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## Definitions

DSB	Data Systems Board
FOIA	Freedom of Information Act 2000
GR	Goods Receipt
GW&S	Goods, Works and Services
HPF	Head of Procurement and Fleet
ICT	Information and Communications Technology
ITT	Invitation to Tender
KMFRA	Kent & Medway Fire and Rescue Authority [see note below]
KPI	Key Performance Indicator
MT	Management Team
NDA	Non-Disclosure Agreement
OJEU	Official Journal of the European Union
PIN	Prior Information Notice
PO	Purchase Order
PQQ	Pre-Qualification Questionnaire
PR	Purchase Requisition
PSO	Procurement Service Order
RFQ	Request for Quotation
SHQ	Service Headquarters
SME	Small Medium (sized) Enterprise
TEP	Tender Evaluation Panel
VERP	Vehicle and Equipment Replacement Programme
WLC	Whole Life Cost

## Introduction

The Procurement Service Order (PSO) sets out the rules by which the Authority authorises spending on goods, works and services which are required by the Authority and to regulate all spending by employees of the Authority. In accordance with Section 135 of the Local Government Act 1972 every local authority is required to maintain a PSO.

**NB:** All quotations, tenders and contractual documentation must be in the name of Kent and Medway Towns Fire Authority (KMTFA) which is the proper name of the Authority at the time it was formed under the Combination Scheme Order 1997. This is the only documentation type on which the Authority's proper name should be used.

The PSO covers all spend with external suppliers **irrespective of the source of funding** (eg revenue, capital, grants, ring-fenced government money and/or any third party funding).

**This document is part of the Authority's Management Framework which must be complied with at all times. Any breach of the Procurement Service Order is a contravention of the Authority's Constitution and may lead to disciplinary action being taken against the Officer(s) involved.**

## Scope

The PSO is applicable to all staff and Members of Kent & Medway Fire & Rescue Authority.

## Policy

The PSO has four main purposes:

- i. To **comply** with the laws which govern the spending of public money and to **protect** individuals from undue criticism or allegation of wrongdoing
- ii. To secure **value for money** in the way the Authority spends money, so that it offers best value for services to the public
- iii. To generate **market competition** through transparent and consistent ways of working
- iv. To comply with the **transparency of spend** requirements in accordance with Government regulations

The Head of Procurement and Fleet is the custodian of the PSO and is responsible for keeping it under review. If the EU Directives or any other laws are changed in a way that affects the PSO then the HPF will issue a bulletin and the change must be observed until the PSO can be revised.

## Regulations

### Section 1: Roles and Responsibilities

- 1 The Authority's Procurement Department has specific duties including:
  - i. Managing and executing all ITTs and contract awards
  - ii. Ensuring all appropriate officers are fully engaged in all contract strategies and contract awards
  - iii. Identifying areas of continuous improvement within the supply chain
  - iv. Maintaining knowledge of the marketplace for GW&S
  - v. Maintaining robust contract management arrangements for medium/high monetary and/or strategic value contracts
  - vi. Documenting effective change control mechanisms to support the contract management arrangements
- 2 Individual Departments/Sections of the Authority are responsible for:
  - i. Procuring from suppliers on the Supplier Master File on the Authority's financial and procurement management system
  - ii. Ensuring there is adequate budget to purchase GW&S
  - iii. Ensuring all purchases are compliant with the PSO
  - iv. Ensuring the Authority's Procurement Department is involved at the earliest opportunity when appropriate
  - v. Ensuring that technical specifications meet the Authority's requirements
  - vi. Ensuring appropriate project management documentation (eg project plan, risk register, terms of reference) is implemented for medium/high value strategic commissioning arrangements
  - vii. Documenting effective control mechanisms to monitor contract performance
  - viii. Creating and approving PRs, POs and GRs in a timely manner in the Authority's financial and procurement management system

### Exceptions to Procurement Service Order

- 3 The PSO does not apply to the following requirements that are governed by separate policies and guidelines:

- i. Contracts for the acquisition or lease of land and/or real estate
- ii. Contracts for permanent or fixed term employment
- iii. Works or orders placed with utility companies (eg re-routing pipe work)
- iv. Works or orders placed under an existing signed Framework Agreement
- v. GW&S provided by a constituent authority under the provisions of the Kent Fire Services (Combination Order) 1997
- vi. A declared emergency as defined by the Civil Contingencies Act 2004 and authorised by the Chief Executive or a nominated officer in their absence

Where the PSO appears to conflict with any separate rules the HPF will determine which takes precedence.

