

# **Doing Business with the London Borough of Richmond upon Thames**

A guide for suppliers

**March 2009**

## About this guide

This guide has been developed to assist businesses wishing to sell their goods and services to the Borough.

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# **The London Borough of Richmond upon Thames**

## **Introduction**

The Borough covers an area of 5,095 hectares (14,591 acres) in southwest London and is the only London borough spanning both sides of the Thames, with river frontage of 21½ miles. There are about a dozen towns and villages, although more than a third of its land is open space (including Richmond Park, Bushy Park and Kew Gardens). The borough has a population of 182,000 according to the revised mid-year estimates for 2004 produced by the Office for National Statistics.

The council spends over £110 million per annum on a variety of goods, works and services.

## **Doing Business with the Council**

The Borough is keen to encourage a diverse range of suppliers both large and small. The aim of this guide is to provide some key information on how the council buys a wide range of goods and services. All procedures relating to the purchase of goods, works and services are established in the Councils main procedural rules.

- Contract Standing Orders
- Financial Regulations
- Procurement Strategy
- Procurement Handbook

## **Legal framework**

### **Contract Standing Orders**

These regulate how we conduct our business and anyone employed by the Council (all staff and including consultants) must conform to them. They set out the procedures for advertising, evaluating and letting contracts of different values and are part of the Councils' constitution.

### **UK and European Statutory Procurement Regulations**

As a public body the London Borough of Richmond upon Thames is subject to the Procurement Regulations. The Borough is required to advertise all contracts above the set thresholds for goods, works and services. The contracts are advertised in the Official Journal of the European Union (OJEU). Contracts advertised through the OJEU follow a prescribed timetable. Part B Services for educational, health and social care services do not need

to be advertised through the OJEU. The Borough does voluntarily advertise Part B Services for the purpose of transparency.

The threshold is based on the total aggregate value of a contract. For example if you are due to tender a 4 year supply contract with annual value of £40,000 the total value would be £160,000 and would need to be advertised in the OJEU.

### **EU Threshold**

The current EU Procurement Thresholds applicable from 1<sup>st</sup> January 2010 are below.

Supplies	Services	Works
£156,442	£156,442	£3,927,260

### **Freedom of Information Act**

This legislation came into force in 2005 and entitles members of the public to access information held by public authorities. The Council must respond to all requests for information. Suppliers must be aware of this duty, which may require us to disclose tender and contract information. If you consider that any information that you provide is commercially sensitive and you would not wish us to disclose it, you must advise us of this when returning your tenders to us. You will need to identify which information in your bid is commercially sensitive and explain (in broad terms) what harm may result from disclosure if a request is received and the time period applicable to that sensitivity. However you should be aware that, even where you have indicated information is commercially sensitive, we may be required to disclose it under the Act if a request is received.

### **How the council tenders**

The value of the contract will determine which procedure must be followed by the Council with respect to the number of quotes obtained. The table below illustrates the current financial thresholds.

<b>No.</b>	<b>Estimated Value</b>	<b>Quotations</b>
1	Up to £1000	No specific number of quotations
2	£1000 - £10,000	Minimum 3 written quotations
4	£25,000 - £50,000	Minimum 4 written quotations
5	Over £50,000	At least 4 tenders (5 if EU Regulations apply)

***These limits apply to the total cost of the goods, works and services to be obtained – i.e. the contract sum, not a per annum value.***

There are a range of procurement methods available for officers.

### **Request to quote**

Procurement route for low value purchases which fall below the tendering level of £50,000. The number of quotes obtained will be dependant on the total purchase value.

### **Open procedure**

Single stage process where the requirement is advertised and all companies who express an interest are given the opportunity to submit a tender.

### **Restricted tender procedure**

Two stage process where companies respond to an advertisement and are required to submit a pre-qualification questionnaire (PQQ) which is then evaluated to form a short list of companies who best meet the criteria. Companies on the shortlist are invited to tender. This is the process we most commonly use.

