

Tendering for Local Government Work





Tendering for Local Government Work

Presentation to Adur & Worthing FSB Members.
Thursday 26th March 2009

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&
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Worthing Borough Council

Topics

- Who are we?
- WBC Tendering Procedures
- Pre Qualification Questionnaires (PQQ`s)
- Local Spend
- Case Study
- Questions

Who are we and what are our roles?

- Both Members of the Chartered Institute of Purchasing & Supply
- Local authority and commercial experience
- Our aim is to provide professional procurement advice internally and externally.
- We are purchasing practitioners.
- Advise internal departments on our own purchasing rules & procedures.
- Reduce Maverick spend – internal “policing”
- Contribute towards the Councils efficiencies and savings



Who are we and what are our roles?



Structure of Purchasing in WBC

- Most day to day procurement devolved to individual departments
- Centralised procurement for high level purchases and contracts
- Some commodity purchasing centralised – eg: ICT, Property Services
- Much collaboration and Joint Working between Councils.
- Annual Expenditure around £13 million



Our Tendering Procedures

- Our Contract “Standing Orders” define procedures to be followed by all staff:
 - a) Value between £5k and £20k TWO Quotes
 - b) Value between £20k and £40k THREE Quotes
 - c) Over £40k special rules apply – advertise etc
 - d) Over EU Public Procurement threshold (£139,893) EU rules must be followed. Process takes approx 9 months!
 - e) Pre Qualification Questionnaires (PQQ`s) used for c and d.



Framework Agreements & Approved Lists

- Worthing BC do not operate our own approved lists of suppliers
- Framework Agreements used -Councils are being encouraged to collaborate with others.
- ConstructionLine used by WBC
- “Tension” between Govt and Local requirements



PQQ`s

(Pre Qualification Questionnaires)

- Why do we use them?
 - Helps us shortlist to get the best to tender
 - Based on Risk assessment
 - Helps us to understand you
- What Questions do we ask and How do we Score them?



PQQ Information requested

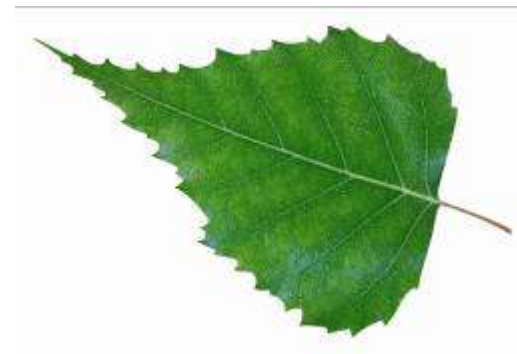
Information requested and assessment may include:

- Financial/company accounts: that financial strength is sufficient for requirement
- Insurance : appropriate policies and cover levels are in place (e.g. Employers Liability £5m but depends on type of contract)
- Health & Safety : H & S policy and risk assessments specifically for the requirement.



PQQ Information requested

- Equal Opportunities : evidence of appropriate equalities policies in place.
- Sustainability : evidence of sustainability policy and how suppliers will comply with our requirements.



PQQ Information requested

- Quality Standards : Suitable quality control system in place to ensure consistent high level of service is maintained.
- Technical Capacity and experience: evidence supplier has sufficient experience and technical knowledge to undertake the requirement.

PQQ SELF-ASSESSMENT Scoring Matrix

EXAMPLE ONLY

Company Name: Window Cleaning Services Ltd

1	BASIC DETAILS OF YOUR ORGANISATION	
1	Are you registered with Construction line?	No
	Are you registered with Construction line NPQS (non-construction scheme)	No
	If "Yes" , what is your registration number:	na
1.1 a	Have all company details been filled in	Yes
1.9	Company Registration number (if this applies-	4345551
1.1 1	Date of Registration	2003
1.1 3	VAT Registration number	788 5000 14
1.1 5	Name of (ultimate) parent company (if this applies)	na
1.1 6	Companies House Registration number of parent company (if this applies)	na
Total Score: 0 if no info / 3 if partial info / 5 if full info given		5
1.1 7	What size is the Company?	Small < 50

