



PROCUREMENT PROCEDURE RULES

Owner: Chief Procurement Officer

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Section 1: Introduction and Core Principles

1.1 Introduction and core principles

- 1.1.1 These Procurement Procedure Rules apply to all Council procurement activities with the exception of permanent employment contracts .
- 1.1.2 Procurement decisions are among the most important decisions officers make because the money involved is public money, and the Council is concerned to ensure that high quality works, supplies and services are provided. Efficient use of resources in order to achieve best value is therefore imperative. The Council's reputation is equally important and must be safeguarded from any implication of dishonesty or corruption.
- 1.1.3 For these reasons, it is a disciplinary offence not to comply with these Procurement Procedure Rules. Officers have a duty to report breaches of these Rules to a senior line manager and/or the Head of Internal Audit and Risk.
- 1.1.4 The Rules lay down the minimum requirements for all contracts and procurement activities. A more detailed procedure may be appropriate for a particular contract. All procurement activities require the officers involved to contact the Procurement Team; procurements over £2000 require a Procurement Project Start-Up document to be completed (ref. Procurement Toolkit).
- 1.1.5 A contract can mean (but is not limited to) the following:
- Any contract for works, supplies or services, including disposals;
 - Any order for works, supplies or services;
 - A grant given or received by the Council;
 - A contract managed by consultants;
 - A contract appointing consultants;
 - Any partnering arrangement;
 - Contracts relating to the disposal or purchase of land and buildings;
 - Any lease agreements for property or supplies.
- 1.1.6 Both purchasing and disposal procedures must:
- Achieve best value for public money spent;
 - Be consistent with the highest standards of integrity;
 - Ensure fairness in allocating public contracts;
 - Comply with legal requirements;
 - Ensure that non-commercial considerations do not influence any contracting decision;
 - Support the Council's corporate and service aims and policies;
 - Comply with the Council's Codes of Procurement Governance and Financial Governance which are part of the Constitution, and all Financial Procedure Rules, Health and Safety, Environmental and Equal Opportunities (Diversity) requirements;
 - Adhere to European and UK procurement law;

- Be able to demonstrate that the Council's interests have not been prejudiced or exposed to undue or unmanaged risks;
- Support continuous improvement.

1.2 Technical Amendments to Procurement Procedure Rules

- 1.2.1 The Monitoring Officer may approve technical amendments when necessary to ensure that these Procurement Procedure Rules remain up to date and consistent with legislation, the Council's organisation, structure and generally with best practice. These amendments shall be subject to consultation with, the Chief Procurement Officer and Chief Finance Officer.
- 1.2.2 Financial thresholds, as set out in Table 1, may only be altered or amended following consideration by the Council's General Purposes Committee and approval by Full Council.

1.3 Responsibilities of Directors and Managers

- 1.3.1 It is the responsibility of Directors to:

1.3.1.1 Ensure that officers dealing with contracts have written authority to do so. This can be included within their job description or by a written delegation.

1.3.1.2 Ensure all purchasing and disposals comply with the Council's Constitution, including the Procurement Procedure Rules, Financial Procedure Rules and Code of Conduct together with all UK and European legal requirements

1.3.1.3 Only sign contracts or issue orders in accordance with Table 1. If there is any uncertainty about the correct decision making process (including Key Decisions), appropriate routes to authorisation or estimated value, officers must consult Legal Services and Finance.

1.3.1.4 Comply with the guidance in the Procurement Toolkit;

1.3.1.5 Use any relevant corporate contract already in place, where best value is obtained or commitment made;

1.3.1.6 For all contracts, regardless of value, keep records showing the decisions made, the approvals given and the supporting evidence to provide a clearly documented audit trail. It is the responsibility of the service area to retain copies of all contracts. Contracts with a value of £20,000 or more should be processed via the Council's electronic tendering system (In-Tend); These contracts (i.e., contracts with a value of £20,000 or more) should be logged on the Register of Contracts. Supporting records should be provided when requested. For organisations governed by these procurement rules, (for example Schools) where manual systems are used, records should be maintained on their own registers.

1.3.1.7 Ensure that agents and consultants acting on their behalf comply with the requirements set out in this document. Only authorised officers of the Council may take decisions as to whether to award a contract or to whom a contract should be awarded;

1.3.1.8 Obtain all necessary legal, financial and professional advice. The Procurement Team must be informed of any new procurement activity.

1.3.2 Managers must ensure that:

1.3.2.1 They are appropriately authorised for their involvement in a contract and that the project involved has the appropriate policy approval in line with the Codes of Procurement and Financial Governance and related Procedures;

1.3.2.2 There is full budgetary provision (including for any maintenance and other charges) for the contract and that the sources of funding are fully detailed and agreed before starting the procurement process;

1.3.2.3 No tender is accepted where it exceeds the approved budget/cash limit by the lower of £2,000 or 5 % of the contract value unless prior written approval is obtained from the Section 151 Officer;

1.3.2.4 Expenditure under contracts is fully contained within the approved budget/cash limit and the funding secured;

1.3.2.5 They have issued appropriate officers with written delegation of the role that they may take in the contracting process on behalf of the Council and they adhere to the Procurement Procedure Rules

1.3.2.6 The Council's contracting complies with the Direction made under Section 24 of the Local Government Public Involvement in Health Act 2007;

1.3.2.7 Officers record savings and efficiency gains, made during the procurement process, both at the tender stage and through contract reviews and annual efficiency monitoring.

