



# How to Tender for Council Work

a guide for contractors, suppliers and service providers

## INTRODUCTION

Lewisham Council spends millions of pounds on the procurement of work, supplies and services each year, providing companies of all sizes with a wide range of commercial opportunities.

This guide aims to help all potential contractors, suppliers and service providers to tender for contracts with Lewisham Council. It explains what legislation affects the Council's tendering requirements and looks at the procedures necessary to apply to tender for Council work.

There is, of course, a great deal of competition for Lewisham Council contracts and this guide cannot assure individual companies of success. However, it should provide sufficient information to help you understand the requirements in tendering for Council work.

The guide gives a general summary of Lewisham's procurement process, under the following headings:

- Rules that affect supplies, services and works
- How to find out about our contracts
- How to apply for inclusion in the Approved List of Contractors
- How to apply for inclusion in a select list for contracts that are advertised
- Information that companies must provide before being considered for a Council contract
- The tendering process
- Contract award
- Contract performance

## RULES THAT AFFECT HOW WORKS, SUPPLIES, AND SERVICES ARE PURCHASED

Lewisham Council purchases services, supplies and works from many companies that range in value from a few pounds to millions of pounds.

As well as the Council's own rules or 'Standing Orders', there are two other main factors which affect how the Council purchases works, supplies and services, namely:

### 1. European Law

The Council must follow European Law on Public Sector Purchasing. Most contracts for services and supplies above £154,000 (approximately) or for construction works above £3.8 million (approximately) must be advertised in the Official Journal of the European Union (OJEU).

### 2. Best Value

Best Value is part of the Government's agenda to modernise Local Government. Best Value is an opportunity for the Council to rethink the way in which services are delivered. It replaced Compulsory Competitive Tendering with a more flexible regime of service review, performance management, community consultation and partnership or competition as appropriate.

## HOW TO FIND OUT ABOUT OUR CONTRACTS

Where Lewisham Council advertises for contracts depends upon the type, value and legal requirements for awarding such contracts:

**Service and Supply contracts over £154,000 (approximately)**

**Works contracts over £3.8 million (approximately)**

These contracts are advertised in the Official Journal for the European Community (OJEC). This publication is available in electronic form - either in CD-ROM format or via online access (through the Internet) to the "Tenders Electronic Daily" (TED) database [[ted.publications.eu.int](http://ted.publications.eu.int)].

### Approved and Select Lists

Lewisham Council maintains different types of approved or select lists for supplies, services and works. Contracts are awarded through the approved or select list system, or by public advertisement.

When your company has been selected to tender for a contract, from an approved or select list, you will be contacted and invited to tender. Further information on these lists is provided in the section 'How to apply for inclusion in the Approved List of Contractors' and 'How to apply for inclusion in a select list for contracts that are advertised'.

### Contracts Requiring Advertisement

Where no approved list exists for the type of contract, the Council advertises through a number of publications. Contracts up to £100,000 are usually only advertised in the local press and sometimes suitable trade journals, depending on the particular market. Contracts over £100,000 may be advertised nationally in appropriate trade journals, as well as the local press.

You should look for advertisements in one of the following publications:

- Mercury
- South London Press
- Municipal Journal and Local Government Tenders (these are both publications specialising in Local Government)
- Contract Journal
- Contrax Weekly
- Other specific journals relevant to the type of contract (for example Construction News, Building, Community Care, etc.)

## HOW TO APPLY FOR INCLUSION IN THE APPROVED LIST OF CONTRACTORS

The Procurement Team is responsible for the Council's Approved List of Contractors in relation to construction and related works, which includes many categories from which companies are selected to tender for certain Council works contracts.

If your company would like to apply for a place on the Council's Approved List of Contractors you are required to go through an application process to verify your suitability and competence. From August 2004, the evaluation of companies for inclusion in the list is being undertaken by Exor Management Services Ltd, and to apply for inclusion on the Council's List you should contact them giving brief details of your company and requesting a business questionnaire. They can be contacted at:

Exor Management Services Ltd  
Innova House  
4 Kinetic Crescent  
Innova Science Park  
Mollison Avenue  
Enfield EN3 7XH

e-mail: [exor@exorgroup.co.uk](mailto:exor@exorgroup.co.uk)  
Telephone: 01992 707294

The questionnaire will tell you what information is required and where it should be returned, and you should complete and return it within the specified timescale. The completed business questionnaire and supporting documents are then processed.

Where necessary, you will be contacted for additional information. When all sections of your business questionnaire have been evaluated and approved, you will be added to the Exor database, and you will receive a letter from Exor to confirm this.

If your company would like further details on this process, you should contact the Procurement Team at:

Room 409, Lewisham Town Hall  
Catford  
London SE6 4RU

e-mail [procurement@lewisham.gov.uk](mailto:procurement@lewisham.gov.uk)  
Telephone no. 020 8314 8548  
Fax no. 020 8314 3092

Once your company is on the Approved List, your details will be available online to staff in the Council who let contracts for construction and related works.

