

# HOW TO DO BUSINESS WITH MALVERN HILLS DISTRICT COUNCIL

A Guide for Contractors and Suppliers

March 2008

This guide has been published to help contractors and suppliers tender for contracts let by Malvern Hills District Council. It also provides an insight into our tender procedures for supplies and services.

## **Introduction**

Malvern Hills District Council spends approximately £8 million each year with organisations of all sizes with a wide range of commercial opportunities.

A lack of information about opportunities and a lack of understanding of the Council's contracting procedures rules may be stopping some organisations from applying for Council Contracts. This guide aims to help overcome these difficulties and explains how to apply for contracts that are advertised and what is expected of you when working for the Council.

There is a great deal of competition for the Council's contracts and this guide cannot assure individual firms success, however, it should provide enough information to give you the opportunity to be considered for Council work.

## **About Us**

Malvern Hills District Council has appointed a Business Change Officer whose role is to ensure that all procurement projects are undertaken within the Council's Contract Procedure Rules, Financial Regulations and EU legislation. The Council's aim with procurement is to use a variety of methods and contractual arrangements to help deliver The Council's Objectives, Vision and Values and to deliver high quality services to the local community.

Procurement is devolved to all Budget Holders within the authority. Our aim is to provide value for money on supplies and services bought and leased by the Council. This does not mean the cheapest but a balance between cost, quality and performance.

## **Implementing Electronic Government**

Implementing Electronic Government is one of the ways in which Government is modernising public services to enable citizens, customers and businesses to conduct their relationships with public agencies by any means they find convenient. Whilst some organisations use traditional methods to do business with us we are encouraging our citizens, customers and businesses to use electronic means where ever possible.

For Procurement Implementing Electronic Government means reductions in costs associated with administration, invoice queries, credit control, prompt payment and enhanced customer relations for both ourselves and our suppliers.

For those companies who currently may not have any IT infrastructure grants may be available through Business Link subject to qualification criteria. Please contact your local branch office of Business Link for further details of their scheme and how to apply for a grant.

## **Procurement Cards**

Certain types of contracts that may generate large volumes of invoices will be considered for this type of payment. Ideally your company will need to be registered for Level 3 (Line item detail) VAT. Whilst this will incur costs to our suppliers the benefit to the supplier is that payment can be received within 4 days. There are additional benefits in efficiencies for the supplier from eliminating the need to invoice the Council. The benefits to the Council are that we gain efficiency savings by not having to process invoices.

## **How to find out about our contracts**

You will find a list of our current contracts and those due for renewal on our website. The Council encourages competition and welcomes bids from a wide range of businesses. Contracts are awarded on the basis of the most economically advantageous solution for the Council taking into account whole life costs, quality and sustainability. The Council cannot discriminate in favour

of local suppliers but they will be given every encouragement to compete for contracts

Over the three two years we have also shared procurement projects with a number of our neighbours. This ensures that the Council gains advantage by the aggregates such contracts afford and in addition shares the costs associated with the procurement exercise. Malvern Hills District Council is a member of the Worcestershire & Warwickshire District Councils Procurement Group.

### Approved Lists

We do not maintain a list of approved suppliers but we do have a maintain a list of contractors who wish to be considered for future procurement events. If you or your company would like to register an expression of interest please contact [Margaret.duys@malvern hills.gov.uk](mailto:Margaret.duys@malvern hills.gov.uk)

### Newspapers & Technical journals

A tender value exceeding £5,000 but not exceeding £50,000 will be advertised in local newspapers, on our website, [www.malvern hills.gov.uk](http://www.malvern hills.gov.uk) and on [www.Supply2.gov.uk](http://www.Supply2.gov.uk).

Where the contract value exceeds £50,000 but falls under the European threshold (i.e services and supplies £153,376 and works £3,834,411) the advertisement will be in the national press and/or appropriate technical journal as well as our website [www.malvern hills.gov.uk](http://www.malvern hills.gov.uk) and on [Supply2.gov.uk](http://Supply2.gov.uk).

Where the value of the contract falls within the European threshold it will also be advertised in the Official Journal of European Union (OJEU). OJEU can be accessed electronically via their website [www.ojeudaily.com](http://www.ojeudaily.com) in addition to [www.mytenders.com](http://www.mytenders.com).

