

Selling to Newham Guide

A guide for suppliers

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Procurement in Newham

Located in the East End of London, Newham is a culturally diverse borough just five miles east of London city centre.

The council's vision is: **that by 2010 Newham will be a major business location and a place where people will want to live and work.**

Newham's [Sustainable Community Strategy](#) provides information on the council's key priorities and how it will achieve the aims and objectives for Newham.

What is 'procurement'?

'Procurement' is the process of acquiring goods, works and services from external organisations.

This guide contains useful information for businesses and other organisations wishing to become council suppliers.

During the period 2005-2008 the council's spend with suppliers was approximately £400m per year. The council operates to provide services for the community of Newham. These are publicly and sometimes privately funded. Consequently obtaining Value for Money (that is high quality at affordable prices) is a key objective of the council.

The council obtains goods, works and services from a wide range of suppliers and service providers; the nature of what is provided ranges from small, one-off purchases to multi-million pound works contracts lasting several years. Typical purchases and contracts of the council are appended to this guide by way of example.

Procurement Process explained

There are several steps organisations must take in order to become suppliers of the council. Further detail is provided below.

1. Responding to advertised contract opportunities

Advertising is the way the council lets interested parties know that it is seeking suppliers for a particular need it has. We do this in a number of ways:

Web Based Advertising

- Newham's Electronic Contract & Tendering Resource (NECTR).

This is a web based portal the council uses to award contracts. Any contract opportunity the council has will be posted on the system. Suppliers that register will receive alerts notifying them of new contracts.

Organisations wishing to be advised of contracts can register by logging on to the NECTR web page at <http://nectr.newham.gov.uk/supplierselbservice/>

The council will use NECTR to develop and maintain an accurate supplier database that will be used to source and notify suppliers of opportunities within their category of work.

- Newham Website

Suppliers are advised to regularly check the council's procurement web page for [Current Contract Opportunities](#)

- Supply2Gov

[Supply2gov](#) is a web-based government-backed service portal designed to bring buyers and suppliers together and allow easy access to lower-value opportunities offered across the public sector.

- Official Journal of the European Union (OJEU)

Contracts over a certain value require advertising at a European level. This is to ensure competition across the European Union. As a public body the

council **must** observe the EU rules in order that all businesses are aware of possible contracts. To ensure this all contracts of the nature described are advertised via OJEU. This can be accessed via the following web links:
www.simap.eu.int
www.mytenders.com

* These figures (set in January 2010) are reviewed by the European Union every two years and are subject to change.

A summary of what each competitive process may entail is provided on the next page of this guide. This is followed by more precise detail about the process to be followed.

Newspapers / Trade Journals

In addition to NECTR contract opportunities are occasionally advertised in local newspapers and specialist trade journals.

2. Following the correct process and the rules that apply

Because of the legal obligations placed on the council (some are referred to throughout this guide) and our aim to ensure that we are securing the best possible quality for the Newham community, like all other public sector organisations, the council has established a set of rules that must be followed when awarding contracts. The rules are particularly relevant for organisations considering whether to approach the council for contracts.

Listed in the table are the contract values and the competitive procedure that applies to the award of a contract within the value ranges stated:

Contract Value	Procedure
under £5,000	direct order using a purchase order.
£5,000 - £50,000	three quotations
£50,000 - £156,442 (and for works contracts up to £3,927,260 for works contracts)	public advertisement and invitation of formal tenders
above £156,442 for services and £3,927,260 for works	(With the exception of some exempt services) must be advertised in OJEU* (Official Journal of the European Union).

