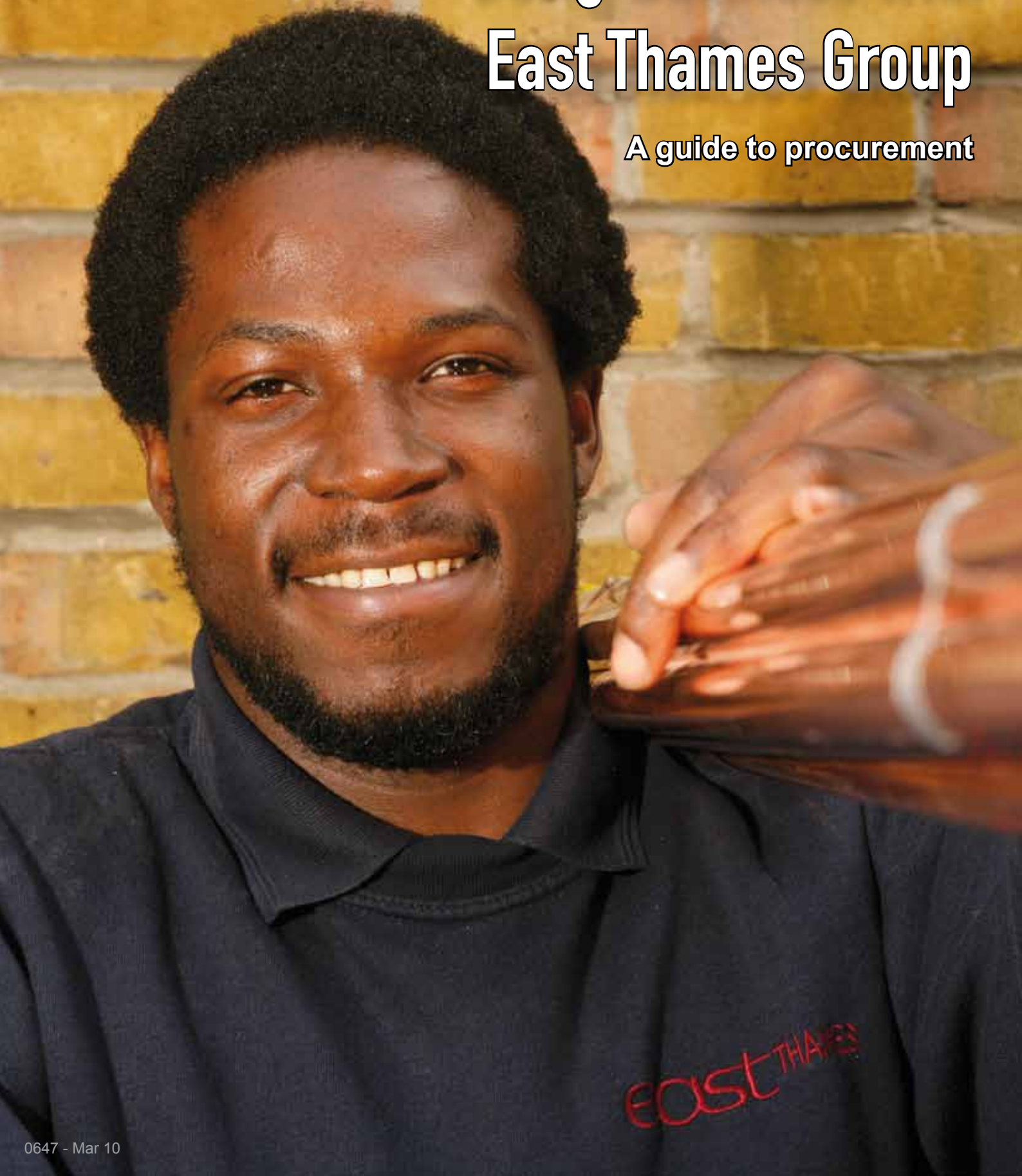


Doing business with East Thames Group

A guide to procurement



1. Introduction

East Thames Group Limited is a Registered Social Landlord. It is a registered charity and a company limited by guarantee. The Group is the strategic arm of the business and co-ordinates strategic and business planning, risk management and audit, development and technical services. In addition the Group provides a number of central services to each of its subsidiaries to ensure consistency of approach and to achieve effective economies of scale (including company secretarial, human resources, marketing, ICT, procurement, technical and development and financial services).

