



How to do business with Plymouth Community Homes

*'A practical guide for local small and medium sized enterprises
including voluntary and community sector organisations'*

Foreword

Plymouth Community Homes want the most efficient procurement process for the delivery of local services. With this in mind, this guide has been produced to assist small and medium sized enterprises and voluntary and community organisations across Plymouth to have the best possible chance of effectively competing for the ability to provide those services.

I hope this guide will give you a good understanding of how to participate in this environment and I encourage you to do so.

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CONTENTS

1. Introduction
2. The Law
3. Procurement Thresholds
4. Contracts Let Under European Law (EU Limit)
5. Providing Quotations
6. Sell2Plymouth
7. Tender Process (High Value Transactions) – 9 steps to tendering
8. Pre-Qualification Questionnaires
9. Tender Documents
10. Standard Policies
11. Doing Business Electronically
12. Do's and Don'ts
13. Feedback
14. Further Information
15. Glossary

1. INTRODUCTION

Naturally many supplying organisations will wish to sell their goods, works and services to Plymouth Community Homes (PCH) and its subsidiaries, PCH Manufacturing Services, PCH Regeneration, and PCH Energy. PCH has a considerable demand for the supply of goods, services and works. This guide is designed to help local Small and Medium Sized Enterprises and Voluntary and Community Sector Organisations (SMEs / VCOs) understand how PCH make procurement decisions and aims to encourage participation by SMEs / VCOs in its procurement activities.

SMEs and VCOs can play an important role in helping deliver services to the local community by offering goods, services and works at better value for money than larger competitors through:

Innovation

- small businesses can bring innovation through, for example: the early exploitation of new technology, providing products or services in new or underdeveloped markets, or by using innovation to differentiate themselves from established market players.

Responsiveness

- shorter management chains and approval routes allow quicker response to changing requirements

Flexibility

- small businesses are normally more willing to tailor a product or service to meet the customer needs than a larger firm that sells an established offering.

Bringing greater competition to the market place

- this helps drive costs down

Lower Cost

- administrative overheads and management costs are typically lower for smaller organisations which may result in lower prices.

Quality of Service

- small businesses can often offer more personal levels of service.

Specialism

- many small businesses survive by offering specialist products or services that larger suppliers find unattractive, for example because of limited demand.

PCH recognise that there are many barriers facing SMEs / VCOs when endeavouring to win business from it and therefore this guide aims to help breakdown some of those barriers.

2. THE LAW

PCH adheres to a set of rules and procedures which require that:

- It obtains value for money when procuring goods, services and works and fulfils the duty of achieving best value.
- PCH complies with English law and European law that govern the procuring of goods, services and works.
- PCH also has a set of internal procurement regulations and rules which govern how procurement activities must be carried out.

3. PROCUREMENT THRESHOLDS

PCH has set procurement thresholds that dictate the basic method by which it will procure its goods, services and works.

Typically the greater value or risk of a potential contract the more rigorous a process will be used. For example, low value procurements will only be subject to obtaining a written quotation from the preferred supplier, whereas those of high value procurements that exceed the European Union (EU) thresholds will be subject to a competitive tendering process in accordance with the EU procurement regulations.

4. CONTRACTS LET UNDER EUROPEAN LAW (EU Limit)

PCH is required to follow the EU procurement directives where planned procurement projects exceed the EU limits.

The procurement directives have taken into consideration aggregation. They have put in place safeguards to ensure that PCH do not avoid the application of the directives by breaking down requirements into smaller quantities or by letting contracts for shorter periods. The purchase of 'like items' (office supplies is a prime example) must be aggregated to legally consider the application of the Directives.

The EU procurement limits are reviewed every 2 years and amended if necessary on the 1st January. The current thresholds and further detailed information on these can be found at the following web address:

<http://www.ojeu.eu/thresholds.aspx>

5. PROVIDING QUOTATIONS

For low value procurements PCH will be required to obtain a formal written quotation from the preferred supplier/s of its choice. As a minimum the quotation must specify the following:

- a. The goods, services or works to be supplied
- b. When they are to be supplied
- c. The value or price of the transaction
- d. Terms of payment

6. Sell2Plymouth

Where possible Plymouth Community Homes will look for suppliers registered on the Sell2Plymouth web portal – the address being:

<http://www.sell2plymouth.co.uk/>. This portal has been developed in conjunction with a number of other public sector organisations across Plymouth to provide the opportunity to small local organisations the opportunity of competing for and winning low value contracts. Potential suppliers and contractors are encouraged to register themselves on the Sell2Plymouth site. (NB – Please note that from May 2016 we will be predominately using ProContract e-tendering portal as detailed below).

7. THE TENDER PROCESS (High Value Transactions)

For the procurement of goods, services or works that fall into the category of “High Value Transaction”, a formal tendering process will be adopted.