**Thresholds applicable from 1 January 2008 are given below. Thresholds are net of VAT.**

Council Regulation 1422/2007 (L317/34 5/2/07). Sterling Equivalents were published in C301/01 13/12/07

#### **PUBLIC CONTRACTS REGULATIONS 2006 - FROM 1 JANUARY 2008**

	<b>SUPPLIES</b>	<b>SERVICES</b>	<b>WORKS</b>
Entities listed in Schedule 1	£90,319 (€133,000)	£90,319 <sup>2</sup> (€133,000)	£3,497,313 (€5,150,000)
Other public sector contracting authorities	<b>£139,893</b> <b>(€206,000)</b>	<b>£139,893</b> <b>(€206,000)</b>	<b>£3,497,313</b> <b>(€5,150,000)</b>
Indicative Notices	<b>£509,317</b> <b>(€750,000)</b>	<b>£509,317</b> <b>(€750,000)</b>	<b>£3,497,313</b> <b>(€5,150,000)</b>
Small lots	<b>£54,327</b> <b>(€ 80,000)</b>	<b>£54,327</b> <b>(€ 80,000)</b>	<b>£679,090</b> <b>(€1,000,000)</b>

There are different types of tendering procedures that can be adopted (i.e. Open, Restricted, Negotiated, Accelerated and Competitive Dialogue). Each procedure imposes minimum timescales covering the tender process to ensure that reasonable time to respond to adverts and prepare submissions is given to all interested parties.

**Open Procedure-** The contract is advertised and any firm who responds will be sent full tender documentation.

**Restricted Procedure-** Firms responding to the advert are required to complete a questionnaire to assess their suitability to tender for the contract. A shortlist is drawn up of the firms best able to meet the criteria; these firms only are sent full tender documents.

**Negotiated Procedure-** Only used in exceptional circumstances, such as where the nature of the service/supplies is such that the specification cannot be established.

**Competitive Dialogue-** Used where the Council wishes to award a particularly complex dialogue and considers that the open or restricted procedure will not allow for the award of that contract

A Notice of Contract Award must be placed in OJEU and unsuccessful tenderers de-briefed.

### **Council Contacts**

For all enquiries please contact our Business Change Officer Margaret Duys on 01684 82260 or email [Margaret\\_duys@malvern hills.gov.uk](mailto:Margaret_duys@malvern hills.gov.uk).

For Construction Contracts or Repairs and Works please contact Dave Hawley on 01684 862365 or email [dave.hawley@malvern hills.gov.uk](mailto:dave.hawley@malvern hills.gov.uk)

Our Procurement Rules rules can be found on our website\_or if you require them in hardcopy or in another format or language contact Margaret Duys on 01684 862260. or via her email address as above.

### **How to tender for Council Contracts**

When a supplier applies for a tender a set of tender documents will be issued and consist of

- Specification of the required goods or services
- Criteria for selection by which the tenderer will be selected
- The period of the Contract
- The Terms and Conditions of the Contract
- Details of Tenderer and references

- The Price Schedule upon which the tenderer submits the priced bid
- Form of Tender
- Addressed envelope that the tender must be returned in
- Letter covering the time and date by which the tender has to be returned by
- Any additional information as considered appropriate to ensure the Council receives Best Value for money.

### **Finance Information**

In this section you are asked for certain financial information relating to your business for each of the last three years. If you are a Private Limited Company or a Public Limited Company you must submit fully audited accounts as registered with Companies House. Other applicants including voluntary and community organisation should forward copies of internal management accounts or a certified statement of turnover.

### **Equal Opportunities**

The Council strongly supports equal opportunity, and equal access for all sections of the community. We strive to ensure the standards we expect internally are supported by our suppliers.

### **Health & Safety**

All organisations are required to submit a Health & Safety Policy that refers to the Health & Safety legislation.

### **Sustainability**

We are committed to the sustainable development of the Malvern Hills District an objective of the Council which aims at protection and enhancement of the environment. In order to promote this we expect our suppliers to demonstrate similar levels of environmental care and commitment.

The amount of supporting documentation requested will reflect the size of the company tendering for the contract.

All companies will undergo a financial health check before a contract is awarded.

### **Tender Evaluation**

Returned tenders will be evaluated against pre-determined criteria. Evaluation will focus on examining how tender proposals deliver the service (quality) and the cost of the service (price) over the term of the contract.

The Council will award the contract on the basis of "Best Value". The definition of Best Value is *"the purchase of all goods and services on the most advantageous terms and conditions having regard to value for money and including price, quality, quantity, reliability, fitness for purpose, timeliness and reliability of the delivery, economy over time, reliable after sales service, environmental considerations and total cost to the authority"*.

### **Contract Award**

If you are successful in your tender submission you will be notified in writing and may be requested to sign a “form of agreement” to signify acceptance of the contract.

### **Debriefing**

If you are unsuccessful you will also be notified in writing. You may also request feedback on why your tender submission was un-successful.

### **Contract Performance**

All accepted suppliers are monitored throughout the contract period against the pre-defined performance criteria stated in the tender documents.

Contracts have to be delivered in accordance with the requirements set out in the contract documentation.

The Council is continuously striving to improve its performance and it expects its suppliers to do the same.