



HOW TO DO BUSINESS WITH THE COUNCIL

A Guide for Suppliers, Contractors and Providers

Corporate Procurement
September 2014

1. Introduction

About this guide

This guide has been produced to assist organisations who wish to supply the Council with goods, materials, services or works.

It aims to help in four ways:

- it outlines the rules that the Council must follow.
- it alerts organisations to the opportunities to supply the Council.
- it explains how to bid for Council work.
- it advises the appropriate contacts within the Council for categories of spend

The Council encourages competition and welcomes bids from new and established organisations. Contracts must be awarded on the basis of the most economically advantageous solution for the Council. The Council cannot discriminate in favour of local organisations but they will be given every encouragement to compete for Council contracts.

What are the benefits of working with the Council?

We are:

- Fair
- Non-discriminatory
- Transparent
- Professional
- Long standing
- Prompt to pay

If any organisation is interested in pursuing business opportunities with the Council, the organisation should visit the website www.nepoportal.org where they may be able to register against future contracts and will be alerted to Council tendering opportunities.

How much does the Council spend?

Serving 200,000 people across the borough and covering 55 square miles, Gateshead Council is the largest of the five Tyne and Wear authorities.

The Council spends in the region of £160M per annum excluding direct employee costs and the Council also has a Capital Budget which varies each year according to the resources available.

The Council is a member of the North East Procurement Organisation (NEPO). NEPO is a local government purchasing consortium of 12 councils in the north east of England.

The NEPO contracts have a current estimated annual value in excess of £170m.

The Council lets hundreds of contracts of varying types from one-off purchases to long-term service contracts. Many of the contracts for the supply of goods and materials will be in the form of a “framework contract” which will last for a specific period of time before coming up for renewal.

The Importance of Effective Procurement

The Council’s ambition is to make Gateshead the best place to live, work and visit. The Council’s procurement activities enable services to be provided in an efficient, cost-effective and sustainable way that supports the Council in achieving Vision 2030. Vision 2030 is the Gateshead Strategic Partnership’s ambitious Sustainable Community Strategy which is designed to inspire our public, private, voluntary and community sector partners to achieve a step change improvement in the borough. The following ‘six big ideas’ form the heart of Gateshead Strategic Partnership and we will continue to use our commissioning and procurement activity to help to realise our vision.

- City of Gateshead
- Gateshead goes Global
- Creative Gateshead
- Sustainable Gateshead
- Active and Healthy
- Gateshead Volunteers

Commissioning and Procurement

It is important to understand the role of “commissioning” and the role of “procurement”, and how they relate to each other.

What we mean by Commissioning

Commissioning is the identification and assessment of need and the developing of policy direction or selection of the most appropriate delivery mechanism by which to satisfy the need, in a cost effective way. It incorporates a whole service approach to the design, prioritisation, management, delivery and monitoring of a service and is an ongoing, cyclical process. If the service provision is potentially to be satisfied via a source external to the Council, it is then **procured**.

What we mean by Procurement

Procurement is the process by which the Council acquires goods, works, services and assets from an external provider, spanning the whole life cycle from the identification of business need (usually via a **commissioning process**), to the end of the useful life of an asset or contract or of the need for an activity.

2. Opportunities and the NEPO Portal

Opportunities to supply the Council

Since the summer of 2010, all tendering activity has been consolidated through the Council's Corporate Procurement Team. The Corporate Procurement Team manages its workload through a "Category Management" approach.

Category Management enables the Council to look across all of its Services and identify the best way for securing particular categories of goods and services. For each procurement process, a multidisciplinary team of officers is established who are responsible for developing specifications, evaluating the responses from the market and recommending the most appropriate provider(s) of the goods, services or works required by the Council.

How to find out about opportunities

A detailed contact list covering all period contracts is maintained on the NEPO Portal, www.nepoportal.org

Goods and services contracts over £172,514 and works contracts over £4,332,012 are advertised in the Official Journal of the European Union (OJEU). These values are reviewed by the EU Commission every two years. Contracts for all public sector organisations that exceed these values can be viewed at

<http://www.ted.europa.eu/TED/main/HomePage.do>

Opportunities to supply Gateshead Council or other north eastern councils can be viewed at www.nepoportal.org. Suppliers wishing to do business with the council should ensure that they are registered on the NEPO Portal. Details of procurements will be published via the above electronic tendering portals.

