

# MONTACUTE PARISH COUNCIL

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## PROCUREMENT POLICY

### 1. DEFINITIONS

- **Council** Montacute Parish Council
- **Chairman** Chairman of Montacute Parish Council
- **Member/Members** Parish Councillor/Councillors
- **Proper Officer** Parish Clerk/RFO
- **Vice Chairman** Vice Chairman of Montacute Parish Council

This Policy sets out the Council's approach to the purchase of goods and services for the benefit of the Parish.

### 2. PRINCIPLES OF PROCUREMENT

The following principles shall be applied:

- 2.1 Compliance with the Council's Financial Regulations no's 4.1, 10, 11 and 12 and Standing Order no.18, NALC Procurement toolkit (April 2015) and Procurement Regulations 2015
- 2.2 To purchase goods and services from local businesses and abide by Fairtrade social, economic and environmental standards where possible.
- 2.3 Contracts to be supported by Service Level Agreements and evaluation reports to be used on any purchases or contracts with a value exceeding £10,000
- 2.4 Consideration to be given to using recycled goods or goods considered to be environmentally friendly and which meet required functional standards
- 2.5 Use of Council and local websites and publications to publicise tender opportunities
- 2.6 No contract for services period to exceed 10 years
- 2.7 The Council's approach takes into account its obligations under Best Value legislation (Part 1 Local Government Act 1999) to ensure continuous improvement and having due regard to economy, efficiency and effectiveness.

### 3 GENERAL

- 3.1 In awarding contracts or selecting products and services, the Council shall take into account the price and quality of the services/goods in question, as well as giving due consideration to the past performance of suppliers, where applicable.
- 3.2 The Council shall not be obliged to accept the lowest or any tender, quote or estimate
- 3.3 It will be acceptable to join with other Parish Councils or bona fide organisations to place joint orders in order to secure economy of scale.
- 3.4 Requirements shall not be broken down into individual packages in order to deliberately avoid a more onerous tendering procedure.
- 3.5 Contract payments: Under the Public Contracts Regulations 2015 every public contract must contain the following 'suitable provisions': -
- i) The contractor must be paid within 30 days of getting a valid and undisputed invoice
  - ii) Contracts which permit sub-contracting must contain similar 30-day-payment provisions.

### 4. PROCUREMENT PROCESS

#### 4.1 Definition of Terms

- Estimate: a non-written approximate calculation or judgement of the value of the work
- Quotation: A quotation is a document that a seller provides to a buyer to offer goods or services at a stated price, under specified conditions. It may also contain terms of sale, payment and warranties. Acceptance of quotation by the buyer constitutes an agreement binding on both parties.
- Tender: A formal, structured invitation to suppliers to submit a bid to supply products or services.

#### 4.2 There will be five tiers: -

- i) *Up to £250:* The Proper Officer will use necessary discretion on purchases
- ii) *£251 - £1,000 (small works):* The Proper Officer will get three Estimates
- iii) *£1,001 - £3,000:* The Proper Officer will obtain 3 written Quotations
- iv) *£3,001 - £24,999* The Proper Officer will follow the formal Tender process
- v) *£25,000 and above:* Tenders. The Procurement Process is subject to The Public Contracts Regulations

## **5. PROCUREMENT PROCESS FOR ITEMS UP TO £250**

*Tasks or Items where the estimated value up to £250*

### **5.1 Council & Office Administration**

The Proper Officer is authorised to order as necessary from any supplier approved by the Council any item required for the administration of the Council or parish office subject to the provisions made in the Council's budget up to a maximum amount of £500 per month and £250 per item.

## **6. PROCUREMENT PROCESS FOR SMALL WORKS**

*For the execution of works with an estimated value of up to £1,000 enabling the fast, efficient completion of small works*

- 6.1 The Council maintains a panel of handymen in the Parish with various skills to carry out small works
- 6.2 Invitation to provide an Estimate to be by telephone and/or email to the panel members. Photographs and/or a description of the work to be attached.
- 6.3 If a handyman wishes to quote for a project the works would be publicly accessible for the handyman to visit in person with all the necessary facts and information
- 6.4 Site meetings to be arranged courtesy of the Proper Officer, who is managing the project (All relevant risk assessment processes must take place)
- 6.5 Estimates confirmed in writing are to be sought to include the price (with VAT itemised separately, if applicable) for undertaking all works along with payment and contact details to the postal or email address below
- 6.6 Evaluating the Estimates will take place by the Proper Officer in the presence of a least one Member immediately after the deadline for submission of Estimates has passed
- 6.7 The successful Estimate will be decided on a best value basis, availability and relevant experience
- 6.8 Seek to obtain three Estimates and a record of the must be kept. Orders will only be placed following resolution of the Council.

