

East Cambs Trading Company Ltd procurement

East Cambs Trading Company Limited (ECTC) was incorporated in March 2016 by the council as an in-house entity. The property and community housing division was set up to perform contracts awarded by the council to develop high-quality and design-led housing of all tenures, generating profit for the council. The commercial services division was set up to manage and operate the Ely Markets on behalf of the council and provide grounds maintenance services.

Contracts let by ECTC were subject to regulated procedures in line with the Public Contracts Regulations 2015.

From inception, ECTC was also set up to pursue commercial opportunities, generating up to 20% of its profits from this activity. The 20% limit was put in place to ensure that ECTC was 'Teckal compliant' in line with Regulation 12 of the Public Contracts Regulations 2015. The success of ECTC's commercial activity has led to predicted revenue from non-council activity exceeding the 20% limit within the next financial year. The decision has been taken to re-focus ECTC and allow ECTC to freely trade as a commercial entity.

ECTC will retain the remainder of the contracts already awarded by the council whilst continuing to pursue commercial opportunities in the future. The values of these contracts are each below the relevant threshold for EU procurement.

Accordingly, it is ECTC's view that it is no longer an in-house entity of the council and is no longer a "body governed by public law" for the purposes of the Public Contracts Regulations 2015. ECTC will no longer be reliant on contracts awarded to it by the council and will be subject to the vagaries of the market and suffer its own losses, operating in a competitive environment.

ECTC will need to compete on the same terms as the private sector to win work and is therefore operating in a competitive environment. ECTC is of the view that ECTC's activity has sufficient industrial or commercial character and does not meet needs in the general interest. ECTC's activity will be monitored on an ongoing basis to ensure that it does not breach the procurement rules.

ECTC is now entering into its first contract as a commercial entity and the purpose of this notice is to transparently notify any potential suppliers that the contract is being let outside a regulated process. Should any potential suppliers wish to participate they should contact ECTC on 01353 616475.