3. The Tendering Process

Tendering and Quotation Procedures:

The Open or Restricted tendering procedures are normally used.

Open Procedure - all interested organisations are invited to tender.

- One stage process where full tender documentation is issued to tenderers at the invitation to tender stage.

Restricted Procedure – any organisation may express an interest, however only organisations meeting pre-qualification criteria will be invited to tender.

- Two stage process
- Pre-qualification questionnaire issued to assess the suitability of organisations to supply to the Council and the ability to satisfy the contract before tenders are issued

Request for Quotation (RFQ) – a minimum of four relevant organisations are invited to quote

Quick Quote –designed to give local suppliers a greater opportunity to participate

- Used for exercises between £5,000 and £50,000 in value
- System automatically selects **two local suppliers** and **two non-local suppliers** to be invited to quote. Up to an additional 12 suppliers may also be invited at the Councils discretion.
- “Locality” based on Gateshead geographic postcode area (so please ensure the system has your up-to-date address).

Pre-qualification Questionnaire (PQQ)

The contract notice or advertisement will invite organisations to submit an expression of interest for a contract and will detail the procedure and what information is required.

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 equality and diversity, environmental protection and health and safety. There will also be backward looking technical questions about your organisation’s previous experience and general capability.

The areas assessed can be summarised as follows:-

- Financial Information
- Experience and Technical Ability
- Health and Safety
- Equality and Diversity
- Environment

- Quality Assurance

It is important that organisations supply all of the requested information and respond by the due date. This information will form the basis of deciding whether you will be shortlisted for the next stage, i.e. Invitation to Tender.

Invitation to Tender (ITT)

Following the PQQ stage, in a Restricted Tender procedure, tenderers selected to proceed will receive an Invitation to Tender (ITT). If the tender process does not involve a PQQ stage, i.e. the Open Tender procedure, then on application, the ITT documentation will be dispatched.

Tender evaluation and contract award - returned tenders will be evaluated against the pre-determined criteria as specified in the tender documentation and evaluation matrix. 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 particular service area. Normally the Council will award the contract on the basis of the most economically advantageous tender. The successful tenderer will be notified in writing via the NEPO Portal system.

Debriefing - within the limits of commercial confidentiality, the Council will always endeavour to offer unsuccessful tenderers feed-back to find out why their bid has failed. This information can be used to help with any future bids as the areas that scored less well may be enhanced when bidding for future opportunities.

General Terms and Conditions

A copy of Gateshead's General Terms and Conditions of Purchase for orders are available at: www.Gateshead.Gov.Uk

Contract Performance

Gateshead Council monitors its performance as part of its duty under Best Value, and organisations who provide goods, services and works to the Council 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 and to work with the Council to reduce costs during the lifetime of any contract.

Complaints Procedure

The Council 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 organisation 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 Council's Corporate Complaints Procedure. This procedure details the Council's policy for dealing with complaints and ensures that the Council acts promptly. Copies of the Corporate Complaints Procedure can be obtained from the Chief Executive, Civic Centre, Gateshead or by e-mail to enquiries@gateshead.gov.uk

Organisations who have tendered to the Council under the European Public Procurement Rules can take action in the High Court if they have been harmed, or are at risk of harm by the Council breaking these regulations. Anyone who feels they have not been treated fairly can also complain to the European Commission.

4. Working with Gateshead Council

Local and Smaller Organisations

The Council is committed to supporting and encouraging smaller and north east based organisations to compete for business and to improve their ability to meet the Council's requirements whilst complying with the requirements of EU Regulations, Standing Orders and best practice guidance.

It is recognised that external organisations play an important part in helping to deliver the Council's core business. Although more than 50% of the UK private sector workforce is employed in small organisations, (less than 50 employees) they are finding it increasingly difficult to compete for public sector contracts. In order to assist these organisations the Council's aims are to:

- Give guidance as to the processes and making sure they are kept up to date
- Keep tender documents simple to understand and jargon free
- Set realistic timetables
- Ensure that opportunities are structured in a way so as not to unnecessarily discriminate against smaller organisations
- Be aware of any unintended consequences of their procurement activity
- Encourage larger organisations to adopt supply chain management practices with the local economy in mind
- Encourage suppliers to adopt e-commerce systems that streamline processes and reduce administration time
- Pay organisations more speedily

Electronic Trading

The Council has a commitment to Implementing Electronic Government which aims to increase levels of electronic business that over time will include electronic tendering, ordering and invoicing.

