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## **PROCUREMENT POLICY**

### **Purpose of Policy**

The purpose of this policy is to provide guidance on the factors that will be taken into account when purchasing goods and services. The Parish Council follows the National Association of Local Councils (NALC) Procurement Toolkit published in April 2015 and its own internal Financial Regulations and Standing Orders.

### **Status of Policy**

It will be monitored and reviewed every two years or in response to changes in legislation and best practice.

### **1. Introduction**

1.1. Every contract engaged by the Council or person acting on its behalf must comply with this Procurement Policy, the Council's Standing Orders and Financial Regulations.

1.2. The purpose of this policy is to provide guidance on the factors that must be taken into account when purchasing goods and services.

1.3. At the start of any procurement process, it is essential that the authorised person leading the procurement project must liaise with the Clerk to clearly identify the need and fully assess the options for meeting those needs.

1.4. A Contract is an agreement between the Council and an individual or organisation for the individual or organisation to provide works, goods or services (including the engagement of consultants) for which the Council will provide consideration and or payment.

1.5. The following contracts are exempt from the requirements of these rules:

1.5.1. Contracts relating solely to the disposal or acquisition of land

1.5.2. Employment contracts and temporary staff/locums

1.6. Officers and Councillors and agents involved in the awarding of a Contract on behalf of the Council must ensure that best value is obtained and is not limited to only the financial consideration.

1.7. Exceptions from any of the following provisions of these Contract Procurement Rules may be made under the direction of the Council where they are satisfied that the exception is justified in special circumstances. Every exception and reason shall be minuted and recorded.

1.8. A Councillor is not permitted to issue a verbal order, an official written order or make any contract or commitment on behalf of the Council.

1.9. All quotes must be received by the Clerk.

## **2. Operational Contracts and Routine Services (pre-approval of contracts)**

2.1. Some contracts will be exempt from the Public Contract Regulations 2015 (s135). The Council will have access to a list of pre-approved contractors (preferred suppliers) which can be used to supply routine services or can be contacted to provide essential maintenance and servicing or emergency services.

2.1.1. Electricians

2.1.2. Service Engineers

2.1.3. General builders

2.1.4. Grass and Hedge Cutting contractors/Tree Surgeons.

2.1.5. Groundworkers

2.1.6. Playground repairs

2.1.7. Memorial masons

2.1.8. Plant/Tool and Equipment Hirers

2.1.9. Plumbing and Heating Engineers

2.1.10. Vehicle and machinery service engineers

2.1.11. Office supplies and other consumables

2.1.12. Routine Maintenance

2.1.13. Cleaning and general housekeeping

### **3. Procurement Thresholds**

The value of the contract is for the duration of the contract if that is greater than one financial period. (See Table 1. Quotation values exclude VAT).

3.1. Contracts/Purchases Below £5,000. Even though there is no obligation to seek competitive tenders for works and purchases below £5,000, every opportunity will be sought to find the best price and quality including delivery costs. Best practice recommends two quotations/prices.

3.2. Contracts Between £5,000 and £25,000. Written quotations must be sought from at least three suitable individuals or organisations.

3.3. Contracts Above £25,000 (Procedures led by Legislation) as per below:

3.3.1 A public notice must be made setting out the particulars of the contract and inviting persons/companies to apply for the opportunity to tender. This is for a period of at least 10 days.

3.3.2 Every written contract shall specify:

- a. The work, materials, matters or things to be furnished, had or done:
- b. The price to be paid, with a statement of discounts or other deductions (if any).
- c. The time or times within which the contract is to be performed.

3.3.3 Every contract which exceeds £25,000 and is either for the execution of work or the supply of goods or materials shall provide for payment of liquidated damages by the contractor in case the terms of the contract are not performed.

3.3.4 Contracts over the value of £25,000 shall comply with Articles 109 to 114 of the Public Contracts Regulations 2015 as explained in NALC Legal Topic Note 87.

### **4. Quote/Tender Procurement Process Steps**

4.1. An issue is identified.

4.2. The issue is discussed at the relevant meeting and either the Clerk is instructed, or a Working Party assembled, to investigate the issue and possible solutions.

