



**CHIPPENHAM
TOWN COUNCIL**
Improving the quality of town life

Procurement Policy

Author: Director of Resources, Responsible Financial Officer
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1. INTRODUCTION

The purpose of this guide is to provide an overview of the procurement of goods and services. It is intended to complement, but not replace Town Council Standing Orders and Financial Regulations.

The Town Council is accountable to the public for the way that it spends public funds and this procurement policy supports the delivery of the Council's strategic objectives in the efficient, effective and economic delivery of services, ensuring that suppliers and contractors provide best value products, services and performance. The pursuit of sustainability and continual improvement is a key goal of the Procurement Policy.

The Town Council is committed to providing quality services. It will use fair and open competition, and will use external as well as internal providers wherever practicable as a means of securing efficient and effective services.

The Town Council has declared a Climate Emergency and is working to reduce its carbon footprint to net zero. As such, as well as cost and efficiency factors, procurement decisions will also take into account the environmental impact of goods and services purchased, and the environmental credentials of our suppliers.

2. PRINCIPLES OF GOOD PROCUREMENT PRACTICE

Best value may not always mean the cheapest. Quality products or services which cost more may sustain themselves in the longer term and therefore may be the better option where best value is concerned. Also, environmental impact factors will influence procurement choices. Applying common sense in procurement decisions is paramount. We will:

- Take a strategic, long term approach to procurement, looking at the objectives required of the service, as well as the whole life costs in order to achieve Value for Money and Best Value.
- Consider factors in addition to cost in determining best value for money, such as quality, delivery and environmental factors.
- Be clear about the overall specification for the goods or service and what outputs and outcomes are required in order to achieve the required standard of performance.
- Explore all realistic alternative options, supported by evidence (which will be made available if requested by the internal auditor or the RFO) to achieve Best Value.
- Seek quality, performance and cost improvements in the procurement process e.g. considering related services and activities together so that economies of scale can be maximised and minimising the number of suppliers that we use.
- Consider whether it is best to provide a service in-house, in partnership or using an external provider, in the overall interests of service users, and aim to use local suppliers where possible.
- Ensure that risks are recognised and managed, planning the procurement effectively, taking account of market trends and the commercial and control aspects of contracting.

- Comply with the Council’s legal obligations, seeking legal, financial and other specialist advice where necessary.
- Ensure fairness and equality in the treatment of suppliers and avoid corruption. No councillor or officer shall seek any bribe, gift or inducement, nor seek to influence a procurement decision where they have a family or personal involvement in the process.

3. THE PROCUREMENT PROCESS

This section provides an overview of the key stages involved in the procurement of goods or services, and these are explained in greater detail later in this policy.

SPECIFICATION	Identify and define the need, create a statement of requirements and estimate the likely costs. NB if the cost is likely to be over £25,000 advance Committee approval is required before the tender process commences.
SUPPLIER SELECTION AND APPRAISAL	Identify a list of potential suppliers who have the capability, capacity and commitment to meet the requirements.
QUOTATIONS / TENDERING	Invite suppliers to tender or quote as applicable for provision of the goods or services. Above £3,500 - 3 quotes Above £10,000 - 3 written quotes Above £25,000 - full tender process
TENDER EVALUATION	The majority of contracts are awarded to the supplier who submits the lowest cost tender or quotation, however other factors may be taken into consideration to determine best value for money before the tender or quotation is accepted.
POST-TENDER NEGOTIATION	Once suppliers have submitted tenders or quotations, there may be opportunities to negotiate with a view to improving the overall offer.
CONTRACT AWARD	Any proposed contract that is above £25,000 needs Committee approval before a contract can be awarded.
CONTRACT MANAGEMENT	Ensure that the goods or services detailed in the specification are provided in accordance with the specification, to the

	appropriate quality, within specified timescale and at the agreed price.
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4. SPECIFICATIONS

A specification is the description of the product or service required and will form part of the contract with the selected supplier. It is therefore important that the specification is clear and un-ambiguous, as changes/additions to the specification post-contract may entail extra costs.

Also the specification should not be biased towards any one company and should enable suppliers to tender or quote the Town Council on an equitable basis.

Specifications for the provision of goods and services should include where applicable:

- The key features, functions and performance required
- Any essential design requirements and/or limitations
- Details of any existing suitable products that the requirements are based upon.
- Relevant National or European standards and Health and Safety considerations.
- The timescale required for delivery
- Any specific evaluation criteria and relevant experience required
- A statement to the effect that non-compliance with instructions may lead to disqualification from the procurement process.

