

GREAT WALTHAM PARISH COUNCIL

Procurement Policy

Version 1

This policy document should be reviewed and updated as necessary

Version	Review Date	Reviewed By	Summary of Changes
1	December 2022	S. Gilbert	New document.

DRAFT

Great Waltham Parish Council – Procurement policy

Definitions

“Council” – Great Waltham Parish Council

“Contract” – 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.

“Supplier” – An individual (typically a sole trader), company or other organisation with whom the Council contracts to provide it with goods and/or services.

1. Introduction

1.1. Every contract entered into by the Council or person acting on its behalf will comply with this Procurement Policy, and the Council's Standing Orders and Financial Regulations¹. These regulations cover, amongst other things, the number of quotations to be sought and the tendering procedures.

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

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

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

1.4. Persons involved in the awarding of a contract 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 purchasing power will be sought by aggregating purchases wherever possible.

1.5. Exceptions from any of the following provisions of these procurement rules may be made under the direction of the Council when it is satisfied that the exception is justified in special circumstances. Every exception and reason will be recorded.

2. Local contractors preferred

2.1. The Council recognises the benefits to the economy of using local businesses and will seek out local suppliers wherever possible, subject to section 12 below.

3. Competence of contractors and due diligence

3.1. The Council will 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.

¹ See Great Waltham Parish Council (2022), *Standing Orders and Financial Regulations*. Available at: <https://e-voice.org.uk/greatwalthamparish/copy-of-parish-directory/policy-files/>.

3.2. All suppliers working on Council sites will be required to comply with the Council's health and safety policy and any rules specific to the site of operation. Provision of suitable risk assessments and method statements will be a condition of all such suppliers.

3.3. The Council requires all suppliers working on Council sites and projects to maintain adequate insurance, including but not limited to public liability insurance for £10,000,000.

4. Equality and sustainability

4.1. The Council recognises the importance of sustainability and will take into account the environmental, social and economic impacts of its purchasing decisions.

4.2. The Council recognises its duty to protect biodiversity under Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006. To meet this duty the Council will wherever possible purchase products that protect biodiversity, and always in accordance with its published Statement on Biodiversity policy.

5. Prompt payment of invoices

5.1. The Council understands the importance of paying suppliers promptly and will wherever possible settle accounts within a maximum of 30 days, or earlier, by agreement. In order to comply with current legislation and in accordance with the Council's preferred method of settlement, all payments are made by BACS transfer.

6. Preferred suppliers

6.1. In respect of contracts that may be exempt from the Public Contracts Regulations 2015², the Council may need to have access to pre-approved suppliers to provide routine goods and services or who can be called on to provide emergency services. Such suppliers will include, but not limited to, electricians, general builders, glaziers, grass and hedge cutting contractors, groundworkers, locksmiths, plant hirers, play equipment repairers, plumbing and heating engineers, tree surgeons and vehicle and machinery service engineers.

6.2. The Council has resolved to maintain a preferred supplier framework for contracts of up to £5,000 in value³.

6.3. Businesses wishing to be included on the Council's register of preferred suppliers will be required to complete a registration form (see Appendix A). The Council reserves the right to accept or reject any application or, once granted, to terminate a business's preferred supplier status if the goods/services rendered do not meet agreed standards (see also section 21. below).

6.4. The Council will consider the inclusion of businesses on its register of preferred suppliers on a case-by-case basis, and may carry out additional checks and seek references before appointing a particular supplier, or renewing an existing agreement.

² S135 (3) gives Councils the power to exempt contracts below £25,000 from a tendering exercise (see also NALC LTN 87 - Para 9).

³ See Great Waltham Parish Council (2022) *Financial Regulations*, s.11k. Available at: <https://e-voice.org.uk/greatwalthamparish/copy-of-parish-directory/policy-files/>.

In every case the Council will identify and document the agreed skills, competencies and value for money services provide by the individual business.

6.5. A business applying for inclusion on the Council's pre-approved preferred supplier list will be asked to declare it:

- Holds public liability insurance (PLI) for contracts which will involve working on Council sites for a minimum of £10,000,000.
- Will supply a copy of its PLI policy schedule annually at renewal.
- Complies with the Council's health and safety and equality policies.

6.6. The appointment of each preferred supplier will be reviewed annually and based on performance and/or Council requirements will be reconsidered and offered for renewal, as applicable. The overall list of preferred suppliers will be reviewed periodically.

7. Best value

7.1. Normally the Council will accept the quotation, estimate or tender that provides best value for money, however, the Council is not obliged to accept the lowest of any tender, quotation or estimate, but must give valid reasons for not doing so.

8. Purchases on account

8.1. The Council may maintain monthly accounts with suppliers of regular purchases. All purchases on Council accounts may only be made by authorised Council officers who must be provided with a receipt. Limits will be set on each account on the maximum value of individual purchases and the overall balance on the account. Expenditure over these limits must be authorised in advance.

9. Specifications

9.1. 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.

10. Contracts below £5,000 but above £500

10.1. While not obliged to seek competitive tenders for works below £5,000, where there are opportunities for competitive savings, three quotations will be sought (subject to section 7. above). For purchases below £100 quotes may be sought in order to achieve price comparisons⁴.

11. Contracts between £5,000 and £25,000

11.1. Written quotations must be sought by not less than three individuals or organisations that could undertake the contract⁵.

⁴ GWPC *Financial Regulations* (2022), s.11.1h.

⁵ Ibid.