### **Waivers from Procurement Service Order**

- 4 The PSO is **mandatory** and must be adhered to at all times. In exceptional circumstances the HPF may grant a waiver to the PSO. Waiver requests must be completed using the waiver form which can be downloaded from the Procurement site on the Intranet and approved in writing by the HPF prior to undertaking any further action. Where the aggregate value (i.e. all spend by the Authority likely to be incurred during the life of the purchase order, contract or project) of the purchase is £100,000 or more Management Team must ratify the waiver. In certain circumstances MT may refer the waiver request to the Authority's General Purposes Committee for further approval. No waiver should be granted retrospectively and in such circumstance shall be viewed as non-compliance with the PSO, which may constitute a disciplinary offence. Waivers will only be granted in very exceptional circumstances and cannot be given if they would contravene the Public Contracts Regulations 2006 or any other applicable legislation e.g. EU Public Procurement Directives.

### **Enforcement of Procurement Service Order**

- 5 The HPF will report breaches of the PSO to MT, which will have the option of two courses of action:
  - **Informal Notice** – Where the non-compliance was as a result of lack of information or beyond the control of the employee, HPF will make recommendations to ensure future compliance.
  - **Formal Warning** – Where there is evidence of deliberate non-compliance HPF will advise the Assistant Director Human Resources of a formal breach of the employee's terms and conditions of employment.

### **Purchasing Goods, Works and Services (GW&S)**

- 6 GW&S relate to all requirements for the ongoing delivery and maintenance of property, vehicles, equipment and infrastructure and support to staff and individuals. All suppliers approved to provide GW&S shall be identified on the Authority's financial and procurement management system's Supplier Master File.
- 7 All GW&S regardless of value must be purchased using the Authority's financial and procurement management system's Supplier Master File. Once the preferred supplier has been identified a PO must be created and issued to the supplier. The PO must be financially approved in line with the Authority's Financial Regulations prior to issue to the supplier.

- 8 Verbal commitments or retrospective POs are not permitted in any circumstances unless it is outside of normal working hours i.e. 18:00-07:30 and the order is business or life critical.
- 9 Where the Authority's financial and procurement management system's Supplier Master File cannot meet the purchase requirement then Procurement should be contacted for advice.

### **Bribery, Corruption and Collusion**

- 10 The Authority aims to deliver a high level of service to the people of Kent and Medway and in doing so it means that the Authority's reputation is important.
- 11 Members of the public expect the highest standards of conduct and integrity from employees of a public service. The Authority therefore requires that suppliers and staff conduct themselves in a manner reflective of the Authority's core values.
- 12 The Authority, its staff and its suppliers are bound by the Bribery Act 2010.
- 13 All staff that are empowered to spend money on behalf of the Authority must adhere to the requirements of the Bribery Act 2010. Relevant guidance can be viewed at the link shown below:  
<https://www.gov.uk/government/publications/bribery-act-2010-guidance>

### **Gifts and Hospitality**

- 14 The Authority's Code of Conduct describes its position regarding gifts and hospitality offered by third parties. The Code of Conduct can be viewed in the HR section of the KFRS intranet site:-  
<http://intranet.kent.fire-uk.org/hr/Pages/CodeofConductandRespectforOthers.aspx>
- 15 The Authority strives to be fair, transparent and encourage competition for all its Procurement activities. It is essential that the Authority and all its employees remain impartial in all business dealings and never allow any gift or hospitality to influence any business decision. With very few exceptions, gifts and hospitality should be regarded as trying to influence the recipient.
- 16 It is the Authority's policy not to accept gifts or hospitality from third parties, including current and prospective suppliers. However, it is recognised that low monetary value items such as promotional pens, calendars and diaries are commonly offered by suppliers. The Authority permits the acceptance of such promotional gifts up to a value of £10, including VAT. If any staff member is in any doubt then they must politely decline such gifts. Any gifts or hospitality offered by a third party to any member of staff, whether accepted or declined, must be advised in writing by e-mail to [central.admin@kent.fire-uk.org](mailto:central.admin@kent.fire-uk.org). A record of all such offers of gifts or hospitality will then be recorded in the Authority's Hospitality Register, which is regularly reviewed by the HPF and also by the Authority's Internal Auditor.