5. SUPPLIER SELECTION AND APPRAISAL

Supplier Identification

In many cases, a list of potential suppliers can be produced through previous experience and market knowledge. In other circumstances advertisements may be placed in appropriate trade journals. The Town Council web site should also be used.

For orders above £25,000 the Government Procurement rules must be followed, including advertising on the Government's Contract Finder portal.

Supplier Appraisal

Potential suppliers need to be assessed to ensure that they are capable of meeting the requirements. This assessment should be based on technical, commercial and financial grounds and may involve one or more of the following:

- Requesting that potential suppliers complete a pre-qualification document, providing information relevant to the contract.
- Visiting and assessing the premises and/or web site of a supplier.
- Taking up references from appropriate professional organisations or comparison web sites.

Where possible, suppliers should be contacted prior to the issue of invitations to tender in order to establish:

- That they are willing to tender for the work.
- Timescales for return of tenders.

- A contact name, address, phone number and e-mail address.

Specialist Expertise

If supplies or services can only be supplied by one supplier or local specialists are needed or the supplies or services are proprietary, they can be sourced outside the normal procurement procedure subject to approval of the Chief Executive, RFO and/or appropriate Committee.

6. QUOTATION & TENDER EXPENDITURE LEVELS

Contracts and orders should always be awarded against a specification (either written or verbal) and through competition to achieve best value whenever possible.

The relevant thresholds for quotations/tenders are as follows:

Below £3,500	At least one quote (preferably written)
£3,500 to £10,000	<i>A minimum of three quotations should be obtained</i>
£10,001 to £25,000 <i>be</i>	<i>A minimum of three written quotations should be obtained</i>
£25,001 and over	<i>Full Tendering required</i>

7. INVITATIONS TO QUOTE

Invitations to quote should normally be in writing or by e-mail and be issued in identical terms, simultaneously to all suppliers selected to quote.

It is not necessary to formally advertise for purchases below £25,000. Potential suppliers may be selected through local knowledge or research e.g. on the web.

8. TENDERING

Tendering is a more formal and exhaustive method of obtaining quotations. A tender submitted by a supplier is a legal offer, and when accepted by the Town Council, a formal contract exists.

Tendering must be used for all purchases where there is a possibility that the overall contract value may exceed £25,000. The invitation to tender must be advertised, including on the Government 'Contracts Finder' web portal.

The Council may choose in some instances to tender for service contracts below this value (e.g. cleaning contracts). A more in-depth procurement process may be necessary for

smaller contracts due to the importance of the quality of service to be provided. However, where the Council has an established relationship with a professional service provider and is happy with the standard of service and price, it will not be necessary to tender. Also, it can be advantageous not to tie the Council to a contract with one provider, such that, in the event of poor performance, it is straightforward to take our business elsewhere.

Invitations to Tender

An invitation to tender includes the following information:

- Tender Name/Number
- Name/email/phone number of lead officer
- Covering letter
- Conditions of Tender
- Conditions of Contract
- Standardised Financial Costing Summary
- Specification
- Timetable/dates
- Stamped or Freepost envelope for return of tender specifying date and time for return.

It is the responsibility of the lead Officer to produce a tender document.

Any invitation to tender must be addressed to the Chief Executive within a sealed envelope. The tender is to remain sealed until the prescribed date for opening tenders for that contract. In the future Council may wish to consider a secure methodology for the electronic submission of tenders.

Financial Cost Summary

The Financial Cost Summary is the pricing schedule which tenderers must complete. Its purpose is to ensure that all tenderers submit prices on a common basis and in a common format, making evaluation more straightforward - e.g. fixed price or time basis, one-off or multiples, annual cost or full contract cost.

Tendering Period

During the period between invitation to tender and receipt of tenders, it is vital that all tenderers are treated equally e.g. an extension request or any queries of substance raised by one tenderer must be applied to all tenderers simultaneously.

Tender Opening

A Register of Tenders Received book is kept by the Chief Executive. This process will be administered and evaluated by a Manager. Tenders are opened simultaneously by 2 Councillors who will record the prices in the Tender Book, then initial each page of the tender documents and sign the Tender Book. The result of tenders should be reported to Committee if the value is above £25,000.00.

Tender Evaluation

Once tenders have been opened, they are evaluated to ensure best value for money and that the tender matches the specification and any other selection criteria. In many

contracts, whilst all tenderers may be capable of meeting the requirement, some may be better in terms of cost, quality, availability of resources, quality of staff, proposed timescales and environmental factors. Tenders that do not meet the specification should be rejected.

Post Tender Evaluation

Once the tenders or quotes have been evaluated, it may be possible to improve the overall value for money of bids through negotiation. Post-tender negotiation may involve more than one supplier.

