

Doing business with your local Council

A guide for small business owners



Small
Business
Commissioner

Doing business with Councils is now easier

In June 2019 local government procurement regulations changed making it possible for Councils to purchase products and services of up to \$250,000 without going to tender.

This is good news for small business. With more opportunities to win work with Councils through quotes you'll save time and money that you may have previously spent on trying to win work through the tender process alone.

However, you still need to have a plan for maximising your chances of winning Council contracts. This guide includes the information you need to better understand how to win work with local Councils and tips to improve your chances of submitting a successful quote or tender bid.

Council tenders vs quotes – what's the difference?

As Councils spend public funds they must abide by the rules that protect the interests of ratepayers. Councils can contract businesses through the following:

- **Quotes** – for smaller value purchases (generally up to \$250,000). A Request for Quote (RFQ) does not need to be advertised and may involve a direct approach from a Council officer to a potential supplier. For some products and services, Councils might also maintain a 'panel' of registered suppliers that they can quickly contact for quotes. Contact the Economic Development Officer or

relevant manager at the Council for the area where your business can provide services (e.g. parks and maintenance, office services, community events etc.)

- **Tenders** – for work valued at \$250,000 or more (and sometimes less) Councils are required to go to tender. They often use organisations approved to conduct tenders on their behalf (e.g. Local Government Procurement, Procurement Australia).
- **Collaborative tenders** – Neighbouring Councils with similar needs sometimes work together to run joint tenders. Small businesses that are successful in these tenders can be approached to do work for any of the participating Councils.



How to find out about Council opportunities

Contact local and regional Councils	<p>Within each Council there are a number of different departments and individuals with responsibility for purchasing different products, goods and services. Contact your Council to find out who is the best person to speak with, enquire about being listed on supplier lists, and ask to be added to their database for any notifications relevant to your business. Also find out about any relevant Regional Organisation of Councils (ROC), Joint Organisations (JO) or buying groups in your local area.</p>
Council websites	<p>Check regularly for current opportunities. You can also look at past listings to get a better idea of the sort of opportunities available and download a copy of the Council's purchasing policy.</p>
Check newspapers	<p>Find out which newspapers your Council advertises in and check regularly.</p>
Register with Tender portals	<p>Councils use a number of these sites to host and / or promote tenders. You can register your business on most portals at no cost and receive notifications about opportunities. (Refer to the resources listed on the back page for details).</p>
Register for relevant tender documents	<p>You may need to register with your Council to receive Request for Quote (RFQ) and tender documents and be eligible to submit responses.</p>
Apply to be on relevant supplier lists and panels	<p>Supplier lists and panels are run by Councils and organisations like Local Government Procurement and Procurement Australia. Find out when they plan to advertise for panels relevant to your business offering.</p>
Attend local Council events	<p>Councils often run events to support their local businesses. Attending Council events gives you the opportunity to learn about upcoming business opportunities, make contact with the right Council staff (such as the Economic Development Officer and purchasing managers), and network with other business owners.</p>



More tips for improving your chances of success

Although there are more chances to win work up to \$250,000 without submitting tenders, you'll still need to maximise your chances of being asked to respond to a RFQ by your Council for work. In addition to getting to know the right people within your local Council, you should note that Councils are often required to take the following requirements into consideration when awarding contracts to local businesses, whether through a tender process or RFQ.

Proven capability and experience

Be prepared to show examples of work you have done for others and pull together the evidence your Council will require for your business to be added to their supplier list.

Insurance

Protecting the safety of local communities is an important issue for Councils, so it is important that you have adequate insurance coverage. You may be required to provide copies of Certificates of Currency for the following insurances:

- **Public liability** – covering any negligence by your business that leads to a third party incurring a loss;
- **Professional indemnity** – protecting you from any claims where your professional advice may lead to a loss; and
- **Workers' compensation** – covering wage replacement and medical benefits for employees injured in the course of their employment.

Councils usually specify the amounts of insurance required, so make sure that your cover meets their requirements.

Work health and safety (WHS)

Councils actively seek to demonstrate leadership in WHS. To set a good example for their communities, they need to select businesses that meet their WHS requirements.

Quality assurance

These requirements will vary depending on the requirements of the job, but can include requests for descriptions or plans showing how your business will meet quality standards through to full ISO certification.

Environment and sustainability

As these are increasingly important issues to Councils you may be required to outline your own environmental and sustainability policies.

Social procurement

Many Councils are now using their buying power to advance the economic and social wellbeing of their communities. You may be asked how your business can contribute to goals like training and employing local people, using local sub-contractors and promoting diversity.

Local business preferences

It is worth noting that some Councils give a favourable weighting to local businesses.

