

A guide to selling to the London Development Agency

September 2008

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About the LDA

We are responsible for driving London's sustainable economic growth - it's our job to ensure that London remains a global success story.

We work to achieve the Mayor of London's overall vision. The vision's stated aim is to make London a sustainable and socially inclusive world city driven by healthy economic growth and equal opportunity. We aim to improve the competitiveness and productivity of business, create opportunities in the labour market, and engage with our many diverse communities and enable them to be more sustainable.

Our approach to business is one of partnership and we are constantly working to improve our processes and the way we work with our suppliers. Our Procurement Code was recently updated to reflect this along with other changes in legislation, best practice and how we procure as an organisation.

Why we wrote this guide

As part of our responsibility to stimulate the growth of businesses in London we aim to be open in how we tender our contracts. Part of this process is about sharing with businesses what we expect from them and what they should expect from us.

We have recently revised our procurement procedures to address issues in responsible procurement, procurement best practice, health and safety and EU Regulatory changes. We also took on board views expressed by internal and external stakeholders regarding the simplification of our procurement process. This included looking at how we could make it easier for Small and Medium-sized Enterprises (SMEs) and Minority owned or led businesses to engage with us.

We will constantly be reviewing our procedures and processes to ensure that we adopt best practice which reflects current thinking concerning procurement.

Further detailed information on our procurement processes can be found in our Procurement Code which is available on our website (www.lda.gov.uk).

Feedback

All organisations that bid for our contracts are entitled to feedback. We would encourage you to request feedback even if you are successful in bidding for work. Similarly, we welcome any feedback on this guide, on the bidding process or on your experience of working with the LDA.

Email us at procurement@lda.gov.uk or write to us at:

The Procurement Team
London Development Agency
Palestra
197 Blackfriars Road
London
SE1 8AA

Important Note

On 1 January 2008 the EU Procurement Thresholds changed. The LDA policy is to follow the EU Procurement route when procuring all contracts that are above EU threshold. The EU thresholds are as stated in the table below:

	Supplies	Services	Works
All sectors	£139,893 (€206,000)	£139,893 (€206,000)	£3,497,313 (€5,278,000)
Prior Indicative Notices	£509,317 (€750,000)	£509,317 (€750,000)	£3,497,313 (€5,150,000)
Small Lots	£54,327 (€80,000)	£54,327 (€80,000)	£679,090 (€1,000,000)

