



How to do Business with Merseytravel

A Guide for Suppliers and Contractors

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1. Introduction

Merseytravel spends millions of pounds each year with suppliers on various works, goods and services, providing business of all sizes with a wide range of commercial opportunities. We are always keen to work with suppliers to improve services we provide for the people of Merseyside.

This guide has been produced by the Merseytravel Procurement Team to:

- Assist suppliers and contractors to understand the obligations placed on the organisations in the procurement of goods, works and services.
- Inform suppliers and contractors of how to find the opportunities to supply.
- Explain the processes involved in bidding for work.

It also explains how contracts are awarded for their value for money; procurement decisions will not be made solely on the basis of lowest costs but will be undertaken on the most economically advantageous terms and conditions.

It should be recognised that purchase price, quality, reliability, fitness for purpose of the product, timeliness and reliability of delivery are not the only factors appropriate to best purchasing practice; economy over time, reliable after sales service and environmental considerations are equally important.

We want to help increase the capacity of local Voluntary and Community organisations and small and medium enterprises; helping organisations become 'Fit to Compete' and able to secure contracts from service providers. It is hoped that this will generate increased business opportunities, which will in turn help local employment and generate other community benefits.

We are always happy to advise potential suppliers and explore ways of achieving value for money, with quality goods and services at competitive prices for the organisations and residents of Merseyside.

2. Rules that Govern How Public Sector Organisations do Business

Contract and Financial Procedure Rules

Public Sector Organisations in the United Kingdom are subject to the United Kingdom Public Procurement Regulations, which implement relevant European Directives. The purpose of the Directives is to stop discrimination between suppliers. Each organisation also has a set of internal Contract Procedure Rules/Standing Orders which, together with its Financial Rules, govern how the organisation will do business. These internal rules govern what processes and procedures will be used when obtaining quotations and tenders.

European Law

All Public Sector Organisations must follow European law on Public Sector Procurement.

The EU Procurement regulations require us to follow detailed procedures for all procurements above certain financial thresholds, which are reviewed biennially.

The thresholds for total contract value (ie over the whole period the contract is in place) are:

- for Supplies and Services - £173,934
- for Works - £4,348,350

These thresholds were set on 1 January 2012 and are subject to review in 2014. For contracts at or above those thresholds, some of the basic rules are summarised below:

- A specific tender notice must be placed in the supplement to the Official Journal of the European Union (OJEU) and advertised in a suitable professional/trade journal or the press as appropriate.
- Tenders must be invited in accordance with one of the prescribed procedures, with minimum time-scales to ensure that interested parties are given a reasonable time to respond to adverts and prepare submissions.
- Once awarded, any contract covered by the full regime of the EU Directives must have a mandatory “standstill” period of at least 10 calendar days before contract work commences.
- Finally a contract award notice must be placed in the OJEU. Unsuccessful contractors can also request feedback on why they were unsuccessful.

3. Quotation and Tender Limits

The Contract Procedure Rules will determine how any procurement exercise will be carried out, taking into account the estimated value of the contract. See below.

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Up to £10,000 – Quotes obtained that demonstrate value for money has been achieved.

£10,000 - £50,000 – 3 written quotations.

£50,000 - £100,000 – Full tender process.

£173,934 and above – A full tender process to be undertaken; OJEU rules apply.

4. The Stages of the Procurement Process

Bidding procedures for Public Sector Organisation opportunities often seem testing, but each stage is necessary, as organisations must award all business on the basis of getting value for money for local taxpayers and ensuring transparency in our processes.

The following illustrates a typical procurement process;

1. **Defining the Need**

The aim/need/outcome is defined. A business case will then decide how the procurement exercise will be carried out. It will take account of market conditions, legislation and local authority policy.

2. **Choosing the Appropriate Procurement Process**

The need and level of spend will determine whether a request for quotation or full tender process is used. In an open tender any suppliers are invited to submit a tender bid. In a restricted tender suppliers have to pre-qualify before being invited to tender; they answer a questionnaire and supply information about their financial status, previous experience and references, etc. All responses are carefully assessed which can be very time consuming for both suppliers and Merseytravel

3. **Responses**

Whether a request for quotation or tender proposal all documentation should be fully completed and returned by the set deadline. There will be a set time to ask clarification questions, set out in the initial documentation.

4. **Evaluation**

Evaluation will be undertaken against set standards (or criteria) relating to value for money, which will have been agreed before any responses were received. In this way there is an objective assessment and comparison process to judge each response on its own merits.

5. **Awarding the Contract**

The organisation awards the contract to the supplier whose bid offers the most economically advantageous tender.

6. **Performing and Managing the Contract**

The Contractor performs the contract and the organisation manages it, checking and monitoring the contractor's performance throughout.

Potential bidders can increase their chances of being successful in their applications to carry out work for us if they pay attention to the following aspects of the process.

