

# How to do Business With the Council

**A guide for suppliers and contractors**



**HYNDBURN**  
The place to be  
an excellent council

**Hyndburn Borough Council**

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# HOW TO DO BUSINESS WITH HYNDBURN BOROUGH COUNCIL

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## **About this guide**

This guide has been produced to assist suppliers and contractors who wish to supply Hyndburn Council with goods, services and works. It aims to help by:

- outlining the rules we must follow
- alerting companies to opportunities to do business with us
- explaining what we are looking for
- explaining how to bid for work from us

Our contracts are awarded on the basis of either:

- best price; or
- the most economically advantageous offer

The law does not permit us to discriminate in favour of local suppliers, but we encourage competition and welcome bids from new and established suppliers and from small business as well as larger ones. We are committed to making our contracts accessible to local businesses and we have demonstrated this by signing up to the national SME Concordat, a copy of which can be found on our website ([www.hyndburnbc.gov.uk](http://www.hyndburnbc.gov.uk))

The benefit for you of dealing with us is that we are fair, non-discriminatory, honest and professional in the way we award contracts and choose our suppliers. As a Council, we are a good customer and we always aim to pay promptly in line with agreed contract terms.

Our approach to purchasing is set out in our procurement strategy, a copy of which is available on our website [www.hyndburnbc.gov.uk](http://www.hyndburnbc.gov.uk)

## **How much does the Council spend?**

The Council's spending varies year on year. In the current economic climate our spending has reduced quite significantly in the last few years. However we still purchase a wide variety of goods, services and works. Our purchases range from simple, low value items such as stationery to complex capital works.

Constructionline is used for many of our construction related contracts. If you are interested in any building related contracts, we highly recommend that you register your business with Constructionline.

Many of our contracts are let annually and some are let for longer periods appropriate to the commodity or service. Increasingly we wish to buy supplies, materials and sometimes works through "framework contracts". These usually last for a number of years before coming up for renewal and allow orders to be placed over the period of the contract to meet the needs of the Council.

The Council does not hold standing lists for contractors. If you wish to be considered for contracts, a list of upcoming contracts can be found on our website at [www.hyndburnbc.gov.uk](http://www.hyndburnbc.gov.uk). You can express an interest in any of these contracts by contacting the relevant service area.

## **The importance of effective procurement**

Effective procurement assists us in achieving the Council's strategic aims and objectives. If done well it also helps us to deliver high quality services that meet the current and future needs of local people and provide good value for money.

## **Procurement rules the Council must follow**

The Council is subject to regulations at a European, national and local level. The following is just a summary of the legal requirements.

**European rules** – all public sector contracts are covered by the EU procurement directives which are designed to ensure that the procurement process is transparent, non-discriminatory and affords equal opportunity to firms in the various EU member states .

The Council is required to follow detailed procedures for all procurement above financial thresholds. The thresholds are currently as follows :

Works £4,348,350  
Supplies £173,934  
Services £173,934

(Please note though that some services are not subject to the EU tendering procedures)

In summary, the following rules apply if a contract is above the relevant financial threshold:

- A tender notice must be placed in the supplement to the Official Journal of the European Union (an OJEU notice) to give all suppliers in the EU an equal opportunity to tender.
- Tenders must be invited in accordance with either the open, restricted or negotiated tendering procedure. Each procedure imposes minimum time-scales for the tender process to ensure that all interested parties have a reasonable time to respond to adverts and prepare submissions.
- A notice of contract award must be placed in the OJEU supplement. Unsuccessful contractors must be debriefed if requested.

Further information about the EU Procurement Directives can be viewed at [www.simap.eu.int](http://www.simap.eu.int).

**National rules** – Whilst there is now no requirement on Local Authorities to subject services to competition, all Councils have a legal duty to obtain "Best Value". We are required to review our services regularly and make arrangements to ensure continuous improvement having regard to economy, efficiency and effectiveness.

We are also prohibited from taking into account "non-commercial considerations" (apart from workforce matters) when awarding contracts.

**Local rules** – the Council's procurement activities must also comply with our Contract Procedure Rules (a copy can be viewed on our website). These set out the tendering procedures that must be followed for contracts of different value. A general guide is

given below, though it may be necessary for the Council to amend its procedures in response to special circumstances.

<b>Contract value</b>	<b>Procedure</b>
£10,000 or less	2 or more quotations where practicable
£10 000 - £75,000	at least 3 written quotations
over £75,000	open tendering; or selective tendering (at least 5 invited to tender, at least one of which must be based in Hyndburn where practical and appropriate; or framework agreement; or Government approved list (e.g. Constructionline)
over £173,934 (supplies and some services) over £4, 348,350 (works)	EU procedures apply

**If we procure by quotations** – we will invite written quotations from at least three suitable suppliers/contractors. This will generally be done via email or by providing a pre-addressed envelope in which to return the quotation by a specified date. Alternatively we may use Constructionline if appropriate.

**If we procure by invitation to tender** – we will invite competitive tenders from at least five suitable contractors following advertisement in a local newspaper and in a relevant trade journal / newspaper (if any). Details regarding completing and returning the tender will be provided in the tender pack.

### **Opportunities to Supply Hyndburn Borough Council**

The Council deals with many different suppliers from small local businesses to large multinational companies. Our contracts register gives details of contracts above £10,000 and can be found on our website.

