

NEWRY, MOURNE & DOWN DISTRICT COUNCIL

This Policy is also the valid and current adopted policy for:

Down District Council
Newry and Mourne District Council

In their current states and supercedes any other policies or procedures.



Purchasing Policy

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Abbreviations in use in this Document or commonly found in Procurement.

<u>Abbreviation</u>	<u>Meaning</u>
ADR	Alterantive Dispute Resolution
CoE	Centre of Excellance also CoPE Centre of Procurement Excellance
CPD	Central Procurement Directorate (NI version of OGC) www.cpdni.gov.uk
CPV	Common Procurement Vocabulary
EJC	European Court of Justice
EO	Economic Operative - a generic term for a Contractor, Service Provider or Supplier
FoIA	Freedon of Information Act
ITT	Invitation to Tender
ITT Response	Tender Return or formal offer from an Economic Operator, now called a Tenderer
KPI	Key Performance Indicator
MI	Management Information
OCB	Other Contracting Body
OGC	Office of Government Commerce (Now part of Cabinet Office) www.ogc.gov.uk
OJEU	Official Journal of the European Union www.ted.europa.eu/
PBO	Public Buying Organisation
MEAT	Most Economical Advantageous Tender
NDPB	Non Departmental Public Bodies – i.e. Local Authorities
PIN	Prior Information Notice (OJEU Tenders should be preceeded by a Notice)
PGN	Procurement Guidance Notes: http://www.dfpni.gov.uk/content - cpd - policy - procurement_guidance_notes Also: https://www.gov.uk/government/collections/procurement-policy-notes
PPP	Public Private Partnership
PQQ	Pre Qualification Questionnaire –successful EO's produces “candidates”
VFM	Value for Money

“There’s only one thing worse than spending money you don’t have. And that’s buying the wrong things with it. And doing so in the wrong way.”

Rt Hon. David Cameron MP, Prime Minister.

“During the era of expansion in public expenditure between 2000 and 2010 the emphasis was never really sufficiently focused on value for money. People sought to stay within budgets and achieve the targets they were set, but efficiency was a lesser priority.”

Rt Hon. Margaret Hodge MP, Chair, Public Accounts Committee.

Objectives of Procedures

There are 12 guiding principles governing the administration of public procurement.

- i. **Accountability:** effective mechanisms must be in place in order to enable Officers and their equivalents to discharge their personal responsibility on issues of procurement risk and expenditure.
- ii. **Competitive Supply:** procurement should be carried out by competition unless there are convincing reasons to the contrary.
- iii. **Consistency:** economic operators should, all other things being equal, be able to expect the same general procurement policy across the public sector.
- iv. **Effectiveness:** public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.
- v. **Efficiency:** procurement processes should be carried out as cost effectively as possible. Where possible and allowed, Collaborative procurement is to be encouraged.
- vi. **Fair-dealing:** suppliers should be treated fairly and without unfair discrimination, including protection of commercial confidentiality where required. Public bodies should not impose unnecessary burdens or constraints on suppliers or potential suppliers.
- vii. **Integration:** the procurement policy should pay due regard to the Council’s other economic and social policies, rather than cut across them.
- viii. **Integrity:** there should be no corruption or collusion with suppliers or others.
- ix. **Informed decision-making:** public bodies need to base decisions on accurate information and to monitor requirements to ensure that they are being met.
- x. **Legality:** public bodies must conform to the European Community and other legal requirements.
- xi. **Responsiveness:** public bodies should endeavor to meet the aspirations, expectations and needs of the community served by the procurement.
- xii. **Transparency:** public bodies should ensure that there is openness and clarity on procurement policy and its delivery.

These principles should be carefully followed to protect both the individual and the Council as Procurement is considered one of the most risky and contentious areas while also being considered the most liable to fraud in any area of the public sector. Therefore do not proceed without consulting and seeking the full support from the Purchasing Department for any potential process.

We can achieve significant savings by managing better our procurement and commercial activities. Good procurement is not just about getting the price down. It's about balancing whole life cost and fitness for purpose, while meeting European Union rules and treating suppliers fairly.

1. Maximise use of Expert Resources.
2. Centralise (where practical) Purchasing.
3. Delegate certain purchases (subject to tight controls) to designated areas/posts.
4. Improve efficiency of Purchasing through procedures used and where/how goods/services bought.
5. Provide Accountability to Purchasing and those requesting goods.
6. Effect Internal Controls (separation of duties/roles).
7. Critical evaluation of what is being purchased and why.
8. Ensure Newry and Mourne District Council get the goods it needs at the right price at the right time and at a pre-determined quality.
9. Ensure that in the event of critical review the Council is “not found wanting”.

Where an employee disregards the instruction to process all relevant Orders and all Quotations/Tenders correctly through the Council Purchasing Department then no responsibility in the event of difficulties or error will be accepted by the Purchasing Department.

Officers will leave themselves liable to disciplinary action if they place unauthorised orders.

Where a breach takes place, either in the process or contract, which has not been fully controlled and managed by the Purchasing Department, the Lead Officer responsible may be held accountable and where lack of knowledge is used as a defensive, the Officer may be accused of being negligent.

If anyone has any doubt about a process or any a matters relating to procurement, please contact the Purchasing Department.

It is essential that Purchasing are involved in any matters as early as possible to minimise the potential exposure and risk or delays to the process.

This policy addresses the standard processes utilised by this Council, there are other processes that we can utilise in certain cases, hence the requirement to consult with Purchasing in all cases.

Background

The Council's policy on procurement is to buy the goods and services it needs through a fair and open procurement process, guarding against corruption and seeking to ensure value for money, with due respect to propriety and regularity.

Delivering value for money in procurement means securing the best mix of quality and effectiveness for the least outlay over the whole lifetime of the goods or services, from purchase through to disposal.

Procuring goods, works and services with public money is a key part of council governance. The importance of this has been highlighted in recent years through:

- Major reviews of procurement leading to a National Procurement Strategy for Local Government.
- The Comprehensive Performance Assessment of Councils. This includes an annual assessment of council governance, including approaches to procurement.
- A wide range of national and European legal controls.

What is Procurement?

Procurement is more than just "purchasing". The National Procurement Strategy for Local Government sets out a comprehensive definition.

*"Procurement" is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the **whole cycle** from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical "make or buy" decision, which may result in the provision of services in-house in appropriate circumstances.*

*In the context of a procurement process, obtaining "best value for money" means choosing the bid that offers **"the optimum combination of whole life costs and benefits to meet the customer's requirement"**. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The council's requirement can include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that best meets the requirement.*

Procurement is also about making choices. The choice that members make about a particular contract or form of partnering is a very clear signal of what type of authority the council wants to be and how it wants to be seen now and in the future.

National Procurement Strategy for Local Government

Procurement Legislation

Even when a Tender or Quotation process is not subject to the Directives, for example below threshold, EU treaty based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality apply and some degree of advertising, appropriate to the scale of the contract, is likely to be necessary to demonstrate transparency. This is also in line with Government objective of achieving value for money in all public procurement – not just those covered by the procurement directives.

The relevant and current Procurement legislation:

Public Sector: Directive 2014/24/EU As amended – (normally thresholds amended each year)

Available at: http://europa.eu/publicprocurement/index_en.htm

The Current UK Regulations, which is the “adoption” of the EU Directives into UK law and which covers Public Procurement in Northern Ireland, as well as England and Wales is:

THE PUBLIC CONTRACT REGULATIONS 2006 - As amended – *noting New Regulations based on the new Directive 2014 due late 2014 to 2015.*

Available at: http://www.legislation.gov.uk/ukxi/2006/5/pdfs/ukxi_20060005_en.pdf

In all cases the EU Directive is the higher legislation.

The Regulations were developed in response to Procurement Directives issued by the European Union and they set out how the UK has transposed the EU Directive into national law. EU Procurement Directives apply when contracting authorities (public sector authorities or utility providers) seek to acquire goods, services, and works that exceed a specified threshold.

The directives exist to:

- open up the public procurement market
- ensure there is free movement of goods and services within the EU
- guarantee that public procurement is based on “Value for Money” which should be achieved through competition.