2	FINANCIAL INFORMATION	
2.1	What was your turnover in the last two years - min turnover required £50k	
	£32,000 for year ended 2006	£55,250 for year ended 2007
If this does not apply, what year did you commence business? _____		
2.2	Has the organisation met the terms of its banking facilities and loan agreements (if any) during the past year?	Yes
2.3	If "No" has a reason been given	na
2.4	Has the organisation met all its obligations to pay its creditors and staff during the past year?	Yes
2.5	If "No" has an explanation been given	na
2.6	Have Bank details been provided	NO
	Can they provide at least one of the following?	
	<i>A copy of your most recent audited accounts (for the last two years if this applies)</i>	NO
	<i>A statement of your turnover, profit & loss account and cash flow for the most recent year of trading</i>	NO
	<i>A statement of your cash flow forecast for the current year and a bank letter outlining the current cash and credit position</i>	NO
Total Score: 0 if not compliant / 3 if partially compliant / 5 if fully compliant		0

3	BUSINESS ACTIVITIES	
3.1	What are the main business activities of your organisation?	
	Note: Window Cleaning must be one of their main activities	General Cleaning
3.2	How many staff does your organisation have? (If you are a sole trader, please say so)	9
Total Score: 0 if not compliant / 3 if partially compliant / 5 if fully compliant		3

4	REFERENCES	
	Have 3 references been supplied: Score number of references supplied	Yes
		3
	Reference response Score	1
4.7	Have you had any contracts terminated for poor performance in the last three years, or any contracts where damages have been claimed by the contracting authority?	No
4.8	If "Yes" please give details:	na
If YES exclude from contract:		

5	INSURANCE	
9.1	Please provide details of your current insurance cover: Min needed £5m	
a)	Employers Liability	Value £1m
b)	Public Liability	Value £1m
Score 0 if both below £5m / 3 if only one above £5m / 5 if both £5m and above: If any below the min requirement this must be increased prior award		0

6	QUALITY ASSURANCE	
6.1	Does your organisation hold a recognised quality management certification for example BS/EN/ISO 9000:2000 or equivalent? If Yes please state name of certification	No
6.2	If No , does your organisation have a quality management system*?	Yes
	If No has an explanation been given?	na
6.3	Does your organisation hold the Community Mark? NB: If YES , no need to answer Question 9 Environment Management	No
Score maximum 5 if fully compliant		3
7	HEALTH & SAFETY INFORMATION	
7.1	Does your organisation have a written health and safety at work policy? (see notes at end of questionnaire)	Yes
7.2	Does your organisation have a health and safety at work system?	Yes
7.3	If " No " is explanation given why:	na
Score maximum 5 if fully compliant		5
8	EQUAL OPPORTUNITIES	
8.1	Does your organisation have a written equal opportunities policy, to avoid all types of discrimination?	Yes
Score maximum 2 if fully compliant		2
9	ENVIRONMENTAL MANAGEMENT INFORMATION	
9.1	Does your organisation have an environment management system?	Yes
9.2	Does your organisation have a sustainable procurement policy?	Yes

9.2	Does your organisation have a sustainable procurement policy?	Yes
Score maximum 5 if fully compliant		5

10	PROFESSIONAL AND BUSINESS STANDING	
	Do any of the following apply to your organisation, or to (any of) the director(s) / partners / proprietor(s)?	
10.1	Is in a state of bankruptcy, insolvency, compulsory winding up, receivership, composition with creditors, or subject to relevant proceedings	No
10.2	Has been convicted of a criminal offence related to business or professional conduct	No
10.3	Has committed an act of grave misconduct in the course of business	No
10.4	Has not fulfilled obligations related to payment of social security contributions	No
10.5	Has not fulfilled obligations related to payment of taxes	No
10.6	Is guilty of serious misrepresentation in supplying information	No
10.7	Is not in possession of relevant licences or membership of an appropriate organisation where required by law.	No
10.8	If “Yes” are details given	No
Score maximum 5 if all responses No – If Yes exclude		5

TOTAL OVERALL SCORE	27
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(Maximum achievable 50)

