

Expert public procurement consultancy for Buyers and Suppliers at your service



PASS Consultancy

BiP's Procurement Advice and Support Service (PASS) provides organisations with access to experts in public procurement practices and procedures, thus helping you develop and deliver effective and efficient procurement/tendering. Our team offers a range of services to meet your specific needs. Whichever area you would like evaluated and improved, we have the experts to help.

The PASS consultancy's mission is to help you deliver the best in government procurement/tendering through:

- Practical solutions to improve performance
- Innovative approaches to knowledge transfer within government
- Procurement manual and strategy
- Improved performance indicators
- Strategic direction and performance
- Opportunities offered by e-government
- Capacity to deliver change to meet identified needs
- Continuous improvement of services and challenging poor performance
- Sustainable development within decision-making processes and delivery of services
- EU-compliant processes
- Best-practice procurement training

PASS Health Check

The PASS service can help your organisation examine its current procurement/tendering organisational structures, strategies, processes, practices and related strengths and weaknesses. It delivers a detailed PASS Mark Health Check Outcome Highlight Report (OHR) that outlines areas of strength as well as those requiring further attention, and provides an outline Project Initiation Document (PID) designed to deliver a more effective and efficient procurement/tendering process that will help you achieve optimum performance.



PASS – Helping You Meet Key Objectives

The key objective of public procurement professionals is to ensure that the most suitable supplier is selected to provide goods and services on terms which are likely to offer the best value for money. The PASS service helps you meet this requirement and deliver contracts that offer best value-for-money terms with suppliers who will execute them efficiently.

PASS Training

Our consultants can provide you with bespoke training packages to suit your needs. Consultancy and training is available for the following: environmental purchasing, partnering, evaluation, e-government, supplier debriefing, UK legal processes and precedents, contract management, EU-compliant tendering, tender writing and much more.

PASS Online Guidance

The PASS service provides online guidances on all aspects of the public procurement/tendering process and legal requirements: www.bipsolutions.com/html/briefing.php

PASS – CAPS Service

Introducing CAPS – the public sector's guardian through the EU public procurement process, helping you to quickly access in-depth, authoritative EU public procurement procedure assistance. We are now pleased to offer your organisation access to this vast knowledge base as and when required, through subscription to BiP's new Contract Administration & Process Support (CAPS) helpline service. The CAPS service level agreement aims to answer 99% of your enquiries within one working day and 85% of these within one working hour.

PASS In-house Presentations

PASS consultancy can provide you with in-house presentations suited to buyer or supplier as appropriate. Each presentation will be tailored to your requirements, whether they be with regards to improving your tendering practices or your procurement strategy or processes. Contact: pass@bipsolutions.com



GUIDANCE 05

2004

SELLING TO THE GREATER LONDON AUTHORITY

This guidance is offered as an aid to individuals or companies that have no prior experience or contact with the Greater London Authority (GLA) as a purchasing organisation and to those current suppliers who wish to expand their business contacts with them.

The GLA is also keen to ensure that its suppliers reflect London's diversity and encourages as many businesses as possible to apply for its contracts. It is hoped that this document will provide minority businesses in particular with awareness and knowledge of GLA procurement processes, thus improving the quality of their approach to potential business relationships with the GLA.

The GLA's approach is to create a business environment that allows all types of people to realise and reach their full potential in pursuit of business objectives. The GLA recognises that it may be difficult for some individuals or companies to compete successfully, so they need to provide the information, access and opportunities necessary for potential suppliers to compete for GLA business.

THE GREATER LONDON AUTHORITY

The GLA is a new and unique form of strategic city-wide government for London. It is made up of a directly elected Mayor – the Mayor of London – and a separately elected Assembly – the London Assembly. The Mayor prepares plans on issues from transport to the environment, and from culture to land use; directs the GLA; and sets budgets for the GLA, Transport for London, the London Development Agency, the Metropolitan Police and London's fire services.

