



East Cambridgeshire District Council
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**A GUIDE TO
SELLING TO THE
COUNCIL**

Foreword

East Cambridgeshire District Council buys a wide range of goods and services.

This guide has been produced to try to help current and potential suppliers and contractors understand the way in which we work. The overall aim is to make selling to the Council easier and encourage businesses to trade with us in the most efficient and cost-effective way.

We are committed to improving our procurement arrangements and meeting the requirements set out in the Government's National Procurement Strategy for local government, which includes a number of areas where Councils can achieve better procurement. The guide explains some of these, which include:

- Trading electronically - purchase orders, invoicing and payments, procurement cards (and e-tendering)
- The use of purchasing consortia and joint commissioning of goods and services with other councils
- Partnering with the public and private sector where appropriate
- Effectively managing relationships with suppliers
- Having regard to the needs of small and medium sized businesses (SME's)

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1. ABOUT EAST CAMBRIDGESHIRE DISTRICT COUNCIL

The District Council was formed in 1974 and is based in Ely on the edge of the City Centre. The offices are within two minutes walking distance from leisure and shopping facilities.

The services it provides include:

- * environmental services
- * land use planning and development control
- * building control services
- * economic development and promotion
- * strategic housing
- * leisure and tourism
- * land charges and licensing

The Council works in partnership with both the private and voluntary sector to provide a range of other services including refuse collection, street cleansing, revenues and benefits, and leisure facilities. The Council has also transferred its housing stock to a Housing Association.

The Council employs over 200 staff who work within the policies set by 39 councillors who are elected every four years.

The Purpose of this guide is to:

- Help you understand the processes the Council uses in awarding and letting contracts, and in the buying goods and services
- Encourage new suppliers and contractors to become 'Sellers' to the Council

Here are some basic facts about how the Council goes about awarding contracts:

Financial Thresholds

Most contracts are awarded following competition. Financial thresholds govern the types of approach taken in seeking products or services. Examples range from single quotations for low value items, up to ad-hoc tender lists for high value contracts. These are explained in our 'Contract Procedures Rules' which are on our website.

Select Lists

We do not currently operate any select/approved lists although we may do so from time to time.

Types of Contracts

The types of contracts that we let are diverse. The nature of the requirement, estimated value and timescale determines, to a large extent, the way the procurement is carried out, and the type of contract that will be let to satisfy it. Examples are electricity, gas and water supplies; temporary staff; leasing of vehicles; IT; equipment and software packages; building, civil engineering and mechanical/electrical works.

A fuller list of the services we provide can be seen on our website. We have a procurement strategy which governs how we will approach the procurement of goods and services.

2. CONTRACT REQUIREMENTS

2.1 European Union (EU Directives)

Advertising Requirements

If a contract to be tendered exceeds a fixed amount laid down by the EU (as at 2005, £154,000 for products and services or £3.86 million for works), it must be advertised in the Official Journal of the European Union (OJEU).

There are two parts to the advertisement:

Contract notice - a contract notice is effectively the European equivalent of the advertisement that is placed in the UK press seeking tenders or applicants to a select list of tenderers. It is based on a standard format laid down in the EU Procurement Directives.

Award notice - within 48 days of an award of a contract (which was subject to a contract notice published in OJEU), an award notice must be placed in OJEU declaring the name of the successful tenderer.

In addition we may publish a *Prior indicative notice* - a public notice containing details of contracts that are likely to be tendered at EU level during that financial year (April to March). Any information is provided as an advance guide to potential procurement activity.

Standards

Contractors bidding for our work will find that conditions of contract and specifications will incorporate European standards and regulations. British standards and regulations will only apply where no other international standards and regulations exist.

EU Rules Relating to Environmental Issues

The EU has rules governing environmental issues in contracts. Whether a contract is competitively tested informally, or through a formal tender process, our environmental requirements must:

- Be included in the requirements for the submission of any quotation, tender or other document
- Be appropriate and relevant to the produce or service
- Not be anti-commercial
- Not be anti-competitive, and must be equally capable of being met by contractors or suppliers from all member states in the EU

Contract awards may take environmental requirements into consideration e.g. Whole Life Costs of a product or service. However suppliers or contractors will not be rejected because they do not comply with EMAS or ISO 14001, as these schemes are voluntary.

2.2 Internal Procedures

The Council has its own set of Contract and Financial Procedure rules. These set out how it can spend money on supplies and works and can be found in our Constitution.

The Council expects to buy its products of service on the basis of our usual terms and conditions, wherever possible. Where it is not possible, the terms and conditions by which we will buy will generally be set out in the tender documentation.