1.4 Key legislation

1.4.1 The Community Right to Challenge Act 2012

1.4.1.1 This allows organisations and local councils/ parishes and sections within the Council to bid for all or part of a service that is currently delivered by the Council.

1.4.1.2 The Council has an obligation to consider these proposals prior to tendering for a service. The Council will publish the contract register and indicate windows of when expressions of interest can be received. This will allow us to shape the future tender requirements to take into

consideration this Act. It is therefore imperative that service areas maintain an up-to-date contract register and pipeline (forthcoming works and services that have not been previously identified in the contracts register, but are likely to be procured in the period of the pipeline (Projects coming up over the next 3 years requiring procurement)).

1.4.2 The Social Values Act 2012

1.4.2.1 This requires the Council to consider the value for the community in any tendering exercise or contract – i.e., when procuring services or works, the Council must consider how the proposal might offer social, economic or environmental benefits to the community. This can be in the form of jobs, apprenticeships, training and other activities.

1.4.2.2 In all Central Bedfordshire Council tender documents, there is a detailed question regarding the Social Value Act, requiring bidders to specify how they will contribute to the community. This is a mandatory question and must not under any circumstances be removed.

1.4.2.3 Depending on the type of contract, responses to Social Value questions can be weighted to reflect the priority of the service area.

1.4.3 Transfer of Undertakings (Protection of Employment) (TUPE)

Under provisions in the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) [SI 2006/246], the pay, and terms and conditions of employment for transferred employees are protected, preventing these entitlements from being changed without agreement. The Transfer of Employment (Pension Protection) Regulations 2005 [SI 2005/649] covers the pension and contribution arrangements for employees to which a TUPE transfer applies.

1.4.3.1 Where a procurement exercise is likely to involve transferring service delivery to an external provider, managers should be aware that TUPE regulations are likely to apply, and advice from HR must be sought at the earliest time possible. There can be potentially significant financial implications in respect of pension entitlements and specific actuarial advice may need to be obtained.

1.4.3.2 Contracts should be clear on pension arrangements and which party is responsible for shortfalls or benefits from any pension surplus. Arrangements to protect the Council from any shortfalls should also be considered with appropriate advice obtained from HR and Finance.

1.4.3.3 Similarly, where services have already been externalised, and are to be re-procured, those staff that were transferred to the existing provider are liable to be transferred again to a new provider, under the re-tendered arrangements. Any pension scheme deficits on the termination of the original contract will need to be addressed.

1.4.4 Changes to Legislation – EU and UK

1.4.4.1 It is the responsibility of the Chief Procurement Officer to ensure that any relevant changes to the EU and UK law are reflected in these procedures, updating them as required and communicating across the

1.5 Procurement Thresholds and Financial authorisation

- 1.5.1 Proper Authorisation must be obtained prior to commencement of any procurement activity. To identify whether an officer is authorised to commence a procurement activity, reference should be made to:
- 1.5.1.1 the Constitution section C2 to confirm if the procurement is a key decision and
 - 1.5.1.2 the financial authorisation thresholds set out in Financial Procedure 1 - 'Financial Scheme of Management'.
- 1.5.2 In all cases best value should be determined with regard to the whole-life cost of the works, supplies and services. Advice on whole-life costing is available from the Procurement Team.
- 1.5.3 Particular attention must be paid to Key Decisions, (C2 of the Constitution) where authorisation is required from the Executive. Further information on Key Decisions is available from Legal Services, but will usually include contracts where the value is over £200,000 revenue p.a. or £500,000 capital expenditure and is not included within the Council's current budget, or where the contract will affect two or more wards, or where the decision is of a particularly sensitive nature. Where authorisation to commence a procurement exercise has been granted by the Executive, it is not normally necessary to need to seek further Executive approval to award the contract, provided the tender price has not exceeded the approved expenditure and the scope of the works or services has not changed.
- 1.5.4 In the first instance, it is mandatory that officers use existing corporate contracts set up by the Council. These can be viewed on the intranet under procurement.
- 1.5.5 If there is no existing contract officers should check if a "framework" contract exists for that service set up by another public body via the East of England Local Government association Contracts Database <http://contracts.eelga.gov.uk/>. This Data base lists contracts from other public bodies + organisations like Pro5 GPS and ESPO, It is important that officers check the details of these framework agreements and conduct a thorough investigation to ensure they match CBC requirements. Officers should contact the Procurement Team for further guidance on using frameworks, and refer to section 2.3 on these Procurement Procedure Rules.
- 1.5.6 Only after the two routes (Corporate Contracts 1.5.4 and frameworks 1.5.5) have been explored should officers follow the rules and methods detailed in Table 1 below. Table 1 below summarises details of the Council's Contract Value thresholds.
- 1.5.7 Note: It is never acceptable to split contracts in order to avoid threshold requirements.