4.3. Recommendations are brought back to the Council and a set of specifications are created to send out for quote or tender.

4.4. Indicative quotes are sought and the budget is requested from the Council.

4.5. Once the budget is approved, the specifications agreed by the Council can be issued for quotes and tenders

4.6. Final quote or tender is approved by the Council.

## **5. Submission of Tenders**

Procedure for Contracts above £25,000:

5.1. The invitation to tender shall state the general nature of the intended contract. The Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.

5.2. The invitations shall in addition state that tenders must be addressed to the Clerk only at the Council office address and no quotes or tenders can be submitted directly to Councillors.

5.3. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for the contract.

5.4. The tenders are commercially sensitive and shall be kept in the custody of the Clerk until the time and date specified for their opening.

5.5. Tenders shall be only opened by the Clerk and in the presence of at least one Councillor. Tenders shall be date stamped and signed on all pages containing price information.

5.6. Quotations and tenders may be received electronically provided they are kept in a separate secure electronic folder under the control of the Clerk which is not to be opened until the deadline has passed for receipt of tenders. They must not be forwarded on to any other officer or Councillor.

## **6. Acceptance of Quotations and Tenders**

6.1. Tenders should be scored against a predetermined weighted list of requirements agreed by the Council as part of the procurement process before tenders are received. The basis of this exercise shall be explained in any invitation to tender documentation. Any omission or question raised by the Council or the contractor will be made available to all the tenderers.

6.2. The tender that scores the highest shall be accepted.

6.3. No negotiation on contracts whose value is more than £25,000 can take place without reference to the Chairman of the Council. Any negotiations which would distort competition is expressly forbidden.

6.4. Any arithmetical errors found when checking tenders received will be pointed out to the tenderer who will be offered the opportunity to either:

6.4.1 Stand by the original submission

6.4.2 Correct the tender

6.4.3 Withdraw the tender

## **7. Signing and Sealing of Contracts**

7.1. Every successful quotation/tender shall be accepted in writing by the Clerk.

## **8. Nominated Sub-Contractors and Suppliers**

8.1. Where the Council contracts with a sub-contractor or supplier to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules.

## **9. Contracts Record**

9.1. A record of all contracts over £25,000 placed by the Council shall be recorded and filed in the Council offices.

9.2. This record shall specify for each contract the name of the contractor, the works to be executed or the goods or services to be supplied, the contract value and the contract period. It is the responsibility of the appointed person authorising the contract to ensure that an accurate record is maintained and filed.

## **10. Prompt Payment of Invoices**

10.1. The Council understands the importance of paying suppliers promptly and will always pay within the terms of payment agreed. All payments are to be made by Bank Transfer within the Council's Bank terms and conditions.

## **11. Contract Management**

11.1. For each contract, an assessment of project management requirements and provision must be made. Project management must be performed as appropriate to the work being undertaken and for projects over £25,000 should be performed by suitably qualified personnel.

## **12. Contract Variations**

12.1. Any necessary instructions to vary a contract shall be made in writing by the Clerk or persons responsible for supervising the contract.

12.2. Where a variation occurs during the currency of the contract that is material and cannot be met from within the original contract sum, an immediate report shall be made to the Council who shall decide what further action is necessary.

## **13. Bonds, Guarantees and Insurances**

13.1. For procurement projects where the spend is greater than £25,000, consideration must be given as part of the pre-qualification assessment and evaluation process as to whether a performance bond and/or parent company guarantee (if applicable) shall be required from the successful tenderer.

13.2. Consideration must be given as to the appropriate type (employee liability, public liability, professional indemnity etc.) and appropriate level of insurance requirements for each contract.

## **14. Termination of Contracts**

14.1. The Council reserves the right to terminate any contract immediately for breach of contract or other valid reason(s).

### **TABLE 1**

#### **Contract Value (net of VAT) and Level of Legal Requirements**

- Up to £25,000: requirements as per the Council's Standing Orders and Financial Regulations
- Over £25,000: use of the Contract Finder website and other light touch rules in the Public Contracts Regulations 2015 ("the 2015 Regulations")
- Over £181,303: Include other detailed and complex requirements in the 2015 Regulations