Regardless of whether or not the anticipated procurement will exceed the thresholds all public expenditure must be carried out in a manner which ensures:

Equal treatment (non-discrimination/fairness): Contracting Authorities are obliged to treat both potential and actual tenderers in the same way, without favour or prejudice. When specifying requirements avoid brand names and other references which would favour or eliminate particular providers, products or services and accept equivalence.

Transparency (openness): Some degree of advertising (appropriate to the size of the contract) is likely to be necessary to demonstrate transparency. Must be upfront with tenderers about the conditions for participation, selection criteria, award criteria and the reasons why they were or (more importantly), were not, successful.

Proportionality: Contracting Authorities must ensure that tender requirements are both relevant to the contract being procured and necessary.

Mutual recognition: Member States are required to accept on their territory products which are legally produced and marketed, and services that are legally provided, in other Member States. Also mutual recognition of diplomas, certificates or other evidence of formal qualifications.

Confidentiality: Contracting Authorities are obliged to respect the confidentiality of the information received from tenderers during the procurement process.

Failure to follow the procurement procedures set out in the Regulations may result in penalties for non-compliance. There are three routes under which remedies may be sought: Judicial review, Article 226 proceedings and remedies under the Regulations.

In any case if a challenge is made, the procurement process can be suspended or even cancelled and damages can be awarded.

Best Practice Guidance

On the entire process from start to completion of a project/contract can be accessed on the UK Cabinet Office website.

<https://www.gov.uk/government/publications/policy-and-standards-framework-best-practice-guidance>

Other Resources

You can also download samples of contracts and contract guidance from the Cabinet Office or CPD websites, please consult Purchasing when completing, as documentation requirements can differ, noting we have a full e-Procurement system or P2P covering all procurement transactions of the authority.

CPD Guidance notes on Procurement can be accessed here, and should be checked regularly:

<http://www.dfpni.gov.uk/content-cpd-policy-procurement-guidance-notes>

Other Websites which can be of use include:

The Green Book - http://www.hm-treasury.gov.uk/media/5/D/Green_Book_07.pdf

Governance Risk Management and Managing Public Money -

<http://www.hm->

[treasury.gov.uk/documents/public_spending_reporting/governance_risk/psr_managingpublicmoney_publication.cfm](http://www.hm-treasury.gov.uk/documents/public_spending_reporting/governance_risk/psr_managingpublicmoney_publication.cfm)

GENERAL MATTERS

All public procurement in the UK is governed by the EU Treaty, the EU Procurement Directives and UK Procurement Regulations that implement the Directives. This legal framework helps to ensure that public procurement is conducted in a fair and open manner both within the UK and across the EU.

Where an order is processed outside the guidelines contained in this Policy, including seeking a Retrospective Order, it is done so at the risk of the individual officer, and cannot be processed in the normal manner.

1.1 Contractual Agreements/Lines of Responsibility

Purchases and/or **Sales of Land** and/or **Property** will be the responsibility of the Administration Department in consultation with the Head of Finance. Contractual Agreements that are **non-commercial** plus **transfer/sale** of **land** and/or **Property** should be processed via the Administration Department.

Contractual Agreements that are commercial except **transfer/sale/purchase** of **Land** and/or **Property** are the responsibility of Purchasing.

1.2 Efficiency & Audit

These procedures are in force to meet the Council's obligation to operate within the restraints enforced in the EU Directives and subsequent UK Regulations pertaining to Public Procurement.

1.3 Approval of Spend

Approval of expenditure (where necessary) at the appropriate Committees and Council is essential. Procedures for Heads of Departments to present projects for approval at Council and Committee meetings are laid down in written guidelines in this document

Appropriate approval is required for **ALL** purchases.

Capital Spend must be processed in accordance with **Capital Spend-Sanction for Spend**, effective as of 1 April, 2008, as issued by the Finance Department.

Consideration will be given for purchases from "Petty Cash" (duly authorised and approved by Heads of Department) for small items valued under a given amount.

Requisitions will normally be required for all purchases and authorised by Heads of Department or nominated and approved deputies only.

Suppliers entered on requisitions will be taken as recommendations only and may not necessarily be used for the actual purchase.

Purchasing Department is responsible for ensuring best value for money is obtained commensurate with specifications and the Requisition System is an essential aspect of this process.

No instructions to be given to any supplier in advance of requisitions being prepared and sent to Purchasing and the Order being issued.

1.4 Disputes Procedure

Where disputes arise internally between requisitioning departments/staff and the Purchasing Department, then these will be referred to the Director of the requisitioning department and the Head of Finance. In the event no agreement can be reached the dispute will be referred to the management team

At Director level, a decision will be taken as to the “issue involved” i.e. poor specification, specification of propriety products, lack of adequate tender report etc, etc. In exceptional circumstances Directors may seek external expertise, where the situation and likely implications involved, warrant this course of action.

Where disputes arise externally with suppliers/contractors it is preferable to utilise Alternative Dispute Resolutions in line with the Government's commitment and guidance in seeking alternative methods of dispute resolution to settle its contractual disputes. The Purchasing Officer should be involved and consulted in all external disputes or potential disputes.

1.5 Freedom Of Information

The Freedom of Information Act (FOIA) went onto the statute book in November 2000, establishing a general right of access to all types of 'recorded' information held by public authorities. This right will be fully implemented for central government bodies from 2005.

How the Act in general applies to public procurement

The Act provides a general right of access to information about all public contracts and procurement activity held by public authorities, subject to certain conditions and exemptions.

What does this mean to suppliers who contract with the Council.

This means that the authority is obliged under the Act, to release certain information about the suppliers it contracts with, into the public domain, within certain limits and according to relevant exemptions.

Exemptions

The main exemption relevant to procurement is **Commercial Interests**, which means trade secrets and information likely to prejudice the commercial interests of any person (including the public authority) holding it.

The Information Commissioner states that in considering Commercial interests and the public interest the following factors need to be considered:

- Accountability of public money being spent
- Protection of the public from unsafe products, rogue traders or practices
- Circumstances in which the information was received
- Competition issues

1.6 Mandatory Exclusion

We have no choice but to consider excluding suppliers/contractors/service providers, known collectively as “economic operators” under Regulation 23(1):

“Subject to paragraph (2), a contracting authority shall treat as ineligible and shall not select an economic operator in accordance with these Regulations if the contracting authority has actual knowledge that the economic operator or its directors or any other person who has powers of representation, decision or control of the economic operator has been convicted of any of the following offences:

(a) conspiracy within the meaning of section 1 of the Criminal Law Act 1977 where that conspiracy relates to participation in a criminal organisation as defined in Article 2(1) of Council Joint Action 98/733/JHA;

(b) corruption within the meaning of section 1 of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906;

(c) the offence of bribery;

(d) fraud, where the offence relates to fraud affecting the financial interests of the European Communities as defined by Article 1 of the Convention relating to the protection of the financial interests of the European Union, within the meaning of –

(i) the offence of cheating the Revenue;

(ii) the offence of conspiracy to defraud;

(iii) fraud or theft within the meaning of the Theft Act 1968 and the Theft Act 1978;

(iv) fraudulent trading within the meaning of section 458 of the Companies Act 1985;

(v) defrauding the Customs within the meaning of the Customs and Excise Management Act 1979 and the Value Added Tax Act 1994;

(vi) an offence in connection with taxation in the European Community within the meaning of section 71 of the Criminal Justice Act 1993; or

(vii) destroying, defacing or concealing of documents or procuring the extension of a valuable security within the meaning of section 20 of the Theft Act 1968;

(e) money laundering within the meaning of the Money Laundering Regulations 2003; or

(f) any other offence within the meaning of Article 45(1) of the Public Sector Directive as defined by the national law of any relevant State.”

1.7 Value for money policy

The Government's procurement policy is that all public procurement should be based on value for money, having due regard to propriety and regularity. This policy is set out in Government Accounting, Chapter 22. It is the Council's responsibility as a Local Government Body to apply it.

It is important to understand that the Government's policy of achieving value for money in procurement – defined as the optimum combination of whole life cost and quality (fitness for purpose) to meet the user's requirement – applies to the **award** stage of the procurement process. It is for Departments to decide what to buy and to set the **specification**, in the context of their overall objectives, and subject to the normal public expenditure tests of need, affordability and cost-effectiveness. It is at this earlier stage that there is most scope to consider other issues including environmental issues. This distinction between the specification stage and the award stage has often been misunderstood.