9 Steps to Tendering

The process is as follows:

1. PCH will publish a Tender advert on the ProContract e-tendering portal. Suppliers can view current opportunities by going to <https://procontract.due-north.com/Opportunities/Index> and selecting the Housing Procurement Portal, and then Plymouth Community Homes in the menu options.
2. Suppliers may also register for tender notification alerts on the portal by registering at <http://procontract.due-north.com/register> to be alerted re: new tender opportunities on the portal. This is a free service.
3. Suppliers will to be able to gain full access to all tender information / documents by registering on Procontract and expressing an interest on the portal advert.

4. Interested suppliers will need to complete the tender documents in accordance with the instructions and submit response on the portal by the required date.
5. For most tenders, PCH will normally use 1 of 2 procedures – the Restricted Tender procedure or Open Tender procedure as detailed below:
 - A Restricted Tender Procedure has 2 stages:
 - i. PQQ stage – Interested suppliers will need to complete a PQQ which PCH will use as a basis for shortlisting suppliers to the next stage
 - ii. Tender stage - Shortlisted suppliers will be invited to the next stage to complete a tender
 - An Open Tender procedure is a one-stage tender process - this will usually include a PQQ and Tender Questionnaire in-one - to be submitted together in the one stage only.
6. For all procedures, suppliers will need to complete and return the tender documents by the required date and time.
7. PCH will undertake clarification on the documents submitted where required via the portal.
8. PCH will evaluate all submissions using a price and quality matrix.
9. PCH will award a contract to the successful supplier.

Where appropriate, PCH will give potential suppliers an opportunity to submit questions / clarifications on the portal and discuss the procurement in order to understand the requirements in full and assess their own suitability. Nothing will be done; however, which would give a particular business or provider an unfair advantage in competing for a specific contract. Questions & Answers may also be circulated to all suppliers that have expressed an interest for fairness and transparency.

8. PRE QUALIFICATION QUESTIONNAIRES

When PCH wishes to shortlist suppliers it will issue a Pre-Qualification Questionnaire or 'PQQ' to assess the quality of tenderers. These will ask all or some of the following questions:

- What are the supplier's training and professional qualifications that enable them to meet the needs of the service / contract?
- How many staff are employed within the organisation and how is the organisation structured?

- What similar work has the supplier undertaken in the last 5 years?
- What references can the supplier provide us from current or past customers?
- What standard company policies does the supplier operate?
- What evidence does the supplier have of financial standing?:
 - Provide a copy of the most recently audited accounts.
 - Provide a statement of the supplier's turnover, profit & loss and cash flow for the most recent year, or a statement of the forecast cash flow for the coming year.
 - What score have they achieved in the Dun & Bradstreet financial report and credit check?

It is worthy to note that PCH can disqualify suppliers at this stage of the process for such factors as: financial standing and technical ability and certain EU mandatory grounds for exclusion.

9. TENDER DOCUMENTS

Upon application, or upon successful short listing following a pre-qualification stage, PCH will publish a set of tender documents that will normally consist of all or some of the following:

- **Portal Advert** – this will be published on Procontract and will give a short description of the contract, the deadline for tenders submissions and contact details.
- **Instructions to Tenderers** – provides guidance for correctly completing the tender documents and set out or refer to the rules that will govern the procurement.
- **Form of Tender** – an agreement to the terms and conditions of the tender by the tenderer.
- **Specification or Service Brief** – sets out what is required in terms of output, standards, performances and outcomes.
- **Terms and Conditions of Contract** – sets out the legally binding terms on which the successful tenderer will provide goods, services, or works (as the case may be) - this also includes method of payment.
- **Tender Questionnaires and Pricing Schedules** – questions / documents required to be completed by the tenderer detailing specific elements of the proposal including prices or rates.
- **Tender Evaluation Criteria** – this will demonstrate, in outline, how PCH intends to evaluate each tender and on which basis it will select a supplier or contractor. A Price / Quality ratio will generally

be stated that represents the weighting given to the elements for evaluation.

10. STANDARD POLICIES

As part of the Pre Qualification process PCH will ask to see copies of a number of standard company policies. This will include, but not limited, to the following:

- Equal Opportunities

PCH is an equal opportunity employer and is committed to promoting equality of opportunity for all people irrespective of sex, age, race or disability. PCH is keen to ensure that its suppliers abide by the law and are working to best practices in this area. All suppliers, as part of the tender process, will be required to provide evidence that they have equal opportunities policies and are committed to them and sign our Equality and Diversity statement.

- Sustainability and Environmental Policies

PCH is committed to using the resources entrusted to it to ensure best value for money at the least possible impact to the environment. As part of this commitment to the environment, PCH procurement policy will where practical focus on:

- Specifying less environmentally damaging products
- Promote greater use of renewable sources
- Encourage suppliers to use environmentally friendly practices throughout their production and delivery processes.

All suppliers, as part of the tender process, will be required to provide evidence of environmentally sustainable processes and sign our Environmental Sustainability policy statement.

- Health and Safety

PCH is committed to ensuring the health, safety and welfare of its employees, clients and tenants and that of others affected by its undertakings. Contracts to supply goods or services will only be awarded to suppliers who can satisfy the requirements in terms of resources required and their health and safety competence.