### **Freedom of Information**

- 17 Under the Freedom of Information Act 2000, the Authority has an obligation to disclose certain information in response to requests from members of the public. However, the FOIA also enables specific confidential information and commercially sensitive material to be withheld. Officers must therefore ensure tender information is kept confidential at all stages, especially during the tender evaluation stage and after the contract is

awarded. Suppliers must also be given the opportunity to highlight in their tender any information that they would not wish disclosed under FOIA.

### **Transparency of Spend**

- 18 In accordance with Government requirements, the Authority publishes on its website on a quarterly basis all spend above £250 excluding recoverable VAT. The Authority also publishes on its website details of current contracts.
- 19 All RFQs and ITTs with a value of £5,000 will be published on the Government's Contracts Finder website.

### **Equality & Diversity**

- 20 The Authority is committed to developing, promoting and delivering its services, information and employment opportunities without discriminating against anyone on the grounds of age, disability, faith, gender, race, sexuality, gender reassignment, marriage and civil partnership, pregnancy or maternity.
- 21 The Authority expects its suppliers and other people who deliver its goods, services or works to comply with its Equality Policy and share this vision and these values. All organisations that want to provide goods, works and/or services to the Authority must be able to demonstrate when tendering that they are taking steps to allow equal access to the provision of goods, works and services, provide fair treatment and equal opportunity.

### **Invoice Payments**

- 22 Payments shall be in arrears, within calendar 30 days and via BACS whenever possible following receipt of a correctly presented invoice, provided that satisfactory receipt of GW&S has been confirmed by the Budget Manager or another authorised staff member. Procurement must agree any deviation to the above in writing as a Payment Exception.
- 23 The Supplier must submit all invoices directly to the Authority's Finance Department by e-mail to - [invoices@kent.fire-uk.org](mailto:invoices@kent.fire-uk.org)
- 24 Invoices must not be sent by suppliers to individual KFRS staff members or departments.
- 25 The creation of a GR in the Authority's financial and procurement management system indicates that the GW&S appearing on the PO have been delivered to the satisfaction of the Authority. It is the Authority's responsibility to ensure all purchases are receipted to the appropriate value and time.
- 26 For the purchase of most GW&S, payment will not be released until a GR has been created in the Authority's financial and procurement management system.

### **VISA Purchasing Cards**

- 27 The use of VISA Purchasing Cards is permitted for a small number of selected categories of low value, non-repeat purchases where there is no suitable supplier available on the Authority's financial system and procurement system.

- 28 VISA Purchasing Cards are only issued to permanent employees of the Authority and are allocated according to the basis of business need. VISA Purchasing Cards should generally be used in the following circumstances:–
- For low value (generally up to £500 excluding VAT) non-repeat purchases from suppliers that are unlikely to be used again.
  - For internet and telephone purchases where invoicing facilities are not available.
  - For purchases from suppliers that are unwilling to provide credit facilities for the Authority.
  - For business related expenses only.
- 29 All requests for Purchasing Cards must be made in writing to Exchequer Services having previously been agreed by the requesting individual's manager. All Purchasing Cards will be issued by Exchequer Services and must be authorised by either the Assistant Director, Finance or the Director, Finance and Corporate Services.
- 30 The category of spend and the financial transaction limit for VISA Purchasing Cards will be agreed by the Finance Department.
- 31 In accordance with the Purchasing Card Cardholder Manual, the cardholder is responsible for ensuring the above rules are complied with to the best of their knowledge and the cardholder will be required to compile a monthly log of transactions for which the Purchasing Card was used. At the end of each month, the Purchasing Cardholder's line manager must authorise the monthly transaction log to confirm all purchases are for legitimate use. The line manager must then immediately pass the completed Purchasing Card Transaction log to Finance.
- 32 The Purchasing Cardholder's line manager shall ensure the Purchasing Card is returned to Finance prior to the end of the Cardholder's employment with the Authority.
- 33 If Procurement becomes aware of any misuse they will advise the Assistant Director, Finance, accordingly. Any misuse, including purchasing from restricted category areas, may result in the Purchasing Card being withdrawn and may ultimately lead to disciplinary action.