For example a Department can choose to purchase low emission vehicles (even where they might be more expensive than standard vehicles). They must, however, achieve value for money in awarding the contract, i.e. the contract for low emission vehicles should be awarded to the bidder offering the best combination of whole-life cost and quality to meet that requirement. And the requirement itself, for low emission vehicles, must be tested for need, affordability and cost-

effectiveness in the context of the Department's overall objectives. However, this is a matter of prudent financial management generally rather than specifically one of procurement policy.

1.8 Post Tender/Quotation Negotiations

There are severe restrictions on undertaking any form of Negotiations after a tender has closed. The European Commission has issued a statement on post tender negotiations in which it specifically rules out any negotiations on price:

"In open and restricted procedures all negotiations with candidates or tenderers on fundamental aspects of contracts, variations in which are likely to distort competition, and in particular on prices, shall be ruled out; however, discussions with candidates or tenderers may be held only for the purpose of clarifying or supplementing the content of their tenders or the requirements of the contracting authorities, and provided this does not involve discrimination."

During the tender period any approach to the tenderer or any third party must not be taken without full agreement, and ideally the presence, of the Purchasing Officer or his deputy.

1.9 Specifications

A specification can be defined as "a statement of needs to be satisfied by the procurement of external resources". It is also known as an operational requirement, statement of requirement, statement of service requirement and output-based specification.

Its purpose is to present prospective suppliers with a clear, accurate and full description of the organisation's needs, and so enable them to propose a solution to meet those needs. The supplier's response to the requirement is evaluated to arrive at, depending upon the procurement strategy, either the supplier to be awarded the contract, or those suppliers invited to take part in negotiations.

The requirements in the specification subsequently become incorporated in the contract with the successful supplier.

1.10 Collaborative Procurement

Procurement strategy and sourcing decisions on whether to seek aggregated supply should be taken on a case-by-case basis. The advantages and disadvantages of each option should be assessed in the light of the individual requirement, the capability and capacity of the buyer organisation(s), the wider government agenda and the features of the commercial marketplace. It may be important, for example, to ensure that a competitive supply market is safeguarded for the future, i.e. Sustainable procurement.

Before proceeding with a Collaborative Procurement exercise with any bodies outside of this Council, you must consult with the Purchasing Officer, as there are stringent EU +UK rules on the setting up of a Collaborative or aggregated purchase(s).

2.0 TYPES OF SPEND

2.1 Revenue Spend

This is normally day-to-day recurring spending on consumable items/services etc. Examples are fuel oil, gas, electricity, stationary etc; Spend of this type is budgeted for in the Revenue Budget on an annual basis and charged off to Council, as costs are incurred.

Routine revenue spend will normally not require Council approval, if it is not politically sensitive and has been included in the annual budget. Please note the term **“Routine Spend”**. **Non Routine** or **“one off”** revenue spend incurred on an occasional basis **will require appropriate approval** i.e. Employment of Consultants. **Common sense and political awareness** should be used to determine revenue spend items which have to have Council approval. (See criteria at 3.0).

If in doubt ask the Purchasing Department.

2.2 Capital Spend

Capital Spend would in accounting terms normally result in a Fixed Asset. Examples of Fixed Assets are Land & Buildings, Plant and Machinery, Motor Vehicles etc.

A fixed asset/capital spend would have the following characteristics.

1. Have an expected life of 3 years or more.
2. Normally would be tangible (software would be intangible).
3. Usually will have a value of £1,000 or more.

All Capital spend requires approval, as detailed below in 3.5.

If in doubt ask the Purchasing Department.

3.0 CRITERIA FOR CONSIDERATION OF PROPOSED SPEND WHICH SHOULD BE APPROVED BY COMMITTEES/COUNCIL

A number of criteria should be met before items are presented to a Committee/Council for consideration. These criteria are as follows: -

3.1 Politically Sensitive Items/Courses/Training

If the Council spend is Revenue and is likely to be politically sensitive then this should be brought before the relevant committees. For the future it is not anticipated that the training of staff, as long as the amount of money is reasonable for one off courses should be brought before a committee. Long-term courses such as day release will go to the Management Team.

Employment of external consultants would normally be seen as a politically sensitive item.

3.2 Travel

This is covered in more detail in the Travel Procedures and Policy Document.

But in Brief:

All trips involving flights/boat journeys whether to a training course or to conferences should be brought before the Council showing the cost, subsistence and any attendance fees.

3.3 Conference Attendance

All conferences (giving total costs) to be presented to relevant Committee prior to bookings.

Where the Council decides to send delegates to a conference the number and names of delegates must be decided no later than the Council Meeting that ratifies the committee minutes. Where the committee recommend say 3 people to attend and at the date and time of minute ratification by the Council, only 2 names have been put forward, then only 2 can then attend.

Names cannot be changed unless there is an emergency and if it is possible and legal to change names. Officers & Councillors travelling need to ensure that they have made a full declaration of any health problems for the purpose of the Council's Travel Insurance.

Currently, Finance are responsible only for the booking of flights and accommodation following relevant approval and required details. – see *Travel Procedures and Policy Document*

3.4 Voluntary Contributions / Official Visits

All requests for Voluntary Contributions (in the agreed format) and Official visits are to be brought to Committee/Council.

3.5 Capital Spend

All Capital Spend must be undertaken in accordance with the **CAPITAL SPEND-SANCTIONS FOR SPEND** implemented on 1st April, 2008 and as updated.

All capital spends over Level 3 of Appendix 1 must be approved by Committee/Council. It would be prudent that all Capital Spend be advised to the Committee/Council for approval, with the Chief Executive exercising his approval powers (for spend up to Level 3 of Appendix 1) on an "as required basis" instead of "as a routine".

3.6 Retrospective Approval for Spend

Where the following spend categories in exceptional cases falls between meetings, spending up to a maximum of £5,000 may be approved prior to presentation at a Committee or Council Meeting. This spending to be approved by the Council Chairman and Chief Executive. (Signed note or email will suffice).

Retrospective Approval for Spend categories are: -

- Official Receptions
- Invitations to attend a Government function
- European Commission Business
- Other valid invitations, but these should be exceptional circumstances only

4.0 ORDERING PROCEDURES

4.1 General

All orders should be processed using electronic Requisitions and subsequent orders, and processed through the Purchasing Department or where authorised, directly by the user for low value orders.

Manual Order books of any type are no longer covered by the Policy and should not be used.

All transactions will be made available to the internal and/or external auditors and all parties may be asked to justify and support their actions.

4.2 Normal Ordering Procedures

Generally those requesting the ordering of items will raise an electronic Requisition. An authorised post-holder must approve this purchase requisition. A list of authorised post holders **is per Appendix 3.**

Staff should satisfy themselves that when requisitioning goods that an adequate budget is available to cover the spending.

A requisition with the adequate approval, i.e. under Level 0 Appendix 1, can go straight to award if the following is in place:

The supplier is listed correctly on the system and is not on hold and a relevant finance/SUN code is listed, otherwise it will be forwarded to Purchasing for action.

Or if Requisitioner has different requirements, addresses etc than those listed on the system, the Requisitioner can forward the order to Purchasing for action.

Above the low value (Level 0 Appendix 1) orders Requisitions should only be processed through the Purchasing dept.

There are **two types of exceptions** to this rule, and these are:

4.2.1 Low Value Orders for specified goods, which have an upper spend limit up to Level 0, Appendix 1 per order and restrictions as to operational/practical necessity in addition to a restriction on signatories. Multiple or split orders must not be utilised.

4.2.2 Orders that need to be raised directly for operational needs. This historically covered Building Maintenance and Leisure Centres and is covered on the approved list of authorised signatories and conditions see **Appendix 2.**

All such direct orders must use the catalogue system, where available, whereby the supplier and even the goods can be selected for populating the requisition.

4.3 STA. Any order raised or contract issued that has not undergone a competition, irrespective of value, is considered an STA (Single Tender Action). STA's run contrary to the Treaty of the Functioning of the European Union (TFEU) key principles of transparency and openness, and to Northern Ireland Public Procurement Policy. The person raising the STA is fully responsible for their actions. Please check the relevant PGN's for guidance. PGN 03/11.