Table 1

**Total
Contract
/Order
Value:**

Procurement procedure:

Up to £2,000	For contracts/orders up to £2,000 the principles of best value apply and the selection process should be documented. (Best value here means that the onus is on the officer to prove they have best value, via an enquiry or knowledge of that market). Wherever possible at least 2 competitive quotations should be obtained. If the contract is awarded to any other than the lowest bidder, then the reasons for doing so should be justified and documented
£2,001 - £20,000	A minimum of three written quotations on the suppliers' headed notepaper or from the suppliers' email domain to the originating officer. Use the "superlite" quotation and evaluation documents found in the Procurement Toolkit. If the contract is awarded to any other than the lowest bidder, then the reasons for doing so should be justified and documented.
£20,001 - £59,999	All quotations and tenders over £20,000 in value must use the Council's electronic tendering system (In-Tend). Use the "Quotation Lite" and "Evaluation Lite" documents found in the Procurement Toolkit. At least three tenders should be invited; five or more is best practice where possible.
£60,000 – EU Threshold	A formal tender with advertisement and the inclusion of contract conditions is required. Five or more tenders should be invited where possible; a minimum of three. Guidance and templates for PQQs, tenders and evaluations should be sought from the Procurement Team.
Above EU Threshold	As above, but with a minimum of 5 suppliers. Note, EU thresholds are set by the European Union generally on a 2 year basis for supplies, services and works. These are changed according to EU & UK Legislation and Central Bedfordshire Council is bound by this legislation which sets out the levels, processes and procedures which must be adhered to. Details of the levels can be found in Table 2 of the Procurement Procedure Rules.
£500,000+	As above. Note the potential lead-in times for the Executive Decision making process

As at 1st Jan 2014 the EU thresholds are £172,514 for Goods/Services and £4,322,012 for Works

1.5.8 Regardless of the value of the contract, in order to ensure a fair competition:

1.5.8.1 A clear specification should be given to all suppliers. All suppliers must be treated equally;

1.5.8.2 The rationale for selecting a given set of suppliers should be open, fair, transparent and recorded for audit purposes.

1.5.9 More information on the tendering process is included in Section 3.

1.6 Steps Prior to Tendering and Letting a Contract

1.6.1 Before letting a contract, officers must:

- 1.6.1.1 Estimate the total value of the contract. For example, if the subject matter of the procurement is worth £50,000 per annum, for 3 years, the total value of the contract will be £150,000 (i.e. £50,000 x 3). The total value must include the value of allowance for extension to the contract and any on-going costs (e.g. maintenance);
- 1.6.1.2 Take into account the whole-life costs of the contract. The whole life cost includes spares, maintenance, running costs, licences, chargeable sub-contractors, consultants and legal fees;
- 1.6.1.3 Ensure that the procurement process is not split up to create separate contracts in order to avoid the requirements of Procurement Procedure Rules or the requirements of the European Union procurement regulations. Note some tenders can be divided into smaller lots, to allow Small Medium Enterprises to bid for work, but it is the overall value of the tender that is used to calculate the procurement threshold;
- 1.6.1.4 Ensure that there is sufficient budgetary provision for the works, supplies and services required;
- 1.6.1.5 Provide evidence in writing that the risks that are associated with the contract have been assessed and suitable arrangements (including any additional insurance) have been or will be put in place to manage them;
- 1.6.1.6 Identify whether there is an existing corporate contract, framework agreement, partnership arrangement etc. already in place;
- 1.6.1.7 Take into account the outcome from any strategic service review, if appropriate;
- 1.6.1.8 Ensure that a business case has been approved and that it defines the objectives of the contract;
- 1.6.1.9 Evaluate what procurement method is most likely to achieve the Council's objectives, for example internal/external sourcing, sourcing through a public sector consortium, or collaboration with another organisation;
- 1.6.1.10 As appropriate, consult users about the proposed procurement method and standards for the contract;
- 1.6.1.11 For low value / low transaction orders, the use of a Central Bedfordshire Purchasing Card can be beneficial as it saves setting up a supplier on SAP.