#### **Emergency Purchase**

- 34 If an emergency purchase is required outside normal business hours this will only be authorised where it is demonstrated the purchase was business or life critical. In such instances a Purchasing Card may be used to source the requirement. If a Purchasing Card is not accepted, a verbal purchase order may be communicated and a formal PO created the following working day. The Procurement team must be advised of all emergency purchases by the following working day.
- 35 Any crisis during the business hours of 07:30 to 18:00 must be compliant with the PSO unless a specific waiver is granted in advance by the HPF.

#### **Contract Amendments**

- 36 A contract may only be amended (or varied) if the contract permits such a variation and with the agreement of Procurement. The amendment (or variation) must be evidenced in writing and signed in accordance with the 'Scheme of Delegation' and the sign off process which applied to the original contract. The amendment must then be recorded and retained with the original contract.

## **Consultants and Contractors**

- 37 Contractors and consultants are subject to specific spending controls. All Consultants (defined as any external resource funded by department revenue budget) must be approved by Procurement; where the value exceeds an aggregate value (ie all spend likely to be incurred by the Authority during life of the purchase order, contract or project) of £5,000. The contract award is subject to approval by the HPF and details of all such appointments are to be published as part of the transparency requirement.

## **Contract Management**

- 38 The Corporate Procurement Manager shall identify the critical contracts (based upon £ value, business criticality and/or reputation risk) required to deliver key services. Procurement shall monitor the performance of critical contracts and escalate to key stakeholders where appropriate. For all other remaining contracts, the budget manager/responsible section or department is responsible for the day-to-day operational delivery of contract management. Procurement will provide second-line support where performance failure is demonstrated and ensure best practice guidance and frameworks are communicated to the Authority.

## **Insurance Liability**

- 39 The following criteria relating to insurance must be applied when tendering:
- All procurements where there is a direct advice and/or design service provided by a supplier, including all consultancy arrangements, must have Professional Indemnity insurance cover of £1M or higher dependent on the level and likelihood of risk identified.
  - All suppliers of GW&S must have and maintain an appropriate level of Product and Public Liability insurance relative to the nature of the requirement and Employer's Liability insurance where appropriate. This would generally be £10M or higher in addition to any other insurance recommended by the Insurance Section but a decision regarding appropriate levels will need to be taken in respect of each individual procurement exercise. (Sole traders with no employees are not required to subscribe for Employer's Liability.)
- 40 The HPF and the Corporate Governance and Risk Manager may agree an exception to insurance values for public liability and professional indemnity cover. All variations to agreed levels must be made in discussion with Corporate Governance and Risk Manager. All variations must be recorded in writing in the contract file.

## **Section 2: Procurement Thresholds and Contracts**

### **Procurement Thresholds**

- 41 A new supplier may only be sourced and introduced after confirming that there is no suitable available option currently available on the Authority's financial and procurement management system and catalogues.
- 42 All purchases must be undertaken using the Authority's financial and procurement management system.
- 43 The responsibilities and type of market search is determined by the total **aggregate value** of the purchase of GW&S. For clarification, this is the maximum allowed term and purchase value of the contract or the total spend with the supplier by the Authority.

This is sometimes referred to as Whole Life Cost (WLC). On no account may any requirement be split (disaggregated) in an attempt to avoid using the proper procedure under this PSO.

- 44 The estimated aggregate value of the procurement, referred to as the **Procurement Threshold (see below)**, will determine the market search process and the appropriate authority for placing an order or contract.
- 45 There are four specified Procurement Thresholds (NB: all figures exclude VAT):

	<b>Description</b>	<b>Threshold</b>
1	Transactional	£1 to £9,999
2	Low £ value	£10,000 to £74,999
3	Medium £ value	£75,000 to £129,999
4	High £ value	£130,000 and above

**1. Transactional Purchases (£1 to £9,999)**

- The budget manager/sections shall undertake the market search, one written quotation is required. However, to ensure best value, the budget manager/sections should wherever possible seek additional quotations.

