

How to do Business with the Council

A guide for suppliers and
contractors

January 2005



HOW TO DO BUSINESS WITH STOCKTON ON TEES BOROUGH COUNCIL

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About this guide

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

- Outlining the rules that the Council must follow.
- Alerting companies to the opportunities to supply the Council
- Explaining how to bid for Council work.

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

The benefit of dealing with the Council is that the Council has to be fair, non-discriminatory, honest and professional in the way it awards contracts and chooses its suppliers and in any dealings with them. As a Council, Stockton is a good customer being long established and stable and it has to pay promptly in line with agreed contract terms.

If any company is interested in pursuing business opportunities with the Council, the company should respond as requested in the tender advertisement or contact the officer responsible for the contract.

How much does the Council spend?

Stockton Council arranges many contracts covering the procurement of a wide range of goods, services and works with an annual value in excess of £120 million.

The Council purchases a huge variety of goods, services and works from the simple supply of stationery to complex capital works such as new schools and roads.

Stockton is a member of the North Eastern Purchasing Organisation (NEPO), which is a local government purchasing consortium of 11 councils in the north east of England. Other member authorities are Durham County, Gateshead, Hartlepool, Middlesbrough, Newcastle, North Tyneside, Northumberland, Redcar & Cleveland, South Tyneside and Sunderland. Gateshead Council arranges and administers all of the consortium's contracts which have an annual value in excess of £100 million.

Stockton Council lets many contracts some of which are annual and some are let for longer periods appropriate to the commodity or

service. Many of the supply contracts will be in the form of a “call-off contract” or “framework contract”. Both will last for a period of time before coming up for renewal. Call-off contracts allow orders to be placed over the period of the contract to meet the needs of the Council. Framework contracts allow the Council to identify a number of companies that have successfully met the standards in open competition and the council to place orders with the selected companies over the period of the contract without the need to use the tender process each time.

The Importance of effective procurement

Effective procurement supports the Council in achieving its policy aims and objectives and helps the council to deliver high quality services that meet the current and future needs of local people based on value for money.

Procurement rules the Council must follow

Officers within the Council must follow certain rules when procuring goods, services and works. The rules are called Contracts Procedure Rules and form part of the Council’s constitution. They are mandatory and all officers must follow them. The rules are split into three areas based around the value of the expenditure.

Total Value	Type of Purchase	Process
Up to £6,000	<i>Supply of goods & services Purchase of goods ICT Services Execution of works</i>	Value for money
Up to £15,000	<i>Engagement of consultants</i>	
£6,001 - £50,000	<i>Supply of goods & services Purchase of goods ICT Services</i>	Quotation
£15,001 - £50,000	<i>Engagement of consultants</i>	
£6,001 - £100,000	<i>Execution of works</i>	
Above £50,001	<i>Supply of goods & services Purchase of goods ICT Services Engagement of consultants</i>	Invitation to Tender
Above £100,001	<i>Execution of works</i>	

Value for Money - Officers shall take reasonable steps to secure value for money for the Council.

Quotations - Officers shall invite written quotations from at least three suitable suppliers/ contractors. Suppliers/ Contractors will be provided

with a pre-addressed envelope in which to return the quotation by the specified date. Potential suppliers/ contractors can be selected from an approved list if one is in operation. Constructionline is used for the majority of construction works.

Invitation to Tender - Officers will invite competitive tenders from at least three suitable contractors following advertisement in a local newspaper and in a journal or newspaper circulating among such persons who undertake such contracts. Details regarding completing and returning the tender will be provided in the tender pack.

Where corporate contracts exist, they can be accessed directly by officers rather than undertaking a quotation exercise.

Opportunities to Supply Stockton Council

The Council's services are delivered through three main departments headed by Corporate Directors as follows:

- Resources
- Children, Education and Social Care
- Development & Neighbourhood Services

Officers who work in the above departments are responsible for procuring the goods, services and works that they require to deliver services. For example, officers in Development & Neighbourhood Services are responsible for procuring construction works and officers in Children, Education and Social Care are responsible for commissioning care services. The Corporate Procurement Unit (within Resources) is responsible for arranging contracts for goods and services that are common across all areas, for example stationery, photocopiers, mobile phones etc. Many of these corporate contracts are arranged jointly through NEPO. The unit also acts as a co-ordinating body for all departments.

The Council deals with many different suppliers from small one-man businesses to large multinational companies. In January 2005 the Council had approximately 8000 suppliers.

How to find out about opportunities

Initiations to quote or tender will be issued from the various officers of the respective departments. They will be advertised in the local press or appropriate journals or potential suppliers/ contractors may be selected to quote/ tender from an approved list such as Constructionline.

Council contracts over £153,376 for supplies and services and £3,834,411 for works are also advertised in the Official Journal of the

European Union (OJEU). These can be viewed at <http://ted.europa.eu/?> .

Contracts and invitations to companies to be considered for inclusion on a select list may also be advertised in the Northern Echo, the Evening Gazette, Local Government Tenders or a specialist trade publication although select lists are used less now that the Council uses Constructionline.

The Council publishes a set of Contract Registers on the Stockton website www.stockton.gov.uk The registers identify where contracts are in place, description, who the suppliers/ contractors are, the duration of the contracts and when the contract started.

Details of NEPO contracts can be found at www.nepoportal.org

Applying for contracts that are advertised

Contracts will be advertised in accordance with the rules outlined above. Potential tenderers will either be invited to tender (where an **open** tendering procedure is being followed) or will be sent a pre-qualification questionnaire prior to issuing an invitation to tender (where a **restricted** tendering procedure is being followed). The restricted procedure is to assess the potential bidder's suitability to supply the Council and the ability to satisfy the contract. It also saves time and effort being unnecessarily spent on completing tenders by a bidder. It is important that companies supply all of the requested information and respond by the due date.

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 equal opportunities, environmental protection and health and safety.

Information regarding the following areas may be requested:

- Financial information
- Equal opportunities
- Environment
- Health and safety
- Experience and technical ability

If an application relates to a specific contract, it will be necessary to provide references. 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

Tender documents will be forwarded to any company applying for a tender under the open procedure and to those companies that have satisfied the relevant criteria under the restricted procedure.

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

- Letter of Invitation -
- Instructions to Tenderers
- Form of Tender
- Specification
- Schedule of Rates/Pricing Document
- Conditions of Contract
- Quality Requirements/Method Statement Questions
- Tender Evaluation Criteria
- Pre-addressed tender return envelope, stating date & time tenders must be returned by. (Late tenders will not be considered).
- Any relevant supporting information:

Tender evaluation and contract award - returned tenders will be evaluated against the 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 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 by letter.

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 being unsuccessful in one contract does not mean that a company will be unsuccessful in future.

Electronic trading

The Council aims to increase the levels of electronic business in order to reduce the councils' and suppliers' costs associated with the procurement process and the costs of normal commercial trading. The Council will seek to work with suppliers that can help deliver its e-procurement strategy. It is recognised that e-procurement can open up a supplier's products and services to a wider market.

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 officers of the Council.

Details about how to trade electronically with NEPO can be found at www.nepoportal.org

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.

Contact us

If you have any queries regarding any procurement issues do not hesitate to contact the Corporate Procurement Unit:

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Stockton on Tees
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email: corporateprocurement@stockton.gov.uk