East Thames Group operates throughout east London and Essex which is an area of huge growth and potential.

Our mission is “to make a positive and lasting contribution to the neighbourhoods in which we work”. Five themes support the mission and shape our current business drivers at this time, and strategic procurement is an essential element of each of them:

- Delivering excellent customer services
- Continually improving business performance
- Delivering value for money
- Improving Controls
- Governance and Accountability

Excellence in procurement will help our residents benefit from quality homes and services, an important step in providing excellent customer service.

Our approach to procurement makes our practices and services more efficient and effective through a centre-led procurement model that ensures all staff involved in any aspect of procurement have access to appropriate training and are provided with step-by-step guidance and toolkits to ensure consistent, controlled, cost-effective and regulation compliant processes that will work to improve performance across the organisation.

Value for money plays a crucial role in the procurement process and refers to the optimum balance of economy, efficiency and effectiveness which will be an integral part of all our procurement actions.

A five stage “Gateway” approval process has been adopted on the basis that any procurement activity that requires the sourcing of a new supplier for a

new requirement or the retendering of an existing requirement should be treated as a project and should follow a project delivery methodology that is both mandatory and auditable.

In addition to playing a significant role in each of the key themes, procurement also contributes to East Thames Group’s commitment to diversity and resident involvement. All of our procurement practices support our diversity policy so that, as a minimum, the Group meets current equality and diversity legislation. We will make sure that the contracts the Group awards are non-discriminatory and promote equality of opportunity. We will take our commitment to diversity further by aiming to ensure that the suppliers the Group works with are non-discriminatory and share our commitment to promoting equality of opportunity, we will work with our partners and other suppliers to establish targets so that the Group can monitor and assess their performance relating to equality and diversity.

Our residents are an important and invaluable resource to East Thames, and we will involve them and use existing information about them as much as possible in shaping and undertaking procurement processes. In future a draft resident involvement/consultation plan will be prepared for specific projects to identify the different stages of the procurement process and how residents may be involved with each of those steps.

The Group will, where appropriate, build into all supplier selection documentation a requirement for suppliers to submit a statement of their environmental credentials in terms of action plans and timescales. Statements will form part of the scoring process used to short-list for an invitation to tender. These statements will be expected to include the training & employment opportunities offered if the supplier is successful.



2. Goods and Services We Buy

Typical contracts include:

Goods

- Cleaning materials
- Computer equipment and consumables
- Photocopiers
- Printing and publicity materials
- Stationery, office equipment and consumables
- White Goods

Services

- Agency staff
- Catering
- Cleaning services
- Couriers and taxi services
- Grounds maintenance
- Insurance
- Mobile communications
- Out-of-hours call service
- Payment card services
- Security
- Utilities – water, electricity, gas
- Waste management

Works / Consultants

- Contractors
- Architects
- Master planners
- Building surveyors/architects
- Employers agents
- Cost consultants
- M&E consultants
- Structural engineers
- Health and safety consultants
- Planning consultants
- Repairs and maintenance

3. Procurement Overview

East Thames has a recognised procurement process that all departments are required to follow in the purchase of goods, services and works.

Each directorate / department carries out most of its own procurement according to its individual needs while taking guidance from the Procurement Department and also support depending on the value, complexity and risk associated with the contract.

All contracts must comply with EU and UK legislation as well as our own internal financial regulations. These govern contracting activities and lay down procedures for obtaining quotations and tenders, awarding contracts etc. A copy of our Procurement Strategy can be found **on our website**.

Supplier selection is based on overall value for money. Initial purchase price is important but lifetime cost, warranty, quality, sustainability, reliability, safety, good design, delivery schedules, maintenance and after-sales support will also be taken into consideration where appropriate when deciding which is the most economically advantageous tender.

The number of individuals or companies invited to tender will vary with the nature and value of the contract. It will not always be practical to include all suppliers who express an interest and a pre-qualification process is often undertaken to identify those most suitable.

Potential suppliers will be asked to provide information and documentation that demonstrates the following:

- Eligibility and probity
- Financial standing
- Health and safety
- Diversity
- Quality systems and managerial and technical ability measures
- Expertise and references
- People and employment information
- Customer care
- Prevention of corruption



4. Procedures from Financial Regulations

Less than £10k for goods and £20k for services	No requirement to obtain competitive quotes
More than £10k for goods and £20k for services and less than £50k	Required to obtain at least three written quotes or a mini tender to establish value for money.
£50k or above	Required to follow a competitive tendering process, inviting at least five tenders, in accordance with good procurement practice.