Procedure	Process	Minimum Timescales
1. Quotations	N/A	N/A
2. Tendering		
(a) Open This process is typically used in specialist markets with few suppliers.	One stage process The council places a contract notice and any supplier may express and interest: and where tenders (including business questionnaire) are issued to all who express an interest. The council assesses all completed and returned tenders then awards contract to the successful bidder.	52 days* (from advertising contract notice to submission of tenders)
(b) Restricted This procedure is typically used in buoyant markets where there are many suppliers. This procedure is the most frequently used by the council.	Two stage process Stage 1 Pre Qualification Questionnaire (PQQ) The council places an advert and may also issue a contract notice (for OJEU) contracts. Suppliers who express an interest are sent a pre qualification questionnaire. The council assesses all completed and returned PQQs to produce a shortlist from which tenders are invited; this is known as tender evaluation. Stage 2 Invitation to Tender Suppliers shortlisted will be sent a tender pack to enable them to complete their submission. These are evaluated by a panel.	37 days* (from advertising contract notice to return of PQQs) 40 days* (from Invitation to tender)
(c) Negotiated Used when there is limited expertise or when the requirement is urgent	Two stage process The same principle applies as stage 1 of the restricted procedure. Stage 2 Negotiation Suppliers shortlisted will be asked to respond to questions of clarification, following this the council will appoint a preferred bidder and continue negotiation until contract is agreed and awarded.	37 days* (from advertising contract notice to return of PQQs) Often a series of negotiation meetings are arranged. These could take place over a course of months.
(d) Competitive Dialogue This is a new procedure for use with particularly complex contracts	Two stage process The same principle applies as stage 1 of the restricted process Stage 2 Dialogue with Suppliers Suppliers shortlisted will enter a dialogue with the council to define the technical, financial or contractual solution to meet its needs.	37 days* (from advertising contract notice to return of PQQs) Often a series of dialogue meetings are arranged. These could take place over a course of months.

***There are variations to these procedures, but the council will make this known the specifics of the process at the start of tendering.**

(a) Quotations

This process is the quickest of all as it doesn't require the issue and completion of forms. Officers awarding contracts will usually refer to business and or approved lists (if maintained) with a view to inviting a small number of organisations to price work.

Suppliers are provided with a specification (and associated documents) of the council's requirement and asked to provide a written quotation.

Submitted quotations are evaluated and a supplier is selected based on best value for money.

(b) Tendering and the use of NECTR

In order to support the e-government agenda and keep up with current best practice in procurement, the council has committed to modernising its procurement process.

We introduced NECTR at an earlier point in this guide, but further detail is set out in this section.

NECTR is the default method by which all council orders greater than £5000 are made.

The tender process usually comprises two stages. Summary detail about these is detailed below:

(i) Business or Pre Qualification Questionnaire

Completion of a pre-qualification or business questionnaire is required as this is the initial stage of the tender process.

The questionnaire is used to collate preliminary information about companies expressing an interest in response to a contract opportunity the council has advertised.

In order to establish the suitability of an organisation that Newham would want to do business with, information provided within the PQQ is evaluated and scored in accordance with an evaluation framework established **prior** to commencing actual procurement. Provided the individual or organisation scores sufficiently and meets minimum requirements as set out in the selection criteria, the council will proceed the application.

The council has determined certain areas of an organisation's history as fundamental to assessing whether an application to carry out work can be progressed further. The reason information about certain aspects of a supplier's business are deemed fundamental to the assessment process is that they carry the most risk for the council in that any organisation awarded a contract has direct access to citizens and staff and is responsible for ensuring delivery of important services which, in many instances, shouldn't suffer interruption.

Ensure the information provided is relevant to your company and the contract that you are bidding for.

The Council's PQQ form contains guidance about each of the areas covered in the questionnaire. Please refer to this when completing the questionnaire.

(ii) Responding to the Invitation to Tender

Suppliers progressed to the tender stage of a procurement will receive a 'bundle' of documents known as an 'Invitation to Tender' or 'ITT'. The bundle contains two sets of document:

- The first is a standard set, usually comprising the council's standard

terms and conditions of contract, bona fide tender and tender labels.

Key information regarding return addresses, contact names and closing dates will be provided as part of this package.

Tenders must be returned to the correct address (normally through NECTR) by the closing date and time specified. Invariably no extension of time is given and late tenders are not considered under any circumstances.

In order to ensure a fair process tenders are not opened before the specifying closing date

- The other document is the specification which details exactly what it is the council wants to buy.

The specification is the most important document of the tender so much so it forms part of the contract.

There is no one size fits all so every tender will require its own tailor-made specification.

Depending on what it is the council is seeking a supplier for, the specification may be accompanied by supplementary information. This could be:

- Schedule of rates/pricing schedule
- Quality questionnaires or Method Statement forms

As well as answering all the questions, use the tender to create a picture of your business.