5.0 TENDERS/QUOTATIONS (e-RFQ's) COMPETITIONS

All competitions for goods, services and contracts must be administered by the Purchasing department. The Competition procedure will be subject to approvals at 2.1, 2.2, 3.0 and policies per Appendix 1 in this document.

It is not acceptable to go out to Public Competition if you do not have a clear intention to Order. This includes having the relevant Budget/Monies in place. To do so exposes the Council to considerable risk.

Tenderers should be advised of any award delays longer than a month from close of competition and Orders should be placed within a reasonable time. It is the responsibility of the user department to update/advise Purchasing of the developments and intentions. In all cases the actions must be deemed reasonable to all parties.

Any award issued that has not flowed from a competition or through a framework is classed as a STA. Please seek advice from the Purchasing Dept before issuing any STA's. All STA's are held to be reviewed by the auditor.

5.1 General

There are 3 main types of Competitions utilised by the Council:

1. **Open** Which is used for most Tenders at or above Level 3 of Appendix 1. This utilises a public advert/call to request Tenderers to apply for the documentation to bid.
2. **Restrictive**. Sometimes referred to as Quotations (eRFQ), and is normally utilised at or below the Level 2 of Appendix 1, whereby a list is compiled either publicly or through another approved process, by utilising a suitable selection process (Pre-Qualification Questionnaire -PQQ).
3. **Negotiated**. Not normally used, but to be in line with Relevant Directives/Regulations

High value Tenders (Level 4 Appendix 1) whose values fall within EU levels have to be processed in line with the current EU Directives. (see page 8.)

In addition Competitions administered by other Public Bodies or on their behalf and that are governed by a Public Purchasing Policy, which comply with UK and/or EU Directives can be utilised by the Council on special occasions. This will require special approval to be advised by the Purchasing Officer on a case-by-case basis.

All requests, including telephone, written or electronic and any queries from suppliers concerning tenders, contracts or orders must be directed to the Purchasing Section. All Competition documentation/ advertisements will clearly state where information can be obtained in the first instance. Verbal completed Competitions will be unacceptable and this will be clearly stated on the Competition documentation. Late tenders will not be accepted, nor will the Council be bound to accept the lowest or any tender.

5.1.1 Contracts Administration

Contract administration is the responsibility of the lead project manager and the final contract appraisal is to be completed and forwarded to Purchasing on completion of the project. A sample of a brief final appraisal form is attached at Appendix 9.

If you are procuring a service or extended contract, i.e. not just once off goods, you are advised to utilise KPI's to monitor, manage and control the performance and to allow an easier way to seek damages. KPI's should be outlined in the tender documentation, where used.

5.2 Tender Requests from Users (i.e. Council Employees)

In all cases it is necessary to complete a relevant electronic Requisition.

This will be accompanied by:

- Tender Specifications that will clearly define the complete and unambiguous requirements without any preference (inferred or other) to a proprietary goods/services or companies, in a suitable electronic format.
- To specify the adjudication criteria and scoring matrix for same, this will be used in assessing the tender returns.
- Relevant additional approval to spend, where required.

5.3 Drawing up Specifications

A definition of a Specification can be found above at 1.8

A Drafting checklist to assist with drawing up Specifications can be found at Appendix 6.

5.3.1 Specifications must be clear and concise.

The person drawing up the document must give sufficient detail that **“a reasonable person”** can interpret what the requirements are.

5.3.2 Specifications must not seek **“proprietary goods”** i.e. Ford Focus 1.6 LX, as this effectively limits the market for the goods that can be tendered.

5.3.3 Specifications must not be written in such a way that they effectively describe **“proprietary items”** and limit the competition in a market where there are alternative products.

For example, if the specification for a 10 cwt van stated that the vehicle must have a 1.7 litre diesel engine and the only product that was eligible for consideration was a Bedford van. The proper description would have been the van must have a minimum of a 1.5 litre diesel engine or the engine size could have been omitted and the payload size only stated (i.e. van must be capable of carrying a payload of at least 10 cwt).

5.3.4 Specifications cannot normally state a preference for any geographical, political, or other similar basis. In addition any references to a qualification or approval body must not be restricted, but open to others similar or equivalent. All potential tenders should be treated on an equal basis.

5.3.5 It is permissible to indicate **clearly** in the document that the Tender may be divided among more than one supplier however **there should be good operational reasons for doing this**. This can also have a detrimental effect on Value for Money. Staff **cannot** write this into every Tender to hedge their bets as to which supplier or suppliers they may use. The indication in a tender that goods being tendered when ordered may be awarded to more than one supplier should be the **exception and not the rule**.

Staff must ensure any actions taken are reasonable and can be supported with relevant evidence.

- **It is the responsibility of the lead project officer to ensure all specifications and/or Bills of Materials are checked and meet the requirement of the Council before passing them to Purchasing for issuing.**
- **It is essential that the specifications cover the requirement and delivery in full and does not contain any ambiguity,**
- **Purchasing may review and comment on the specs, but only from a procurement process point of view and not on the requirement or technical details provided.**
- **All recommendations and comments from Purchasing must be given the appropriate consideration.**

5.4 TENDER ISSUE

5.4.1 Issuing Open Tenders (also known as ITT - Invitation to Tender)

Where the Council seeks open Tenders, normally for expenditure over Level 2 of Appendix 1, a public advert or call is placed in the relevant media to ensure a reasonable period for tenderers to access documentation, formulate a reply and return their tenders.

5.4.2 Issuing Restrictive Tenders (Including Quotations)

Restrictive lists normally fall into below Level 2 of Appendix 1 threshold or above and then into an open or prepared list.

Where the Council seeks Restrictive Tenders (also referred to as “eRFQs or Quotations” when under Level 2 of Appendix 1) as opposed to inviting open tenders. Specifications and documents are forwarded to the tenderers on the restrictive list. This list can be compiled by the user departments and added to by purchasing to get a reasonable spread of tenderers and with the intention of receiving back at least 4 returns.

Where the contract value exceeds Level 2 of Appendix 1, the formation of the restrictive list must be either publicly advertised, along with the criteria and details (PQQ), or utilise a public list which is suitable, current and open. Suitability will be at the discretion of the Head of Finance or Purchasing Officer and to be in line with the Government Directives but

in general it requires the list to be open, current and recognised. The adjudication of the restrictive list must be undertaken with the authority and endorsement of the Purchasing Officer and approved by the relevant Director.

Thereafter the process of the tender returns from this restrictive list must be undertaken as per the returns for an open tender.

5.5 TENDER RECEIPT (ITT Response)

5.5.1 Open Tenders & Restrictive Tenders Returns over Level 2 of Appendix 1 threshold.

All Tenders to be processed through the relevant e-Portal, which clearly record all documents and users in an audit file against the relevant tender with the date and time of action.

All late tenders will immediately be highlighted and advised.

Tenders will be received online in a secure vault (this vault will be an online secure area with a time lock after which items cannot be written to but only downloaded from) as approved by Council.

No tenders are accessible until the closing date and time of the close of tender.

The adjudication team will immediately, on close of tender, be granted access to review the documentation and start the adjudication process.

General Tenders correspondence to be processed through the "Clarification Question" section under the relevant tender on the Portal.

5.5.2 Special Circumstances where the Manual Method is utilised.

In certain approved circumstances, the manual method may be used, whereby Tenders will be received at the Designated Council Offices. Where a tender is delivered by hand then a receipt is to be issued by Reception Staff for the tender using a pre-numbered "tender" receipt book, the time of acceptance by Reception Staff is to be recorded on the Tenderer's Envelope containing the Tender.

With Tenders over the Level 2 of Appendix 1, once received, must immediately be forwarded to the designated office and be securely kept under lock and key there. Purchasing, when collecting these Tenders, should sign for these Tenders Returns. The signified document must identify the number of Tenders received along with any late tenders. Late Tenders must be clearly marked on the envelope or outer seal of the Tender return.

With Tenders under the Level 2 of Appendix 1 threshold, these must be returned to the Purchasing Department and opened under the control of the Purchasing Officer.

With a Restrictive Tender over the Level 2 of Appendix 1 threshold the returns for inclusion on the restrictive list can be returned and recorded to Purchasing, when applicable. Then the

recording of the restrictive tenderers and the process for tender returns and opening should be as an Open Tender and returned to The Clerk and Chief Executive.

