

# STETCHWORTH PARISH COUNCIL

## PROCUREMENT POLICY

Stetchworth Parish Council, hereinafter referred to as “the Council”. The Council is aware of the Public Contracts Regulations 2015 and has set out this policy in order to comply with relevant legislation. The Council will follow NALC’s Procurement Toolkit as published in April 2015.

### 1. Introduction

2. Every Contract by the Council or person acting on its behalf shall comply with this Procurement Policy.

3. 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. The following contracts are exempt from the requirement of these rules:

- contracts relating solely to disposal or acquisition of land
- employment contracts
- individual agency contracts for the provision of temporary staff.

4. Persons involved in the awarding of a Contract on behalf of the Council must ensure that the best value for money is obtained. Before commencing a procurement, it is essential that the authorised person leading the procurement has identified the need and fully assessed the options for meeting those needs. The best use of purchase power shall be sought by aggregating purchases wherever possible, for example by working with other Parish Councils, East Cambs District Council or Cambridgeshire County Council where appropriate to ensure that bulk discounts are obtained. The Council will also strive to use local suppliers from within the District where possible but not exclusively.

5. 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 therefore shall be recorded.

### 6. Specifications

Enquiries and invitations to Tender shall be based on a written specification. The specification shall adequately describe the requirement procedure in sufficient detail to enable effective procurement in accordance with these rules.

### 7. Supplier Pre-qualification and Due Diligence

The Council shall only enter into a contract with a supplier if it is satisfied as to the supplier’s suitability, eligibility, financial standing and technical capacity to undertake the contract by carrying out appropriate due diligence.

### 8. Requirement for Quotation/Tender and Public Advertising

Consideration shall be given to other costs associated with the procurement (lifetime costings including, for example, maintenance costs and power consumption). Where these could be significant such as in the final

disposal of a product, appropriate arrangements shall be put in place to consider these costs against alternative options.

#### **9. Contracts above £500 and below £3,000**

The Clerk/RFO shall strive to obtain 3 estimates.

#### **10. Contracts above £3,000 and below £25,000**

Written quotations must be sought by not less than three individuals or organisations that could undertake the contract.

#### **11. Contracts above £25,000**

- A public notice must be made setting out particulars of the contract and inviting persons interested to apply, within a period of not less than 10 days, for opportunity to tender.
- After the expiration of the period specified in the public notice, invitations to tender shall be sent to not less than four individuals or organisations that could undertake the contract (or, if fewer than four apply, to those that are suitable).
- Tenders to be submitted and opened in accordance with No. 14, below.

12. Contract Procedure Rules 8 and 9 shall not apply to the following but, wherever possible, alternative quotations shall be obtained:

- Purchase by auction or at public fairs.
- Contracts involving special technical, scientific or artistic knowledge.
- Contracts comprising spare or replacement parts of existing machinery or plant or repairs to such machinery or plant.
- Urgent situations as agreed with the Chairman of the Council where the Council is put at significant risk, or where significant costs could be incurred, by not taking urgent remedial action.

13. Every written contract shall specify:

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

14. 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.

#### **15. Submission of Tenders**

Submission procedures for contracts above £25,000

- Where an invitation to tender is made, such invitation to tender shall state the general nature of the intended contract and the Responsible Financial Officer shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitations shall, in addition, state that tenders must be addressed to the Responsible Financial Officer in the ordinary course of the post.

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 dates for opening tenders for the contract.

- The tenders shall be kept in the custody of the appropriate nominated person until the time and date specified for their opening.
- Tenders shall be opened by the Responsible Financial Officer in the presence of at least one Councillor. Tenders shall be date stamped and signed on all pages containing price information.
- Quotations and tenders may be received electronically provided they are kept in a separate secure folder under the control of the Responsible Financial Officer which is not opened until the deadline has passed for receipt of tenders.

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

- The tender that offers the best value to the Council shall be accepted. Each tender shall be evaluated for price and quality to ascertain the most economically advantageous tender. Local companies should be encouraged to apply.
- For procurements over £25,000 the questions and scoring systems used shall be written before tenders are received. The basis of this exercise shall be explained in any invitation to tender documentation.
- Where the authorised person considers it in the best interests of the Council, he or she may negotiate with the tenderers whose tenders are being considered for acceptance. No negotiation on contracts whose value is in excess of £25,000 can take place without reference to the Chairman of the Council. Any negotiation which would distort competition is expressly forbidden. Details of the negotiation must be placed on the contract file.
- Arithmetical errors found in any tender when checking shall be dealt with as follows: The tenderer shall have the error pointed out to them and be offered the opportunity to stand by their original tender, or their corrected tender, or to withdraw it.

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

Every successful quotation/tender shall be accepted in writing, provided that contracts as the Solicitors to the Council shall determine shall be set out in a formal contract document.

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

Where a sub-contractor or supplier is to be nominated to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules. In the event of a main contractor nominating any sub-contractor for delivery of all or part of the services, the Council's contract will remain with the main contractor and the main contractor remains responsible and liable for delivering the agreed contract. The main contractor holds responsibility for delivery of the contract and any associated penalties, financial or otherwise, to the Council as agreed in the main contract.

#### **19. Contracts Record**

A record of all contracts in excess of £25,000 in value placed by the Council shall be kept by the Clerk. 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.

## **20. Contract Project Management**

Project management shall be practised at all times in undertaking procurement, using industry agreed project management framework and standards as appropriate to the work being undertaken (for example, but not limited to, PRINCE2, PMI, RIBA, RICA). Suppliers will be expected to demonstrate their Project Management competency and qualifications.

## **21. Contract Variations to Scope**

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

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

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

## **23. Termination of Contracts**

The Council reserves the right to terminate any contract immediately for any of the following reasons:

- Termination for Cause – where a supplier commits a material breach of the agreement to deliver services, or fails to deliver agreed services, in the agreed timeframe without a plan to address the failings.

## **24. Status**

This policy will be considered for adoption by full Council on 10<sup>th</sup> July 2018 and will be reviewed annually.