We usually expect suppliers to provide detailed information in the

areas covered in the supplementary documents and so when required to complete or provide information organisations should do this as it helps the council in its assessment.

(iii) Tender evaluation criteria

Information about how the council will assess tenders is also provided in the Invitation to tender document.

Preparing a tender is time and resource intensive, so do not consider tendering unless you are sure that you can demonstrate that you can deliver what is required.

3. Contract Conditions

The council has standard terms and conditions of contract and the council will bring these to your attention within the Invitation to Tender pack. The contract regulates the relationship between the council and the service provider.

Suppliers who wish to do business with the council are encouraged to familiarise themselves with those conditions and bring points of concern to the attention of the most appropriate officer. It is important that such issues are resolved before commencement of contract as delivery cannot begin until the contract has been signed by the authorised representatives of the council and the supplier respectively.

4. Seeking Clarity during the tendering process

Suppliers are able to seek clarification about any item or matter detailed in the documents issued by the council. The council will deal with such questions in a structured, fair and transparent way.

Questions seeking clarification should be sent in writing to the officer specified in the Instructions to Tender.

When responding to matters of clarification the council will as a matter of course circulate responses to all suppliers unless it is deemed inappropriate to do so.

5. Interviews, Presentations and Site Visits

Potential suppliers may be invited to give a presentation or attend an interview as part of the tender process.

Suppliers will be required to present their submission and answer questions from the panel.

The evaluation panel may visit the premises of the bidder this is normally pre-scheduled and will be outlined in the instructions to tender.

Interviews and presentations are an opportunity for the panel to meet suppliers and clarify points within an organisations tender submission.

Make sure that the presentation is impressive, spelling and grammar are correct, and bring any relevant elements into your submission that will help market your company.

Contract Award and Delivery

This guide has so far focused on the process for competing for council contracts. This next section details what happens once a contract is awarded.

A successful bidder will be the one that submits the Most Economically Advantageous or Lowest Price tender.

Bidders will be sent a letter informing them of the outcome of the tendering process. For those unsuccessful companies a

comparison of their score against that of the winning bid is provided within the letter.

Successful bidders will be required to complete any legal formalities before commencement of the contract.

Within the limits of commercial confidentiality, the council will always endeavour to offer feedback to unsuccessful bidders.

If your tender is unsuccessful, ask for feedback. There is a requirement on procurement officers to provide this. Feedback can be invaluable for future bids and also as part of general business development.

Contract Monitoring

Companies delivering contracts for the council are monitored to ensure compliance with specification and terms and conditions of the contract.

There is no set method of contract monitoring as such monitoring will vary depending on the contract.

Workforce Matters

A well-trained and motivated workforce is vital to the provision of Best Value services. Newham Council will use its influence to ensure, so far as it is able, that those who work for the authority, whether directly or indirectly employed, are adequately and fairly rewarded and trained.

The government has published a [Code of Practice on Workforce Matters in Local Authority Service Contracts](#) (February 2003) this applies where a local authority transfers employees to a private or voluntary sector partner as part of a contract to provide local services.

These measures are meant to prevent a divide in the workforce between existing employees of the contract and new joiners.

Prospective bidders need to consider the possible transfer of workers where the council, through a procurement process, is seeking to transfer a service it is currently providing itself to an external provider.

Business Support

The council holds meet the buyer events and business forums to give potential suppliers an opportunity to discuss procurement and to learn about the ways the council is supporting local enterprise.

Newham's business development team seeks to help local businesses to take advantage of local opportunities for growing the business community.

Working in partnership with Newham Council, East London Business Place (ELBP) is a local project, funded by the London Development Agency and led by Canary Wharf Group plc. It works with small to medium sized businesses in the Thames Gateway area, providing assistance with tendering and procurement to improve their chances of winning contracts.

ELPB assist businesses in the development of their policies and provides business support through free events, workshops, seminars and face-to-face advice.

For information on business support contact;

Business Development Team
London Borough of Newham
Newham Dockside
First Floor Westside
Dockside Road
London E16 2QU
Telephone: 020 3337 4969
Email: regeneration@newham.gov.uk

The council signed the National Procurement Concordat for Small and Medium Size Enterprises (SMEs) in April 2006 (*please refer to useful links*). The principle aim of the concordat is to encourage a mixed range of suppliers in order to help develop and stimulate a varied and competitive marketplace. The concordat sets out actions that the council will take to ensure that contracts are more accessible to SMEs.