Do not assume that we will engage with your company's standard terms and conditions.

2.3 Partnership working

The Council aims to be as flexible as possible in its working arrangements, with the aim of producing effective value-driven procurement. In addition to formal contracting, we will seek to maximise any opportunities for partnership working, partnering and other forms of flexible procurement.

2.4 Sustainability

The Council is committed to maximising the amount of its own waste that can be and is recycled and, where practicable, will look to source products that are sustainable.

2.5 Equalities in Relation to Procurement and Contracts

Companies wishing to do business with us need to be aware of our position on equalities i.e. our procurement activities are guided by the Race Relations Amendment Act 2000.

We have adopted the Commission for Racial Equality (CRE) approach, as set out in its guidance to local authorities. This means we have to consider:

- Services provided under contract or agreement
- Contractors' equal opportunities policies and practices
- Contract opportunities for businesses owned or run by people from ethnic minorities

All contracts we issue contain a mandatory equalities clause. In addition, the equalities credentials of bidders will be considered at the pre-qualification stage of any tendering exercise. All our 'business critical' contractors are asked to complete an annual equalities questionnaire, which will enable us to assess the ongoing degree of compliance.

The Good Practice Guides on the Commission for Racial Equality web site are a useful source of reference. (www.cre.gov.uk)

2.6 Health and Safety Requirements for Contractors

We adhere strictly to the Government's health and safety legislation, and require all contractors to have a comprehensive company Health and Safety Policy appropriate to the needs and scale of the work being undertaken. For larger contracts this will include providing risk assessments and method statements for all work that is to be carried.

2.7 Other Legislation

We will comply with all legislation including the Data Protection and Freedom of Information Acts, and any other laws governing what we do with both commercial and individual information. We require suppliers and contractors to do so as well if and when required.

2.8 Our Payments Arrangements

Our payment arrangements are that all contractors and suppliers will be paid within mutually agreed terms or within 28 days if such terms do not exist. The time starts from the date the Council receives a valid invoice (i.e. correctly completed) to the date of the 'BACS' payment.

If we dispute your invoice, we will contact you. If an invoice is received in advance, the 28 day period or agreed term period starts from the satisfactory receipt of the products or services.

We also have a policy that all contractors are paid electronically through 'BACS' into a bank or building society unless there is a compelling reason to the contrary. There are rarely reasons for us to make this dispensation.

2.9 The Officer Code of Conduct

All employees must abide by a Code of Conduct. Employees must declare their interests in existing or potential suppliers and contractors, and state if the connection is a private, social, domestic or professional one. Also, they must not, either directly or indirectly, accept any gift, reward or benefit from any member of the public or any organisation with whom they are brought into contact by reason of their duties.

2.10 Electronic Trading

The Government has set targets for us to increase the amount of trade that we do 'electronically', as this saves both buyers' and sellers' time and money. Electronic trading comes in different forms including purchasing cards (P-cards), faxed /e-mailed transactions, and transactions generated using web sites, electronic catalogues or marketplaces. We will seek to use the opportunities arising from electronic trading where these exist.

3. SELLING TO US

3.1 What we Buy

We are continually looking to improve commercial flexibility within our procurement practices and to achieve best value for our organisation while working within statutory and EU requirements.

It is not possible to provide a complete list of the products and services we buy in any year. In considering whether to sell to the Council you need to bear in mind:-

- In some areas we already have plenty of good quality contractors and suppliers e.g. for stationery, furniture, printing, temporary staff, with several being engaged under terms contracts. It is unlikely therefore that you quickly will gain new business in these areas.
- We do not always award contracts on the basis of the lowest price. In some instance we also take into account factors such as quality, technical capability, after sales services and innovation, as well as previous track records of service and financial stability.

We do buy e.g.:-

- stationery
- construction
- response/preventative maintenance services
- grounds maintenance details
- computer equipment
- office equipment
- consultancy services

etc.

We do not buy:-

- products or services related to Council houses, (having transferred our housing stock to Hereward Housing Association)
- products or services relating to adopted road or lay-by maintenance (highways being the responsibility of the County Council)

3.2 Marketing Your Company to Us

While it is up to you to consider how to market your company to us, here are a few 'dos' - 'don'ts' we would advise.

DO:

- Use the sources of information that we provide, as they will provide you with lots of practical help.
- Familiarise yourself with the challenges that we are facing and the policies that we are trying to implement.
- Research our procurement policies and procedures thoroughly.

- Seek more information if you are unsure about something, particularly if you are responding to an invitation to quote or tender.