The aim is to improve efficiency and reduce the costs associated with the procurement process for both the Council and external organisations.

It is recognised that e-commerce can help organisations by opening up trading opportunities to a wider market. The Council has implemented an electronic end to end tender process and is continually seeking ways to simplify or automate processes in order to reduce costs.

How you do business today...

If an individual wants to buy something from you there are a range of steps involving numerous processes to be undertaken before the goods/services are received and you have received payment.

...and in the future?

All requests and steps in the process will be streamlined and automated where possible following an efficient work flow process from the point where the requisition is raised to you having been paid for the goods/services that you have delivered.

The benefits of e commerce can be summed up as:

- Fewer steps in the process
- Streamlined activities with no duplication
- No paper
- No errors
- No delays
- No chasing for payment

Freedom on information and transparency

The Freedom of Information Act 2000

The Freedom of Information (FOI) Act 2000 came into force on 1st January 2005. The Act establishes a right of access to all recorded information held by a public authority, subject to some exemptions. Anyone from anywhere can make a request for information under the Act.

Implications for contractors

The Act does not mention contractors, partners, PFI Companies and Arms Length Management Organisations (ALMOs).

Just because the Act does not currently apply to outsourced organisations and partners does not mean that all information held about you is inaccessible. The right of access applies to information which is “held” not necessarily “owned” by the council.

If the Council holds information about an organisation it will be accessible, subject to certain exemptions.

What can be asked for?

Any individual, including the general public (here and overseas); company, organisation, pressure group and journalist, now has the right to ask for information from Gateshead Council which may not have been available before.

It does not allow access to personal information; this continues to be covered by the Data Protection Act 1998.

Are there exemptions?

There are 23 exemptions but only about 12 are applicable to local government. The exemptions are of two types, “absolute” and “qualified”. An “absolute” exemption has no application of the public interest test. A “qualified” exemption means we must decide whether the public interest in disclosing the information outweighs the public interest in maintaining the exemption.

The two exemptions that are most applicable to procurement activity are sections 41 and 43 of the Act.

What if you have marked the information “in confidence” or “confidential”?

The Council is very aware of the commercial sensitivity of information it holds on contracts and section 41 of the Act provides an “absolute” exemption where the disclosure of the information will constitute an actionable breach of confidence. This, however, is a very tightly defined area of law. Just because the council has signed up to a confidentiality clause, or marked documents as confidential, does not make it a breach of confidence to disclose.

Drive towards transparency

Central Government has set out the need for greater transparency across the public sector to enable the public to hold public bodies and politicians to account. The Council is therefore required to publish monthly expenditure over £500 with effect from the 1st January 2011. The information includes details of transactions that exceed £500 with individual organisations who are named.

The new transparency policies are not intended to change procurement processes but are intended to create changes in departmental procurement behaviour and to enable the public to see more easily what public sector procurement activity is being undertaken by the public sector.

Community Right to Challenge

The Community Right to Challenge is one of the main features of the Localism Act. It means a relevant body may express an interest in providing a service or part of a service that is provided by or on behalf of the Council if they think they can run it more effectively. View details on how to express an interest under the **Community Right to Challenge Guidance Page**. –

<http://www.gateshead.gov.uk/Business%20and%20Industry/Procurement/Right-to-Challenge.aspx>

PROCUREMENT RULES AND REGULATIONS

As a local authority, there are regulations at a European, national and local level which the Council has to follow when procuring goods, services and works and when establishing approved tender lists.

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 up by the Public Contracts Regulations 2006 and any subsequent amendments.

The directives and regulations require the Council to follow detailed procedures for all procurements above financial thresholds. The thresholds are reviewed every two years.

The Council must follow some basic principles:

- a specific Tender Notice must be placed in the supplement to the Official Journal of the European Union (OJEU), to give all suppliers in the EU an equal 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 to respond to adverts and prepare submissions is given to interested parties.
- a notice of contract award must be placed in OJEU. Unsuccessful contractors must be debriefed if requested.