Do

- Keep an eye on the Public Sector Organisations' web sites, the Official Journal of the EU, electronic trading portals (eg The Chest) and the local and trade press for tender notices.
- Ensure you supply all the information and details asked for.
- Ensure your submission is returned before the deadline, as tenders are not accepted if they are submitted late.
- Contact tender@merseytravel.gov.uk if you require any further information.
- All questions relating to the procurement should be emailed via 'The Chest' and the Merseytravel will answer them as quickly as possible.

Common Reasons for disqualification

- PQQ/Tender documents received after the closing date/time for the receipt of tenders.
- The Tenderer fails to comply fully with the requirements of the Tender Process or is guilty of a serious misrepresentation in supplying any information required.
- A change in identity, control, financial standing or other factors affecting the selection and/or the evaluation process after the Tenderer has submitted.

Common Reasons for non acceptance

- Uncompetitive – failure to submit the most cost effective, best value offer;
- Failure to complete full tender responses;
- Not quoting a price for the specified product (and the alternative submitted is not the equivalent);

- Not supplying samples of management information, reports or COSHH data sheets with the tender documents;
- Unsatisfactory references (performance) or financial history; and
- Submission of an alternative bid without prior agreement.

5. How do we notify suppliers of tendering opportunities?

Public Sector Organisations Websites'

In striving to improve the availability of information, tender advertisements will usually be published via a Public Sector Opportunities portal 'The Chest'.

Official Journal of the European Union

Where a contract is valued in excess of the relevant EU Threshold, dependent upon whether the contract is for Supplies, Services or Works, a Contract Notice will also be placed in the Official Journal of the European Union (OJEU).

Contract notices may be accessed via an electronic on-line service entitled 'Tenders Electronic Daily' (TED). The website address is

<http://ted.publications.eu.int/official>

The Chest

'The Chest' is an electronic portal which has been created with funding from the North West Centre of Excellence to bring together buyers and suppliers making it easier for businesses to find out about new sources of potential revenue.

Suppliers can register online via the Suppliers' Area to receive email updates on opportunities that match their capabilities.

www.thechest.nwce.gov.uk

6. Types of Tenders used by Public Sector Organisations

Restricted Tendering Procedure

A restricted tender is where a shortlist of suppliers is drawn from respondents to a public notice for a specific contract. Invitation to tender for the contract is limited to suppliers who reply to this public notice and who meet predetermined selection criteria. Advertisements will still be placed in the normal way, usually via 'The Chest' and the Official Journal of the European Union (OJEU) if above the EU Public Procurement threshold.

Open Tender Procedure

Under this procedure, all respondents to a public notice advertising the specific contract must be invited to tender. An assessment of the Tenderer' and their submission is carried out at the same time, once tenders have been returned.

Notices inviting suppliers to apply for tender documents for the contract will be published as outlined above.

Competitive Dialogue

This is for use in complex contracts, where the inability to accurately define the technical output or specification renders the use of the 'Open' or 'Restricted'

procedure inappropriate. The Competitive Dialogue has recently replaced the 'Negotiated Procedure' in areas of complex procurement and the latter can only be used in very exceptional circumstances.

Negotiated

The negotiated procedure may only be used in very limited circumstances which are clearly dictated by EU Procurement Directives. The primary purpose of this procedure is to negotiate on the specification of the project and not the price.

Framework Arrangements

Framework arrangements occur where a contracting organisation sets up an arrangement with one or more suppliers on the understanding that the organisation will call on the suppliers to provide works, services or supply as and when needed. No guarantee of work is given and often mini-competitions will be run between suppliers on the framework contract to ensure Best Value is achieved. The Merseyside collaboration works on providing Framework Agreements, where practicable, for the whole Merseyside region.

7. Issues that may Affect Opportunities to do Business with Public Sector Organisations

Introduction

Merseytravel have a variety of policies relating to health and safety, care of the environment, sustainability, and equality through procurement, and urge suppliers to establish policies in these areas. You will be expected to adhere to such policies when submitting quotations and to show evidence of compliance with such policies if invited to submit tenders. We will assess compliance as part of any tender evaluation.

Health & Safety

Merseytravel is committed to ensuring the health, safety and welfare of their employees and that of all others affected by their undertakings. Contracts to supply goods or services will only be awarded to contractors who can satisfy our requirements in terms of resources required and their health and safety competence. Successful contractors and suppliers are expected to demonstrate compliance with current health and safety legislation including;

- commitment to the health and safety of its employees, client and others;
- up to date health and safety policies and procedures;
- adequate risk assessment procedures;
- adequate system of monitoring and reporting accidents, incidents and ill health; and
- access to competent health and safety advice.

Equality and Diversity

Merseytravel is an equal opportunities employer is committed to promoting equality of opportunity for all people irrespective of gender, age, race, or disability. We are keen to ensure that our suppliers abide by the law and are working to best practice in this area.

Environment

Procurement is about securing services and products that best meet the needs of users and the local community in its widest sense. Public expenditure on goods, works and services has significant economic, social and environmental impacts. Minimising our impact in these areas, and where possible having a positive influence, helps to improve local quality of life and promote sustainable development without compromising the ability of future generations to meet their needs.