## **7. PROCUREMENT PROCESS FOR THE EXECUTION OF WORKS WITH AN ESTIMATED VALUE OF BETWEEN £1,001 AND £3,000.**

- 7.1 The Council maintains a panel of handymen in the Parish with various skills to carry out small works

- 7.2 Invitation for a Quotation to be by telephone and/or email to the panel members. Photographs and/or a description of the work to be attached.
- 7.3 If a handyman wishes to quote for a project the works would be publicly accessible for the handyman to visit in person with all the necessary facts and information
- 7.4 Site meetings to be arranged courtesy of the Proper Officer, who is managing the project (All relevant risk assessment processes must take place)
- 7.5 Quotations are to include the price (with VAT itemised separately, if applicable) for undertaking all works along with payment and contact details to the postal or email address below
- 7.6 Evaluating the Quotations will take place by the Proper Officer in the presence of a least one Member immediately after the deadline for submission of Quotations has passed
- 7.7 The successful Quotation will be decided on a best value basis, availability and relevant experience
- 7.8 Seek to obtain three written Quotations from different suppliers. Orders will only be placed following resolution of the Council.

## **8. PROCUREMENT PROCESS FOR THE EXECUTION OF WORKS WITH AN ESTIMATED VALUE OF BETWEEN £3,001 AND £24,999.**

- 8.1 Subject to any additional requirements in the Financial Regulations of the Council, the formal Tender process for contracts for the supply of goods, materials or services shall include, a minimum, the following steps:
- i. A clear specification for the goods, materials or services shall be drawn up.
  - ii. The specification will be reviewed, amended if necessary and adopted by the Council
  - iii. An invitation to tender letter shall be drawn up to confirm that documents include:
    - The scope of the contract
    - A notice that Tenders are to be submitted in writing in the provided specifically marked envelope addressed to the Proper Officer
    - The time, date and address for the submission of Tenders
    - The contract commencement date
    - The contract period
    - The earliest date when the Council will respond to the Tender

- iv. The invitation to Tender shall be advertised in accordance with the Council's Advertising Policy
- v. As a minimum requirement a list of 3 interested/competent contractors/suppliers will be drawn up based on the provision of insurance and necessary certification. Also, references may be sought.
- vi. If less than 3 contractors/suppliers respond the Proper Officer will report to the Council and a resolution will be passed to either accept the list as presented or elect for the process to be repeated. The process will be repeated from (3.iv) in this policy.
- vii. The Tender package will be sent to interested contractors by 1<sup>st</sup> Class post and/or by email.
- viii. To enable a full understanding of the work the Proper Officer will invite interested contractors to attend a meeting on a mutually agreed date. A single site meeting will be arranged with all the interested contractors, and the councillor responsible for the specification. The meeting will discuss the proposed works and any pertinent issues. Any queries arising from the meeting will be noted and answered in writing to all parties
- ix. Evaluating the Tenders will take place by the Proper Officer in the presence of at least one Member immediately after the deadline for submission of Tenders has passed
- x. Tenders are to be reported and considered by the appropriate meeting of the Council
- xi. The Council is not bound to accept the lowest value Tender.
- xii. Acceptance of a Tender will normally be decided on the following criteria:
  - Contractors method statement
  - Contractors Health and Safety statement
  - Style of presentation of tender documents
  - Availability
  - Competitive price

8.2 At least three Quotations will be obtained from different suppliers. Orders will only be placed following resolution of the Council.

## **9. PROCUREMENT PROCESS FOR THE EXECUTION OF WORKS WITH AN ESTIMATED VALUE OF £25,000 AND ABOVE.**

9.1 The Procurement Process is subject to The Public Contracts Regulations 2015:

- i. An estimation of the total cost of the procurement (excl. VAT) must be made.
- ii. Determine whether the proposed procurement is above the EU Procurement Threshold
- iii. A clear specification for the goods, materials or services shall be drawn up. The procurement category must be identified.