Glossary

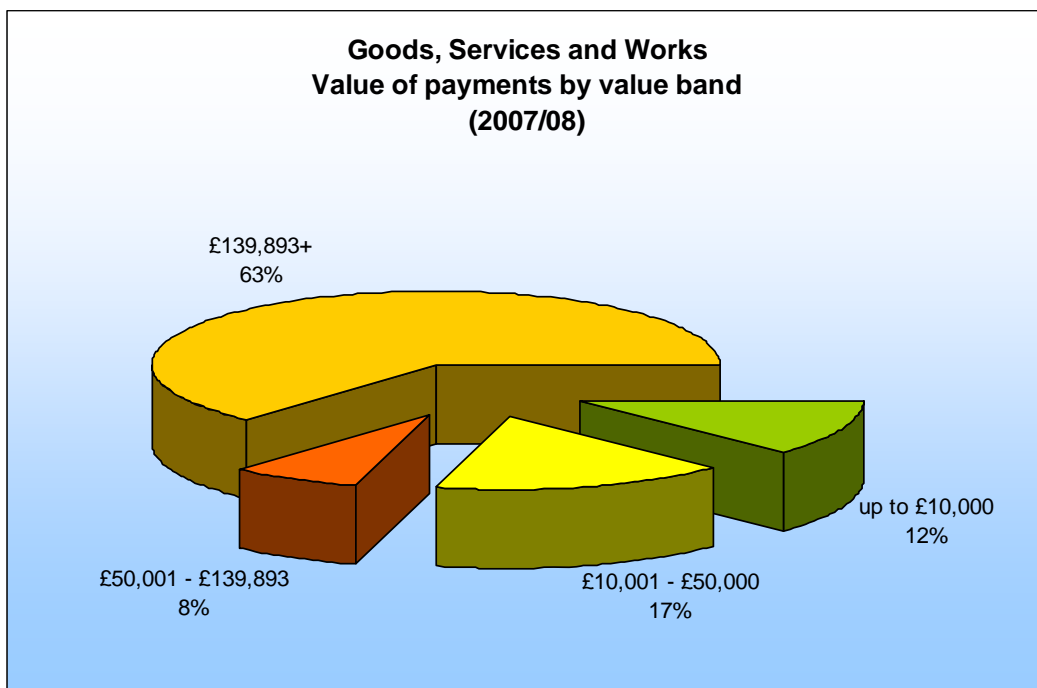
BAME	Black, Asian and minority ethnic
Contract	<p>A Contract is a legally binding and enforceable agreement for consideration, such as the supply of goods, services or works to the LDA in return for payment by the LDA. Contracts are subject to EU and UK Law and will attract VAT. Contractual rights and remedies will be established; examples include:</p> <ul style="list-style-type: none"> • A contract for consultancy services – where the consultant is providing expert knowledge and advice • A contract for facilities services – where a company provides facilities management services to the LDA • A contract for building new homes – where a company designs and builds new homes for the public
EU	European Union
Framework Agreement	An agreement with suppliers, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and quantity.
GLA	Greater London Authority
GLA Group	Greater London Authority, London Development Agency, London Fire Emergency and Planning Authority, Transport for London and Metropolitan Police Authority
GLA Group Responsible Procurement Policy	Sets out the GLA Group policy to improve London’s sustainability through procurement. More information on the policy can be found on www.london.gov.uk/rp
Grant	A Grant involves the LDA making a financial transfer to fund an activity that is in alignment with the LDA’s aims and objectives. Conditions will apply to ensure the proper application of the funds but Grant arrangements do not feature any ‘consideration’ (i.e. cash or some other exchange for goods, services and/or works). This places these arrangements outside the scope of the European Procurement Directives, the Public Contracts Regulations and the application of VAT.

ITT	Invitation to tender
OJEU	Official Journal of the European Union
Panel	This is a list of pre-selected suppliers whose ability to supply the LDA has already been tested in a tendering process.
PQQ	Pre-qualification questionnaire
Procurement	The purchase or the exchange of goods, services and/or works
Quotation	This is a less formal method through which the LDA can obtain detailed prices and/or proposals for meeting its requirements, using less onerous contract terms. The final decision on the preferred supplier will usually be weighted in favour of the price of the proposals.
SME	Small and medium-sized enterprise
Specification	A statement that sets out the nature of a LDA purchase requirement, covering the scope of what is to be supplied, its quality and any other constraints, such as special delivery arrangements.
Supplier	Any person or organisation which provides the LDA with goods, services and/or works for payment or in exchange for anything else of value.
Tender	This is a formal process by which the LDA can obtain detailed proposals for meeting its requirements from suppliers, using more comprehensive contract terms and a detailed specification. The final decision on the preferred supplier will usually be weighted in favour of the quality of the proposals.
Value for Money	A concept associated with the economy, effectiveness and efficiency of a service, product or process, i.e. a comparison of the input costs against the value of the outputs and a qualitative and quantitative judgment over the manner in which the resources involved have been utilised and managed.

What the LDA buys

The successful delivery of much of our work depends on the relationships we build with stakeholders throughout London, providing strategic leadership in exchange for expert knowledge. With our partners we work to identify economic development needs and opportunities to plan, procure and deliver effective projects to support the LDA priorities.

During the financial year 2007/2008 we spent approximately £175m on contracts for goods, services and works.



Some of the typical contracts we procure include:

Goods

Print and Publicity materials

Office Stationery, Equipment and Consumables (including IT)

Catering Provisions

Services

Temporary Staff

Confidential Waste disposal

Consultancy

Legal support

Works

Construction

Refurbishments

How the LDA buys

We buy goods, services and works in accordance with our Procurement Code, which is available on our website (www.lda.gov.uk). The code sets out the framework for how we procure as an organisation. It incorporates best practice, regulation, our processes and our procedures for tendering and awarding contracts.