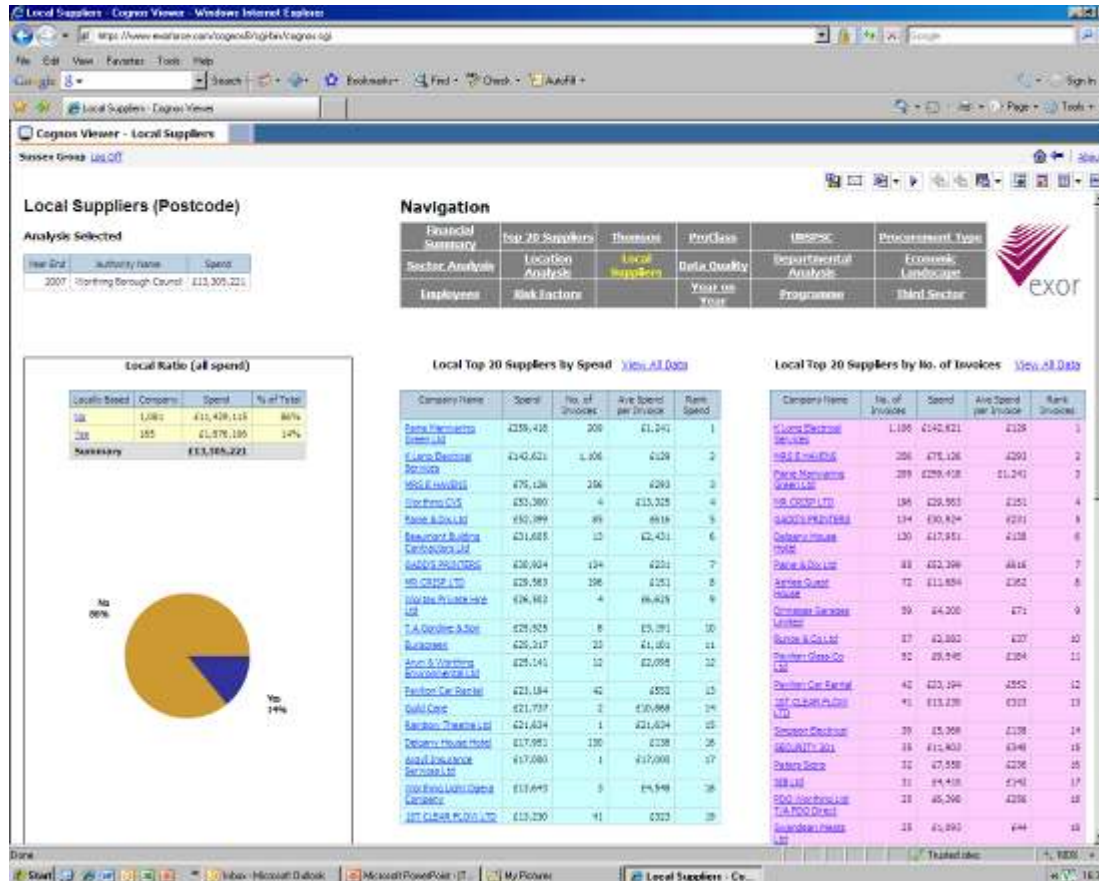
Tender/Quote Evaluation

- We do not award contracts solely on price but **Best Value**
- **MEAT** (Most Economically Advantageous Tender)



- Scoring Matrix based on % for Price and % for Quality
e.g 60% price, 40% quality.

How Much Do WBC spend locally?



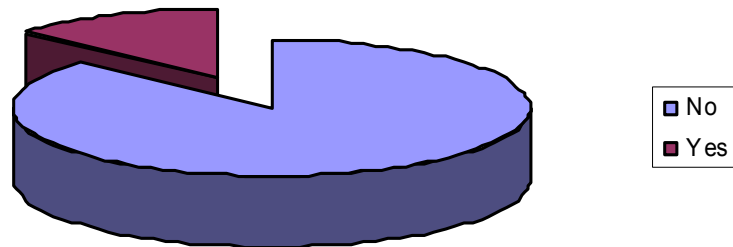
- Exor Data
- 14 % Local
- What is “Local”?
- Data based on postcode

Local Spend 2007/8

Locally Based	No of Companies	Spend	%of Total
No	1081	£ 11,429,115.00	86%
Yes	165	£ 1,876,106.00	14%