5. EU Public Procurement Thresholds from 1 Jan 2010 to 31 Dec 2010

For all supplies, the total contract value threshold is £156,442.

For all works contracts, the total contract value threshold is £3,927,260.

6. How to find out about Contract Opportunities at East Thames

All contracts that need to be advertised will be published in at least one local newspaper, one trade or professional publication, on our website or via www.Supply2.gov.uk. Where the value of the contract exceeds the EU limit it will be published in the Official Journal of the European Union (OJEU).

East Thames is also a member of Procurement for Housing (www.procurementforhousing.co.uk) and uses Buying Solutions framework contracts (www.buyingsolutions.gov.uk). We encourage suppliers to investigate the possibility of responding to tenders from these organisations.

We also aim to advertise a list of all tenders on our website in 2010 and to include contact details for further information.

In most cases advertised contracts will follow a two-stage process where interested individuals or companies complete a pre-qualification questionnaire (PQQ). A shortlist will be drawn up and only those short-listed applicants will be invited to tender.

7. Evaluation

Evaluations are carried out objectively, consistently and without bias towards particular suppliers. Generally, evaluation takes place at two stages in the procurement process.

1. PQQ – to shortlist those to be invited to tender
2. Tender stage – to consider all tender submissions

A panel of three or more members consider each application and tender to ensure a fair and objective decision is reached.

First stage PQQ – shortlisting of applicants

The purpose of the PQQ is to provide re-assurance that our suppliers are managed in a professional and ethical manner. At this stage East Thames is seeking to select those individuals or companies who can demonstrate through their knowledge and ability that they would be able to take on the contract at the standard required by East Thames Group. The evaluation panel considers all the information provided in the questionnaire and attachments.



Second stage – tender evaluation

In the public sector there has been a shift away from awarding contracts solely on the basis that they are the lowest price. Price is still a factor but long term aspects as indicated above are now also taken into consideration. Most tenders are awarded on a combination of the criteria set out above and the contract will be awarded to the one that offers the best value for money. Our main evaluation criteria can be summed up as “MEAT” – most economically advantageous tender, in the widest sense, where we will take into account the advantages to the communities in which we work as well as East Thames Group. The criteria for each contract will be set out in the tender documents. The criteria will vary depending on the nature of the contract.

8. Feedback

You may receive feedback after the PQQ stage or, if successful in reaching the tender stage, after the evaluation process. We will offer to provide feedback that is constructive and will help you improve your next application or tender submission. In some cases, we will actively support companies through training to develop their ability to respond to our procurement requirements.

9. Procurement rules and regulations

East Thames Group is required to follow the procedures laid down in EU and national legislation as well as our own financial and procurement regulations. These are designed to ensure that all our purchases are carried out in a fair and transparent manner. Each stage of the process is documented for audit purposes and allows time for any challenges that may arise. The process may therefore take more time than it would in the private sector.

10. Tender tips and useful hints

1. Read the advertisement carefully and submit a request for the information required where applicable by the dates stipulated in the adverts.



2. You will normally be asked to complete a PQQ. This usually covers information about your company, how long you have been trading, your recent experience of similar contracts, details of where East Thames Group may obtain references and details of your company's finances.
3. To make sure your application is considered please answer all the questions accurately and return your completed application by the closing date and time in line with the tender instructions.
4. If you do not understand any part of the

documents you should email East Thames Group's nominated individual, as identified in the PQQ or tender, by the date stipulated and request further information.

5. East Thames Group will ask for a number of documents to support your tender application. If you apply for more than one contract you will be asked to provide them each time. It is a good idea to keep such documents up-to-date so that they can be used as necessary, i.e. accounts, policies, procedures, method statement etc.
6. A project timetable should be provided with every tender exercise so that you are informed when to submit your documents and how long each step in the process will take.
7. Allow sufficient staff, resources and time for your response.
8. Consider why you want this contract and the potential benefits to your organisation of working with East Thames Group
9. Think about any changes that may be necessary if you win the contract.
10. Present your information clearly and concisely.

11. Useful contacts

Procurement@east-thames.co.uk