Within the framework of our Procurement Code our approach to buying is very dependent on the value of the contract and the level of risk exposure. So it's not just about how much we want to spend on a contract but also about the risks associated with the contract - these risks can be relevant to the procurement or the delivery of a contract, for instance.

Advertising

Typically our approach to advertising opportunities is dependent on the value of the contract being procured, however, as stated above this decision is also based on other factors such as risk.

We advertise our contract opportunities on CompeteFor (www.competefor.com), our website, the EU website Tenders Electronic Daily (<http://ted.europa.eu>) and sometimes the national press or trade-specific publications.

CompeteFor

The LDA, working closely with London Business Network and London 2012, developed 'CompeteFor', an online service matching buyers and potential suppliers to ensure that diverse businesses across the capital can access various commercial opportunities.

Suppliers not already registered on the [CompeteFor](http://www.competefor.com) portal (www.competefor.com) will need to register in order to access and respond to all LDA contract opportunities which are not being awarded via an existing panel.

Registering on CompeteFor takes approximately 30-45 minutes and will open a wide range of LDA and non-LDA contract opportunities to your organisation.

Procurement Routes

The table below sets out our procurement thresholds and the required action to be taken by us in respect of each. You will see that the risk rating also determines the action to be taken. This risk rating is usually determined at the project scoping stage.

PROCUREMENT VALUE (THRESHOLDS)	Contract Value	Typical approach to advertising	Typical Procurement Approach
	£139,893 or more for goods & services £3,497,313 or more for works	Advertise on CompeteFor, the LDA website and OJEU http://ted.europa.eu	EU tender procedure to be used
	£50,001 to £139,893	Advertise on CompeteFor and the LDA website as a minimum	Minimum of three formal tenders required from at least five organisations invited to tender
	£10,001 to £50,000	Advertise on CompeteFor	Minimum of three quotes required
	Up to £10,000	No advertising requirement	One quotation ¹ – ensure value for money

Table 2

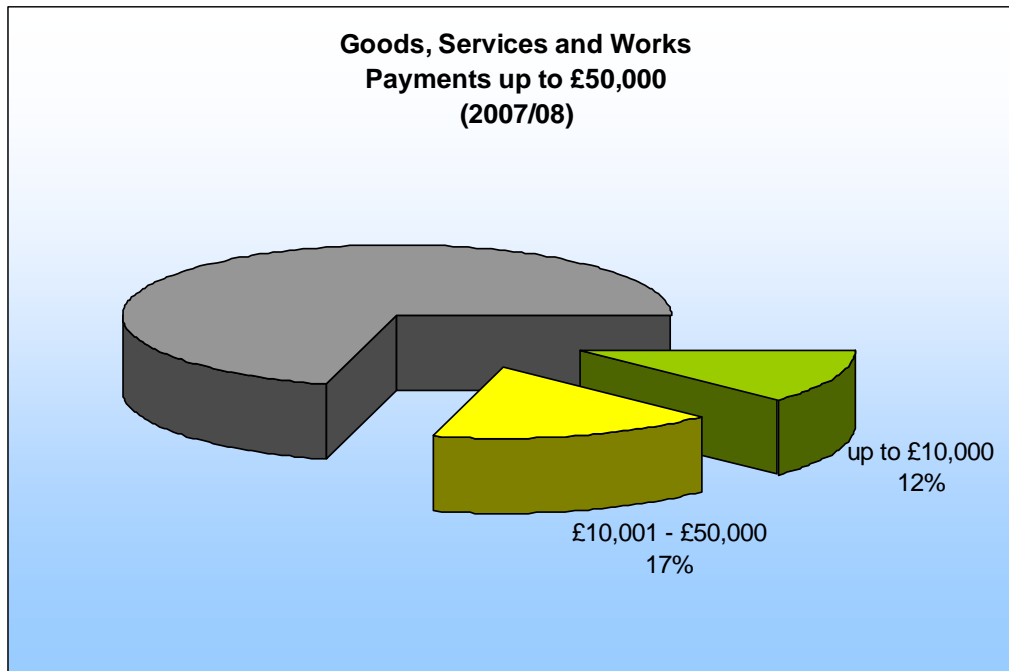
Contracts up to £50,000

Contracts that are valued up to £10,000 will not normally be advertised (unless they are tendered via a panel – see [LDA Panels](#)). We will normally seek one quotation from a supplier who is registered on CompeteFor and award a contract based on the principles of [Value for Money](#).