Postal tenders are sent at the tenderer's own risk unless posted by recorded delivery.

5.5.5 General

All types of Tender submissions are forwarded 'at risk of Tenderer' until they have been accepted and receipted in their entirety at the designated delivery point.

Any problems or difficulties encountered must be registered well before the deadline with the purchasing dep't so actions may be taken.

Where deemed reasonable by the Purchasing Officer an extension to the tender period may be granted but only in exceptional circumstances.

5.6 TENDER OPENING

5.6.1 Electronic Tenders:

The Purchasing Officer can access and download the tender returns after the tender date and time of closure, as can other approved personnel (Appendix 4) utilizing their unique code and logon. All personnel downloading the tender returns will be recorded along with the date, time and files downloaded.

Nobody will have access to modify the tender returns online only download copies.

The Vault will advise the number of tender returns and quantity of files for downloading for each Tender. It will also flag up and warn you if you have not downloaded all available files in a session.

The summary of the tender returns and relevant downloaded tender data to be forwarded with the returns for adjudication by the user department.

Accessing the on line vault will only allow uploading before the Close of Tender and downloading after the Close of Tender, no tender files can be modified or deleted once uploaded to the vault. The "Original" tender documents uploaded to the on line Vault will be stored for a minimum of 1 year, where after they will be downloaded onto a Read Once Media and held by the Head of Finance or her/his nominee in the IT department.

Manual Tenders Opening: (for use only in exceptional circumstances)

In special circumstances where this method is still utilised, the following process should be adhered to for the opening of all tenders, including quotations.

After the closing date of a tender, a panel can be assembled for tender opening (Following approval of a Restrictive list a Restrictive Tender follows the same requirements as an Open Tender including Tender Opening Requirements)

When the Purchasing Department are opening tenders, **they must ensure that a list is provided giving the names of those tendering and where practical enter the amount of the tender.** This sheet containing the list **must be signed at the bottom and dated** by those Councillor/s who are attending and the Purchasing Staff and/or other Council Officials. See Appendix 7.

When these tenders are being sent to other Departments for evaluation then a copy of the summary sheet **must** be included with the tender details highlighting the number of tenders that have been returned.

PANEL REQUIREMENTS – TENDER OPENING

Tender Level	Panel Required
Over £5,000 and under £30,000 (Quotation Level)	Member of Purchasing Staff and Senior Member of Staff.
Over £30,000 and under £100,000	Member of Purchasing Staff and 1 Councillor.
Over £100,000	Member of Purchasing Staff and 2 Councillors (Usually but not essentially the Mayor would be 1 of these Councillors).

Where Councillor representation is required it is envisaged that a member of the Purchasing Staff will arrange this at a time convenient to the Councillor(s).

Documentation will be available at opening of tender to record all tenders received (see Appendix 7). This will have been part completed in advance from the list of those who have previously requested or been sent (restrictive tender) tender documentation and now the amount, if practical, and confirmation of opening can be recorded and signed off individually by the opening quorum.

Shortly after tender opening but prior to reporting on a tender, Purchasing Staff will cross check with tender receipt book and recorded mail to ensure they have opened all tenders received via hand delivery or recorded mail.

5.6.2 Tender Problems:

If a Tender/Quotation process has a problem, or is perceived as having one, please discuss this with the Purchasing Dept. before proceeding.

We cannot, except in exceptional circumstances, undertake any form of negotiations, deductions or additions not already clearly identified and costed in the tender documentation. ***See 1.7 Post Tender/Quotation Negotiations***

5.7 ADJUDICATING ON TENDERS

Supplier assessment is one of the main keys to success in any contract or project. More effective assessment of suppliers can ensure that the right supplier is selected for a project and realise many benefits for customer organisations throughout the procurement lifecycle in its widest sense, from the earliest engagement with the market through to recompetition.

The need to apply best value criteria and to ensure probity requires that purchasing oversee the reporting stage and approve user recommendations prior to their presentation to Council. The purchasing department cannot be involved in the actual adjudication process, as they will be acting as the moderator/facilitator.

The user(s) is responsible for making a suitable recommendation and passes same to purchasing for comment (where a post tender meeting/pre award is not required to clarify any items – Purchasing must be represented at these) along with all tender details. Purchasing are responsible for holding details of all completed tenders, therefore all documents along with any correspondence, telephone conversation transcripts or any other communication between the user and tenderers is returned to Purchasing with the recommendations.

If in certain cases the estimated pre tender figure is considerably outside the final value, an explanation for the reasons for such a miscalculation needs to be offered. In cases where the final tendered amount now extends into a higher level, as identified on Appendix 1, this now also needs approval and acceptance from their Director. This must be highlighted in the recommendations procedures for the higher level and in the case where Council approval is required; it also needs to be recorded in the minutes. **Attention is drawn to 1.7 Post Tender/Quotation Negotiations and the restrictions that apply.**

Nature of recommendations checked by purchasing to ensure proper evaluation criteria has been applied.

Purchasing informs user that recommendations are reasonable (or not). (This is based on the adjudication process and is not an endorsement of technical capabilities) In the event of unreasonable recommendations the recommendations will be forwarded to the relevant departmental director for action. The user seeks Council approval for purchase.

The user raises a Purchase e-requisition, attaching Council minute approving purchase (or authorised note referring to meeting in absence of minute having been prepared) and passes same to purchasing.

Purchasing on confirmation all is in order, issues Purchase Order.

The Tender Report contains information that is Commercial in Confidence and is not in the public domain. The contents of this document must not be disclosed or discussed with any third party.

The Tender Recommendation is for disclosure.

5.7.1 Procedures for Evaluating all Tenders

When staff are given details of Quotations/Tenders for evaluation they **must act in a responsible, accountable, open and transparent manner. The following guidelines must be observed.**

When there are a number of Quotations/Tenders the Council will generally be looking the Quotations/Tender to specification that are best Value for Money.

Therefore staff should ensure adequate criteria for appraisal to reach this conclusion forms part of the documentation and then evaluate in detail only those Quotations/Tenders that from the information received seem to be the lowest to specification. In practice this will normally mean a general evaluation of all quotations/tenders and detailed evaluation of 2 or 3 lowest.

Staff evaluating the Quotations/Tenders, if they are in any doubt as to whether information etc supplied meets that requested by the Council, **must consult** with the Purchasing Department prior to contacting the potential supplier.

The Purchasing Department will know whether an omission from a Tender is an acceptable omission and therefore does not invalidate the Tender or whether the omission is so grave as to invalidate the Tender.

Where there is reasonable information to evaluate the Tender then staff **as far as possible should try to evaluate the Tender from the information** that has been supplied by the Tenderer. In some circumstances it maybe that the Tenderer needs to be approached for matters of clarification or indeed it may be desirable to inspect the goods that the Tenderer is offering. This should only be done through purchasing. Details and transcripts of all such contact must be recorded and returned to purchasing.

Where contact takes place with the Tenderer either by phone or face to face, under **no circumstances is a Council employee to make any representations to the Tenderer** that for example, their product is the best, or the cheapest, or the most suitable etc, etc. The Council employee need only state to the Tenderer that he/she is evaluating the Tender and are looking information or looking a demonstration. If the Tenderer asks for details of other suppliers then they are simply to reply that they are not authorised to give out any other information.

Any contact with Tenderers must be recorded to that effect on the file and also advise Purchasing what they are doing; followed up with relevant minutes covering all discussions, meetings or any other contact with all or any of the tenderers before the final award.

5.8 TENDER RECOMMENDATION

Unless there are very good reasons, the tender selected is to be the best value for money.

The Tender evaluation must be factual.

Where the final contract value is considerably different from the initial pre tender estimate, this must be advised and justified to the relevant committee that approved the expenditure, along with the Head of Finance and Purchasing Officer.

No company names, trademarks, registered names or details are to be advised as part of the tender recommendation to Council that may identify any of the tenderers. These can only be identified after the approval process has been completed.

The evaluation cannot make assumptions or statements that the person evaluating the Tender would not be able to stand over if challenged. If the Tenderer says that the goods can be delivered in three week's time then the person evaluating the Tender cannot make a statement like "I do not think the goods can be delivered in three week's time".