A note about Council tender documents

Although responses to RFQ documents can be relatively simple, tender responses can be particularly complex and time-consuming. Before you submit a response, it is worth considering the time it may take you away from servicing your existing customers and clients.

Tender documents set out what is required and the assessment criteria that will be used. They typically include:

- **Tender Terms and Conditions (or “the Tender Rules”)** include instructions for preparing and submitting responses, the evaluation criteria and process, how to ask questions and by what date, any behaviour or conduct that can disqualify you (e.g. trying to influence councillors or staff), rules on the use of sub-contractors, and other conditions about the tender that you need to know.
- **Tender Specifications (or Statement of Requirements/Scope)** - outlining exactly what goods or services Council wants. If you cannot demonstrate that you can deliver a product or service that meets all mandatory requirements, your tender will be considered ‘non-conforming’ and may be excluded from further consideration. Councils will sometimes allow for ‘alternative tenders’, which propose a non-conforming method of meeting the specifications. These are usually only accepted when Council has allowed this option in the tender, and usually only when a separate, fully-conforming tender has already been submitted by the business.
- **A tender response form** is often included as part of the tender documents to help Councils clearly compare submissions by giving scores for each answer. It is important that you answer every question on the form and submit your response in the required format. If anything is unclear, make sure you ask for clarification.
- **Draft contract.** Tenders will usually include a copy of the draft contract. If you foresee any issues with the draft contract, the tender conditions will usually describe a process for addressing these. If not, seek clarification in the manner and timeframe outlined in the tender documents.



Your submission check lists

1 Preparation and planning



- ✓ Give yourself plenty of time. RFQs and tender bids can be time-consuming, so plan ahead and don't be shy about asking for help about how to respond from your business contacts, chambers and associations.
- ✓ Read the documents in full to make sure you understand all requirements.
- ✓ Attend any Council-run public information sessions related to the RFQ or tender.
- ✓ Ask any questions you have via the process outlined by Council (e.g. email, information sessions, online forums) within the designated timeframe.
- ✓ Consider collaborating or partnering with other small and larger businesses to submit a proposal or bid.
- ✓ Assess whether it is worth your time to submit a response and concentrate on the opportunities where you have the best chance of success.
- ✓ Review tender updates and addenda. Tenders are often amended before the closing date, so make sure you stay on top of any changes.

2 Writing your response



- ✓ Follow instructions precisely. Tenders are particularly strict and will specify exactly what you need to do to prepare a conforming response including its format, content and supporting documentation. Don't include anything else (e.g. glossy promotional material, annual reports etc.) unless you are asked for these.
- ✓ Use any forms (or 'returnable schedules') specified. Your submission might be rejected if you don't.
- ✓ Answer all questions clearly. Skipping questions puts you at risk of scoring zero for it in the assessment or your submission may be rejected as non-conforming.
- ✓ Show that you meet all the mandatory criteria (e.g. insurance cover, WHS, quality systems and any specific requirements).
- ✓ Provide evidence to demonstrate how you meet the evaluation criteria.
- ✓ Highlight the benefits to Council of choosing your proposal, **your** business, **your** expertise and **your** experience.
- ✓ Don't underbid – make sure your price is right.
- ✓ Don't make false or exaggerated claims.
- ✓ Speak with your accountant to make sure you can pass Council's financial viability checks and allow plenty of time to obtain the necessary information.
- ✓ Choose your reference customers carefully – they should be able to speak about the quality, reliability and professionalism of your business. Ask them first and let them know to expect an enquiry from Council.

3 Submitting and following up your submission

- ✓ Before submitting your bid or quote, ask someone to read it and double-check that you have answered all questions and addressed all selection criteria.
- ✓ Submit your response in **exactly** the required format (e.g. electronic, hard copy placed in a tender box).
- ✓ Submit your response well before the closing date and time. To be safe, aim to have it in at least 24 hours early.
- ✓ Be patient. Assessments and approvals can take time to finalise, especially for high value work.
- ✓ If you are unsuccessful, obtain feedback to help you improve future submissions.



Resources

Tender Portals

Tenderlink

www.tenderlink.com

Procurepoint

www.procurepoint.nsw.gov.au

VendorPanel

www.vendorpanel.com.au

Tenders.net

www.tenders.com.au

Apet360

www.360providers.apetsoftware.com.au

eProcure

www.eprocure.com.au

Local Government Panels

Local Government Procurement

www.lgp.org.au

Procurement Australia

www.procurementaustralia.com.au

NSW Government Tenders

NSW Government eTendering

www.tenders.nsw.gov.au

Buy NSW

www.buy.nsw.gov.au/ict

For more information and assistance.



1300 795 534



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