The Assembly scrutinises the Mayor's activities, questioning the Mayor about his or her decisions. The Assembly is also able to investigate other issues of importance to Londoners, publish its findings and recommendations, and make proposals to the Mayor.

PRODUCTS AND SERVICES BOUGHT

Listed below are some of the typical purchases that the GLA makes:

Supplies

- Stationery
- Office equipment
- Furniture
- IT hardware and consumables

Services

- Consultancy
- Catering
- Building cleaning
- Window cleaning
- Printing
- Payroll
- Audit
- Banking
- Insurance



SUPPLIER SELECTION POLICY

Supplier selection is based on overall value for money. Whilst price is important, the GLA will always consider quality, reliability, safety, good design, timely delivery, maintenance and after-sales support before arriving at a decision which is the most economically advantageous to it.

As far as possible, where the value is high enough to justify the cost to both parties, contracts are placed after inviting individuals/companies to submit tenders in competition. The number of individuals/companies invited to tender will vary with the nature of the order and the availability of suitably qualified suppliers. In many cases it will not be practical to include all those suppliers who express an interest, and where there is a wide field of potential suppliers the GLA may undertake a pre-qualification process. The GLA complies with EU regulations on public procurement.

Potential suppliers must demonstrate their financial, commercial and technical capability to fully meet the contractual requirements under tender. The GLA will also take account of a company's past performance with reference to contracts of a similar nature, with both the GLA and other organisations. They will also be looking for a clear demonstration of commitment to equal opportunities in employment, to the environment and to safe systems of working.

The GLA may ask for references from previous customers, bankers or business information companies and, in some cases, arrange inspection visits to a company.

GENERAL POLICIES AND STANDARDS

Equalities

The GLA will encourage applications for inclusion in its tendering processes from all of London's diverse communities. It will endeavour to appoint contractors who are committed to promoting equality of opportunity in their own employment practices and service delivery

The PASS Mark Health Check is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the PASS service, contact our Customer Services Team on 0141 332 8247, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/

methods and who can demonstrate the ability to assist the GLA achieve its statutory responsibilities in this important area.

Risk management of contracting with suppliers with no track record will be explored. This will ensure, for example, that previous experience outside this country is not necessarily ignored or that suppliers without long-term experience but demonstrating capability are not ignored.

Environmental procurement policy

Procurement has a very significant effect on the environment and the GLA is committed to achieving value for money whilst taking account of:

- whole-life costs, quality and other benefits, and not just the initial price
- what the law says (including EU procurement rules and international agreements on trade)
- guides for suppliers and buyers and other official guidance (such as HM Treasury and DETR's joint note on environmental issues in purchasing and DETR's *Green Guide for Buyers* (1997))

and by:

- ensuring that what its buyers actually do is consistent with this statement, by conducting at least one pilot project or environmental audit each year covering a part of the GLA
- specifying recycled products and re-refined mineral oils where practicable and where they offer value for money, taking account of whole-life costs
- using the European Commission's mandatory energy-labelling scheme, buying the most energy-efficient products where they give value for money, taking account of whole-life costs
- making use of the environmental labels of the recognised eco-labelling schemes to help identify environmentally preferable products (ie those with a low environmental impact)
- making use of criteria already established under official eco-labelling schemes (where available and relevant to the contract) to improve specifications for products and services
- using the Government's Green Claims Code to inform buyers and challenge suppliers who provide product information that appears to contravene the Code's standards
- evaluating, as appropriate, the environmental performance of tenderers when relevant to the contract

Where relevant, tenderers will be required to state what Environmental Management system has been put in place if any, or if their organisation has been accredited to BS 7750: 1994.

Health and Safety

The GLA's standard pre-qualification questionnaire requests details of an applicant's health and safety policies. If your company employs fewer than 5 employees then you are not required to have a formal Health and Safety statement. Where a policy is submitted you should ensure that it is signed.

PROCEDURES

GLA's procurement and contracting procedures are designed to ensure that the GLA achieves best value from all the money it spends.