- 1.6.1.12 Ensure that Sustainability, Health and Safety, Equality and Diversity, and Child Protection issues are considered;
- 1.6.1.13 Retain evidence that the above steps have been carried out, for examination by internal or external auditors;
- 1.6.1.14 Ensure confidentiality when dealing with contractual matters. Officers must not disclose any information regarding tenders to anyone outside in the selection process team;
- 1.6.1.15 In circumstances that it is likely that current employees or TUPE protected employees of an existing contractor will transfer to a new employer as a result of a new contract, seek advice from HR with regard to the application of the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

1.7 Soft Market Testing

- 1.7.1 Soft market testing is a useful way of refining a requirement and understanding the market place prior to releasing a formal tender. Officers can invite one or more suppliers who are known to deliver similar work to participate in a soft market testing exercise. It is advisable to define a criteria for inviting participants where there are known to be many potential suppliers. For further advice, contact the Procurement Team.
- 1.7.2 Rules that govern this process are as follows:
 - 1.7.2.1 All information, including the outcomes and conclusions of the soft market testing exercise must be shared with all prospective bidders once the formal tendering process begins;
 - 1.7.2.2 Meetings must on an individual basis follow the same format, with the same information being given to all participants and the same general questions asked, to ensure the process is open and transparent;
 - 1.7.2.3 No specific information should be divulged that would give the participants an advantage over prospective suppliers who are not participating in the soft market testing exercise.

1.8 Exemption or Waiver of Procurement Procedure Rules

- 1.8.1 Any of the Procurement Procedure Rules, **with the exception of the European Union procedures** (see The Procurement Toolkit), may be exempted or waived in the circumstances listed below. Details of the exemption or waiver, and the reasons for them, must be recorded in writing on the Waiver Form shown in Appendix 2 and must be authorised by the relevant Director or Assistant Director, the Chief Finance Officer (section 151 Officer) and the Chief Procurement Officer. An electronic copy is available in The Procurement Toolkit.

1.8.2 Waivers must be authorised by signature prior to action being taken and will only be allowed in the following circumstances:

1.8.2.1 There is no genuine competition, for example, the works, supplies or services:

- a) Are sold only at a fixed price and no reasonably satisfactory alternative is available;
- b) Are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available;
- c) Are of a proprietary type only available from a single supplier;
- d) Are required for repairing or servicing existing specialist plant or equipment;
- e) Involve the provision of highly specialised professional, legal or other services;
- f) Constitute a reasonable short term extension (less than 6 months) of a time based contract or form part of a serial programme, the terms having been negotiated with the contractor on the basis of rates and prices contained in an initial contract awarded competitively following an invitation to tender or quote in accordance with the Procurement Procedure Rules.

1.8.2.2 A waiver is necessary because of unforeseen emergency involving immediate risk to persons, property or serious disruption to Council services. In extreme circumstances it is accepted that prior written approval may not be possible.

1.8.2.3 The contract is an extension to an existing contract and a change of supplier would cause disproportionate technical difficulties, diseconomies of scale or significant disruption to Council services.

1.8.3 After any waiver is granted and a sole supplier situation exists, the authorised officer must enter into negotiation with the supplier, with a view to obtaining best value. The Procurement Team will help with this procedure. The authorised officer must not disclose the circumstances of the waiver to the supplier, as to do so would undermine further negotiations, the outcome of which must be recorded. No instructions to proceed should be given until these negotiations have been completed.

1.9 Actions when advertising a requirement is not needed

1.9.1 The only time it is acceptable not to initiate a tender or Request for Quotations exercise is when one of the waiver conditions identified above is applicable and authorised, or if the value of the contract is less than £2,000.

1.9.2 In these circumstances, the accountable officer must evidence that best value for the Council is being achieved. This can be done via market research, knowledge of the supply chain and recent relevant experience, but should be documented

by the service area and retained.

1.9.3 Quotations

1.9.3.1 When values are below £60,000, officers may use market knowledge to select bidders, i.e., officers can approach known, qualified and suitable organisations to request quotations. However, if officers are unsure of the market place it is recommended that the opportunity is advertised.

Section 2: Overview of Contracting Arrangements and Procurement Routes

2.1 Partnerships

- 2.1.1 Partnerships, joint committees and joint management have a range of benefits, and are increasingly used to generate efficiencies and improve co-ordination across the public sector.
- 2.1.2 Officers considering a partnership arrangement must, before starting any contract process, obtain advice from the Chief Legal Officer, Chief Procurement Officer and the Chief Finance Officer. Appropriate legal advice should be sought on the partnership options available to ensure a workable solution including appropriate governance arrangements. Under no circumstances should any partnership be an excuse for not having all the necessary contract clauses, specification and operational duties in place at the beginning of a contract. A partnership is about using the contract as a base and developing a better, more efficient service for all concerned.
- 2.1.3 Central Bedfordshire Council's Codes of Financial and Procurement Governance and all associated procedures are applicable to the management of services via partnership arrangements, as they would be to the management of services in-house or through other external contracts.

2.2 Collaborative Procurement

- 2.2.1 Collaborative procurement is encouraged as there are many benefits that can be achieved, including cost savings through aggregating spend with that of other public bodies, sharing tendering resource, sharing best practice and expertise.
- 2.2.2 Consortia, such as Central Buying Consortium (CBC) and The Eastern Shires Purchasing Organisation (ESPO), as well as Government Procurement Service (GPS), MOD, Pro 5, Fire and Police Services all have framework agreements and core contracts that may be used by other authorities. Additionally other local authorities often create contracts that may be used by other public bodies. The Procurement Team should be consulted on the use of these arrangements.
- 2.2.3 Where possible and after consultation with interested parties, tenders and subsequent contracts should be *"open for use by other named local authorities after written authority from an authorised officer from Central Bedfordshire Council"*, this will allow other authorities to share our contracts.