Potential areas of improvement may involve areas other than cost e.g. improved delivery times. When choosing which tender to award a contract to, it is important to consider the cost over the lifetime of the asset, any additional costs and any re-sale value.

If during such negotiations the requirement is vastly changed, the Town Council should give consideration to re-tendering

9. CONTRACTS

Contract Award

A general audit rule is for Committee approval to be sought for expenditure of more than 1% of turnover. The following specific contract award authority levels apply.

Below £3,500	Budget holder
£3,500 to £10,000	Head of Service
£10,001 to £25,000	Corporate Management Team member
£25,001 and over	Committee Approval

Ideally contracts should not be placed that run beyond the end of the current administration, although to obtain 'best value' a longer term may be necessary.

A contract letter and official order should be sent to the successful tenderer. Letters should also be sent to the unsuccessful tenderers.

The expenditure must be within agreed budgets and the order signed according to the Delegation of Financial Responsibility to Spending Officers.

Any unsuccessful tenderer may request a debrief in respect of their tender, although the Town Council reserves the right not to declare all information relating to the award of the relevant contract.

Contract Management

Once a contract has been agreed, it is the responsibility of the Manager to ensure that, as far as practicable, the goods or services are delivered as per the specification.

Procurement advice should be sought if required and the RFO should always be advised in case of unsatisfactory performance.

Variation and Extension

From time to time, variations and extensions to contracts are required. These require different types and levels of approval, depending on their nature.

Time extensions with no extra cost - small time extensions can normally be authorised by the Manager.

Extra work/Extensions to contracts - if this does not exceed 5% of the contract value, a revised order can be placed (subject to normal authority levels). Anything above 5% (of the contract value) will need Committee approval and may require a further tender.

Regular Service Contracts

Regular Service Contracts provide goods and services at fixed prices on a regular basis and over a fixed period of time e.g.:

- Computer equipment/ongoing support
- Contract Cleaning
- Alarm and Fire Systems

Where a Regular Service Contract is in place, other suppliers must not be used for the purchase of these goods or services unless authorised, in order to avoid a potential breach of contract.

10. EMPLOYING CONSULTANTS

Managers need to determine that in-house resources are not sufficient and that the extra expense involved in hiring a firm of consultants is clearly justified before employing a consultant.

A detailed project brief should be prepared before selecting a consultant. If necessary, it can be refined later to take account of the consultants' ideas and input. The brief becomes the consultants' Terms of Reference. A project brief can avoid any misunderstanding between consultants and client.

Identification of Need:

- Identify the objectives of the project and what the outcome is intended to achieve or change.
- Consider the availability of potential in-house resources before seeking to engage external consultants.
- Assess and document the benefits of employing consultants
- Identify costs of Council's contribution, i.e. staff time.
- Agree a budget.
- Obtain approval of The Chief Executive or Director

Preparation of Project Brief:

- The Project brief should include:
 - Background to the project
 - Project objectives
 - Expected outcomes
 - Project timetable
 - Council's own contribution
 - Reporting requirements
 - Relevant source documents available for inspection

Employment of Consultants

- A draft agreement should contain the following elements:
 - Description of project
 - Project schedule with key milestones
 - Fees, including definition of reimbursable expenses
 - How payments will be made
 - Reporting arrangements
 - Arbitration/termination arrangements
 - Names of Council staff involved
- Terms of reference agreed between the Council and the consultants should be attached to the agreement.
- Agree clear end-point and procedures for "signing-off" project when complete.
- Once the contract is signed, give consultants official notification to proceed in writing.
- The project should be closely monitored against specification, key milestones and costs.
- Regular progress reports should be made to Committee.
- A project evaluation should be made at the end of the contract.

11. AUTHORISATION OF EXPENDITURE

Orders for goods and services by Chippenham Town Council must be made in accordance with approved budgets and the approved spending limits as set out in the Delegation of Financial Responsibility to Spending Officers.

Purchases that are likely to exceed the maximum officer spending limit, require Committee authorisation. The Chief Executive is authorised to undertake urgent matters, including emergency repairs and maintenance of buildings, grounds and equipment, to be reported to the appropriate Committee, Full Council as soon as possible thereafter.

The first signature of certification on an invoice prior to payment verifies that the officer is satisfied that the goods or services have been received by the Council and represent proper value for money.

Final certification of all invoices for payment will be as follows:

- Invoices for Service - Head of Service/Budget Holder (see Financial Responsibility to Spending Officers for expenditure limit).
- Other Invoices valued up to £15,000 - RFO or Director to sign
- Invoices of £15,000 and above - Chief Executive to sign
(if away from office, the nominated director who then assumes the responsibilities of the Chief Executive, including signatory responsibilities)