**2. Low Value Purchases (£10,000 and £74,999)**

- Following Procurement agreement that suppliers listed on the Authority's financial and procurement management system cannot meet requirements, the budget manager/sections shall request Procurement to issue a competitive RFQ.
- Any business requirement greater than £10,000 shall, depending on the nature of the requirement, either be appropriately advertised or quotations invited following a market search. A minimum of three written quotations are to be invited and evaluation of offers received must be undertaken using Procurement's evaluation matrix.
- A record of evaluation process and award of business must be retained.
- Following award Procurement will produce short form contracts for signature and retention by both parties.
- Purchasing Cards must not be used, unless the purchase has been approved by Procurement as business or life critical.

**3. Medium Value Purchases (£75,000 and £129,999)**

- Procurement is responsible for the market search and approval of all new suppliers for Medium Value Purchases. The Head of Section must notify Procurement at the earliest opportunity regarding business need and provide a signed copy of the relevant business case. A business case must be completed prior to the procurement process commencing. The business case template document is available to download from the Procurement site on the Intranet.

- Procurement will be responsible for advertising the business requirement and all evaluation must be undertaken using Procurement's evaluation matrix.
- A record of evaluation process and award of business must be retained.
- All terms of purchase must be delivered under a form of contract as approved by Procurement with support from Legal Services as necessary.
- Prior to contract award the budget manager must demonstrate that all the necessary funding is available for the full contract value.

**4. High Value Purchases (£130,000 and more including all purchases above prevailing OJEU thresholds which are published biennially by the Government)**

**NB. Current OJEU levels are available either from the Procurement site on the Intranet or directly from the Procurement team**

- Procurement must lead on the market search of all suppliers and seek collaborative/joint procurement ventures where applicable.
- By agreement, Procurement may decide to undertake preliminary market consultations with potential suppliers prior to inviting tenders which could lead to better specifications being produced.
- Award of business and appointment of supplier(s) must be concluded in accordance with **section 3 below**.

46 All awarded contracts are to be signed by both parties in accordance with the Authority's Scheme of Delegation. Depending on the nature of the requirement some contracts may be signed as a deed.

### **Section 3: Specific Procurement Responsibilities**

#### **PIN**

47 At the beginning of the financial year Procurement may take the decision to publish a PIN in the Supplement to the Official Journal of the European Union. The PIN notice lists some, or all, of the Authority's anticipated procurement exercises, which exceed the current EU limit. The PIN facilitates a reduced advertising period and enables suppliers to plan their resources to meet the Authority's requirements.

#### **Tender (Non OJEU)**

48 For all Medium Value Purchases, Procurement shall issue a formal ITT. The ITT will, as a minimum, contain the purchase specification, contractual terms (as agreed by Procurement), price schedules, evaluation procedure and timescales. The ITT shall then be issued to suppliers who expressed an interest following the contract notice.

49 The successful supplier shall be identified through analysis of submitted responses and/or evaluation meetings. Procurement must retain copies of all submitted ITTs for a minimum of twelve months following contract award. It is a requirement to retain a

copy of the successful tender together with the resulting contract for a period of six or twelve years from date of contract expiry depending on total contract value/nature of the requirement and whether or not the contract was signed under seal.

### **Procurement Process – High Value Purchases**

- 50 High value purchases are governed by the Public Contracts Regulations 2006. These Regulations adopt the EU Directives into English law and prescribe a specific methodology and timescales that must be adhered to for all public sector procurement above specified EU Thresholds. The thresholds are subject to change on a biennial basis.
- 51 The Regulations are enforceable by law. Where contracts are entered into contrary to either the PSO or the Public Contracts Regulations 2006 and associated legislation, the Court has powers to require the Authority to pay penalties and to award damages to the injured party. To ensure the foregoing is effectively delivered, the Authority will use a strategic sourcing process for all high value purchases, which has **four** distinct aspects as follows:

#### **(a) Prioritise Need**

Following the identification of need, Procurement and the budget manager shall prioritise the sourcing need according to business objectives and requirements.

#### **(b) Strategic Procurement Plan**

Following the prioritisation of need, Procurement and the relevant Authority manager will complete a Strategic Procurement Plan – which covers six distinct parts, as follows:

NB - The Strategic Procurement Plan and any supporting documents including, where relevant, the Technical Specification and Contract, must be submitted to DSB, VERP or other appropriate group.