2.3 Framework Agreements

2.3.1 Developing a Framework

- 2.3.1.1 The term of any framework agreement may be for any period up to four

years (European Union requirement).

2.3.1.2 A framework agreement can be made with one supplier. However, the Public Contracts Regulations 2006 states that, where the framework agreement is concluded with several organisations, there must be at least three in number. Call-offs against frameworks must be made prior to the end of the framework. However, the term of the call-off agreement can exceed the end-date of the framework (usually this is a one or two year period).

2.3.2 Using an existing Framework

2.3.2.1 There are a considerable number of frameworks in place that have been developed by various consortia and organisations which can be accessed by Central Bedfordshire Council. Details of existing frameworks can be found via the East of England Local Government association Contracts Database <http://contracts.eelga.gov.uk> which includes Government Procurement Service (GPS) frameworks, ESPO and The Central Buying Consortium.

2.3.2.2 These frameworks cover a wide range of services, from stationery to complex design and build construction projects – indeed, there is often more than one framework agreement in place to cover the same services.

2.3.2.3 As such, officers are required to consult the Procurement Team prior to selecting a particular framework and a rationale must be supplied and approved by the Procurement Team before using any framework.

2.3.2.4 Contracts based on framework agreements may be awarded:

- a) By applying the terms laid down in the framework agreement (where terms are sufficiently precise to cover the particular call-off) without reopening competition; or
- b) Where the terms laid down in the framework agreement are not precise enough or complete for the particular call-off, by holding a mini competition in accordance with the following procedure;
- c) Tenders shall be submitted via the Council's electronic tendering system, and the rules covering Submission Receipt and Opening of Tenders/Quotations shall apply.
- d) Each contract must be awarded to the tenderer who has submitted the best tender on the basis of the award criteria based on the terms and conditions of the original framework agreement.
- e) It is imperative to comply with the Terms and Conditions of framework arrangement including the requirement to undertake competition.

- f) In addition the Procurement Team must be consulted before any purchase is to be made using collaborative procurement arrangements i.e. with another local authority, government department, statutory undertaker or public service purchasing consortium.

2.4 Tender Procurement Routes

2.4.1 Table 1 provides information on when a formal competitive tender is required, with advertisements, Pre-Qualification Questionnaires and Invitations to Tender – i.e., when the value of the contract is over £60,000.

2.4.2 In addition, the table identifies that for contracts with a value of over £172,514 for Part A Service contracts, or £4,322,012 for works, a formal EU competition is required. Part B Services, whilst exempt, should follow a similar procedure to Part A Services. Table 2 below lists the current EU Thresholds as set out by the Official Journal of the European Union (OJEU.).

Table 2

Service	Area of Coverage	Threshold from January 2014
Public supplies	Goods include purchase, hire, lease or hire purchase of goods, including equipment, commodities and manufactured produces	£172,514
Public works	For example, procurement of civil engineering or building works, including major refurbishment projects	£4,322,012
Public services	All other contracts (with some exclusions, such as land and contracts of employment). Examples include the procurement of repair and maintenance services, management consultancy, cleaning services and property management	£172,514

2.4.3 Identified below are the basic types of procurement routes, for information. Support from the Procurement Team must be sought prior to the commencement of any procurement, in order to determine the most appropriate route. More information on the various procurement routes is contained in the Procurement Toolkit.

2.4.4 Open Procedure

2.4.4.1 Under an Open Procedure, any interested party can bid for the contract. No Pre-Qualification Questionnaire is used, so all tenders received must be evaluated. The Open Procedure should be used when the

specification of the works or services required is very clear and there are a limited number of potential bidders; otherwise officers could receive a high number of tenders that will need to be evaluated.

2.4.5 Restricted Procedure

2.4.5.1 Where officers expect large quantities of tender responses, including bids from companies that may not have the required technical experience, professional capability or financial standing, a Restricted Procedure may be used. A Pre-Qualification Questionnaire is issued to interested parties, and only those meeting the requirements are taken through to the tender stage. See the Procurement Toolkit for more information.

2.4.6 Negotiated Procedure

2.4.6.1 In certain, very limited, circumstances, a Negotiated Procedure can be used to have dialogue with bidders to negotiate the specification and service requirements, and price. A Negotiated Procedure is only relevant where the contract is genuinely unique, and the Council has no relevant reference points. Generally, such contracts are also likely to be complex, and in which case Competitive Dialogue should be used. In either case, officers must contact the Procurement Team to agree the most appropriate procurement route, and documented evidence of why the procurement route was chosen must be kept.