Sustainability

The cornerstone of sustainability is achieving development and progress that meets the needs of the present, with minimal impact on the future.

Merseytravel's Procurement Team recognises it has a vital role in furthering sustainable development, through its procurement of goods, works and services and has determined that a corporate and systematic approach can help achieve this and provide the maximum benefits available in return. Merseytravel has produced a sustainable procurement policy showing commitment to consider the environmental, social and economic consequences of all aspects of procurement, including the capability of suppliers and contractors to address sustainable procurement through the supply chain for all our purchases.

8. Confidentiality and Freedom of Information Act

You should be aware that information submitted to Merseytravel in connection with a pre-qualification questionnaire or tender may be subject to the provisions of the Freedom of Information Act. The Act requires organisations to provide copies of any such information to any third party who makes a request for it. Certain information is exempt from disclosure under the Act, including information which is a trade secret, commercially sensitive (unless to disclose is in the public interest) or confidential in nature.

If you believe that any information supplied by you would fit within the exemptions set out in the Act then you should inform us in writing when submitting your pre-qualification questionnaire or tender, giving a precise definition of the information you consider to be exempt and citing the relevant exemption. We will endeavour to consult you before information of this type is disclosed to third parties who have made a request under the Act. We cannot, however, accept any restriction on our ability to disclose information which (in our reasonable opinion or in accordance with any recommendation, notice or decision of a competent authority) we are required to disclose under the Act. Consequently, we cannot guarantee that any information supplied by you in connection with a pre-qualification questionnaire or tender will be kept confidential. Whilst information held by Merseytravel is subject to the above, you will be required to keep confidential all information supplied to you by us which is exempt from disclosure because it is confidential, commercially sensitive or a trade secret under the Act, whether or not we designate or mark it as confidential. You shall ensure that those of your employees who need to see and use that confidential information for any purpose are aware of this obligation of confidentiality and undertake to comply with it. You will also be required to ensure that the terms of any sub-contract reflect this requirement.

9. Anti Bribery Statement

At Merseytravel we are committed to the highest legal, ethical and moral standards in the conduct of our business and will not tolerate fraud or corruption in any circumstances, whether committed by members, employees, suppliers, contractors or our customers. This is more important than ever because of the strict new rules brought in by the Bribery Act which came into force in July 2011.

Merseytravel operates a zero tolerance approach to the making or receiving of bribes or corrupt payments, in any form. Such conduct is strictly prohibited whether committed inside the organisation (members or employees) or by external parties (suppliers, contractors or customers).

All our sourcing decisions are based upon total acquisition cost and the best overall value to Merseytravel. At no time should gifts or gratuities be provided to unfairly influence a sourcing decision. We do not believe that gifts are necessary to enhance mutually beneficial relationships. Failure to support this policy could seriously damage our relationship.

If at any time during the procurement process you feel you have been requested to provide a gift, gratuity or hospitality please contact audit@merseytravel.gov.uk

10. Links and Other Useful Contacts

Supply2Gov

Supply2.gov.uk is the only official government lower-value contract opportunity portal, created specifically to provide small businesses with visibility of public sector contract opportunities typically below £100,000 the OJEU (Official Journal of the European Union) thresholds. This portal brings buyers and suppliers together and whilst it does not claim to advertise all tendering opportunities, the public sector is encouraged to use the site to publish supply opportunities to reach a wide range of potential suppliers.

<http://www.supply2.gov.uk>

North West Improvement and Efficiency Partnership

The North West Improvement and Efficiency Partnership provide North West local authorities with a major body of support to enable them to broaden their improvement and efficiency horizons and benefit their communities.

<http://www.nwce.gov.uk>

CoSE

The Confederation of Social Entrepreneurs (CoSE) is an important association which has been set up to promote the interests of social businesses and other third-sector organisations across Merseyside. Officially launched on Social Enterprise Day 2007, CoSE aims to support social businesses and celebrate the contribution they make to the economy of the area.

<http://www.cose.org.uk>

Liverpool Chamber of Commerce

Liverpool Chamber of Commerce was established in 1850 to protect the interests of the merchants and businesses in the city. They are the voice of Liverpool's business community locally, nationally and around the world and are part of a wider network of North West Chambers.

<http://www.liverpoolchamber.org.uk>

Federation of Small Businesses

The Federation of Small Businesses is the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms.

<http://www.fsb.org.uk>

Greater Merseyside ChangeUp

ChangeUp is a UK government initiative aimed at improving the capacity of the voluntary and community sector to deliver public services by 2014.

<http://www.changeupmerseyside.org.uk>

Downtown Liverpool in Business

Downtown Liverpool in Business is widely recognised as the North West's most dynamic private sector business club. DLIB represents and works closely with the regions most successful companies, entrepreneurs and business leaders.

<http://www.downtownliverpool.com/about.php>

Business Link

Businesslink.gov.uk helps your business save time and money by giving you instant access to clear, simple and trustworthy information.

<http://www.businesslink.gov.uk/bdotg/action/home>