



Procurement Policy

Last updated: November 2019, to be reviewed annually.

Introduction

Wroxham Parish Council aims to be effective and efficient in order to improve the delivery and the cost effectiveness of public services. Successful procurement is one of the factors in achieving this aim. This policy describes how procurement will be undertaken. As a policy, it is available to support staff and councillors who may be involved in the process. It also informs the public and contractors.

The purpose of the Policy

This policy has been written to support the Financial Regulations of the council. It complies with best practice guidance on procurement so strengthening the financial governance of the council.

It provides a model document for officers and councillors, thus providing confidence and saving time.

It provides a document which will advise contractors on the procedures which must be followed by the council.

It ensures value for money thereby improving the cost effectiveness of the council.

It will assist in the delivery of improvements to the services the council offers and to the maintenance of its assets.

It will assist in the risk management of the council in respect of maintaining the credibility of the council, ensuring value for money and achieving good standards of service provided to the council.

Detailing the service or purchase

As a publicly accountable body it is important to ensure that when items are purchased or work is required to be carried out by any contractors that the enquiry is on the basis of a "level playing field". It is therefore important that the description of the work or item is the same for all suppliers submitting a quotation. It is also important that the description is accurate and complete. Evaluating quotations then becomes a much simpler process. It is important to include all detail in the tender document, as contractors are likely to charge excessive surcharges for additional items.

The detailing of services can be done by one of the following ways:

- The Clerk is likely to compile the detail of the work in the lower end of the value path.
The process can be supported by information obtained from other councils who may have “gone down the same route” or by researching the activities of the council.
- However, for some orders the Clerk may not have the technical or legal knowledge to write the detail, and after obtaining authority from the council or committee (if appropriate) will obtain / buy in the necessary technical assistance to prepare a specification. The council or committee will then review and agree the specification.
- A description of the work or item could be drawn up by one or more persons who know and understand the scope of the work and the specification. These persons may be councillors, or a working party made up of experts. Their recommendation will then need to be agreed by council or committee.

The issuing of invitations for quotations or preparation of tender documents will be dealt with by the Parish Clerk.

Value Path

The following applies to all values:

- After establishing the requirement (whether new or existing) it is useful to carry out research to help establish approximate cost. Research may involve previous experience of a similar contract or obtaining an estimate (as opposed to a quotation).
- When sourcing suitable suppliers it may be necessary to reduce the number of quotes obtained due to the complexity of the project or the resources required to find quotes on a like for like basis. In these circumstances the reason shall be embodied in a recommendation to the council.
- The council is also under no obligation to accept the lowest price. The general requirement to provide “best value” within budget and to ensure propriety, fairness, consistency, and good practice remains for all items.
- All suppliers must provide evidence of public liability - £10 million (unless other advice is received from the council’s insurer).
- All orders will be placed by the Clerk / RFO. No councillor has authority to act on behalf of the council. The Clerk will ensure that the council has the legal authority to spend money for the goods or services. If there is no legal power to spend money then the Clerk / RFO will advise the council accordingly. No supplier may contact a councillor or member of staff during the tendering process. (refer to the Financial Regulation The Bribery Act 2010)

- When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments.
- Any variation to a contract or addition to or omission from a contract must be approved by the council, the council being informed where the final cost is likely to exceed the financial provision.
- The council will always seek to support local contractors.
- Some supplies, such as fixed price payments or professional services, will not be subject to the above.

Purchases valued at less than £300 (net value)

The Clerk will obtain a quotation (e mail). If the supply has been agreed by council and there is a budget for the item, then the Clerk may place the order. Payment for this may be made by the Clerk using the Council's debit card.

Purchases valued £301 - £1000

The Clerk shall obtain one quote (e mail) which must be on a business letter heading. The Clerk may place the order. Prior to placing to placing the order the Clerk should obtain council approval, unless this is an item required in emergency.

Purchases valued £1001 - £5000

The Clerk shall strive to obtain three quotations in writing (letter or e mail) which must be on a business letter heading. The order will be made by the Clerk. This becomes part of the audit trail. Prior to placing the order the Clerk should obtain council approval.

Contractual considerations for values over £5000 - £10,000

The Clerk shall obtain three quotations in in writing or sent electronically, and on a business letter heading, and it must clearly specify the services, supplies or work to be provided. □□The contract must specify the price to be paid net of discounts and including any VAT. □□ The contract must specify the time or times within which the contract is to be performed.

Contractual considerations for values over £10,000 up to £60,000

Full tender procedures (as described below) must apply. The contract must specify the time or times within which the contract is to be performed.

Contractual considerations for values in the case of all contracts exceeding £60,000

Full tender procedures (as described below) must apply. The contract must specify the liquidated damages to be paid by the contractor if the contract is not completed

at the specified date. □□ Every contractor must obtain the written permission of the council before assigning or sub-letting the contract or any part of it.

Going out to tender

(1) Advertising the contract

At least 10 days' public notice of the intention to enter into a contract will be given in one or more local papers and the council's website.

The notice will state:

- (a) The nature and purpose of the proposed contract
- (b) The closing date and time for receipt of applications
- (c) The address to which applications should be sent
- (d) The date on which tenders are likely to be considered

(2) Consideration of the terms and conditions of a contractor. Examples of these are warranties and payments terms. Evidence of warranties and guarantees should be provided in writing. Contractors should be made aware of payment terms. These are 30 days after the month end.

(3) Satisfactory references must be provided by the contractor. They should also be sought by the Clerk from other councils or customers of the contractor.

(4) Qualification. Evidence of qualification should be requested and also risk assessments.

The District Council may have a list of approved suppliers which can provide useful information for the Clerk.

Public Contracts

Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹.

The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².

Where the value of a contract is likely to exceed the threshold (note that this threshold does change from time to time) specified by the Office of Government Commerce the council must comply with EU procurement rules.

Risk Management

¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

² Thresholds currently applicable are:

- a. For public supply and public service contracts 209,000 Euros (£164,176)
- b. For public works contracts 5,225,000 Euros (£4,104,394)

The council must have confidence that the contractors understand safe working practices by examining qualifications, work experience, risk assessments, and method statements and ensuring full documentation is in place. In addition, regular inspection should be made to ensure that work of the highest quality is produced by the contractor.

There must always be an inspection / check of the works or goods before payment (or payment if in instalment) is made. An inspection may need to be undertaken by a professional such as an architect or an inspector (as is the case with play equipment).

Scoring Panel

For items of a specialist nature the council may choose to appoint a scoring panel. This may be a working party or panel of experts who will score the various parts of a tender and make a recommendation to the council. With council approval, that working party may choose to have the detail of the product, goods or service presented by the supplier.

Opening quotations / tenders

Each contractor will be instructed to return quotations / tenders to the Clerk in a plain envelope provided by the council, which shall be marked with the name of the project on the top left of the envelope and the name and address of the Clerk. Quotations should not be returned to any member of the council.

All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council. Decisions concerning contracts can be taken as a “confidential item” at a council meeting. It may be that the council, or duly delegated committee, does not accept any tender, quote or estimate and the work is not allocated and the council requires further pricing. It therefore is important that the value of the tenders / prices submitted remains confidential.

The Clerk will instruct the successful contractor and advise the unsuccessful contractors.

Emergency Power

The Clerk / RFO has the authority to spend money in the event of an emergency on behalf of the council up to the value of £1000. This authority is given under s101 of the Local Government Act 1972. The Clerk will advise the Chairman or in his / her absence the Vice Chairman as soon as possible, and the matter will be reported to the next council meeting. One quotation in writing is essential.