



APPROVED CONTRACTORS APPLICATION GUIDANCE NOTES

Please read the following notes - they should assist you when making your application. If you have any queries regarding the questionnaire or are unsure how to answer a particular question, then please contact the Town Clerk on 01535 872126 or via email townclerk@keighley.gov.uk

TECHNICAL REFERENCES

On receipt of your completed questionnaire we may obtain references from the list of referees you provide. We require the names and addresses of two referees. Ideally, one of these should be public bodies for whom you have completed works or contracts. If you are unable to supply two body referees please state the reason. It is important that you give the full addresses of your referees to avoid any unnecessary delays. **The referees should be contacted and agree to providing a reference prior to you submitting this application.**

ACCOUNTS

If your company does not produce separate accounts, but it is part of a group and/or holding company, submit complete copies of the last three years audited accounts of the group and/or the holding company, together with a certified statement (by a Director of the group) of this financial agreement.) **If you supply your parent company accounts, then your parent company MUST agree to sign the Council's standard Company Group Guarantee prior to the award of any work.**

The accounts should show the following:

- i. A Statement of Turnover,
 - ii. Profit and Loss showing:
 - gross profit
 - net operating profit before tax
 - iii. Balance Sheet showing:
 - fixed assets
 - current assets
 - current liabilities
 - long term liabilities
 - debt structure
 - profit and loss account balance
 - trading accounts
 - other revenue reserves
 - iv. Full Notes of the Accounts
 - v. Director's Report (if applicable)
 - vi. Auditor's Report
 - vii. Valuation of Assets (with basis of valuation)
- Cash Flow Statement

If any of the above-required information is not available in the accounts for any year, then it must be supplied separately, certified by the accountant.

INSURANCES

You must provide us with a confirmation letter from your insurers of your Public Liability Insurance cover.

A. GENERAL CONDITIONS OF THE APPROVED LIST

- A1** a. The Council is not bound to invite tenders/ seek quotations only from Contractors on the approved list, although it will normally do so. Inclusion in the approved list does not guarantee that invitations to tender will be made. The approved list is divided into categories by type of work and value. Contractors will not be automatically invited to tender for work subject to competition under Government legislation (ie, Schedule of Rates contracts and other advertised contracts) and should respond to advertisements in the usual way.
- b. Where invitations to tender for a contract are to be made from an appropriate category, Contractors will be selected in accordance with the rules determined by the Council in the Standing Orders relating to contracts.
- c. Where a Contractor is selected to submit a tender the contractor is expected to submit a tender promptly in accordance with its terms and conditions.
- A2** All Contractors shall maintain cover for Employers Liability Insurance of at least £5,000,000 and Public Liability Insurance of at least £2,000,000. The Contractor will, when required, produce the policy for inspection. Certain projects may require a higher level of insurance cover.
- A3** The Council reserves the right to inspect the Contractor's premises and to inspect and test goods and materials during manufacture, processing or storage, either before or after seeking invitations for tender or awarding contracts.
- A4** The Council will reserve the right to make such enquiries as it deems necessary to establish the financial standing of any Contractor at the time of the application and at any other time during the currency of the approved list, and the Contractor must co-operate with such enquiries.
- A5** The Council reserves the right to refuse any application to be on the approved list, or to suspend or remove any Contractor from the list if:
- a. The Contractor is or becomes, in the opinion of the Council, unsuitable for inclusion on the list.
- b. The Contractor is unsatisfactory in respect of any contract awarded to him by the Council.
- c. The Contractor fails to tender on two occasions having been invited to do so.
- d. The Contractor declines to tender on three occasions having been invited to do so.

The Council will notify the Contractor of any such decision forthwith. This right is in addition to any rights and remedies the Council may exercise in respect of any particular contract with the Contractor.

A6 Value Added Tax

Please note that for VAT purposes where there is a taxable supply (other than a zero rated supply) from a supplier, a full tax invoice is required in respect of this transaction.