Contracts that are valued between £10,001 and £50,000 will normally be advertised on CompeteFor for a minimum of 14 days (unless they are tendered via a panel – see [LDA Panels](#)). Suppliers interested in bidding for the contract will be required to complete the relevant questionnaire on CompeteFor, which assesses the supplier's ability, experience and business readiness to deliver the service required. Shortlisted suppliers from CompeteFor will then be invited to submit a quotation.

¹ The LDA buyer is required to seek quote from a supplier registered on CompeteFor
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The LDA Procurement Code allows for such contracts to be awarded by obtaining a minimum of three quotations from suppliers.



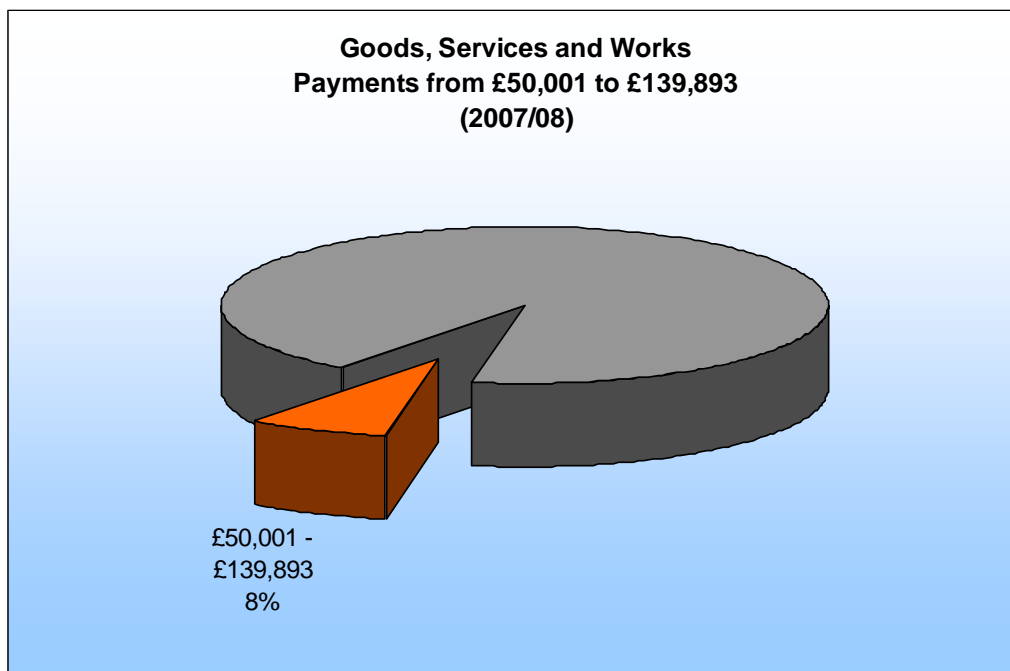
Responding to Quotations

We would expect quotations from shortlisted suppliers to follow a similar format to that for tenders; however there is less onus on bidders to provide detailed information about their organisation as quotations are typically sought for low value contracts.

Contracts above £50,000

Contracts that are valued between £50,001 and £139,893 (£3,497,313 for works contracts) will normally be advertised on CompeteFor and our website (unless they are tendered via a panel – see [LDA Panels](#)).

Contracts are typically advertised for a minimum of 21 days on CompeteFor and the LDA website before a shortlist is drawn up (on CompeteFor) of suppliers who will be invited to tender. The short listing of suppliers is done by assessing and scoring their responses to the relevant CompeteFor questionnaire. The information contained in the questionnaire allows us to assess the suitability for the supplier to be invited to tender.