## **HOW TO APPLY FOR INCLUSION IN SELECTS LISTS FOR CONTRACTS THAT ARE ADVERTISED**

Where contracts are not covered by the Approved List of Contractors, select lists are often drawn up following a public advertisement. The Council's advertisements state what is required from potential tenderers and invite companies to apply for consideration. If your company would like to be considered for a particular contract you must follow the application instructions detailed in the advertisement.

The Council generally advertises using the 'restricted' or 'open' procedure, as follows:

### **The 'Restricted' Procedure**

You will be asked in the advertisement to write, e-mail or fax the directorate concerned to express your interest and request the project-related business questionnaire. You must complete the questionnaire and return it within the specified timescale to be considered. Your business questionnaire will be assessed on the same basis as the Approved List application, but may also cover more specific project related issues. Once all the returned business questionnaires have been evaluated, a shortlist of tenderers is compiled – tender documents are sent to the companies on the shortlist, and a letter is sent giving feedback to firms not successful in getting onto the shortlist.

### **The 'Open' Procedure**

On some occasions the Council uses an open tendering procedure, which means that any interested company can tender for the contract. You will still be asked in the advertisement to express your interest for the contract, but you will automatically be invited to submit a tender. The information from you and your referees will then be considered together with your tender bid and supporting documentation at the same time.

## **INFORMATION THAT COMPANIES MUST PROVIDE BEFORE BEING CONSIDERED FOR A COUNCIL CONTRACT**

If your company applies for a place on an approved or select list or expresses an interest in a specific contract that has been advertised, the business questionnaire that you will be required to complete will ask for specific details about your company in the following areas:

### **General Company Details**

The questions in this section are designed to allow you to provide basic information on your company. This includes your main address for correspondence and contact names for both the application process and future tender invites. The questions here are designed to ensure that Lewisham Council knows exactly with whom it may be entering into a contract.

### **Technical and Professional Capacity**

The Council will use the information you supply here to assess whether your company is suitable for carrying out the category of work, service or supply you want to apply for.

You must provide details of referees from previous similar contracts that you've undertaken. These referees are contacted to obtain further information about your company's performance.

You should not ask to be considered for works, supplies or services that you would totally sub-contract out to other companies.

For certain categories of work the Council has specific additional requirements –

*Plumbing & Heating Work*                      You must be member of CORGI (Confederation of Registered Gas Installers)

*Electrical Work*                                      You must be a member of NICEIC (National Inspection Council for Electrical Installation Contracting)

### **Economic and Financial Standing**

In this section you are asked for certain financial information relating to your company. You are asked to submit audited accounts and annual reports for your company for the last 3 years. If your company is newly established and cannot provide formal accounts, this will be taken into consideration, but you will need to provide a statement from your accountant.

The Council will use the information you provide to assess the financial position of your company and to set contract limits.

You are asked to provide information on your insurance cover. Your company must carry Employers' Liability (usually unlimited value) and Public Liability (at least £2m) insurance cover. If you are a sole trader or partnership you may not be required to carry Employers' Liability. For some specialist contracts you may be required to carry Professional Indemnity insurance, Product Liability insurance, or Fire/Contract Works insurance.

## Quality Management

The questions in this section are designed to enable the Council to assess whether or not your organisation has suitable quality management systems in place to undertake the type of work for which you are applying.

Whilst it is not a requirement for contractors, suppliers or service providers to be formally Quality Assured with an accredited certification body, it is a requirement that organisations have adopted a quality management system that is at least to the standard of ISO9001: 2000 (or equivalent). Such a system should take account of the following principles:

- focus on customers
- provide leadership
- involve people within the organisation
- use a systematic approach
- encourage continual improvement
- base decisions on facts
- work with suppliers

## Equal Opportunities

Local authorities have certain duties in the area of equal opportunity; for example, under the Race Relations Act 1976 and the Race Relations (Amendment) Act 2000, local authorities are required to ensure that whilst carrying out their functions they take account of the need to eliminate racial discrimination and promote equality.

There is a range of equalities legislation which underpins the Council's own equalities priorities:

- Equal Pay Act 1970 (amendment 1984)
- Sex Discrimination Act 1975 (extended 1999)
- Race Relations Act 1976
- Race Relations (Amendment) Act 2000
- Disability Discrimination Act 1995
- Human Rights Act 1998

Lewisham Council is committed to ensuring that its employees and the people it serves are not discriminated against on the basis of race, colour, ethnic origin, religion disability, age, sexuality or gender.

The Council also believes that the people of Lewisham have a right to expect that money spent on goods and services on behalf of the Council should not promote discrimination in these areas. Lewisham, therefore, hopes that companies that it deals with have a similar commitment, and can demonstrate this.