12. Contracts above £25,000

- 12.1. 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.
- 12.2. After the expiration of the period specified in the public notice invitations to tender will 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).
- 12.3. Tenders to be submitted and opened in accordance with section 14. below.
- 12.4. Section 8. and 9. above will not apply to the following, but wherever possible alternative quotations will 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 Chair of the Council where the Council is put at significant risk or significant costs could be incurred by not taking urgent remedial action.
- 12.5. 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.
- 12.6. Every contract which exceeds £25,000 and is either for the execution of work or the supply of goods or materials will provide for payment of liquidated damages by the supplier in case the terms of the contract are not performed.
- 12.7. Contracts over the value of £25,000 must comply with Articles 109 to 114 of the Public Contracts Regulations 2015 as explained in NALC Legal Topic Note 87 regarding the advertising of contracts and the use of the 'contract finder' website⁶.

13. Special Circumstances

- 13.1. In instances of extreme risk to the delivery of Council services, the Parish Clerk may authorise revenue expenditure on behalf of the Council which, in the Clerk's judgement, become necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £500. The Clerk is required to report such action to the Chair of the Council as soon as possible and to the Council as soon as practicable thereafter⁷.
- 13.2. Contracts with an estimated value below £25,000 can be approved by the Council in extraordinary circumstances without a tendering process or procurement exercise⁸. Typically, Financial Regulations will be suspended in this way because of the cruciality for work to be carried out or services secured without delay.

⁶ Great Waltham Parish Council (2022) *Standing Orders* (2022), s.18c.

⁷ GWPC *Financial Regulations* (2022), s.4.5.

⁸ GWPC *Standing Orders* (2022), s.18a)v.

14. Submissions of Tenders: submission procedures for contracts above £25,000.

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

14.2. The tenders must be kept in the custody of the appropriate nominated person until the time and date specified for their opening.

14.3. Tenders will be opened by the Responsible Financial Officer in the presence of at least one councillor. Tenders must be date stamped and signed on all pages containing price information.

14.4. 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 to be opened until the deadline has passed for receipt of tenders.

15. Acceptance of Quotations and Tenders⁹

15.1. Section 7.1 above details the Council's position in relation to securing best value when considering quotations and tenders. Each tender will be evaluated for price and quality to ascertain which is the most economically advantageous overall. This therefore may not necessarily be the lowest priced, although when it is not the Council will give valid reasons for its choice. Local companies should be encouraged to apply.

15.2. For procurements over £25,000 the questions and scoring systems used must be written before tenders are received. The basis of this exercise will be explained in any invitation to tender documentation.

15.3. Where the authorised person considers it in the best interest of the Council, he/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 Chair of the Council. Any negotiations which would distort competition is expressly forbidden.

15.4. Arithmetical errors found in any tender when checking must 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 withdraw it.

16. Signing and Sealing of Contracts

16.1. Every successful quotation/tender will be accepted in writing, and formal contracts will be set out in a format determined by the solicitors to the Council.

⁹ See also GWPC *Standing Orders* (2022), ss.18.d) & e).

17. Nominated Sub-Contractors and Suppliers

17.1. Where a sub-contractor or supplier is to be nominated to a main supplier, the procurement of the services of the sub-contractor or supplier shall be subject to the requirements of this procurement policy.

18. Contracts Record

18.1. A record of all contracts in excess of £25,000 in value placed by the Council will be kept by the Responsible Financial Officer (RFO). The RFO's record will specify for each contract the name of the supplier, the works to be executed or the goods or services to be supplied, the contract value and the contract period¹⁰. This is the responsibility of the appointed person authorising the contract to ensure that an accurate record is maintained.

19. Contract Management

19.1. For contracts exceeding £25,000, a project management format will be adopted, 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). This expertise may be purchased by the Council. Suppliers will be expected to demonstrate their project management competency and qualifications.

20. Contract Variations

20.1. Any necessary instructions to vary a contract must be made in writing by the Parish Clerk 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 which will decide what further action is necessary.

21. Bonds, Guarantees and Insurances

21.1. 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) will be required from the successful tenderer.

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

22. Termination of contracts

22.1. The Council reserves the right to terminate any contract immediately where a supplier commits a material breach of the agreement to deliver goods and/or services, or fails to deliver agreed goods and/or services in the agreed timeframe without a plan to address the failings.

¹⁰ See GWPC *Financial Regulations* (2022), s.1.8 to 1.12.

23. Compliance with other relevant legislation.

23.1. In cases where any law, statutory instrument of Government regulation is found to be at variance with any section of this policy, then that will be applied and this document will be amended accordingly.

24. Status of this policy

24.1. This policy will be reviewed annually, or in response to changes in legislation.

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Appendix A

APPLICATION FOR INCLUSION ON GREAT WALTHAM PARISH COUNCIL PRE-APPROVED PREFERRED SUPPLIER LIST

Business name			
Business address			
Postcode			
Telephone		Email address	
Services provided			
Years in business			
Memberships/ professional bodies			
Declaration	<ul style="list-style-type: none">• I understand that the Council requires my business to hold public liability insurance (PLI) for contracts which involve working on Council sites for a minimum of £10,000,000.• I confirm that I will supply a copy of my business's PLI policy schedule annually at renewal.• I am aware that my business is required to comply with the Council's health and safety and equality policies.		
Signed		Date	
Name			
Position			

Please email completed form to **clerk@greatwalthamparishcouncil.co.uk** or post to Parish Clerk, Great Waltham Parish Council, The Parish Office, Great Waltham Village Hall, South Street, Great Waltham, Essex CM3 1DF.