- i. **Business Case** – This is required to demonstrate how the proposed procurement meets the needs of the Authority. It should demonstrate that the proposed requirement is both necessary and able to deliver value for money. The Business Case form is available from the Procurement site on the Intranet.
- ii. **Technical Specification** – The Authority's allocated project team must develop the necessary technical specifications and standards to deliver the requirement. The Tender Specification must not be written so as to distort or restrict competition. Unless it is essential to describe what is required, the specification must not refer to proprietary brand names, trade names or patents. The specification may refer to a performance or functional specification or to a standard, in which case priority must be given to national standards implementing European standards. Equivalent standards must also be considered.
- iii. **Market Strategy** – Procurement will determine the optimum market strategy (eg collaboration, potential suppliers) and carry out an impact assessment to determine the implications of any potential transferring of employees (under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)) and resource requirements. The market strategy will also highlight the project objectives, constraints, risks and resource requirement.

- iv. **Tender Procedure** – (i) Restricted Tender Route (OJEU Tenders only) - Public Authorities are permitted to advertise a two-stage contract award process using the Restricted Tender Procedure. If this route is used interested suppliers will be required to complete a PQQ before being invited to tender. Only suppliers who meet the minimum criteria of the PQQ assessment will be invited to submit a tender. (ii) Open Tender Route - Alternatively under the Open Tender Procedure suppliers may request and download an ITT without the need for pre-qualification. All suppliers who respond to the Contract Notice must be able to electronically access the ITT.
- v. **Evaluation Criteria** – The tender must be evaluated by identifying the Most Economically Advantageous Tender (MEAT), which must be used in preference to a price-only evaluation.
- vi. **Legal Contract** – The Contract must be created using the form of contract produced by Procurement. When appropriate the Authority may decide to seek legal assistance to develop terms and conditions of contract in respect of particularly high value or complex/business critical requirements.

**(c) Execute Tender**

Following approval of the MT, HPF and Corporate Procurement Manager, the contract must be tendered and awarded using the set criteria below:

- **Contract Notice** - Where appropriate a Contract Notice must be advertised in the Supplement to the Official Journal of the European Union and also on the Kent Business Portal and Contracts Finder. Contract notices may also be placed in further periodicals; however, supplementary adverts may not contain any additional information or be placed prior to the OJEU publication.
- **Issue PQQ/ITT** - Following issue of the Contract Notice tenderers will be able to download both the PQQ and the ITT directly from the Kent Business Portal, a link to which will appear in the Government's Contracts Finder website. The documents must be available to the tenderer according to the minimum timescales below (depending upon the tendering procedure adopted):

Table 1.1 Tender Timescales		
	Restricted	Open
Minimum Calendar Days to submit PQQ	37	N/A
Minimum Calendar Days to submit ITT	40	52
Total Calendar days Required	77	52

NB: the allocated times stated above can be reduced if a full electronic procurement process or a PIN is utilised.

- **Receipt of Tenders** - All submitted tenders should be received electronically by Procurement via an approved e-procurement portal. Currently the Authority utilises the Kent Business Portal. Following the opening of the ITT file no further submissions may be added or evaluated as part of the tender process. No information can be deleted or replaced at any time. In exceptional cases Tenderers may be requested to provide their tender submission (or additional information) in hard copy format. All submissions must be enclosed in a plain, sealed package and should bear no mark that identifies the tenderer. Tenders received in hard copy format

must be opened at the same time with two officers present; all enclosed paperwork must be recorded.

