacity. This will be used in evaluating the bid. A company will be expected to demonstrate its commitment to council policies as outlined in the documentation.
- Any other relevant information

Tender Evaluation and Contract Award

All tenders received by the closing time for tenders will be evaluated against the relevant 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 be dependent upon the particular service area. The Council awards contracts based on the lowest price tender, but it is anticipated that the council will award contracts based on the most economically advantageous tender in the future. The successful tenderer will be notified in writing or by e-mail.

Debriefing

Within the limits of commercial confidentiality, the council will always endeavour to offer unsuccessful tenderers feedback on their bids. Information will normally be fed back by the council's Procurement Manager and this may be used to assist any future bids.

Electronic Trading

The Council aims to increase the levels of electronic trading (tendering, ordering, invoicing) it undertakes. The aim is to reduce the costs associated with procurement processes for both the Council and its suppliers. The Council will seek to work with suppliers to help deliver its e-Commerce strategy. The Council believes that embracing e-commerce would open up a suppliers products and services to a wider market.

Contract Monitoring

Suppliers and contractors will be monitored to assess their compliance any service level agreement forming part of any contract. Contracts have to be performed in accordance with the requirements set out in the documentation. Contract conditions will be strictly applied.

The Council is continuously striving to improve its performance in all aspects of the organisation and it expects its contractors to do likewise.

Payments

The council is committed to payment of undisputed invoices within 30 days of receipt. The council is a member of the Better Payment Practice Code whose aims are defined as:-

- To pay undisputed bills when they fall due and to regularly reconcile statements.
- Ensure that terms of payment are dealt with fully in purchasing negotiations.
- Advise suppliers of any claims or disputes within half the normal invoice processing time.
- Ensure that employees responsible for approving payment understand and implement the code.

Complaints Procedure

The Council will adopt a variety of contract monitoring arrangements appropriate to the value 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 must be made in writing and processed through the Councils' Corporate Complaints Procedure.

This procedure details the policy for dealing with complaints, and ensures that the Council acts fairly and promptly.