2.4.7 Competitive Dialogue

2.4.7.1 Competitive Dialogue is used for large, complex procurements. It is only used when the authority cannot fully specify the works or services required without dialogue with suppliers, or the solution is likely to be so complex that bidders need dialogue to complete their tender. Officers must contact the Procurement Team to agree the most appropriate procurement route, and documented evidence of why the procurement route was chosen must be kept.

2.4.8 Dynamic Purchasing System

2.4.8.1 Dynamic purchasing systems, must be electronic and enable suppliers to join providing they meet the relevant criteria for the procurement(s). Contact the Procurement team for more information.

Section 3: The Tendering Process

3.1 The Competitive Tendering Process

- 3.1.1 Where the total value of the contract is more than £60,000, officers must ensure there is sufficient competition and that the contract is appropriately advertised. Any tender process must ensure that potential candidates provide sufficient detail to enable officers to determine whether they:
- a) Are financially stable;
 - b) Have appropriate technical ability to undertake the sort of contract they wish to be considered for, and;
 - c) Are able to check their insurances and information on health and safety, environmental, equality and diversity and other records;
 - d) Have references for similar work and where Central Bedfordshire Council has previously been a customer of the supplier in a similar capacity, then it must be one of the referees.
- 3.1.2 Where the total value of the contract is more than £60,000 and there is no framework or corporate contract for the requirement, officers must invite tenders by public advertisement. Public advertisement may include advertising the contract on the Council's website.
- 3.1.1 The Council's best practice suggests that a minimum period of three weeks should be allowed for potential tenderers to receive the tender documents, request clarifications and return of completed tenders. Where European Union regulations apply, the relevant time limits apply

3.2 Award Criteria

- 3.2.1 Officers must ensure that award criteria selected are appropriate to the contract and that these are signed off by the authorised officer, as defined in the financial authorisation thresholds set out in Financial Procedure 1 - 'Financial Scheme of Management'. The Invitation to Tender/ Quote must specify the award criteria, including any weightings to be used.
- 3.2.2 Officers must design award criteria to ensure the assessment best value for money for the Council. Particular emphasis must be placed on cost, quality and timeliness of the works, supplies and services.
- 3.2.3 The pre-agreed award criteria for assessing the bid must not be changed after tender proposals have been received.

3.3 Invitations to Tender/Quotations

- 3.3.1 Invitations to Tender (ITT) and Invitations to Quote (ITQ or sometimes RFQ – Request for Quotation) must include a specification. The specification must describe clearly the Council's requirements in sufficient detail to ensure that the submission of competitive bids may easily be compared.
- 3.3.2 The Invitation to Tender/Quote must state that the Council is not bound to accept any quotation or tender.
- 3.3.3 All candidates invited to tender or quote must be issued with the same information at the same time and be subject to the same terms. Any additional information or amendments to the specification, or questions and answers must be provided to all candidates on the same basis.
- 3.3.4 Officers who undertake procurement of works, supplies and services with a total value of less than £60,000 must ensure that they follow the quotation procedures within The Procurement Toolkit and use Central Bedfordshire Council's procurement templates.
- 3.3.5 In cases where it can be demonstrated that there are insufficient suitably qualified candidates to meet the competition requirements set out in [Table 1], officers should seek advice from Procurement.
- 3.3.6 Unless the total value of the contract is below £60,000, all Invitations to Tender/Quote must be advertised on the Council's website as a minimum.
- 3.3.7 The appropriate Central Bedfordshire Council Terms and Conditions must be issued with the Invitation to tender/ Quote documents. Where other terms and conditions are used (e.g., JCT 2000, NEC3), approval must be obtained from Procurement.

3.4 Pre-Qualification Questionnaires

- 3.4.1 A Pre-Qualification Questionnaire (PQQ) may be required if there are a considerable number of organisations that need to be vetted for their suitability to carry out the works or services required. The standard PQQ must be used, and the Procurement Team must be consulted prior to initiating a PQQ process.
- 3.4.2 The PQQ will enable the Council to:
 - a) Ensure that they are financially stable;
 - b) Ensure that they have appropriate technical ability to undertake the sort of contract they wish to be considered for;
 - c) Check their health and safety, environmental, equality and diversity and child protection policies;
 - d) Check references for similar work and where Central Bedfordshire Council has previously been a customer of the supplier, in a similar capacity, then it must be one of the referees.