Contracts above EU Threshold

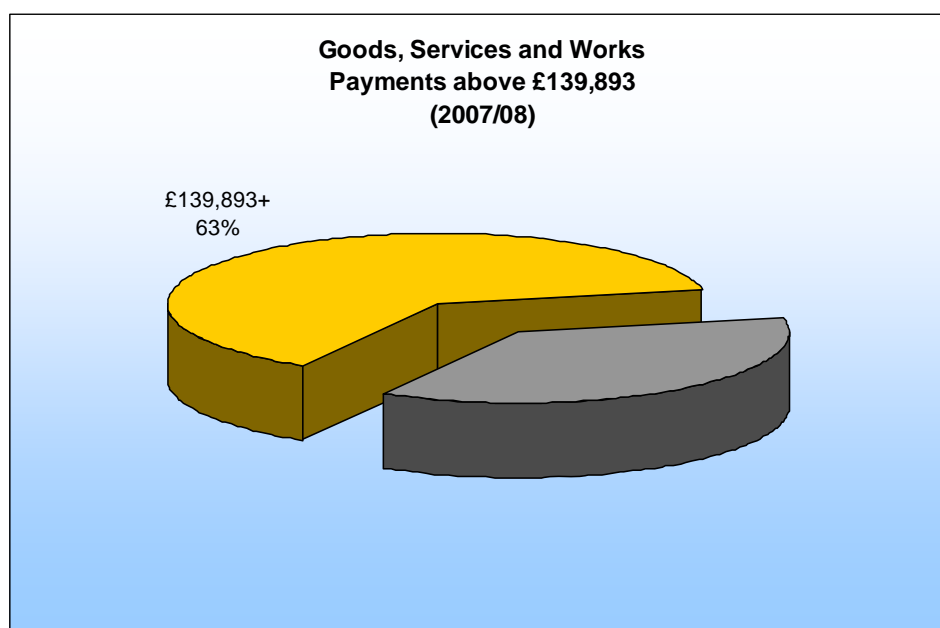
- £139,893 (Goods or Services)
- £3,497,313 (Works)

As we are a public sector organisation we must ensure that we are complying with relevant EU and UK Government legislation. [The Public Contracts Regulations 2006](#) set out the framework for how we procure and adopt the relevant [EU directives](#) on public procurement. They also set out the procedures and timescales for contracts that are subject to the Regulations – not all contracts are. The thresholds for contracts subject to the Regulations and for the LDA are set out below:

	Supplies	Services	Works
All sectors	£139,893 (€206,000)	£139,893 (€206,000)	£3,497,313 (€5,278,000)
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Table 1

Note that the thresholds are based on the total value over the lifetime of the contract



How to apply for a tender

To apply for an LDA contract opportunity look for details of tenders on Competefor (www.competefor.com), our website, on the OJEU website Tenders Electronic Daily (<http://ted.europa.eu>) or in specialist trade press. The tender advertisement will include relevant details and will explain how to obtain further information.

You will be required to express an interest in the tender, by responding to the relevant questionnaire on CompeteFor. The CompeteFor questionnaire includes details of our requirements, timescales for each stage of the tender process and instructions on how to complete the questionnaire.

On expiration of the contract opportunity on CompeteFor, we will draw up a shortlist of suppliers on the system. The short-list is drawn based on the scores of each supplier's responses to the CompeteFor questionnaire. We will let you know through the system if you have been successful or unsuccessful in being invited to tender for the contract. If you have been invited to tender you will be sent the following:

- Invitation to Tender document – a detailed statement of our requirement, tender timetable, evaluation criteria plus weightings for each criterion and tender submission requirements
- LDA contract including terms and conditions
- Details of any additional documents required by us as part of your tender application

Following an assessment and possible interviews, we will let you know if you have been successful or unsuccessful in bidding for the contract.

Prequalification Questionnaires (PQQ)

Occasionally, we may require that suppliers express their interest in bidding for certain contracts by completing a manual pre-qualification questionnaire document. The PQQ process may either be conducted as a second-stage pre-assessment for suppliers who have been shortlisted on CompeteFor or indeed, be the first stage of the procurement process.