- **Evaluation & Negotiation** – Potential suppliers must be evaluated and scored objectively by the Authority’s agreed TEP using set evaluation criteria as stated within the ITT reflecting the principles of best value and should be strictly observed at all times throughout the tender process. Each aspect of the Tenderer’s submission will be scored and recorded on the evaluation matrix provided within the ITT. As part of the evaluation process tenderers must also confirm they **accept all contract conditions** included as part of the ITT. Any objections or proposed changes to the terms and conditions of contract should be resolved before tenders are submitted. It is not possible to make amendments to terms and conditions once tenders have been received. Where appropriate the Authority may decide to use a Reverse Auction to obtain best value prices. Reverse Auctions enable suppliers to compete transparently and competitively on price prior to finalising evaluation. The use of Reverse Auctions shall be at the discretion of HPF. However, they can only be implemented providing their use was advertised in the original Contract Notice.
  - **Post Tender Clarifications** - Following tender evaluation there can be no negotiation on price unless undertaken as part of a Reverse Auction or audited process. Discussions with Tenderers may only be held for the purpose of clarifying or supplementing the content of their tender or the Authority’s requirements and this must be non-discriminatory.
  - **Contract Award** - Following post tender clarifications, a contract award report is to be submitted to Procurement for approval, confirming the successful tenderer, overall evaluation process, tenderers’ scores and reasons for recommendation, including any supporting documents. No further action can be taken until the HPF has formally approved the recommended award to the successful tenderer. A contract award report template is available from the Procurement site on the Authority’s Intranet.
  - **Standstill Period** - A mandatory standstill period must be observed between the HPF’s/Corporate Procurement Manager’s decision to award the contract and formal contract signature. The Standstill Period is a legal obligation to enable unsuccessful tenderers to request a debrief if required to discuss the relative strengths and weaknesses of their tender submission and to further consider and/or challenge the award decision. Each supplier who submitted a tender is notified in writing advising how the award criteria has been applied; the score they achieved and the name and score of the successful tenderer. There must be a minimum of ten calendar days between the despatch of this notification and entering into a contract. The debrief meeting must be requested in writing and held within 15 days of the written request.
  - **Contract Award Notice** – An OJEU Contract Award Notice must be submitted with 48 calendar days from date of award in respect of all contracts awarded over the OJEU threshold.
- (d) **Contract Handover & Close**  
Following approval and signature of the contract, Procurement must ensure the contract is implemented and recorded prior to transfer to the Budget Manager. No contract may be implemented unless both parties, in accordance with the

respective Scheme of Delegation, have signed the contract as required by law and the PSO.

The implementation of the contract shall be the joint responsibility of the Section/Budget Manager and Procurement. Operational management of the contract is normally the responsibility of the Section/Budget Manager. Procurement shall be responsible for carrying out a contract/project review in the first three months of implementation to ensure the supplier meets the KPIs as specified within the contract. Where the Supplier has not achieved the minimum stated KPIs, Procurement and the relevant Contract Manager shall agree a joint action plan to rectify.

Following completion of the contract/project review the project will be closed by Policy/Procurement and the Budget Manager/Contract Manager shall ensure contract delivery. Where deemed necessary the Budget Manager/Contract Manager will provide performance management information to Procurement on a quarterly basis. Procurement will be responsible for resolving any escalated performance issues and attending, where appropriate, formal review meetings.

### **Negotiated Procedure**

- 52 Under the Public Contracts Regulations 2006, the Authority has the additional option to tender a contract under the Negotiated Procedure. Under this procedure the tender would be issued under the standard Open or Restricted Procedure. However, the Authority would be authorised to undertake post-tender negotiations. A Negotiated Procedure is only permitted in restricted circumstances and must be approved by the HPF.

### **Competitive Dialogue Procedure**

- 53 This procedure allows the Authority to enter into a dialogue with bidders before inviting final tenders from them. This tendering route can be deployed for complex infrastructure procurements e.g. an ICT project where the Authority does not consider that the Open or Restricted Procedures will allow the effective award of a contract due to the Authority being unable to provide a detailed specification for costing. This tendering route must be approved by the HPF prior to the Contract Notice being issued.

### **Consortium Agreements**

- 54 The Authority shall access other public sector organisation or consortium-led Procurement framework agreements wherever possible. Where Procurement determines that an existing framework agreement can satisfy the requirement then the advertising requirements and market search procedure will not be required. However, the contract shall remain subject to the internal approval procedures and requirements. Procurement must be instructed to ensure that to the best of their knowledge the original agreement:
- was tendered in accordance with the Public Contracts Regulations 2006 and is accessible to the Authority
  - is in the interests of the Authority
  - contains terms and conditions that are acceptable to the Authority.