3.5 Bonds, Escrow Bank Accounts and Parent Company Guarantees

- 3.5.1 Bonds, Parent Company Guarantees and Escrow Bank Accounts are ways of protecting the Council's interests where suppliers fail to deliver the contract. The requirement for one of these arrangements should be based on a risk assessment of the supplier, the type of contract and the potential financial implications of any failure in respect of the contract. Advice should be obtained from the council's Legal and Finance offices.
- 3.5.2 A bond is an insurance policy, if the contractor fails to perform the agreed contract with the Council, the Council can claim from the insurer the sum of money specified in the bond (often 10% of the contract value). A bond is intended to protect the Council against a level of cost arising from a contractor's default. Generally a bond should be considered where:
- a) the total contract value exceeds £500,000;
 - b) it is proposed to make stage or other payments in advance of receiving the entire content of the contract.
- 3.5.3 It should be noted that requiring a bond from tenders will incur costs which the tenders will pass on. Therefore, officers must carefully consider whether a bond is necessary and must consult the Section 151 Officer.
- 3.5.4 A parent company guarantee is a contract which binds the parent of a subsidiary company so that if the subsidiary company fails to do what has been agreed under a contract the Council can require the parent company can be required to perform the contract.
- 3.5.5 The Chief Finance Officer must be consulted when a tenderer has a parent company but the authorised officer does not think a parent company guarantee is necessary and any of the following conditions are satisfied;
- a) The total value exceeds £60,000;
 - b) The award decision is based on the evaluation of the parent company;
 - c) There is some concern about the financial stability of the tenderer.
- 3.5.6 Escrow bank account arrangements would involve a supplier depositing money with a financial institution where the Council can have access to the funds if the contract is fundamentally breached or fails. This arrangement would potentially be less expensive for the supplier and the Council, but more expensive than a parent company guarantee. Advice should be obtained from the council's Legal and Finance offices.

3.6 Short Listing

- 3.6.1 Short listing must be undertaken with regard to the award criteria and include financial, technical, quality and price considerations (this is known as Restricted Procedure)

3.6.2 In the case of contracts let under the European Union procedure, appropriate legal and procurement advice must be sought.

3.6.3 Where there is a clear specification and a limited supply market, officers may decide not to shortlist and to send Invitations to Tender/Quote to all applicants and evaluate all submissions (this is known as an Open Procedure)

3.7 Submission, Receipt and Opening of Tenders/Quotations

3.7.1 Candidates invited to bid must be given adequate time in which to submit a quotation or tender. At least three weeks must be allowed for submission of tenders. Note that the European Union procedure sets out specific time periods.

3.7.2 Quotations below £20,000 can be accepted as a hard-copy, email or fax. Officers are reminded that they must use suitable procurement templates and Terms and Conditions, and that quotations must include the tenders' letter head and/ or email domain.

3.7.3 All tenders and quotations above £20,000 must use the Council's e-Tendering system (In-Tend) and be processed by Central Bedfordshire officers trained in its use.

3.7.4 Electronic tenders are opened by the authorised trained officers. In the event that hard-copy tenders need to be received (for example, where complex drawings or master plans are included that cannot be received electronically), the tenders must be opened by at least two authorised persons. The authorised person will be identified at the beginning of the tendering stage, but will usually include the budget holder and a member of the Procurement Team. Where hard-copy tenders are to be received, the detailed process for receiving, storing and opening the tender will be agreed with the Procurement Team.

3.7.5 In the event of exceptional circumstances (i.e. force majeure) it is the Procurement Team/ authorised officer's responsibility to communicate in writing or electronically any extension to the closing time to all tenderers at least 1 hour before the deadline, giving a clear and justifiable reason.

3.8 e-Tendering, e-Sourcing, e-RFQ (Request for Quotation)

3.8.1 All contracts using the Council's e-Tendering module (In-Tend) benefit from the system ensuring that :

- Evidence that the transmission was successfully completed is obtained and recorded;
- Electronic tenders received are kept in a secure folder under the control of the authorised officer;
- Any documents received from tenderers cannot be amended;
- There is a full secure audit trail covering the submission, receipt, opening and evaluation of tenders.

- 3.8.2 All late / irregular tenders will be immediately disqualified. In the event of exceptional circumstances (i.e. force majeure) it is the authorised officer's responsibility after consultation with the services areas to communicate in writing or electronically any extension to the closing time to all tenderers and legal services at least 1 hour before the deadline, giving a clear and justifiable reason.
- 3.8.3 All Paper based tenders submitted to the organisations (e.g. Schools) where there is not an e-Tendering system shall be in a sealed, plain envelope marked 'TENDER'. There must be no indication on the outside of the envelope of who the sender is. The envelope should be clearly addressed to the Head of (xxxx name and Organisation) and should indicate the subject of the contract. The Tenders should be kept in a secure place and opened at the same time by two authorised personnel with tender values recorded.

3.9 e-Auctions

- 3.9.1 Central Bedfordshire Council will use e-auctions as appropriate where there are opportunities to deliver significant savings over traditional tender processes. The evaluation must take into consideration quality and service performance as well as price. The Procurement Team must always be consulted prior to the use of e-auctions.
- 3.9.2 The process of e-auctions must be undertaken by a member of the procurement team who has been trained in the use of e-auctions.