The value of a contract determines the procedures that all GLA officers must follow with respect to how many quotes they need to obtain, or whether a tender process must be entered into.

Below is a table outlining the procedures all GLA officers must follow:

Spend/Tender limits £ (excludes VAT)	Procedure
0 - 4999	Purchase order
5000 - 14,999	3 quotes
15,000 - 24,999	3 written quotes
25,000 - 49,999	Mini tender
From 50,000	Full tender
Over 154,000	EU/OJEU

SELECT LIST

The GLA has compiled a Select List of consultants. This list will be used in the award of contracts exceeding certain financial thresholds. Being accepted on the Select List does not guarantee the award of any contract. When tendering using the Select List, the GLA Contracts Code requires that at least five consultants should be invited to tender. Where this minimum number cannot be met from the list, invitations may be extended to those not on the list provided those so invited can satisfy GLA pre-qualification requirements.

For many types of purchase, following a tendering exercise, the GLA will maintain a contract with one or more suppliers and a Select List is not maintained. Therefore, you cannot apply to be added to a Select List for these types of purchases but must wait until existing contracts end and are re-advertised.

ADVERTISING OF CONTRACTS

All GLA contracts that need to be advertised will appear in one local (London-wide) newspaper and, if appropriate, a trade or professional journal. Where the value of the contract exceeds the EU threshold there will be a publication in the *Supplement to the Official Journal of the European Union (OJEU)*.

The GLA has a website where tender advertisements are placed. The address is www.london.gov.uk

In addition to ensure that suppliers reflect London's diversity, copies of tender adverts will be sent to a number of minority organisations for onward circulation to their members.

TENDERING PROCEDURES

There are three main ways of tendering:

- **Open procedure**
Under an open tender procedure all suppliers who respond to an advertisement are supplied with tender documentation, which they can return as appropriate.
- **Restricted procedure**
The restricted procedure can best be described as a two-stage approach in which the GLA invites interested suppliers to undergo a pre-qualification assessment to draw up a shortlist before inviting those on the list to tender.
- **Negotiated procedure**
This is when the GLA, under certain limited circumstances, negotiates with one or more suppliers of choice. For example, it may be used in cases of extreme urgency that could not be foreseen by the Authority or where there is only one supplier in the market. It would not normally be used when either open or restricted tendering is considered more appropriate.

TENDER SUBMISSION – TIPS

Whichever procedure the GLA follows, you should nevertheless read the advertisement or tender/quotation documents carefully and submit or request the information required by the dates stipulated by the Authority.

The GLA normally requires all suppliers to complete a questionnaire detailing information about their financial/economic standing and their technical capability. This usually covers information about when you started business or your organisation/company was formed, what experience you have in providing the goods/services/works being tendered for, details of where the GLA may obtain references on your company, and details of your company's finances.

To ensure your bid is considered, you must:

- provide all the information requested

- make sure that you answer all questions accurately
 - return the information by the closing date specified
- Sometimes the information the GLA receives from suppliers is unclear or in need of further clarification. Once again you should provide any additional information sought by the closing date set.
- The tender documents sent out to suppliers contain details of GLA requirements. The documents, particularly the specification, should be read carefully and all information completed fully and accurately. If you do not understand any part of the specification you should ring the GLA officer named in the tender documentation and request further information. This must be done before the tender period closes.

EVALUATION OF TENDERS

In order to preserve the integrity of the competitive process, it is imperative that the evaluation of proposals is undertaken objectively, consistently and without bias towards particular suppliers. Accordingly evaluation of tenders is undertaken by an evaluation panel, comprising a minimum of three members, to ensure a fair and objective decision is reached. Because of the nature of the GLA's contracts it is unlikely that they will be awarded on the basis of price alone. The GLA will award the contract to the supplier it considers offers value for money. For this reason the GLA's main evaluation criterion will be the 'most economically advantageous tender' (MEAT) as determined by the criteria set out in the tender documents. The award criteria will vary depending on the type of contract. Examples of award criteria are experience, technical merit, financial viability, flexibility to future changes to GLA requirements, speed of project delivery etc.

