

# TENDERING FOR WORK WITH NEWHAM COUNCIL

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# GENERAL POINTS

- This is an overview of tendering for work with Newham
- A lot of what I cover here applies to most local authorities because we are all bound by the same regulations and obligations:
  - Public purse
  - Duty of Care
  - Legal obligations – e.g. delivery of services
  - Procurement Legislation



# PROCUREMENT PROCESSES

## 3 key routes:

- 1) Under £5,000 we can 'just go out and buy' from a 'suitable' provider
  
- 2) £5,000 to £49,999 we can seek quotations. We must *obtain 3* written quotations, again from 'suitable' providers:
  - Known names, but preferably
  - Selected from NECTR and preferably
  - Local providers



Both are suitable routes when buying straightforward items (i.e. easy to specify and price is key consideration)

# PROCUREMENT PROCESSES

The third way...

3) £50,000 and above we have to go through a ***full tender process***:

- 5 bidders invited as a minimum, but...
- 7 bidders for *works* tenders of £250k and above

*Plus...*

Any lower-value purchase where the product is too complex to buy using quotation process and *quality* of supply is also a deciding factor.



*Talking about tenders...*

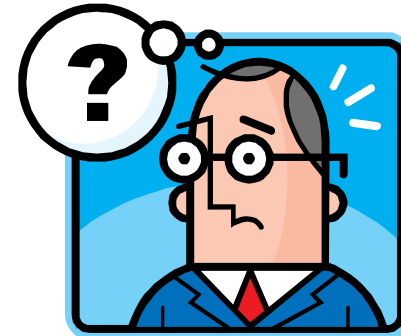
# PROCUREMENT PROCESSES

- All tenders require a stage of pre-selection to determine a firm's:
  - Suitability
  - Capability
  - Capacityto deliver the contract
- This selection is carried out using Questionnaires



# QUESTIONNAIRES

- A firm's suitability to perform the contract is assessed on two levels:
  - [1] **Corporate level** – pass or fail
  - [2] **Contract-specific level** – scored (points)
- Questionnaires ask specific questions about *the firm* wishing to tender
- The questions ask for *facts*
- When are these questionnaires issued?



Let's see ...

# WHEN? #1

## *Restricted Procedure:*

- **In advance** of the actual tender, so it's called a *Pre-Qualification Questionnaire (PQQ)*
- Selects firms to bid against stated criteria, e.g.:
  - Top five scorers
  - Anyone scoring above 528 points
  - Etc.
- This is why the procedure is called 'Restricted'
- Splits the tender process up into bite-size stages



## *Open Procedure:*

- **At the time of** tender, with the tender documents
- Not a *pre*-selection process so it's called a *Business Questionnaire (BQ)*
- Returned with the tender documents
- *Anyone* who passes the BQ process *has* to have their tender evaluated
- Makes a lot of documentation to deal with and submit at the same time



*(P.S. There may not be one!)*

# WHEN? #3

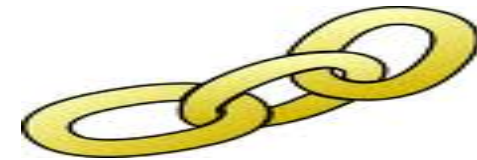
## *Approved List:*

- The questionnaire – or its equivalent – serves as an ***Application Form***
- By being on the Approved List, firms have been pre-selected
- No tender opportunities covered by an Approved List will be advertised for open competition so...
- Do not wait for tenders for contracts covered by an Approved List!



# Newham's Approved Lists

- Newham has Approved Lists for:
  - Construction-related works and services
  - Additional and extended education
  - Advice for self-directed support
- Tender opportunities covered by an Approved List will be *not* advertised for open competition
- 'Covered' means:
  - Contracts within scope
  - Contracts below the relevant EU threshold
- Remember – the EU thresholds currently are:
  - Works ~£3.9million
  - Services and supplies ~£156,000





# Approved Lists - 1

- Approved Lists operate using established rules
- Firms 'get on' a List by applying and meeting certain criteria
- Lists can be 'open' or 'closed' – look out for opportunities to apply
- Firms can be suspended or evicted from a List if they breach the rules of 'membership' or approval
- Different Lists operate differently so check the rules!!

# Approved Lists - 2

- Companies on a List are invited to tender on a basis of rotation
- Some Lists allow clients to nominate bidders if they are known to do good work.
- It is vital to keep essential documentation up to date (e.g. Insurances, H&S Policy, Accreditations, etc). Failure to do this can lead to suspension.



*Back to tendering...*

# CORPORATE QUESTIONNAIRE #1

Asks for:

- Company set-up - Registration N<sup>o</sup>, Directors, etc.
- Finances – 2 years' certified/audited accounts
- Proof of required insurance cover – EL, PL, PI(?)
- Equal Opportunities Information
- Health & Safety – Signed Policy, etc
- Operation information – Court Cases/Fraud, etc
- Sustainability policy / approach.



# CORPORATE QUESTIONNAIRE #2

- The Corporate Questionnaire is pass / fail
- We may ask for clarifications on certain aspects
- Guidance advises you how to approach the Questionnaire
- We tell you the criteria against which we assess your submission.



# CONTRACT-SPECIFIC QUESTIONNAIRE - 1

- Sometimes called the Technical or Supplementary Questionnaire
- Normally asks about your firm's:
  - Resources
  - Experience
  - Qualifications
  - Quality Assurance / Accreditations
  - Etc



relating *to the contract*. This is **NOT** a competitive tender stage!!!

