



Rockbourne Parish Council Procurement Policy

A policy to regulate the supply and purchase of good and services.

Legal context

This policy aims to give effect to and comply with Section 135 of the Local Government Act 1972 and the Public Contracts Regulations 2015. The Council is guided by the National Association of Local Councils Legal Topic Note 87 (January 2016)

The purpose of this policy

The purpose of this policy is to provide guidance on the factors that will be considered when purchasing goods and services. The Council follows the NALC's Procurement Toolkit published in April 2015 and its own internal Financial Regulations and Standing Orders.

1. Introduction

1.1. Every Contract by the Council or person acting on its behalf shall comply with this Procurement Policy, the Town Council's Standing Orders and Financial Regulations. 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 considered when purchasing goods and services.

1.3. A Contract is an agreement between the Council and an individual or organisation for the individual or organisation to provide works, goods, or services (including the engagement of consultants) for which the Council will provide consideration. The following contracts are exempt from the 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 on behalf of the Council must ensure that the best value for money is obtained. Before commencing a procurement, it is essential that the authorised person leading the procurement has identified the need and fully assessed the options for meeting those needs. The best use of purchasing power shall be sought by aggregating purchases wherever possible.

1.5. Exceptions from any of the following provisions of these Contract Procurement Rules may be made under the direction of the Council where they are satisfied that

the exception is justified in special circumstances. Every exception and reason therefore shall be recorded.

2. Local contractors preferred

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

3. Competence of contractors and due diligence

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

3.2. All contractors and suppliers working on Council sites will be required to comply with the Council's Health & 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 contractors.

3.3. The Council requires all contractors working on Council sites and projects to maintain adequate insurance, including but not limited to Public Liability insurance of;

- Contracts under £25,000 a minimum of £5 million.
- Contracts over £25,000, a minimum of £10 million.

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, for example peat-free compost.

4.3. The Council will, wherever possible, purchase goods that meet international Fairtrade standards (or similar).

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 all payments (apart from petty cash payments) are made by BACS transfer or cheque.

6. Pre-approval of contractors

6.1. In respect of contracts that may be exempt from the Public Contracts Regulations 2015¹, the Council needs to have access to pre-approved contractors to supply routine services or who can be called on to provide emergency services, including but not limited to:

- a) Electricians
- b) General builders
- c) Glaziers
- d) Grass and hedge cutting contractors
- e) Grave diggers

¹ s135 (3) gives Councils the power to exempt contracts below £25,000 from a tendering exercise (see also NALC LTN 87 - Para 9).

- f) Groundworkers
- g) Locksmiths
- h) Memorial masons
- i) Plant hirers
- j) Play equipment repairers
- k) Plumbing and heating engineers
- l) Tree surgeons
- m) Vehicle and machinery service engineers

6.2. Contractors wishing to be included on the Council's register of approved contractors will be required to complete a registration form (See Appendix 1).

6.3. The register of approved contractors 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 maintains 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

10.1. While not obliged to seek competitive tenders for works below £5,000, where there are opportunities for competitive savings, two quotations shall be sought (subject to Para 7 above).

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 contract.

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 shall be sent to not less than four individuals or organisations that could undertake the contract (or, if fewer than four apply, to those that are suitable)

12.3. Tenders to be submitted and opened in accordance with Para 14 below.

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

- a) Purchase by auction or at public fairs
- b) Contracts involving special technical, scientific, or artistic knowledge

- c) Contracts comprising spare or replacement parts of existing machinery or plant or repairs to such machinery or plant
- d) Urgent situations as agreed with the Chairman 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:

- a) The work, materials, matters or things to be furnished, had or done:
- b) The price to be paid, with a statement of discounts or other deductions (if any); and
- c) 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 shall provide for payment of liquidated damages by the contractor in case the terms of the contract are not performed.

12.7. Contracts over the value of £25,000 shall 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' website.

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

13.1. Where an invitation to tender is made, such invitation to tender shall state the general nature of the intended contract and the Responsible Financial Officer shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitations shall in addition state that tenders must be addressed to the Responsible Financial Officer in the ordinary course of post. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed dates for opening tenders for the contract.

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

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

13.4. 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.

14. Acceptance of Quotations and Tenders

14.1. The tender that offers best value to the Council shall be accepted. Each tender shall be evaluated for the price and quality to ascertain the most economically advantageous tender. Local companies should be encouraged to apply.

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

14.3. 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 more than £25,000 can take place without reference to the Chairman of the Council. Any negotiations that would distort competition is expressly forbidden.

14.4. Arithmetical errors found in any tender when checking shall be dealt with as follows: the tenderer shall have the error pointed out to them and be offered the opportunity to stand by their original tender, or their corrected tender, or withdraw it.

15. Signing and Sealing of Contracts

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

16. Nominated Sub-Contractors and Suppliers

16.1. Where a sub-contractor or supplier is to be nominated to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules.

17. Contracts Record

17.1. A record of all contracts in excess of £25,000 in value placed by the Council shall be kept by the Clerk. This record shall specify for each contract the name of the contractor, the works to be executed or the goods or services to be supplied, the contract value and the contract period. This is the responsibility of the appointed person authorising the contract to ensure that an accurate record is maintained.

18. Contract Management

18.1. For contracts exceeding £25,000, project management shall be practised management, using industry agreed project management framework and standards as appropriate to the work being undertaken (for example, but not limited to, PRINCE2, PMI, RIBA, RICA). Suppliers will be expected to demonstrate their Project Management competency and qualifications.

19. Contract Variations

19.1. Any necessary instructions to vary a contract shall be made in writing by the 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 who shall decide what further action is necessary.

20. Bonds, Guarantees and Insurances

20.1. 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) shall be required from the successful tenderer.

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

21. Termination of contracts

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

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

22. Compliance with other relevant legislation.

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

23. Status of this policy

23.1. This policy was last amended in July 2021 and the amended policy adopted by Wilton Town Council on 3rd August 2021, it will be monitored and reviewed by the Council's Finance and General Purposes Committee periodically, or in response to changes in legislation. This policy ensures that the Council manages data responsibly.

Date policy adopted:

Date for review:

Appendix 1: APPLICATION FOR INCLUSION ON ROCKBOURNE PARISH COUNCIL'S APPROVED CONTRACTOR LIST

Business: _____

Business address: _____

_____ Postcode: _____

Telephone: _____ Email: _____

Services provided: _____

Years in business: _____

Memberships/
Professional bodies _____

Declaration (please tick):

I understand that the Council requires me to hold Public Liability Insurance 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 PLI policy schedule annually at renewal.

I am aware that I am required to comply with the Council's health and safety and equality policies.

Name: _____

Position: _____

Signed: _____

Date: _____

Please email completed form to: rockbourneclerk@rockbourne.co.uk