Just as with the CompeteFor questionnaire, the PQQ provides suppliers with the opportunity to demonstrate that they are fit for purpose to deliver our contract. It asks suppliers to demonstrate that they can meet the LDA requirements in a number of areas, namely:

- Technical ability and capacity
- Skills and knowledge
- Track record and experience

- Financial standing
- Health and safety
- Quality assurance
- Equalities policy and practice
- Employment practice and structure

We may also include in the PQQ, a Supplier Diversity Questionnaire to gather information on the ownership and workforce of suppliers. This questionnaire is designed to assist us in establishing a better understanding of our supplier base and ensure effective engagement with businesses[∇]. Please note that the information given on this questionnaire will be treated confidentially and will be used purely to evaluate whether the LDA is reaching out to all members of the community. Your response to a completed Supplier Diversity questionnaire will not form any part of the assessment process and will not affect your future prospects of getting business from the LDA.

To ensure your PQQ submission is considered you should:

- Provide all the information requested
- Make sure that you answer all questions accurately
- Return the PQQ by the closing date and time specified

Following assessment of your PQQ response, we will let you know if you have been successful or unsuccessful in being invited to tender for the contract. If you have been unsuccessful in your PQQ response, we would notify you in writing.

Responding to Tenders or Requests for Quotes

Invitation to Tender (ITT) or Invitation to Quote (ITQ) documents will detail our requirements and will inform bidders of how we would like proposals submitted. Bidders' proposals should generally set out:

- The bidder's understanding of the requirement
- How the bidder will meet and deliver the requirement
- Experience and skills to deliver the requirement
- Pricing structure
- Any value added benefits

If you need to clarify any part of the tender documentation you should contact the LDA officer named in the ITT or ITQ either by telephone or email before the tender period closes.

LDA Panels (Framework Agreements)

We have set up a number of [Framework Agreements](#) with suppliers to provide services to the LDA over a certain period of time; we refer to them as Panels. Panels are established by following the EU tender procedures and so are advertised on the OJEU website Tenders Electronic Daily (<http://ted.europa.eu>) and on the LDA website when they are tendered. Each panel typically lasts for 3 to 4 years and can take a minimum of six months to establish. A panel is made up of a number of suppliers, referred to as panel suppliers. There is no guarantee that any particular panel supplier will receive an order during its membership.

Panel mini-tenders

Mini-tenders take place when we invite panel suppliers to respond to a specification for work. All panel suppliers that can meet our particular need, in accordance with their framework contract, are invited. This could be all or some or one of the suppliers on the panel. Panel suppliers will be sent a brief setting out our requirements, terms for responding to the brief and criteria for selection. Once a panel supplier is selected a contract is then finalised based on the requirement and the panel supplier's proposal. This contract is referred to as a Call-off agreement.

If you would like the opportunity to tender for any of the LDA panel services please speak to a member of the Procurement Team who will be able to provide you with more information.

External Panels

We have recognised the benefit of sharing resources across the [GLA Group](#) (GLA, TfL, MPA, LFEPA and LDA) and we have mutually agreed with the other Functional Bodies to open up our panel services for cross usage. This means that suppliers who become a member of our panel could be invited to tender for contracts from any of the other functional bodies, such as TfL.

We are also currently reviewing all our panels so that we can work more collaboratively with other public sector bodies. As such, we also utilise other frameworks set up by public sector bodies such as the [Office of Government Commerce \(OGC\)](#) and [English Partnerships](#).

Contractual Terms

We will issue with each tender/quotation a draft contract which will include our terms and conditions relevant to the goods, services or works being procured. If you wish to discuss any of the terms and/or conditions of our contracts please contact the LDA officer named in the tender/quotation documentation in the first instance.

Payment

Payment terms are normally set out in the contract documents, but they may be annual / quarterly / monthly payments or payment on completion.

Payment is normally within 30 days of receipt of a correct invoice, so to ensure that your payment is dealt with efficiently (and to avoid delays), we ask for the following:

- Submit the invoice in the format agreed in the contract or purchase order
- Quote the purchase order number and contract title
- Address it to the correct officer and location
- Ensure that it adds up correctly
- Include a clear description of what the payment is for

We make payment by BACS only in order to ensure that payment goes directly into the supplier's bank account. This payment method also improves security and allows all payments to be easily traced.