### **Tender Evaluation Panel (TEP)**

- 55 A TEP is required for all high and medium value purchases and contracts. The TEP shall be chaired by Procurement and have a dedicated project manager with members from the sections/budget manager(s) who may be impacted as a direct result of the award. The TEP will have four primary roles:
- Agree tender and contract strategy
  - Evaluate and score tender responses
  - Identify and deal with any post tender clarifications
  - Recommend preferred supplier
- 56 The TEP may also include non-Authority Advisory Members formed from partner organisations, external consultancy groups or members of the public. Advisory Members may:
- Participate in focus groups to identify the priorities and aims of tender process
  - Support the Authority's Officers in defining requirements by contributing to the specification documentation
  - Propose aspects which may form part of the evaluation criteria
  - Provide consultative support using their experience on qualitative matters
- 57 An Advisory Member may **not**:
- Participate in any decision-making process
  - View submitted tenders (unless express permission has been provided by the relevant tenderer)
  - Vote on or provide scores for the tenders
  - Be party to any commercial aspects of the tender i.e. prices, incentives, penalties
- 58 All Advisory Members are required to sign a NDA, specific to the tender, confirming their understanding that all aspects must be kept confidential and any conflict of interest is declared in advance of involvement.

### **Sustainable Procurement**

- 59 The Authority is committed to sustainable economic business development which minimises the impact on the environment and supports social cohesion. The Authority's Procurement policy is therefore underpinned by a positive approach to Sustainable Procurement, which covers four areas:
- i. Environmental Sustainability – purchasing GW&S which minimise, where practically possible, carbon footprint and encourages a positive impact on the local environment and utilises whole-life analysis.
  - ii. Economic Sustainability – recognises the importance of SMEs to the local community and ensures every opportunity is made not to discriminate against SMEs during the tender process. Further, SME participation is actively encouraged and wherever possible requirements must be divided into smaller "Lots" to enable SMEs to tender.
  - iii. Social Sustainability - ensures that community wellbeing is considered and that supply chain partners operate to ethical working practices. In particular with the introduction of the Public Services (Social Value) Act 2012 where applicable consideration should be given in the ITT as to how what is proposed to be procured might improve the economic, social and environmental wellbeing of the relevant area.

- iv. Equality - ensures suppliers are required to meet our standards of equality of employment and service delivery and the tender process is free from discrimination or perceived discrimination in accordance with the Authority's Equality Policy.

60 Procurement may evaluate Sustainable Procurement as part of the tender award criteria as and when appropriate with particular consideration for the environmental nature of the provision of GW&S and utilise WLC modelling where practical.

#### **Electronic Procurement**

61 Procurement shall ensure that electronic procurement systems are used wherever possible in preference to standard paper based tenders. A reduction in timescales is available where the ITT process is undertaken electronically.

#### **Financial Security**

62 Procurement shall undertake financial checks of the preferred tenderer prior to awarding any contract that exceeds the prevailing EU threshold. Procurement may decide to undertake similar checks under this financial limit if the GW&S are considered to be business critical. If there is doubt as to financial robustness Procurement will seek assurances from the relevant tenderer. If the Authority either has no option or has decided to accept the level of risk then it may be necessary to seek an additional form of security to a level to be determined between Legal and Financial Services as follows:

- a Director's Guarantee or Personal Guarantee where finances prove acceptable
- a Performance Bond, retained funds or cash deposit
- any other security as determined by Finance and/or Legal Services

#### **Contract Depository**

63 All original signed contracts must be stored in the secure fireproof locked cupboard located at SHQ and maintained by Procurement. Any officer wishing to view contractual documentation must first contact Procurement and sign a record sheet prior to the removal of any contract file. Files must be signed back in upon return.

64 All contracts must be catalogued and maintained with any variations or amendments recorded within the Contract Summary format. Where possible Procurement must also ensure a scanned copy of the contract is held electronically.

#### **Document Retention Periods**

65 The retention of tenders and contractual documentation is prescribed in the Limitation Act 1980 and the Public Contracts Regulations 2006:

- All received Tenders & PQQs must be retained for a minimum of twelve months following the issue of the Contract Award Notice
- All signed contracts under £500,000 (including all associated tender documentation) must be retained for a minimum of six years following contract expiry
- All signed contracts signed over £500,000 and those contracts signed under seal (including all associated tender documentation) must be retained for a minimum of twelve years following contract expiry

- 66 Procurement will maintain an outline record confirming location of contract/tender and scheduled date of destruction.

## Disposing of Surplus Goods

- 67 The disposal process will be in accordance with the Authority's Disposal Policy which can be found on the Procurement site on the Intranet.

Introduced by	Head of Procurement and Fleet
Date implemented	1 January 2015
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