WHERE TO GO FOR HELP

- **Debriefing**
Unsuccessful tenderers may request feedback. Such requests should be made to the project manager of the specific contract for which they tendered. Where such requests are made, the GLA will endeavour to provide information that will assist the tenderer to improve on their next tender submission.
- **General**
Requests for general information on procurement issues at the GLA may be made in writing to:
The Procurement Manager
City Hall
The Queen's Walk
London SE1 2AA
Tel: 020 7983 4478
Fax: 020 7983 4137

APPENDIX A

CONTRACTS SUBJECT TO EU PROCUREMENT RULES – INTRODUCTION

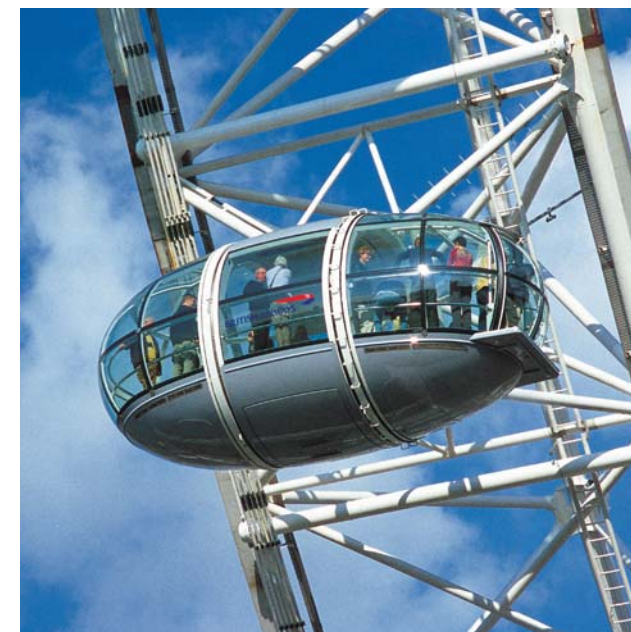
EU procurement rules were introduced by the European Union to open up competition between Member States. This is because public sector spending represents huge sums.

EU PROCUREMENT THRESHOLDS

Supplies	£153,376
Services	£153,376
Works	£3,834,411

Details of contracts falling within each of the above are listed below.

- Values exclude VAT.
- Values are total values NOT annual values, eg a three-year contract valued at £60,000 per annum (total value £180,000) is covered.
- Values are to be aggregated, eg if you have an ongoing annual need for supplies.
- It is a breach of EU law to deliberately divide up contracts to avoid the rules.
- There are specific rules in relation to extensions of existing contracts.
- There are specific rules relating to contracts for both service providers and suppliers.



- There are specific exceptions to the above thresholds. They are similar to the GLA exceptions, but different procedures apply.

THE EU PROCUREMENT DIRECTIVES

The Directives cover the following:

- **Works**
Building and engineering capital works over £3,834,411.
- **Supplies**
Supply, lease, rental or hire purchase of goods over £153,376.
- **Services**
Supply of services over £153,376 (does not apply to employment contracts).

The application of the Services Directive is split between Part A Services (eg IT), which are subject to the full European regime, and Part B services (eg catering), which have minimal legislative requirements.

Part A Services (see below) are subject to the full requirements. This means, for instance, that the services must be advertised in the *OJEU*.

Part B Services (summarised below) have minor requirements. The main requirements are in relation to technical specification and award notice. The above categories are in summary form only. There are extensive and detailed EU definitions for what are covered under each of these categories.

PART A SERVICES (full regime)

Accounting, auditing, bookkeeping
Market research and opinion polling
Management consultancy
Architectural, engineering, urban planning, landscaping and related technical services
Advertising
Building cleaning and property management
Sewerage and refuse disposal
IT
Financial
Transport and courier
Maintenance and repair of vehicles and equipment

PART B SERVICES (partial regime)

Catering
Legal
Security
Educational
Health and social
Recreational, cultural and sporting
Other