Things for you to think about

In order to help us help you do business with us, you should be prepared to:

- Provide further information we may need to understand your business
- Ensure that you know what is required of you to meet our requirements, and if you do not know, seek advice
- Register on CompeteFor (www.competefor.com)
- Be realistic in assessing your own capability to deliver each contract
- Ensure all activities are conducted in an honest and responsible way
- Seek to contribute to the development of sustainability
- Develop and work with your supply chains to include other SMEs and minority owned or led businesses
- Treat your suppliers fairly
- Demonstrate you have the appropriate level of insurance for the contract
- Be sure that your tender does justice to your services or products – you are judged on the quality of your bid

What you should expect from us

You should expect the LDA to:

- Advertise our contracts either publicly, via a panel or on CompeteFor
- Communicate our requirements clearly
- Provide further information or answer questions regarding our requirements
- Be transparent by providing all bidders with the same information
- Notify you promptly of the outcome of our assessments
- Provide feedback to successful and unsuccessful bidders who are invited to tender or submit a quote
- Keep a record of correspondence and tender documentation
- Be fair and objective in selecting suppliers we work with
- Comply with regulatory and central government guidance
- Ensure that we procure in accordance with our Procurement Code
- Ensure all our processes create a level playing field
- Ensure genuine and fair competition that does not discriminate against SMEs or minority led businesses
- Encourage suppliers to embrace responsible procurement
- Continuously review our tendering process to keep it as simple as possible to minimise cost
- Inform suppliers of the criteria we will use in order to assess their suitability

Policy Framework

Responsible Procurement

The GLA group's Responsible Procurement Policy

The GLA group has defined 'responsible procurement' as the purchase of goods, services and works in a socially and environmentally responsible way that delivers value for money and benefits to the contracting authority and to London.

In June 2006 the GLA group adopted a Responsible Procurement Policy to support the delivery of the Mayor's vision for London. The policy sets out the GLA group's commitment to adopt responsible procurement practices as follows:

'We will strive to ensure that decisions taken by members of the GLA group on the procurement of resources and/or in relation to the provision of grant funding or financial assistance to any organisation or individual are undertaken in line with our sustainability commitments, and wherever possible commercial relationships are formed and nurtured with partnering and contracting organisations who share our values on sustainability.'

The policy defines seven themes of responsible procurement. These are:

- Encouraging a diverse base of suppliers
- Promoting fair employment practices (including the London Living Wage)
- Promoting workforce welfare
- Meeting strategic labour needs and enabling training opportunities
- Community benefits
- Ethical sourcing practices
- Promoting greater environmental sustainability

The GLA encourages its contractors and those companies interested in tendering for its contracts to undertake their activities in line with the principles contained in its Responsible Procurement Policy. Where relevant the Authority will incorporate provisions into procurement processes, including specifications, terms and conditions of contract and performance management to support the implementation of the Responsible Procurement Policy.

Further information on the GLA group's Responsible Procurement work can be obtained from the follow web-site: www.london.gov.uk/rp

Equal Opportunities and Diversity Policy

The use of public contracts to promote equal opportunities is vital to developing sustainable communities. Public contracts can bring immediate financial benefits to local economies. We are fully committed to equality of opportunity in every part of our operations and business activities.

As a development agency, we must also comply with current legislation and adopt best practice. This ensures that any person of working age, and any organisation, has an equal opportunity to win public contracts. This extends to all functions or services carried out by an external supplier on our behalf.

The LDA therefore takes equality, as well as cost and quality, into account when choosing suppliers with which to work. When applying for certain contracts you may be asked to demonstrate how your organisation will address equality issues in fulfilling our requirement.

Health and Safety Policy

We are committed to ensuring the health, safety and welfare of our employees and that of all others affected by our undertakings. Contracts to supply goods, services or works will only be awarded to organisations that can satisfy our requirements in terms of resources required and their health and safety competence.