### **How to find out about opportunities**

Potential suppliers are advised regularly to check local newspapers along with trade journals for advertisements placed by the Council seeking tenders for goods, works and services. Most commonly our adverts are placed in the Lancashire Evening Telegraph, the Accrington Observer, Local Government Tenders or a specialist trade publication.

A database of forthcoming contracts is available on the Council website. Potential suppliers should regularly examine the database for forthcoming opportunities. Contact can then be made with the appropriate section to obtain details of the advertisement timing.

Council contracts over £173,934 for supplies and certain services and over £4,348,350 for works are also advertised in the Official Journal of the European Union (OJEU). These can be viewed at <http://ted.publications.eu.int/official/>.

The Council also publishes a Contract Register on its website. The register identifies what contracts are in place, their duration and expiry dates.

### **Applying for contracts that are advertised**

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 and ability to provide what is required. It is essential that companies supply all of the requested information and respond by the due date as late or incomplete tenders cannot be considered.

The general information requested provides basic details about the suppliers 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 and health and safety.

#### **The areas assessed can be summarised as follows:**

- **Financial information** – in this section you 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 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 required level of insurance cover. For construction contracts, where appropriate, evidence is required of registration under the CIS Scheme for taxation purposes.
- **Equal Opportunities** – The Council strongly supports equal opportunity, equal access and positive outcomes for all sections of the community. We aim to ensure that organisations that provide services comply with equal opportunities legislation and promote equality of opportunity. We also aim to encourage those organisations and individuals with which it does business to observe and adhere to the principles contained within our Procurement Equality Policy. For example, questions may be asked about how racial equality issues are included in a company's employment practices. Further details of this are available on our website.
- **Environment** – We are committed to protecting the local environment and ensuring a better quality of life for everyone – now and for future generations. We expect our contractors to meet similar levels of environmental care and will seek information and evidence specific to individual tenders to determine the commitment from potential suppliers.
- **Health and Safety** - 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. We expect our contractors to maintain high standards of health and safety

- **Experience and technical ability** – we will seek to 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 from whom confidential references can be directly obtained by the Council. Some further questions may be asked tailored to the needs of the individual contract and the responses and supporting evidence will be used to assess whether a company has the required level of skills and abilities to tender.

### **Tendering for contracts**

Occasionally, 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.

Alternatively, we will initially seek expressions of interest in the proposed contract. We will then select firms to invite to tender using pre-agreed criteria. If your expression of interest is successful, a set of tender documents will be sent to you.

The tender documents will consist of all or some of the following:-

- Letter of Invitation – this will advise when and where tenders should be submitted.
- Instructions to Tenderers – provides guidance for completing the tender documentation. **These should be followed to the letter, as failure to do so will lead to your tender being disqualified.**
- Form of Offer – a company's agreement to the terms and conditions of tender.
- 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 the Council policies 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.
- Pre-addressed tender return envelope – states the time and date by which the tender must be returned.
- Please note that the Council has an E-Tendering facility which enables tender bids to be submitted electronically.

**Tender evaluation and contract award** – returned tenders will be evaluated against 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 we 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.

**Debriefing** – within the limits of commercial confidentiality, we will, upon request, endeavour to provide unsuccessful tenderers with 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 future.

**Points to remember:**

When returning tenders:

- The envelope must not have any name or mark identifying the identity of the sender (such as marks from a company franking machine or courier labels detailing the sender)
- The envelope must not be accompanied by other documentation that identifies the sender (such as a covering letter)
- The tenderer must not be identifiable because of the person delivering the tender (such as staff in company uniforms or with company id badges)

Tenders returned other than in the normal course of the post will only be accepted during normal office hours i.e. Monday to Friday 9.00am to 5.00pm excluding Bank Holidays and 27<sup>th</sup> to 31<sup>st</sup> December inclusive.

We will not consider tenders returned late, whatever the reason – if returning tenders by post, please ensure the correct postage is paid as failure to do so can cause delays

**Freedom of Information Act 2000**

The Council has obligations and responsibilities under the Freedom of Information Act 2000 to provide public access on request to information and records held by it. The FOI provides the public with a general right of access to information from all public authorities, including local authorities. Unless one of several specific exemptions apply.

Tenderers who consider that any information submitted/to be submitted to the Council as part of a tender or any information contained in contract documents should not be disclosed to a third party because of its sensitivity should provide us with a schedule of this information. The schedule should contain:

- a) full reasons why disclosure of that information is considered likely to prejudice the commercial interest of the tenderer or a trade secret.
- b) reasonable timescales during which that information should not be disclosed.

**Electronic trading**

We aim to increase the level of business we conduct electronically in order to reduce the costs associated with the procurement process and the costs of normal commercial trading. We will seek to work with suppliers that can help deliver our e-procurement strategy.

E-procurement includes, at a simplistic level, the e-mailing of purchase orders and paying suppliers via BACS rather than the traditional cheque, to electronic tendering and integrating with suppliers catalogues on their web-sites.

The Council is actively encouraging suppliers to provide e-mail addresses and bank details etc. to deliver the benefits of e-procurement to both parties. In addition, e-tendering and quotations will also become more widely used by the Council.

### **Contract performance**

Council suppliers and contractors are 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. Contract conditions will be strictly applied.

The Council is continuously striving to improve its own performance and it expects its contractors to do the same.

### **Complaints Procedure**

We 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 our Complaints Procedure. This procedure details the policy for dealing with complaints and ensures that The Council acts promptly. Details of the Complaints Procedure are available on our website