11. DOING BUSINESS ELECTRONICALLY

In the future PCH will look to use electronic procurement (e-procurement) solutions.

E-procurement means the use of an electronic system to acquire goods, works and services and payment from third parties.

The key to making e-procurement an effective way of doing business is the involvement of the supplier community to PCH. All sizes of supplier will need to embrace new ways of working, such as:

- Receiving orders via e-mail, the web and/or interlinking systems / interfaces
- Electronic billing
- Processing quotes and tenders electronically
- Submitting tenders or quotes electronically by e-mail or online via the Procontract e-tendering portal

12. DO's and DON'Ts

This checklist may help you:

DO:

- **Do** provide requested information on time and in the required format. Remember that the date and time given for a response is normally the last date and time that can be accepted, we are legally bound to disqualify late tender submissions.
- **Do** study our advertisements carefully; they are the opportunity for you to decide whether your business can carry out the contract. There will usually be a contact name, telephone number and e-mail address. It will often be useful to contact the officer who is responsible for the contract so that you can talk through and really understand the requirements because this will avoid you wasting valuable time and money tendering for a contract for which you cannot realistically compete.
- **Do** provide any pre-qualification data accurately and in the format described.
- **Do** provide clear and concise contact details; telephone numbers, e-mail addresses.
- **Do** review your policies on a regular basis to ensure that they comply with current legislation.
- **Do comply with the Instructions to Tenderers and any other regulations that apply. Failure to do so may lead to disqualification.**

DON'T

- **Don't** send or submit 'glossy' brochures that have not been requested because they make any response messy and difficult to properly assess. Only send / submit what has been requested and only send supplementary information if we have offered you the opportunity to do so.
- **Don't** seek to influence the tender process by requesting meetings or contacting the officer to discuss your tender. If your tender requires clarification we will contact you.
- **Don't** seek changes to the tender documentation after tenders have been submitted.

13. FEEDBACK

Whatever the result of your tender, you are entitled to feedback or a debrief, in fact we encourage you to request feedback because this will identify areas where you responded well and not so well which should help you to improve future tender responses.

14. FURTHER INFORMATION

Using this guide does not guarantee the award or continuation of a contract with PCH. Legally PCH can not have a positive discrimination policy which favours local companies. However we would like to ensure that SMEs / VCOs are encouraged to compete for opportunities of new and continued business. This guide is designed to provide an overview on doing business with PCH. If you would like to know more about doing business with PCH or require information on specific contract opportunities, please contact below:

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It is emphasised that this is a Guide only to general procurement activities at PCH. No statement in this Guide shall be deemed to govern or apply to a specific tendering activity or procurement.

Please note: This guide may be subject to change without notice. For an up to date version please contact the person named above.

15. GLOSSARY

Portal – this refers to the Procontract e-tendering (electronic-tendering) website which PCH uses to publish and run all tender procedures on. (To register go to <http://procontract.due-north.com/register> or to view opportunities go to <https://procontract.due-north.com/Opportunities/Index>)

Procurement – this covers all activities that involve buying, contracting, purchasing, sourcing or tendering. PCH procures a wide variety of goods, services and works. Good Procurement does not mean simply buying the cheapest option but rather seeking to achieve value for money considering a combination of cost and quality to meet the requirement.

Specification / Service Brief – this is a written statement that will define the requirements of the goods or service. The specification will vary according to the product or service concerned. For a simple product the specification may be a brief description, while in the case of a complex service or works it will be a comprehensive document, perhaps running to many pages in length.

Tendering – this is a purchasing procedure whereby potential suppliers are invited to make a firm and unequivocal offer of price and terms which, on acceptance, shall be the basis of the subsequent contract.

Contract – an agreement between PCH and the supplier that is enforceable by law.

Pre-Qualification Questionnaire – this is a document that potential contractors are required to complete, providing PCH with various pieces of necessary information by which it can shortlist those contractors from which a tender will be sought.

European Procurement Directives – European Procurement Directives are the European rules that govern all public sector contracts including contracts awarded by PCH. There are different requirements depending on the type of contract (services, supplies, utilities and works) and the nature of the contract.

SME – Small Medium sized Enterprises – categorised as any organisation that employ less than 250 employees.

VCO – Voluntary and Community Organisation – a voluntary organisation is: non-statutory, autonomous, may be charitable.

A Community sector organisation is active on a local or community level, usually small, modestly funded and largely dependent on voluntary, rather than paid effort. This can be seen as distinct from the larger, professionally staffed agencies which are most visible in voluntary sector profiles. Hence the phrase voluntary and community sector (VCS) to encompass the full range.

EU – European Union – The European Union (EU) is a family of democratic European countries, committed to working together for peace and prosperity. The rule of law is fundamental to the European Union. All EU decisions and procedures are based on Treaties, which are agreed by all the EU countries. For further information please visit: <http://europa.eu>.