DO NOT:

- Send us regular mail shots advertising your products or services.
- Spend time cold calling - if we have your details and a potential business opportunity, we will call you.
- Assume that you have a right to do business with us as a local taxpayer.
- Try to 'buy' business - it is bad for us, your company and your other customers.

3.3 Future Opportunities

We may publish on our website (www.eastcambs.gov.uk) details of upcoming contracts or procurement opportunities.

3.4 Responding to a Tender Notice

We generally apply three tests to companies looking to do business with us. These are:

The Legal Test:

- You accept English Law as the governing law of any contract and the jurisdiction of the English Courts.
- You are prepared to accept our contract conditions (subject to minor changes negotiated in the interest of both parties).
- You must have no convictions for serious environmental offences, fraud, corruption, or other major breaches of the Companies Act.

The Financial Test:

- You must pass a financial check, usually based on your company's last two years' accounts (preferably audited).
- You must provide evidence of an acceptable and appropriate level of public liability insurance. Employers liability insurance and professional indemnity insurance may also be required.

The Technical Test:

- You must provide two references for your company that we can contact. These can be from any sector.
- You must provide evidence of any quality standards, appropriate to the work in hand, held by your company.
- You must provide a company policy statement covering the health and safety, environmental and equalities aspects of your business, which must meet legislative requirements. We can provide you with model forms if you are small to medium enterprise.

- Tender formalities exist for a reason. Please ensure you comply fully with them or you run the risk of having your tender not accepted as being non-compliant.

Awarding our Contracts

- Quotation and straightforward tenders for the supply of goods, works and services are normally awarded on lowest price, unless other conditions apply.
- Tenders for contracts, however, may also be awarded using a range of evaluation criteria including price and quality. This enables us to take account of other commercial and non-commercial considerations.
- We are unable to restrict Competition.
- We are unable to adopt a 'Buy British' campaign.

4. FREQUENTLY ASKED QUESTIONS

What is your Annual Spend on Goods and Services?

We spend over £30 million a year providing services, some of which relates to capital projects. Certain spending, such as Housing Benefit payments, does not involve procurement decisions. In broad terms, therefore the Council spends around £5 million on goods and services where it has influence on how these are acquired and provided and can achieve improvements in the way this is done and the value for money achieved.

Do you use any Purchasing Consortium?

Yes, we use Eastern Shires Purchasing Organisation (ESPO) www.espo.org.co. ESPO is a local authority purchasing and distribution consortium. It acts as a purchasing agent for its member authorities and other customers, which includes East Cambridgeshire District Council.

ESPO is made up of seven large Councils and provides certain goods and or services plus advice and assistance to all within the following areas; Cambridgeshire, Leicestershire, Lincolnshire, Norfolk and Warwickshire.

East Cambridgeshire District Council tries, wherever possible, to purchase its products and services through ESPO.

For information on how to become an ESPO supplier, please use the External Link Box on the right which will take you to ESPO's website.

We also work with other government agencies such as Office of Government Commerce (OGC) (link to. www.ogc.gov.uk)

5. WHO TO CONTACT

We publish our own website - the contact details of the relevant person if you want to find out about a particular opportunity or want to know more about a particular area. The list is updated at least once a year.

The following are useful organisations that might be of value to you when considering whether you want to sell to us. They are not all directly related to procurement, but can be useful in helping you understand our market sector.

Business Information Publications (BiP)	BIP is an independent company that helps potential contractors seek new business opportunities both here and in Europe, through publicising OJEU notices.	www.bipcontracts.co.uk
Central Buying Consortium (CBC)	A local authority buying consortium through which we access a number of contracts.	www.cbconline.org.uk
Chartered Institute of Purchasing and Supply (CIPS)	This is the professional body that represents procurement in both the private and public sectors	www.cips.org
Commission for Racial Equality	This organisation is designed to promote racial equality, and can provide useful guidance on issues affecting employment.	www.cre.gov.uk
Improvement and Development Agency (I&DeA)	This is the government agency in the forefront of developing services to support the improvement of local government procurement.	www.idea.gov.uk
Office of Government Commerce (OGC)	This is the central government department responsible for public sector procurement policy as it relates to central government.	www.ogc.gov.uk
Office of the Deputy Prime Minister (ODPM)	This is the central government department responsible for public sector procurement policy as it relates to local government	www.odpm.gov.uk www.procurementportal.odpm.gov.uk
Society of Purchasing Officers in Local Government (SOPO)	This is an organisation that provides guidance, support and best practice advice on local government procurement.	www.sopo.org.uk