There are numerous criteria which can be used for adjudication whether a Tender is best Value for Money, but they have to be stated in the tender documentation issued to the tenderer and the scoring matrix must be lodged with purchasing at the same time.

Criteria used includes, Financial standing, Experience, Quality, Methodology, Delivery and Cost, but can include many other criteria. It is recommended to seek approval and advice on the criteria with Purchasing before issuing documents.

5.9 PRE-TENDER AWARD (De-Briefing)

A de-briefing period should be utilised for all tenders that may be considered to have a cross EU border interest, this includes all EU tenders.

It is also available to utilise a debriefing period with competitions deemed to be contentious as the process helps minimise the risk of a future challenge.

In accordance with the Regulations, and in line with the timescales noted below for the standstill period, the unsuccessful candidate must be informed of:

- the reasons why it was unsuccessful (against each disclosed adjudication criteria)
- the characteristics and advantages offered by the successful candidate(s)
- the name of the candidate to be awarded the contract, or the names of the parties to the framework agreement

This must be provided in full to the Purchasing department along with the approval to award or relevant Requisition.

Only Purchasing are allowed to issue and manage the de-briefing period and all parties must ensure they are available so that any queries can be addressed in a reasonable period.

Standstill period (also often referred to as the “Alcatel” period due to the legal decision from which this point arose)

The standstill period is defined by the method of dispatch of the award notification. A 10 day standstill period will apply if the notification is issued by email. Where a letter is sent by post then a 15 day period must be provided.

N.B. The standstill period starts the day after sending and ends at midnight on the 10/15th day. The last day must be a working day. If the final day of the standstill falls on a non-working day then the standstill period must be extended until midnight at the end of the next working day.

- Contracting authorities must notify all tenderers of their decision on the contract award in writing, allowing a standstill period of at least 10 calendar days between the date the notification is sent to tenderers and the date when the preferred bidder is awarded the contract.
- If a tenderer makes a request for a debriefing by the end of the second working day of the 10 day period, contracting authorities must debrief that tenderer during the standstill period.
- Contracting authorities must allow three working days between providing the debriefing and the end of the standstill period.

An example of one type of debrief letter can be found at Appendix 6, although the latest version should always be sort from Purchasing as these change regularly due to the contentious nature of procurement.

Once the de-briefing period has successfully completed one can move onto the contract award stage.

5.10 TENDER AWARD

Following the recommendation being approved and ratified by a full Council Meeting, a pre-award meeting can take place with the potentially successful tenderer to identify any outstanding items, potential problems or misinterpretations regarding the tender. Details or matters arising out of this should be minute, agreed and form part of the final contract/order.

There are basically three steps left:

1. Receipt by Purchasing of confirmation of the Council Approval.
2. Ensure all Items requested in the Recommendation or by Council have been addressed.
3. E-Requisition raised and subsequent Purchase Order and/or Contract is ratified and in the case of an EU tender a Contract Award Notice must be issued.

Only on issue of the Purchase Order and/or ratification of the Contract are all parties free to discuss matters and proceed with contract.

5.11 Contract Management

Contract Management is the responsibility of the lead or project officer, although Purchasing will assist where disputes arise, whereby they will act as an moderator/arbitrator, or as requested.

It is essential that KPI's are used and properly managed and processed during the contract period to help minimise risk to the Council.

5.12 Contract Conclusion

Once a contract has been concluded it is essential that feedback is provided on the contractor/supplier to Purchasing. To enforce the standing, Purchasing will investigate any claims to ensure that they are substantiated and therefore can be easier upheld when used as part of the adjudication process for future contracts.

Without feedback on the contract performance of an economic operator being processed in this way, it would not be possible for Purchasing to endorse any form of selection or adjudication based on contract history that has not been lodged with Purchasing within a reasonable time after the conclusion of a contract, so as to ensure adequate review and underwriting of the users assessment can take place.

6.0 STORES

The Council operates a computerised stock system. Each item is listed under a family group and has a unique stock code. A minimum/maximum stock level is created for each stock item from which reorder quantities for stock. Replenishment orders are generated via a stock reorder report run weekly.

Nominal ledger stocks of key high value stocks (fuel, oils, heating oils, wheeled bins) will be held and adjusted to supporting records by the Accounts Staff on a monthly basis. Usage of these items will be reflected in the monthly Financial/Management accounts. Stock Valuation will be based on the A.V.C.O. valuation.

6.1 Requests for Stock Items

All requests for stock items must be made on a stores requisition (see Appendix 9). An authorised post-holder must approve this requisition. A list of authorised post-holders is attached as per Appendix 3. Stores requisitions are necessary to ensure that all stock issued can be accounted for and costed to the correct user department. Any user who anticipates a regular demand for a particular item not currently kept in stores can request this item be kept as a stock item by completing a **“Request for New Stores Item”** form as per Appendix 10

6.2 Movement of Goods (Inwards/Outwards)– Stock and Non Stock

All goods delivered to stores are checked on the day of delivery to ensure the quantity received is as that stated on the suppliers delivery documentation. A goods inward note is completed by stores for all receipts, which then are attached to the supplier's delivery note. (See Appendix 9)

All goods collected or despatched from stores, not covered by a Stores Requisition, are checked and a Goods despatch note is completed and issued with the goods.

6.3 Stock Items

Stores staff conducts a weekly stock check, selecting a different family group of items each week thereby ensuring by rotation that a full stock check is carried out approx. 6 times per annum. Any variances are highlighted and all issue/receipts transactions relating to these items are checked retrospectively for errors.

6.4 Non Stock Items

Non-stock items are stored in a designated area within the main store. The procedure for the receipt of these goods is as detailed in 8.2, however arrangements for their issue are different as these are not stock. Here the goods are issued via a manual system whereby the user signs for the goods listed. Stores staff informs the relevant users as and when these goods are received at stores to ensure they are uplifted as soon as possible. Delayed uplift will be advised to Directors and Auditor. This may be updated to an electronic system, but the process will be similar.

6.5 Storage Space

Where users require storage space within stores a storage request must be made to Stores advising quantity of goods along with the date for the expected arrival /departure of the goods from Stores, nature of Goods and Purchase value. (see Appendix 11). Reports on long term storage of items will be forwarded to the Head of Finance, for suitable action.

6.6 Vehicle Keys

Vehicle keys (with fuel key attached) are issued from stores. All employees requesting vehicle keys must sign for same upon issue and return to stores. Any damaged or lost keys to be reported immediately to their Supervisor and a request along with details of loss to be forwarded to Purchasing.

6.7 Hand Tools

A number of hand tools are currently issued centrally from stores. Employees requesting hand tools must sign for same upon issue and return. All breakages etc must be reported to stores upon return of tools.

6.8 Fuel

The Council operates a computerised fuel management system. Fuel can only be withdrawn by using a fuel fob, programmed for each vehicle as per details supplied by the appropriate user department.

Fuel fobs should be issued for all vehicles and large plant, including under hire. Where a number of small plant are refuelled, e.g. grounds maintenance equipment, a key should be issued for the squad to refuel their equipment.

A monthly check is undertaken to ensure the amount of physical stock agrees with that listed on computer.

Relevant staff responsible for the running of individual vehicles or a fleet must check on a regular basis, and certainly at least monthly, to ensure fuel usage is correct and for other management purposes. Where they are unable to view this from a suitable terminal, Purchasing will endeavour to supply a copy of the relevant report.

Any anomalies or queries must be raised ASAP with Purchasing and advised to Internal Audit.

This process may be incorporated into a fleet management system.

Limited amounts of fuel are purchased externally; this may be replaced by utilising a suitable fuel or GPC card.

7.0 PROCEDURES IN THE EVENT OF AN EMERGENCY

In many cases where emergencies occur spend will be authorised via Ordering Procedure – Exceptions (referred to at 4). Occasionally there will be cases where large amounts of spend must take place at short notice and the obtaining of quotes etc is not practical.

Where this happens spend may be authorised by the departmental Director in question for the Staff under his direct responsibility.

When the emergency has decreased in urgency then the Director should notify Purchasing in writing with an explanation as to the reason/need for the spend and the utilisation of this process.

An emergency should be the exception and must not become the norm because of poor planning, bad management etc. An example of an emergency would be securing a building in the event of a robbery or natural disaster.