### **Competitive Dialogue procedure**

The competitive dialogue is a new procedure introduced in the public sector procurement directive (2004/18/EC). It is for use in the award of complex contracts such as those for the Private Finance Initiative (PFI). Purchasers may know their needs but it may be difficult to determine the best technical, legal or financial solution to satisfy those needs in advance. This procedure will allow a dialogue with a number of potential providers with the aim of developing a proposal which meets the contracting authority's requirements.

### **Dynamic Purchasing System**

A completely electronic procedure used for making commonly used purchases. It is limited in duration and open throughout its validity. For each individual contract a contract notice is published inviting all the contractors admitted to the system.

### **Accelerated procedures**

This procedure can only be used in exceptional circumstances where normal timeframes are deemed to be impractical. This procedure allows for shortened timescales.

# **Tender Process**

## **Advertisement**

A contract notice or advertisement will be issued to invite companies to submit an Expression of Interest. The advertisement will state the procedure to be used. If the competition is using the restricted procedure a PQQ will be issued.

## **Pre-Qualification Questionnaire**

The purpose of a PQQ is to assess a potential bidder's suitability to supply the Council and the ability to satisfy the contract before the tenders are issued. It saves time and effort being unnecessarily spent on compiling tenders. At this stage the Council is seeking to select organisations which can demonstrate their knowledge and ability to deliver the required goods and services. In general the information requested provides basic details about an organisation, verifies that it can be identified as a legitimate, discrete trading organisation, that it has acceptable levels of economic and financial standing and that it promotes good practice in areas of equal opportunities, environmental protection and health and safety. The areas assessed can be summarised as follows:

## **Company Information**

The first section of the PQQ asks for company information. This information is used to establish the applicant's legal status.

## **Financial information**

In this section applicants are asked for certain financial information. They may be asked to submit audited accounts and annual reports for the previous three years. 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 a company complies with the Council's insurance requirements.

## **Resources**

Further information requested seeks to ensure that a company has the relevant experience and technical ability to fulfil the requirements of the contract. Applicants may be asked to provide additional information with regards to the resources that they will be able to commit towards a contract. The information requested will usually require a management structure and biographical information from the team who would be managing the contract.

### **Quality assurance**

This section is to enable the Council to assess whether or not an organisation has suitable quality assurance systems in place to undertake the contract. This will usually be demonstrated by certification by approved assessment companies.

### **Equality and Diversity**

The Council is committed to a policy of treating everyone, including its employees and job applicants, equally. No employee, potential employee or agency worker shall receive less favourable treatment or consideration on the grounds of race, colour, religion, nationality, ethnic origin, sexual orientation, gender, age, disability, marital status or part-time status; nor will they be disadvantaged on any basis that cannot be justified as necessary on operational grounds.

### **Health and Safety**

Depending on the nature of the requirements organisations may be required to submit their Health and Safety Policy.

In carrying out Council contracts, suppliers will be required to honour this policy in their treatment of members of the public, their staff, their agents and their sub-contractors.

### **Sustainability**

The Council is aware that what it buys has an impact on the environment. The Council is committed to protecting the environment and ensuring a better quality of life for everyone, now and in the future. Organisations will therefore be asked to provide details of their environmental policy.

### **References**

References are important as they help to assess the organisation's ability to deliver similar contracts. The reference will seek to ensure that a company has the relevant experience and technical ability to fulfil the requirements of the proposed contract.

### **Completing the PQQ**

Companies are required to submit the information requested in the format within the PQQ. We will usually issue the PQQ in an electronic format. However, currently for audit purposes we require all PQQ submissions as hard copy. The information supplied by contractors will be evaluated to help with the final short listing. It is important that contractors supply both current and accurate information on the organisation.

We appreciate that the PQQ can be quite daunting for suppliers. If you are unsure at any stage please contact the contract officer.

The Council has recently adopted a shortened version of the form which will be used for low value contracts.

### **PQQ Evaluation**

Council Officers will evaluate the PQQ's. The aim is to produce a shortlist of applicants who meet the criteria. Companies will be issued the tender documents based on the shortlist. Unsuccessful applicants will be notified.

### **Issue of Tenders**

The tender documentation sent out will usually include:

**Instructions to tenderers** – Guidance on completing the tender documentation including details on submission of tenders.