A copy of the Code of Practice for the Elimination of Discrimination can be obtained from: -

Commission for Racial Equality  
Elliot House, 10-12 Allington Street , London SW1 5EH (telephone 020 7828 7022)

or from their Regional Offices in Birmingham, Manchester, Leicester and Leeds, or from the CRE website [www.cre.gov.uk](http://www.cre.gov.uk) .

You can obtain a copy of the Council's guidance document called 'Guidance on Equal Opportunity Policies' from the Procurement Team, or from the Council's website on [www.lewisham.gov.uk](http://www.lewisham.gov.uk) .

## **Health and Safety**

In this section you are asked questions relating to your Health and Safety arrangements. Section 2(3) of the Health and Safety at Work Act 1974 requires that all companies employing 5 or more persons shall have a written statement of health and safety. However, the Council requires all companies to have a written policy, irrespective of size.

The Health and Safety Commission have issued a number of guidance pamphlets on health and safety policies, two of which are particularly useful and listed below: -

1. Writing a Safety Policy Statement - Advice to Employers (Ref HSC6)
2. Construction Industry Advisory Committee pamphlet - Guidance on the Implementation of Safety Policies (Ref IAC/A1)

These are available from: -

HSE Books

PO Box 1999, Sudbury, Suffolk CO10 2WA (telephone 01787 881165)

or from local offices of the HSE or from the HSE website [www.hsebooks.com/Books/](http://www.hsebooks.com/Books/)

You can obtain a copy of the Council's document called 'Guidance on Health and Safety Policies' from the Procurement Team, or from the Council's website on [www.lewisham.gov.uk](http://www.lewisham.gov.uk) .

## **Environmental Matters and Sustainable Procurement**

Lewisham Council is committed to improving its own environmental performance through use of best available materials, practices and technologies. In order to achieve this aim, the Council expects companies from whom it purchases goods and services to demonstrate similar levels of environmental care and commitment to sustainability.

In this section you are asked if you have an Environmental Policy. If you do not, it will not prevent you at this stage from being considered for the approved list. However, you may be asked for further environmental information when you are invited to tender for specific contracts.

You can obtain a copy of the Council's guidance document called 'Guidance on Managing Environmental Performance' from the Procurement Team, or from the Council's website on [www.lewisham.gov.uk](http://www.lewisham.gov.uk) .

## THE TENDERING PROCESS

When you have been selected to tender for a project, the tender documentation will be sent to you from either Procurement Team or the Council Directorate supervising the project. The tender documents usually contain the following information:

- letter of invitation to tender
- invitation and instructions to tenderers (often called an 'ITT')
- pricing document and/or form of tender
- specification and/or schedule of rates
- contract conditions or conditions of purchase
- method statement requirements (if necessary)
- pre-addressed tender return envelope
- any relevant supporting information

You must follow the instructions given in the ITT and tender letter, as a failure to do so may prevent the Council from considering your tender.

You will be asked to complete and return your tender documents by a given time and date in the tender return envelope. The tender documents are all opened at the same time after the tender return date. Once the tender documents have been opened they are forwarded to the appropriate Council Officer for evaluation. If you fail to return your tender documents by the specified deadline your tender will be excluded from the evaluation process.

## CONTRACT AWARD

The Council will usually evaluate the tender bids on the basis of the 'Most Economically Advantageous Tender', sometimes known as 'MEAT', which takes account of price, quality and whole life costing. You should note that the Council is not bound to accept the lowest or any of the bids submitted. After evaluating the bids, if the Council is satisfied that you can undertake the work, supply or service you will be awarded the contract.

If you are not awarded the contract you will be notified in writing that you have been unsuccessful, and be given feedback.

## CONTRACT PERFORMANCE

There are procedures in place for monitoring the performance of all companies carrying out contracts for Lewisham Council. All companies are monitored to assess their compliance with pre-defined performance criteria. Once awarded a contract, you must pay particular attention to the following: -

### **On-site monitoring**

Your company must be capable of delivering the requirements of the contract. You should be aware that Contract Conditions will be strictly applied especially with regard to quality and general performance. The Council is continuously striving to improve its own performance and it expects its contractors to do the same. By the same token, the Council will look seriously at the position of any contractor that fails to perform to the levels required.

You will be asked to comment on any adverse performance that is reported, but you should be aware that serious instances of poor performance could lead to your suspension or deletion from all approved or select lists. The Council is not responsible for the consequences this may have on a company's business. Examples of adverse performance would include such areas as: poor quality of work, poor site supervision, poor adherence to work programme, poor control of sub-contractors, or poor health and safety practices.

### **Variations**

These may be needed from time to time throughout the contract. Lewisham Council will always request variations in writing, except in an emergency where instructions may be made verbally but will be confirmed in writing.

### **Post Contract Evaluation**

General performance of a contract is monitored and recorded for future reference. These records, known as contractor performance reports, are completed by the project's supervising officer and are kept by the client directorate.

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