IMPORTANT NOTE:

Emergency Order's, irrespective of the reasoning will be classed as a Single Tender Action (STA) and must be fully justified.

APPENDIX 1

POLICY ON SEEKING TENDER/QUOTATIONS

(a) Specific Procedures to be complied with: -

Level	Estimated Expenditure	Method of Use
0	Up to £250	Purchase of Low value orders to be completed and processed via the e-Portal system.
1	Up to £4,999	Purchase of Low value orders to be completed and processed via the e-Portal system. Purchased by confirmation of Value for Money subject to approval from authorising officer.
2	£5,000 - £29,999	All purchases to be carried out through the e-RFQ via the e-Portal. This is normally completed on an open basis being sent to all registered suppliers against the categories specified by the Project Officer.
3	Over £30,000	All purchases to be carried out through the e-Tender via the e-Portal. This is normally completed on an open basis being sent to all registered suppliers against the categories specified by the Project Officer. In some cases certain funders may request additional forms of advertisements to comply with their tendering requirements.
4	Over EU Threshold	Tenders are processed in line with EU Directives. If goods/services are purchased via a Central Procurement Body or other Public body then the tender invitation/advertising/closing/opening procedures may not apply, but all other matters (i.e. relating to approvals) apply.

If goods/services are purchased via the Government Purchasing Agency or other Public Agency then the tender invitation/advertising/closing/opening procedures do not apply, but all other matters (i.e. relating to approvals) apply.

Where the estimate exceeds the actual, a report needs to be presented in line with the relevant level along with a reason for the difference along with the recommendation.

APPENDIX 2

PURCHASE ORDERS

Approved list of authorised signatories and conditions/restrictions: -

CHIEF EXECUTIVES DEPARTMENT

Chief Executive – any order subject to Normal Procedures.

TECHNICAL AND LEISURE SERVICES DEPARTMENT

Director	{
	{
Deputy Director	{
	{
Building Maintenance Supervisor	{ - Direct Orders up to authorisers limit
	{
Waste Management/Engineering Grounds Maintenance Supervisor	{
	{
Garage Supervisor	{ - Direct Orders up to authorisers limit
	{
Leisure Services Officer	{ - Direct Orders up to authorisers limit
	{
Management Services Officer	{
	{
Technical/Fleet Management Officer	{
	{

ADMINISTRATION

Director of Administration	{ - Canteen supplies Monaghan Row only
	{ - Job Advertisements via approved
	{ Advertising Agencies only.
Assistant Director of Admin. (3 posts) (4 employees)	{ - Drink Stock Replenishments only
	{ - Official and Courtesy visits spend only
	{ - Chairman's Spend only.

FINANCE

Head of Finance	{
Assistant Director of Finance IT/Purchasing	{ Any order subject to Normal
	{ Procedures
Purchasing Officer	{
Assistant Purchasing Officer(s) (up to £15,000 any one order, as per Policy requirements)	

APPENDIX 3

REQUISITIONS

APPROVED LIST OF AUTHORISED SIGNATORIES:

Note: The titles are used as a current example at date of release, and may include any equivalent posts.
With Maximum Value for Purchase Requisitions, no value for Stores Requisitions

DEPARTMENT	SIGNATORIES	Max Value
CHIEF EXECUTIVE'S DEPARTMENT		
	Chief Executive	£30,000+*
ADMINISTRATION		
	Director of Administration	£ 30,000*
	Assistant Directors of Administration	£ 5,000
FINANCE		
	Head of Finance	£ 30,000+*
	Assistant Director of Finance	£ 30,000+*
	Purchasing Officer	£ 30,000+*
	Senior Accountant	£ 5,000
TECHNICAL & LEISURE SERVICES		
	Director of Technical & Leisure Services	£ 30,000*
	Deputy Director of Technical & Leisure	£ 30,000
	Leisure Services Officer	£ 5,000
	Waste Management & Engineering Officer	£ 5,000
	Technical & Fleet Management Officer	£ 5,000
	Management Services Officer	£ 5,000
	Building Maintenance Supervisor	£ 500
	Grounds Maintenance Supervisor	£ 500
	Management Services Supervisor + Assit.	£ 500
	Garage Supervisor	£ 500
	Aughnagun Site Officer	£ 500
	Duty Manager Kilkeel Pool/Newry Sports Centre/Newry Pool	£ 500
DISTRICT DEVELOPMENT DEPT		
	Director of District Development Dept	£ 30,000*
	Assistant Director of District Development	£ 5,000
	Assistant Director of District Development	£ 5,000
	Assistant Director of District Development	£ 5,000
ENVIRONMENTAL HEALTH DEPT		
	Director of Environmental Health Dept	£ 30,000*
	Deputy Director of Environmental Health	£ 5,000
BUILDING CONTROL DEPT		
	Director of Building Control Dept	£ 30,000*
	Senior Building Control Officers (2 posts)	£ 5,000

* Higher Figures Subject to Council Approval

Signatories names are given as a current example, the authority lies with the post.

APPENDIX 4

List of approved Personnel who have access to the Electronic Vault

Note: These are titles of current senior officers used as an example, and may include any equivalent posts.

Clerk and Chief Executive
Head of Finance
Assist Finance Director (Purch. & IT)
Council Auditor
Equality Officer
Purchasing Officer
Assistant Purchasing Officer(s)

In addition users, who have been identified as being part of the adjudication team, will also have access to the Electronic Vault but only to the Tender(s) they have been granted “adjudication team” status on.

Specification Drafting Checklist

APPENDIX 5

Drafting checklist

- use simple language, avoid using jargon;
- define terms, symbols and acronyms;
- do not expect the specification to be read by experts; write it so that a layman will understand;
- use a logical structure;
- be as concise as possible, but keep the meaning clear;
- plan and analyse your needs;
- arrange the components of the requirement into a logical form matching the evaluation model; a good way of doing this is to set out a skeleton structure with the main headings and then add in sub-headings as necessary;
- do not embed requirements in background information - suppliers may miss them - keep requirements in their own sections;
- list the most important elements of the requirement first and work through to the least important;
- discuss the requirement with colleagues, other users and procurement staff. During this process you may also identify other topics you need to include.
- The outputs and requirements from the contract, including the delivery of the contract, should be monitored throughout the contract and measured against suitable KPI's.
- KPI's should at least be outlined, although ideally fully disclosed – to help minimize risk, in the tender specifications and certainly fully agreed and in place before any award takes place.

Review Checklist

A good specification should:

- state the requirement specification completely, clearly, concisely, logically and unambiguously;
- focus on outputs not how they are to be met;
- contain enough information for potential suppliers to decide and cost the goods or services they will offer, or in the case of negotiated route arrive at realistic budgetary costs;
- permit offered goods or services to be evaluated against defined criteria by examination, trial, test or documentation;
- state the criteria for acceptance by examination, trial, test or documentation;
- contain only the essential features or characteristics of the requirement;
- provide equal opportunity for all potential suppliers to offer a product or service which satisfies the needs of the user and which may incorporate alternative technical solutions; and comply with any legal obligations e.g. under UK law, the EEC Treaty, an EC Directive or the GATT Agreement on Government procurement.

A good specification should not:

- over-specify requirements;
- contain features that directly or indirectly discriminate in favour of, or against, any supplier, product, process or source. Discrimination on grounds of nationality is illegal in the EC, contrary to the GATT Agreement, where applicable, and may not achieve value for money.

Examples of a De-Brief Letter (Standstill or Alcatel period)

Please request the latest versions from Purchasing as these letters change on a regular basis, due to legal precedents, although this should be addressed in the new Regulations.

UN - Successful ITT Notice

All items in red must be addressed and suitably amended

Name of recipient
Address
Date

(Send by email otherwise the 10 days needs to be changed to 15 if by land mail.)

Dear

Re: Tender Ref: (201x – xyz)

Thank you for tendering for the above referenced project.

This Tender closed on the (XX) of (XXXXX), 20XX at 12 Noon.

We have now completed our evaluation of all the tenders received for this project and, on behalf of Newry and Mourne District Council, regret to inform you that your application has been unsuccessful.

There were XYZ returns adjudicated and you came XYZ.

The preferred tenderer is (XXXXXXXXXX) Limited.

As indicated in the tender documents, the award criterion for this requirement was the most economically advantageous tender evaluated against the disclosed criterion and weightings.