Successful contractors/suppliers are expected to demonstrate compliance with current health and safety legislation including:

- A commitment to the health and safety of their employees, clients and others
- Up to date health and safety policies and procedures
- Adequate risk assessment procedures
- An adequate system of monitoring and reporting accidents, incidents and ill health
- Access to competent health and safety advice

Contracts are monitored to ensure compliance with contract standards and health and safety requirements

Freedom of Information

The LDA is subject to the provisions of the Freedom of Information (FoI) Act 2000 which requires information held by a public body to be provided to members of the public if requested. In certain circumstances information is exempt from release under the Act, and this can sometimes include information of a commercially sensitive nature. If your organisation considers that any information supplied by it is either commercially sensitive or confidential in nature, this should be highlighted as early as possible and the reasons for its sensitivity given. If a FoI request which relates to this information is received by the LDA, consideration will be given to the issues raised by your organisation in determining the Agency's legal obligations.

Business Support

We support a range of services to help businesses in London make the most of upcoming opportunities, train their people and grow their markets.

There is a wide variety of support and training available, including support for specific sectors such as tourism, environmental and the creative industries, and for small and medium enterprises, women in business, and the Black, Asian and Minority Ethnic (BAME) business community.

Please visit our website www.lda.gov.uk where you will find more information on our business programmes and initiatives.

These are some of the business support programmes we support:

[Business Link London](#)

This organisation delivers impartial, expert and practical business advice to London's small and medium-sized businesses.

[Supply London](#)

LDA funded programme designed to assist small businesses in London in their efforts to be great suppliers and win future contracts.

[Access to Finance](#)

This programme aims to provide expert business advice and support, working with business owners to develop their business and get them to the stage where they are ready to approach a lender for finance.

[Diversity Works for London](#)

Diversity Works for London (DWfL) is the Mayor of London's campaign to engage organisations in harnessing the benefits of a diverse workforce and supplier base, providing all Londoners with a chance to share in the city's opportunities and prosperity.

Other Links

[London 2012](#) – the official website for the 2012 Olympics and Paralympics.

The GLA Group

The London Development Agency is part of the Greater London Authority group of organisations (The GLA Group).

The GLA group is made up of five bodies:

- The Greater London Authority (GLA) - The GLA is a unique form of regional government, made up of a Mayor and an Assembly. It is a small, strategic authority providing a vision and voice for London. www.london.gov.uk
- London Development Agency (LDA) - The LDA is the Mayor's agency for supporting sustainable economic development. It is one of the nine Regional Development Agencies (RDAs) set up by government to transform England's regions through sustainable economic development. It spends £572m a year, most of which goes on grant funding and land acquisition. www.lda.gov.uk
- London Fire and Emergency Planning Authority (LFEPA) - LFEPA provides community fire safety, and fire and rescue emergency response services, together with emergency planning. Its principle aim is to make London a safer city by minimising the risks and the social and economic costs of fire and other hazards. It is the third largest fire-fighting organisation in the world and has a direct procurement spend of £86m a year, most of which is spent on fire-fighting operational equipment and personal protective equipment (PPE). www.londonfire.gov.uk
- The Metropolitan Police Authority (MPA) and Metropolitan Police Service (MPS). The MPS works with the public and with its partners in the community to execute its vision to make London the safest major city in the world. The MPS is the UK's largest police force and is London's biggest employer with over 50,000 staff. The MPS annual direct spend on procurement is around £850m which buys a wide range of goods and services including operational vehicles and equipment. The aim of the MPA, as the statutory body overseeing the work of the MPS, is to secure an effective, efficient and fair police service for London. www.met.police.uk and www.mpa.gov.uk
- Transport for London (TfL) - TfL manages most of London's transport system, taking account of London's economic, social and environmental needs, and helps deliver the Mayor's Transport Strategy. TfL's direct annual procurement spend in 2006/07 was £1.625bn, on a wide range of goods and services ranging from traffic technology and systems to highway maintenance, uniforms and clothing. www.tfl.gov.uk

The GLA group works together to use procurement to support the Mayor's vision for London. The Mayor's vision is for London to be an exemplary, sustainable, world city, based on three interlocking themes:

1. Strong and diverse economic growth
2. Social inclusivity to allow all Londoners to share in London's future success
3. Fundamental improvements in environmental management and use of resources

The Mayor leads the Greater London Authority (GLA) group, which aims to help deliver this vision. The GLA group uses its purchasing power to support social and environmental objectives and to ensure that true value for money is achieved both for the GLA group and for London and all its citizens.