- iv. The specification will be reviewed, amended if necessary and adopted by the Council
- v. An Invitation to Tender letter shall be drawn up to confirm:
  - The scope of the contract
  - A notice that Tenders are to be submitted in writing in the provided specifically marked envelope addressed to the Proper Officer
  - The time, date and address for the submission of Tenders
  - The contract commencement date
  - The contract periods
  - The earliest date when the Council will respond to the Tender
- vi. The invitation to Tender shall be advertised according to the Council's Advertising Policy.
- vii. The invitation to Tender must, within 24 hours, also be advertised on the UK Government's Contracts Finder Website.
- viii. The invitation to Tender shall state the general nature of the intended contract and the Proper Officer shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
- ix. The invitation to Tender shall state that Tenders must be addressed to the Proper Officer in the ordinary course of post.
- x. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is sealed and remain sealed until the prescribed date for opening Tenders for that contract
- xi. There will be no Pre-qualification stage.
- xii. As a minimum requirement a list of 3 interested/competent contractors/suppliers will be drawn up, performance and financial references sought and investigated.
- xiii. If less than 3 contractors/suppliers respond the Proper Officer will report to the Council and a resolution will be passed to either accept the list as presented or elect for the process to be repeated. The process will be repeated from (3.vi) in this policy.
- xiv. The Tender package will be sent to interested contractors by 1<sup>st</sup> Class post and/or by email.
- xv. To enable a full understanding of the work the Proper Officer will invite interested contractors to attend a meeting on a mutually agreed date. A single site meeting will be arranged with all the interested contractors, and the councillor responsible for the specification. The meeting will discuss the proposed works and any pertinent issues. Any queries arising from the meeting will be noted and answered in writing to all parties
- xvi. All sealed Tenders shall be opened at the same time and evaluated by the Proper Officer in the presence of the Chairman and/or Vice Chairman or in a closed session of a full Council meeting immediately after the deadline for submission of tenders has passed
- xvii. If less than three tenders are received for the contracts or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.

- xviii. Tenders are to be reported and considered by the appropriate meeting of the Council
- xix. The Council is not bound to accept the lowest value tender.
- xx. Acceptance of a tender will include on the following criteria:
  - Contractors method statement
  - Contractors Health and Safety statement
  - Style of presentation of tender documents
  - Availability
  - Competitive price
- xxi. Once the contract has been awarded the following information must be entered onto the UK Government's Contract Finder Website:
  - The full company name of the contractor;
  - The date on which the contract was entered into;
  - The total value of the contract in pound sterling; and,
  - whether the contractor is an SME or a VCSE (this information is only required for below EU threshold procurements)

9.2 Tasks or Items where the estimated value exceeds EU Procurement Threshold

- i. The Council's Advertising Policy shall apply
- ii. Publish all the contract documents (specification of works, duration etc.) on own website
- iii. Must use the Timetable set out in the Public Contracts Regulations 2015
- iv. Invite tenders without any pre-qualification test
- v. When choosing a successful contractor fair assessment means must be applied and award the contract to the one who offers the lowest, or highest or use the MEAT (Most Economically Advantageous Tender) analysis
- vi. Publish the contractor's name, accepted price etc. on the OJEU and the UK Government Contracts Finder website.
- vii. Detailed records must be kept

## 10 ADVERTISING POLICY

### 10.1 **Tasks or items where the estimated value does not exceed £3,000**

The Council will decide the best course of action to be taken on an individual basis

### 10.2 **For any construction or similar task where the estimated value exceeds £3,001 but does not exceed £24,999**

The Council may advertise in the Parish Newsletter, website on the Parish Noticeboards and/or local press/media inviting any person or organisation to provide quotations for the works specified by the deadline provided.

### 10.3 **For any task where the estimated value exceeds £25,000 but does not exceed the EU Procurement Threshold**

The Council will place advertisements in the local press (i.e. Western Gazette or similar) in accordance with the Tendering Procedure in place and on the UK Government's Contract Finder Website

**10.4 For any task where the estimated value exceeds the EU Procurement Threshold**

The Council will place advertisements in the local press (i.e. Western Gazette or similar) in accordance with the Tendering Procedure in place, and also on the Official Journal of the EU (OJEU) and on the UK Government's Contract Finder Website.

Adopted by the Montacute Parish Council on 19<sup>th</sup> November 2018  
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