Further information about how to sell to the council is provided on Newham's Website alternatively you can contact us via the details below.

Telephone: 020 8430 2825

Email: procurement@newham.gov.uk

Your comment

The council is committed to quality and are always looking for ways to improve services. If you have any views, positive or otherwise on your procurement experience with the council, or any comments on how it may improve this guide, we would like to hear from you.

Appendix A – Purchases and Contracts of the Council

The list below includes some of the common purchases and contracts of the council. The goods contracts are generally 4-year term contracts, some of which are tendered by other public sector bodies on behalf of the council.

Goods

- Stationery
- Bottled Water
- Furniture
- IT Equipment and Consumables
- Cleaning Materials

Services

- Catering service
- Financial services
- Grounds Maintenance
- Waste Management
- Social Care & community housing services
- Pest control

Works

- Building maintenance and repairs
- Construction
- Engineering works and repairs to roads and footways

Details of the [Current Term Contracts](#) are available on the council's procurement web page.

The council maintains an approved list of contractors covering most works, construction and associated activities.

Approved lists are not maintained for the supply of goods or for provision of services.

Appendix B - Jargon Busters

Business Questionnaire	Application form to bid for goods, works or services.
Compact	Partnership Relationships with the VCFS organisations.
Commissioning	Please refer to procurement.
Concordat	Voluntary, non-statutory code of practice adopted by the council.
Contract Opportunities	Advertisement for expressions of interest from suppliers.
e-government agenda	Transition to electronic procurement.
EU Public Procurement Regulations	Compliance with all procedures set out in the relevant EU directives to ensure transparency and non-discrimination.
Most Economically Advantageous Tender (MEAT)	Evaluation based on quality and price.
OJEU	This is where the council must place tender notices where the value of the tender falls within the scope of the EU Procurement Directive.
Pre Qualification Questionnaire	Application form to bid for goods, works or services.
Procurement	Ordering, commissioning or entering a contract with an organisation outside the council for the carry out of Works, and the provision of Supplies and Services.
Quotations	Any written offer requested either orally or in writing.
Specification	A description of what is to be provided under the contract.
Schedule of Rates/ Pricing Schedule	A pricing form that is part of the tender pack for suppliers to price against goods works or services. Pricing excludes Value Added Tax (VAT).
Tender	A formal, written, sealed response to an invitation by the council that contains a specification for Works, Services or Supplies required.
Value for money	Contract that are fit for purpose.
Voluntary, Community & Faith Sector organisations	A range of small local groups to large, international organisations. Many are registered charities.

Appendix C - Useful external links

Business Link, free business support and advice

www.businesslink.gov.uk

Chamber of Commerce, business support and advice

www.newhamchamber.com

Newham's Compact

www.newham.gov.uk/Services/CorporatePlans/Newhamcompact.htm

CompeteFor, Access to London 2012 tendering opportunities. This website has been developed to publish the London 2012 Games- related contract opportunities. It acts as a gateway between buyers and throughout the London 2012 supply chain, and potential suppliers.

www.competefor.com

Contractors Health and Safety Scheme

www.chas.gov.uk

Department for Business and Regulatory Reform

www.berr.gov.uk/whatwedo/enterprise/enterprisesmes

East London Business Place, business support

www.elbp.co.uk

Equality and Human Rights Commission

www.equalityhumanrights.com/en/Pages/default.aspx

Federation of Small Businesses

www.fsb.org.uk/

London 2012

www.london2012.com

NECTR, Newham's Electronic Contract and Tendering Resource

<http://NECTR.newham.gov.uk>

Small Business Friendly Concordat, Good Practice Guide

www.communities.gov.uk/documents/localgovernment/pdf/135262.pdf

Supply2gov.uk, access to low value contract opportunities

www.supply2.gov.uk/

Supply London, Business support

www.supplylondon.com

Tenders Electronic Daily

www.ted.europa.eu/

Workplace, Business Advice

www.newhamworkplace.co.uk