**Specification** – Sets out the requirements.

**Pricing schedule** – This is the part of the tender document where the pricing structure is entered.

**Terms and conditions of contract** - Defines the legal relationship between the Council and the contractor.

**Form of tender** – Form signed by the contractor agreeing to the terms and conditions of the tender.

**Pre-addressed label** - Must be used to ensure the tender is delivered to the correct location for opening.

### **Tender Evaluation**

Council officers will evaluate the tenders received by the due date on a fair and objective basis. The evaluation criteria will be set out in the tender documents. A matrix is used for the evaluation process. Evaluation will focus on examining how the tender proposals will deliver the service and the pricing mechanism (Quality/Price balance). The defined balance will depend on the nature of the contract.

Please note that the Council is not bound to accept the lowest tender or any of the bids submitted. Both successful and unsuccessful tenderers will be notified in writing.

## **Interviews and Presentations**

During the tender evaluation period you may be invited to give a presentation or attend an interview as part of the evaluation process. If invited you will be given information on the format for the day.

## **Debriefing**

The Council will always endeavour to provide unsuccessful tenderers feedback on their submissions to help them find out why their bid 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.

## **Contract performance**

Contracts have to be performed in accordance with the requirements set out in the contract documentation. The Council is continuously striving to improve its own performance and expects its contractors to do the same.

## **Purchase Orders**

Official orders issued by the Borough should include an order number. It is important that when companies invoice they include the Purchase Order number on their invoices.

## **Framework contracts**

Definition of framework contract from the Office of Government Commerce (OGC)

*A Framework Agreement is 'a general term for agreements with providers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. Such agreements set out the terms and conditions for subsequent call-offs but place no obligations, in themselves, on the procurers to buy anything. With this approach, contracts are formed only when goods, works and services are called off under the agreement.'*

The Borough will where possible use framework contracts, which are often let as collaborative ventures between various public sector organisations. One of the main reasons we use this option is that they offer the borough the opportunity to take advantage of economies of scale. Such contracts are fully OJEU compliant and using them not only demonstrates best value in the prices charged but also significantly reduces the costs of procurement.

Current framework contracts include the following (March 2009):

- Agency Staff
- Electricity
- Gas
- Mobile phones
- Stationery
- Furniture
- Electronic office supplies
- Diesel
- Photocopiers/ Multi Function Devices

## **Policies**

### **Sustainability**

The Council seeks to address the environmental impact of its activities. Suppliers are often asked to demonstrate their own awareness of relevant environmental issues through their own policies.

Please follow the link below for further information on the council's sustainability initiatives:

[http://www.richmond.gov.uk/gogreen/gg\\_home.htm](http://www.richmond.gov.uk/gogreen/gg_home.htm)

### **Equalities and diversity**

The London Borough of Richmond upon Thames positively welcomes and aims to support the growing diversity of the community we serve and the people we employ. We are committed to providing services to our many different communities, by a workforce that reflects the diversity of society.

Please follow the link below for further information on our policies.

[http://www.richmond.gov.uk/home/community\\_and\\_living/equal\\_opportunities.htm](http://www.richmond.gov.uk/home/community_and_living/equal_opportunities.htm)

### **Equality and Diversity in Procurement**

Guidance for companies on integrating equality and diversity practices in service delivery and, where relevant, in the management of their staff.

<http://www.richmond.gov.uk/procurement>

## **Collaboration and partnerships**

Where appropriate, the Borough will work with other local authorities and public service organisations to maximise economies of scale to deliver cost and service efficiencies.

## **Richmond Procurement Portal**

The Borough has a Procurement Portal which has details of current contracts and also includes further information on some of our policies related to procurement. For further information please follow the link below.

<http://richmond.g2b.info/index.htm>

## **Approved list**

The Councils approved list of contractors is maintained on our behalf by Exor Management Services Ltd. The company provides an independent accreditation service to ensure that contractors meet our required vetting procedures.

The list is only used for construction-related services. Please note that each category will only allow a limited number of contractors. If you would like further information with regards to the services offered by Exor please contact them direct.