# CONTRACT-SPECIFIC QUESTIONNAIRE - 2

- This Questionnaire often provides more details of the contract being tendered
- It is scored – points per question
- Evaluation or scoring criteria will be given in the documentation
- Clarification may be sought by us on certain aspects
- Pass/fail will depend on the tender procedure and what the documentation tells you



# A note on FRAMEWORKS

- Firms appointed by competitive tender
- Maximum duration of four years
- One member firm or more than two (i.e. *not* two!)
- Selection by:
  - Call-off (e.g. SORs)
  - Rotation
  - Mini-competition
  - Other...
- No guarantee of any work





# REMEMBER...

- Questionnaires seek *facts* about your company
- The Questionnaire is *not* a tender – we may ask for clarifications (we may even talk to you!)
- Always answer honestly – if you are found to have stated a mistruth:
  - The contract could be terminated
  - You could be banned from tendering again in Newham
  - It could be deemed as fraud.

# REMEMBER ...



- Look at the evaluation criteria **first** – can you meet the requirements?
- If not – do not waste your time filling it in.
- If you are not sure – ask.
- Insurance:
  - If you do not have the required level of cover, we allow you to confirm that you [a] can get it and [b] will take it up if successful. This saves taking on extra cover (and its cost) for nothing.
  - Make sure you include the cost of any additional cover in your tendered costs

# REMEMBER ...

- Bonds:
  - Normally required on contracts in excess of £200,000 in value
  - *May* be required on contracts below this value
  - They cover the client in the event you fail to complete the contract
  - Parent Company Guarantees may suffice instead
  - Normally have a value of 10% of contract sum
  - Normally cost ~10% of their value
  - Normally obtained from your insurers, your bank, your trade association or an organisation that provides Bonds (obviously!).

# REMEMBER ...

- Read *all* the Guidance – it is silly not to .
- Make sure you attach all requested documents – they are often required for confirmation purposes
- Start filling returns in early: do *not* wait until the last minute – you may have to research some of the answers
- It can take time to upload your documents so...
- Do not leave your submission until the last minute – NECTR closes *dead on time to the second!!* There is no second chance!!



# TENDERING – General

- The Questionnaire stage is about you, the firm
- It deals with facts
- The actual tender is about the contract to be let
- It always requires a competitive price submission and often a *quality* submission as well
- The documentation will advise you how the tender evaluation will be carried out.
- Always read that bit first !



When seeking work with a Council...

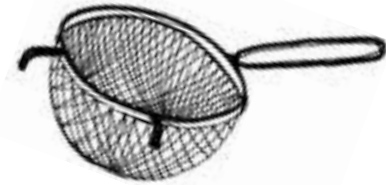
# TENDERING – General

- Know the client. For example, in Newham:
  - If you are a small builder, do not wait for a works tender to come out – we have an Approved List!
  - You need to be Registered on NECTR to...
    - [a] tender with us
    - [b] apply to go on our Approved Lists
    - [c] be advised when a tender suitable for you is being advertised
    - [d] to do anything, in fact!
- Watch Council websites – be aware
- Watch the news and trade news - see who has won what and can you sub-contract?



# TENDERING – General

- Do not go for everything
- Do not waste time tendering for the wrong stuff at the wrong time:
  - Is it *really* your line of work?
  - Do you have the capacity?
  - Are you ‘qualified’ to work for the client?
  - Do not rely on loss-leaders with a Council – no matter how good you are, the hurdles will always be there (by law!)
  - Is it too far away?
- Would you be better-off seeking sub-contract opportunities?



# TENDERING – General

- At questionnaire or tender stage, you can always seek clarification on any point in the documentation
- Clarifications are published to *all* bidders unless you can prove commercial confidentiality. Be careful what you ask!
- Before bidding, check you have the time to get all the requirements in place by the deadline – no bid is better than a bad bid and a lot less waste of time!



# TENDERING – General

- Silly things:
  - Avoid spelling mistakes and bad grammar
  - Answer the question! (not the one you *want* to answer!)
  - Do not submit what is not asked for (e.g. pictures)
  - Do not miss out any questions
  - Watch for word-count limits – anything over will be ignored
  - Double-check arithmetic – what you say stands!!
  - Allow for *all* extra costs – e.g. additional insurance, bonds, etc.



# TENDERING - EU TENDERS

- ‘EU’ applies when contract value exceeds:
  - Works approximately £3.9million
  - Services and supplies approx. £156k  
(Some services are excluded)
- Do not be frightened!
- Just like any other tender, to you
- Opportunity will be advertised in trade press and on the web site
- Use the same process as non-EU tenders
- Usually for larger companies - turnover needs to support the contract



## MORE ADVICE:

An advice surgery for small businesses is being held jointly by Newham and 'Fit for Business' on

Thursday 22<sup>nd</sup> July at

Women's Business Centre, High Street South, E6

Details from Fit for Business at:



[fitforbusiness@newham.ac.uk](mailto:fitforbusiness@newham.ac.uk)



020 8522 5700

*More surgeries will be held in September and November*



## MORE ADVICE:

Newham Procurement at:



[eprocurement@newham.gov.uk](mailto:eprocurement@newham.gov.uk)

NECTR helpline:



**020 3373 8350**

“Selling to Newham” webpage via: [newham.gov.uk](http://newham.gov.uk)

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

# Thankyou



*Any questions?*

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