A guide to details to be shown on tax invoices appears in Section 16.3 of the Customs and Excise Notice No. 700 "The VAT guide".

Briefly, the requirements are as follows:

- Invoice and order numbers to be shown
- Date of invoice and date when work done
- Name, address and VAT registration number of the supplier
- Customer's name and address must be stated as Keighley Town Council, Civic Centre, North Street, Keighley, BD21 3RZ
- Description which identifies the goods or services supplied
- The unit price e.g. an hourly rate; or a price for standard services. (If the supply cannot be broken down into countable elements then the total tax exclusive price will be the unit price).

For each description, you must show the:

- Quantity of goods or extent of the services
- Charge made, excluding VAT
- Rate of VAT
- Total charge made, excluding VAT
- Rate of any cash discount offered
- Total amount of VAT charged, shown in sterling
- Zero rated and exempt goods to be shown separately with an indication that they bear no VAT

A7 Finance (No. 2 Act 1975)

You are reminded that the Authority is obliged by law to deduct tax at the current rate from the labour content of any invoices submitted by you unless:

- a. The activity detailed on the order/contract is 'excluded' from the scheme or,
- b. You are in possession of a current Tax Certificate which has been presented to the Council for examination.

A8 Asbestos

Contractors must note that when undertaking work for the Council if the presence of any Asbestos Material is suspected all work must cease immediately and the Town Clerk contacted on 01535 872126.

Electricity at Work Regulations 1989

All Contractors are reminded that they are required to work in accordance with the Electricity at Work Regulations 1989 and should therefore ensure that they are fully aware of these requirements.

Certain categories of works either because of type or value will be carried out only under full contract documentation. These will generally be standard contracts as amended to comply with the Council's Standing Orders and the particular demands of any works.

Tenders must be submitted on the basis of the contract documentation contained in the invitation to tender.

B. PAYMENTS PROCEDURES

It is essential that invoices submitted for payment should include all appropriate details. Failure to do so could lead to a delay in payment for which the Council cannot accept liability.

In addition to the VAT requirements (see Clause A6):

- A. Interim payments will not be made on contracts of less than £5,000 in value without the prior agreement of the Town Clerk. On contracts valued over £10,000 a 5% retention will be held of which half will be released on Practical Completion. The balance will be paid on Completion and making good defects at the end of the defect's liability period.
- B. The Contractor must quote the appropriate order number on the submitted invoice.
- C. Where the Contractor is requested verbally to carry out emergency repair work they should delay submission of his invoice until a written confirmation order has been received. This should take no longer than fourteen days.
- D. The Council reserves the right to inspect the Contractor's books, together with time sheets and other records relating to any particular job. Reasonable notice will, however, be given for this purpose.

C. WHAT HAPPENS NEXT

Administration of the Approved List of Contractors.

The purpose of the above list is to provide Keighley Town Council, with a range of quality contractors who have been approved against set criteria.

The application is individually assessed by the Town Clerk against each of the following criteria:

- Health & Safety
- Financial Suitability
- Technical Suitability

Officers may request further information from applicants on their specific area of assessment. Successful contractors need to be satisfactorily assessed on all of the above areas to gain approval and inclusion on to the list.

The application will be rejected if the contractor cannot fulfil the pre-set criteria assessed. You must therefore ensure you complete the application form, provide all the information required and seek advice and guidance on any matters you are unsure of.

After all three areas have been assessed the whole application will be formally approved or rejected Contractors will then be informed of the result of this approval process in writing.

Contractors should note that their place on the List is **not** guaranteed and that the list is subject to a process of continual review.

Approval **does not** by itself guarantee work to the Contractor.

Failure to meet any of the necessary criteria will result in removal from the list. This will be at the discretion of Keighley Town Council. The contractor will be informed in writing of any such removal and the reason why the action was deemed necessary.

D. FREEDOM OF INFORMATION

As part of our approach to the Freedom of Information Act, Keighley Town Council will be releasing the names of companies who are approved on its Approved List of Contractors via the Town Council website www.keighley.gov.uk