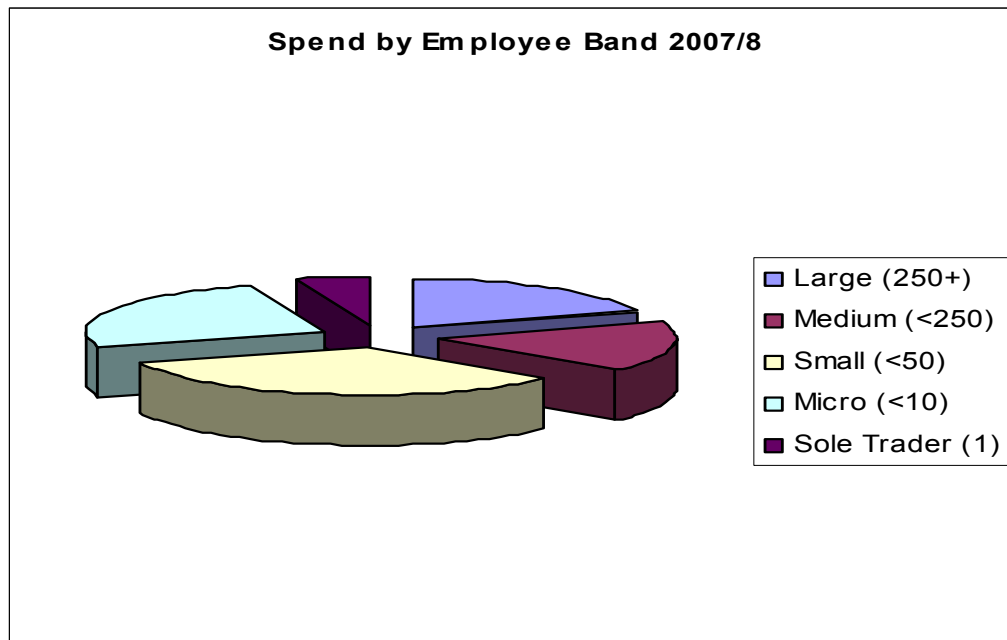
£ 13,305,221.00

Local Ratio (All 2007 Spend)



Spend by Employee Band

Employee Band	No of Companies	Spend	Avg Spend
Large (250+)	210	£ 4,306,494.00	£ 20,507.00
Medium (<250)	187	£ 1,774,587.00	£ 9,490.00
Small (<50)	361	£ 2,738,692.00	£ 7,586.00
Micro (<10)	271	£ 1,702,863.00	£ 6,284.00
Sole Trader (1)	53	£ 338,800.00	£ 6,392.00



Worthing BOROUGH COUNCIL FSB Friendly ?



- Worthing BC signed up to FSB Small Business Concordat
- Worthing BC Procurement Strategy
- Web Site shows contract opportunities
- Feedback provided at PQQ and Bid stage
- “Selling to the Council” Guide
- 14% of our Business awarded BN11/BN12

Case Study - FSB Success Story

- Public Convenience Cleaning, Building Cleaning & Window Cleaning
- Was one large contract
- Reviewed & decided to split into 3 separate “lots”
- 22 tenders returned versus 6
- 1 of the 3 lots awarded locally (Adur)
- Financial saving achieved



Breaking news....

ad - Windows Picture and Fax Viewer

Invitation to Building Contractors

Adur District Council Select List

Applications are invited from suitably qualified and experienced building contractors wishing to be considered for Adur District Council's select standing list of contractors with effect from June 2009 for a period of up to 3 years for work to Council homes. During this period, competitive prices will be sought for various individual contracts with values up to £200,000 using the list of approved contractors on a rotational basis in the following categories:

- General building work
- Re-pointing
- Re-roofing (flat / pitched)
- Pre painting repairs & redecoration

Initial requests for application forms must be made in writing giving the following information:


- company name and address
- contact name and telephone number
- publication where this advert was seen
- and must clearly state categories of interest

All applications to be addressed to:

Adur District Council
c/o Roy J. Wood
Building Surveying, Civic Centre, Ham Road Shoreham by Sea, West Sussex, BN43 6PR

General enquiries:
Roy J. Wood, Adur District Council
Tel: 01273 263359.
Fax: 01273 263102
Email: roy.wood@adur.gov.uk

Closing Date for receipt of all applications: noon 14 days from date of advert



ADUR

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Any Questions?

Thank You



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&

Bill Williamson
Procurement Officer

procurement@worthing.gov.uk

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