Exor Management Services  
Innova House  
4 Kinetic Crescent  
Innova Park  
Enfield  
EN3 3XH

Telephone: 01992 707272  
e-mail: [customerservices@exorgroup.co.uk](mailto:customerservices@exorgroup.co.uk)  
web address: [www.exorgroup.co.uk](http://www.exorgroup.co.uk)

Please note that several other Boroughs within South London also use Exor our region

## **SME's and the Third Sector**

The Borough is keen to work closely with SME's and Third Sector organisations. All parts of these sectors are encouraged to submit bids for our contracts. Businesses of all types and size will be treated fairly by the Council.

## **Agency staff**

The Council have appointed Comensura Ltd. to provide agency staff to all departments. The company operate as a neutral vendor and they supply staff through agency providers currently operating in the market. All placements are processed through the Comensura system. The company also handles weekly invoices.

Please note we only appoint temporary staff through this system. If you would like further information with regards to the services offered by Comensura please contact them direct.

Comensura Ltd.  
800 The Boulevard,  
Capability Green  
Luton  
LU1 3BA

Tel: +44 (0)871 221 9060

Email: [enquiries@comensura.co.uk](mailto:enquiries@comensura.co.uk)

Website: <http://www.comensura.co.uk/>

## **London Contracts Register**

The London Centre of Excellence (now 'Capital Ambition') have developed an on-line Contracts Register Service (CRS). All London Boroughs have access to the register and it currently contains details of over 3000 contracts. Public access to the website allows companies to view potential contract opportunities. For further information please follow the link below.

[http://www.londoncontractsregister.co.uk/public\\_crs/](http://www.londoncontractsregister.co.uk/public_crs/)

## Helpful tips

If you have been invited to tender please bear in mind the following.

1. Read the instructions carefully.
2. Take the opportunity to raise queries as soon as possible. Do not leave it too late.
3. Check with your lawyers that they are happy with the Council's terms and conditions of contract before you submit your tender.
4. Complete (and sign where necessary) all documentation in full.
5. Ensure that you submit all attachments and supporting information requested in order to ensure that your bid is fully evaluated.
6. Proof read your tender submission.
7. If duplicate copies of your bid are required please ensure that you supply the correct number. Please clearly identify the original.
8. Make sure that there are no identifying marks on the outside of your tender submission documentation. If a label is supplied please ensure that this is clearly visible.
9. Submit your bid on time and to the right place. Please remember that late tenders will not be considered.
10. Be ready to provide further information and/or give a presentation to the contract evaluation panel.

## Useful links

The following sites are useful links for receiving information on current contract opportunities.

**Tenders Electronic Daily** – All advertisements from the OJEU can be found on this site. There is free access to the site. <http://ted.europa.eu>

**Supply2.gov** – A Government backed online service designed to give companies easy access to low value contract opportunities (below the OJEU threshold) offered by the public sector. <http://www.supply2.gov.uk/>

**Office of Government Commerce (OGC)** - The Office of Government Commerce (OGC) is an independent office of HM Treasury, established to help Government deliver best value from its spending. <http://www.ogc.gov.uk/>

**OGC Buying Solutions** - Executive Agency of the Office of Government Commerce (OGC) in the Treasury. They provide a professional procurement service to the public sector to enable organisations to deliver improved value for money in their commercial activities.

<http://online.ogcbuyingsolutions.gov.uk/news/>

**Supply London** - Provides support to London's SME's to maximise their potential and to compete for new business in particular from the public sector.

<http://www.supplylondon.com/>

**Competefor.com** – Contract advertising portal which was originally established by the London Development Agency to promote contract opportunities for London 2012. This free service matches buyers with suppliers in the supply chain. The site is now being developed into offering a wider range on opportunities to the lower supply tiers.

<https://www.competefor.com/london2012business/login.jsp>

## Useful contacts

For further advice on Procurement and tendering please contact the Corporate Procurement Unit: [procurement@richmond.gov.uk](mailto:procurement@richmond.gov.uk)  
Or telephone 020 8891 7194/5

Main switchboard 020 8891 1411