

3. Sample letters to suppliers

Letter (a): Initial notification

Dear Sir,

E-procurement and trading with the Council

As part of the Government's Modernisation Programme, xxx Council will be undertaking a programme of change affecting the way it trades with its existing and potential suppliers/contractors for the procurement of supplies, services and the executions of works.

From 1st April 2xxx, the first phase will commence. This will entail conventional paper orders raised by the Council being replaced by an electronic order either in the form of a fax or an e-mail. Invoices can be sent by the supplier/contractor to the Council by the same method. The second phase will be introduced when technology allows the electronic interchange of data between the Council and the supplier/contractor (and vice versa).

The purpose of this letter is to inform you of the Council's plans from 1st April 2xxx and to ensure that the information the Council holds on your company is up-to-date, allowing orders to be sent to the correct address by the appropriate electronic means. I should be grateful therefore if you could complete and return the attached form to the above address no later than Monday 17th September 2xxx. A prepaid envelope is enclosed for this purpose.

It may be that you would like to discuss these changes further or have concerns about your ability to meet the Council's requirements. If so, please telephone xxxxxxxx who will be pleased to arrange a visit from one of their advisors. Their telephone number is xxxx xxxxxxx. This is a free local authority service to local businesses. It provides free and impartial advice about the Internet and electronic commerce. It can also offer grant funding to help business develop their first website.

Yours faithfully

Letter (b): Follow-up

Dear Colleague,

1. e-procurement and trading with the Council

I refer to my recent letter advising you of the future changes in the way Xxxx Council will be trading with its suppliers and requesting the return of a Supplier Information form. I am writing to remind you to return this form.

The Council is changing its working methods in response to the government's campaign to modernize local government by introducing electronic delivery of public services. All other local authorities will be introducing similar changes to the ones we are planning, as will the National Health Service and other government departments.

We are concerned that unless local companies follow these developments in technology, they may fall behind in their use of the Internet and electronic commerce, and as a result miss out on business opportunities and lose orders to competitors.

It is very important that you return the Supplier Information Sheet. A partially completed form and reply paid envelope are enclosed herewith. The details will go onto a new Supplier Database, which will be the basis of the new ordering system. When the Council's new ordering system is implemented from 1st April next year, it will be more difficult for Council staff to order products from a supplier if the supplier details are not on the database. If your competitor is in the database and you are not, your competitor may receive the business it will be much quicker and easier for the Council staff to order from your competitor.

If you would like assistance with completing the Supplier Information Sheet or require general advice about how to use email, the World Wide Web and e-commerce, we can send one of our business advisors to see you. In this case, please telephone Xxxxxxx on xxxx xxxxxxxx.

Grants: There may be grant funding to assist companies to create websites. For further information, please telephone xxxx xxxxxxxx.

Letter (c): BACS payment

Dear Sirs,

PAYING SUPPLIERS BY BACS

We should like to offer you the opportunity to receive future payments by the Bank Automated Clearing System (BACS). This would mean that payment of your invoices would be made directly into a nominated bank account. The remittance advice would either be e-mailed or faxed directly to you. We should prefer to e-mail it but if that were not acceptable to you, then we would fax the remittance.

The advantages to you of payment by BACS are:

- There is no possibility of the cheque getting lost
- You are saved the time and trouble of paying cheques into your bank account
- The remittance advice is e-mailed or faxed to you in advance of you receiving payment which will assist with your cash flow
- There is no possibility of the cheque being cashed fraudulently

To ensure that our payments are made to you by BACS please take the following action:

- Provide your business banking information as shown in the example attached, **on your Company's headed paper**
- Ensure that the letter is signed by a Director or other person in authority
- Make sure that the reference shown at the top of this letter is included
- Make sure that either an e-mail address or a fax number is given for us to send the remittance advice to you. We require you to accept the remittance advice by e-mail or fax if you wish to be paid by BACS.

Yours faithfully

[NB There are advantages in standardising on BACS payments for everyone irrespective of whether the supplier is informed by email, fax or letter. One can be more firm than this letter - ie this is the only payment method, get a bank account that can handle it, but note that some ex-building society banks are not on the system.]