To assist in future competitions please find below an evaluation matrix showing your adjudicated score for each of the criteria along with the comments of the panel on your submission.

(you can also attach your markings as a separate sheet noting that you have to enter the lowest accepted score or the minimum accepted threshold, as disclosed in the ITT documents, alongside this candidates score so they can be compared – please amend table accordingly)

PROVISIONAL VALUES	Max Score	Lowest Accepted Score*	Your accepted Score
Tender Total	100		
Complete here the scoring criteria - add lines as	XX	XX	XX

Newry, Mourne & Down District Council's Purchasing Policy

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necessary, covering all disclosed criteria and sub criteria.. for example...			
Title of first criteria	XX	XX	XX
Title of second criteria	XX	XX	XX
Title of third criteria - Sub 1	XX	XX	XX
(Sub 2)	XX	XX	XX
(Sub 3)	XX	XX	XX
(Sub 4)	XX	XX	XX
	Total Score	XX	XX

(*Amend below and clearly advise the agreed reasons for marking them down against the disclosed criteria and sub criteria. This can also be on a separate sheet with the above table.)

*You were marked down under (Title of first criteria) due to:

-

*You were marked down under (Title of second criteria) due to:

-

*Under (Title of third criteria) You were marked down under the following sub-criteria:

- (Sub 1) due to:
 -
- (Sub 2) due to:
 -
- (Sub 3) due to:
 -
- (Sub 4) due to:
 -

This correspondence also acts as a Regulation 32 (1) Notice (Public Contract Regulations 2006) albeit on a voluntary basis based on best practice. This is also sometimes referred to as a "Standstill" or "Alcatel" Notice.

During this period we will not be entering into any contracts or conclude any framework agreement before the end of the standstill period, which runs from the date of this transmission until midnight on the 10th full calendar day following or if a statutory holiday, the following day that is not a statutory holiday.

During this period we offer all tenderers a chance to review or object to our decision as per the current Public Contract Regulations (2006) and Amendments (2009).

We hope that you find the above useful and beneficial but if you have any queries whatsoever, please do not hesitate to contact us before the end of the specified period.

regards

Request for New Stores Item

To: Central Stores

From: _____ Date: _____

Department: _____

Stock Code	Complete Ordering Description	Unit of Issue	Max Stock Level	Min Stock Level	Estimated Annual Usage	Stocking Period*	Cost Each	Cost of Max Stock	Suggested Supplier

- How long will this product need to be carried in stock. If based on Vehicle- enter actual estimated life.

This Item replaces Item _____ Stock Code _____

Originator's Signature: _____ Approved by: _____

Coded: _____

STORAGE REQUEST FORM

Requested by: _____ Department: _____

Storage Date: _____ Arrival Date: _____

Originally Purchased on: _____ Purchase Value: _____

Capital or Cost Codes _____ Purchase Order Nos. _____

Details of Goods requiring Storage: _____

Why need storage: _____

How will the goods be delivered? Pallets Boxes Loose Other _____.

Hazardous materials: Yes No If Yes Details: _____

Flammable Materials: Yes No If Yes Details: _____

Goods have expiry date: Yes No If Yes Details: _____

How long do you require storage for these goods: _____

Or

Expected date of removal: _____

Any Special Handling Instructions: _____

Storage Location:

Store: _____ Bay: _____ Rack: _____ Level: _____

Contractor Evaluation Sheet for Tender Ref: / 20 .

Name of Contractor: _____ Contact: _____

Address: _____

Project Manager External: _____ Internal: _____

Commission	Description and Location of Work

Cost Analysis

Timescale Analysis

Budget Cost	Estimate Cost	Tender Cost	Final Cost

Pre Tender Delivery	Award Delivery	Final Delivery

Performance Assessment

Please Tick: Very Good (VG), Good (G), Average (Av), Poor (Po), Inadequate (In)

	VG	G	Av	Po	In	Comments
Allocation of Suitable Resources						
Compliance with Brief						
Cost Control						
Timescale Adherence						
Cooperation with Client /Others						
Quality Of Work						
Health and Safety Approach						

Would you commission them again?	Yes / No
----------------------------------	----------

General Comments (please use other sheet – if required)

Evaluation Completed By:

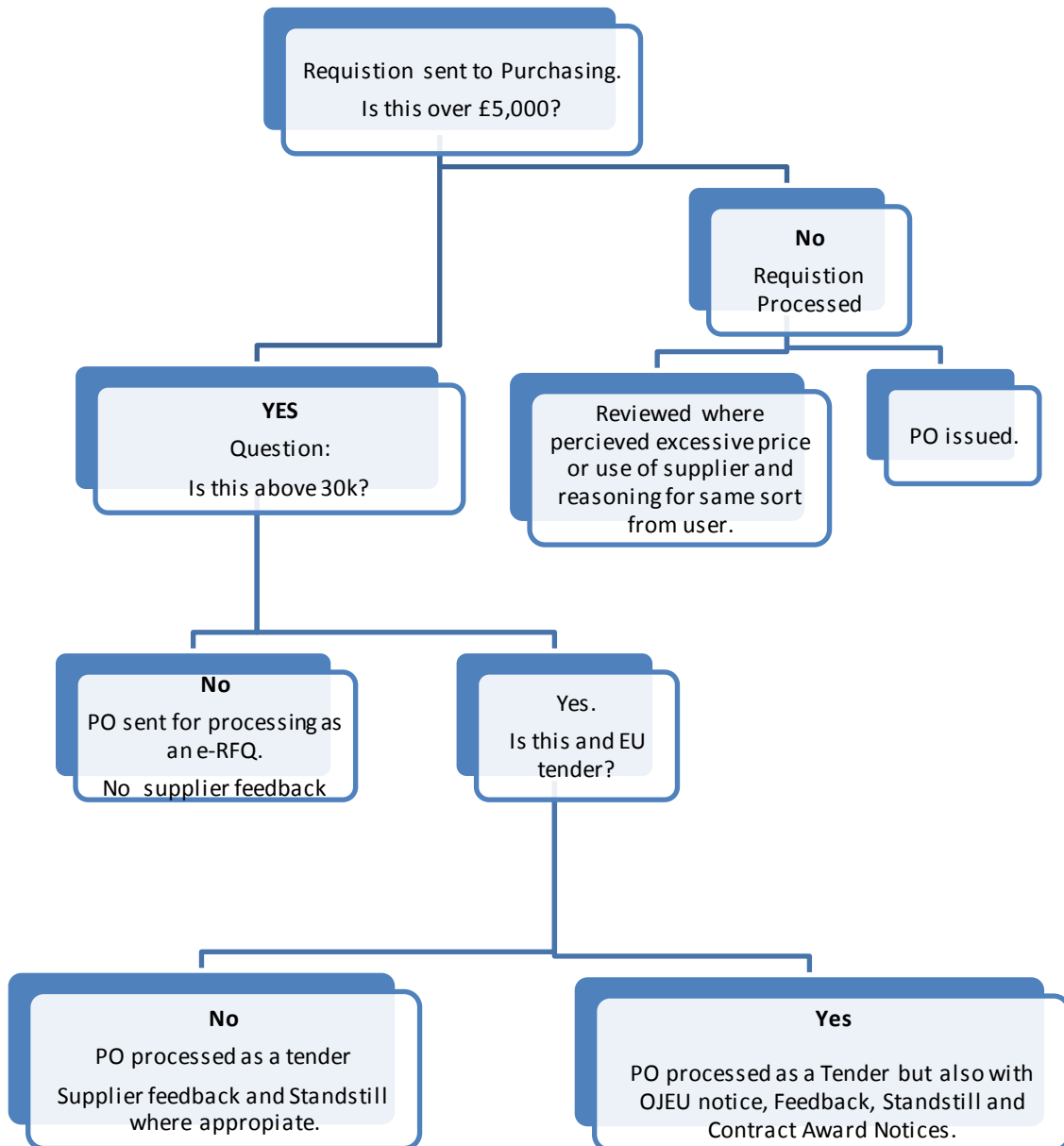
Signed: _____ Date: _____

Approved by:

Name: _____ Director of: _____

Electronic Flow of Order Processes

Above Level 1 Appendix 1
Over £5,000



Electronic Flow of Order Processes

Under Level 0 Appendix 1