Further information about the EU Procurement Directives can be viewed at http://ec.europa.eu/internal_market/publicprocurement/index_en.htm

National Rules - Whilst there is no prescription on local authorities to tender out specific services the Council has a duty to make arrangements to ensure continuous improvement having regard to economy, efficiency and effectiveness in order to deliver best value to local people. .

Local Rules – procurement activities must also comply with the Constitution of the Council.

Contracts below £5,000 – whilst it is not necessary to obtain quotations for purchases below £5,000 it is necessary to ensure value for money is obtained by periodically testing the market.

Contracts between £5,000 and £50,000 – will be subject to competitive quotations being obtained from at least four contractors, or if this is not

possible from all capable contractors. Quotations should be submitted via the NEPO Portal. www.nepoportal.org

Contracts over £50,000 – will be subject to competitive tenders being obtained from a reasonable number of capable contractors. Contract opportunities are viewable on the NEPO Portal (www.nepoportal.org).

Approved lists – where an approved list of contractors is maintained, tenders may be invited from some of the contractors on the list. Contractors are selected from the relevant list on a rotational basis and the company that was successful for the previous job will also be considered.

Tenders - all tenders must be submitted via the NEPO Portal (www.nepoportal.org). Any tender received after the date and time deadline will not be considered.

The Council's procurement policy is based upon fair, transparent and open competition and the procedures ensure that the process is reasonable as far as it is commercially possible and auditable.

APPENDIX 2

GATESHEAD COUNCIL CONTACTS

The Corporate Procurement Team are based at the following address:

Corporate Procurement
 Legal and Corporate Services
 Civic Centre
 Regent Street
 Gateshead Council
 NE8 1HH
 Telephone No 0191 433 3000

Role	Name	E mail	Telephone No
Borough Procurement Management	Andrea Tickner	andreatickner@gateshead.gov.uk	0191 433 5995
Procurement Manager	Deborah McNulty	deborahmcnulty@gateshead.gov.uk	0191 433 5961
Procurement Manager	Julie Nicholson	julienicholson@gateshead.gov.uk	0191 433 5977

Category - Adults, Children's and Education

Category Team Leader	Janine Copeland	janinecopeland@gateshead.gov.uk	0191 433 5970
Category Procurement Officer - Adults	Kerry Leece/ Ruth Carr	kerryleece@gateshead.gov.uk ruthcarr@gateshead.gov.uk	0191 433 5983
Category Procurement Officer - Childrens	Alex Marriage/ Chris Sharkey	alexmarriage@gateshead.gov.uk chrissharkey@gateshead.gov.uk	0191 433 5966 0191 433 5984

Category – Construction, Corporate & Professional Services

Category Team Leader	Sue Longstaff	suelongstaff@gateshead.gov.uk	0191 433 5987
Category Procurement Officer – Professional Services, Business	Janice Lynn	janicelynn@gateshead.gov.uk	0191 433 5981

Finance & Training			
Category Procurement Officer – Construction & Printing	Graham Dunn	grahamdunn@gateshead.gov.uk	0191 433 5976

Category – Facilities Management

Category Team Leader	Julie Gullon	juliegullon@gateshead.gov.uk	0191 433 5990
Category Procurement Officer - Catering	Tracey Hindmarsh	traceyhindmarsh@gateshead.gov.uk	0191 433 5960
Category Procurement Officer – Transport & Horticulture	Claire Gibson	clairegibson@gateshead.gov.uk	0191 433 5963
Category Procurement Officer – Environment & Waste	Shaun Naylor	shaunnaylor@gateshead.gov.uk	0191 433 5986
Category Procurement Officer – Internal Facilities (Cleaning, Removals, Uniforms, Security etc)	Charlotte Alexander	charlottealexander@gateshead.gov.uk	0191 433 5993

Category – Strategic Business Development and Planning, Energy, ICT

Category Team Leader	Lindsay Rosul	lindsayrosul@gateshead.gov.uk	0191 433 5985
Category Procurement Officer - Utilities	Sarah MacNab	sarahmacnab@gateshead.gov.uk	0191 433 5957
Category Procurement Officer - ICT	David Minto	davidminto@gateshead.gov.uk	0191 433 5992