3.10 Clarification Procedures

- 3.10.1 During the tender/ quotation process, bidders are able to seek clarification in relation to the specification, Terms and Conditions or any other information provided to them. This must be done in writing or electronically, and the clarification questions must be logged and answers made available to all bidders.
- 3.10.2 After the tender opening, it may become apparent that one or more of the tenderers that have submitted bids have misinterpreted the specification. If it is clear that this is a result of an error or ambiguity in the specification, the authorised officer must obtain appropriate legal/procurement advice as to whether all the contractors should be provided with revised specifications and given the opportunity to revise their tender. All the tenderers should be allowed the same time to re-submit. The rules set out throughout this section apply.

3.11 Tender Evaluation

- 3.11.1 Confidentiality of tenders/quotations and the identity of tenderers must be maintained at all times. Information about one tenderer's response must not be given to another tenderer until after the contract award (see section 4.4, below). Generalised feedback can be given after the award providing it does not breach confidentiality or trade secrets.
- 3.11.2 This includes the situation when one part of the Council is tendering for a contract with another part of the Council. In such a situation, there must be a clear division between the two parties, with no advantage ensuing for the internal

candidate.

- 3.11.3 Officers must evaluate and award the contract in accordance with the agreed award criteria in the Invitation to Tender/Quote. Model answers for good, average and poor responses with points, guidance must be created. Tenders and quotations will not be passed for evaluation until evidence of model answers has been provided. . This will ensure impartiality within the process.
- 3.11.4 Officers evaluating tenders/ quotations must use the Central Bedfordshire Council's evaluation template. This will rank the bidders and identify the winning bidder. Officers are not permitted to select any other bidder other than the winning bidder identified. The only recourse if the outcome is not acceptable is to start the whole tender/ quotation process again. After evaluation, officers are required to complete the Procurement Contract Approval form and obtain authorisation as defined in the financial authorisation thresholds set out in Financial Procedure 1 - 'Financial Scheme of Management' and submit to the form to the Chief Procurement Officer.
- 3.11.5 After completion of the tender process, officers will be required to record if they have made any efficiency gain or saving in the process of letting the contract. This will be part of the service areas monthly report on efficiencies and savings. A Savings Form is shown in Appendix 3 – an electronic copy is available in The Procurement Toolkit.
- 3.11.6 Contracts cannot be awarded for Non Commercial Considerations which have no relevance to the service and are not included in the quotation / tender criteria.

Section 4: Contracting

4.1 Requirements for all Contracts and Service Level Agreements

4.1.1 All contracts and Service Level Agreements (SLA) must be in writing and must, as a minimum clearly state:

- The works, supplies or services to be provided;
- The standard and the specifications to be met, including outcomes to be achieved;
- Performance measurement arrangements (KPIs);
- The agreed programme of delivery;
- Duration of contract;
- The price and terms of payment;
- All other terms that are agreed;
- Exit procedures, for when the contract comes to its natural end, and;
- Termination procedures for early termination of the contract including when the contractor has not fulfilled his contractual obligations.
- Where ever possible CBC standard terms and conditions (Minor, Major, Consultancy)

4.1.2 Every contract must comply with Financial Procedure Rules and corporate procurement guidance, as provided in The Procurement Toolkit, UK and European Union procurement regulations, where appropriate.

4.1.3 In all contracts there is an efficiency and improvement clause in our terms and conditions. This is to ensure that the supplier understands and works with the council to give continuous improvement in service for the length of the contract. It is the duty of the responsible officer to use this clause to its full effect through contract management and annual efficiency review.

4.1.4 The clause reads as follows:

"We at Central Bedfordshire Council expect our suppliers to work with us to constantly improve their service and create efficiencies for the future. Therefore we will conduct annual reviews to monitor progress on; Communication, Customer Satisfaction, Product Rationalisation, Environment, Equalities, Improvements to service, Innovation, Price and Quality standards. This review will not only focus on achievements made in these areas from the previous year, but also ideas and proposals for the following year. Both the supplier and an authorised officer from the council will sign off all reviews. Should there be an inflationary clause in a long-running contract, it is conditional on a successful efficiency and Improvement review. Sign off must be by both parties and no payment will be made against the inflationary clause until after a successful review has taken place."

4.2 Equality and Diversity Requirements

- 4.2.1 Officers must note that throughout the tendering/ quotation process, and in the award of contract, there is a statutory duty to eliminate discrimination and promote equality of opportunity. Through a variety of specific duties, the Council is required to ensure services are targeted on the most vulnerable sections of the community and that inclusion/participation rates amongst these groups are increased. Recent access to services legislation makes discrimination on the grounds of religion and belief or sexual orientation illegal. For further information and advice, officers should contact the Equalities Officer.
- 4.2.2 Legislation such as the Disability Discrimination Act and Race Relations (Amendment) Act etc. make it clear that when the Council contracts, it still retains responsibility for ensuring that services are provided in an appropriate and non-discriminatory way. This requires consideration of equality to be built into all the Council's procurement and contract management processes.
- 4.2.3 Any partner organisations, consultants or organisations acting on behalf of the Council will be required to ensure that all policies relating to Race, Disability and Gender Equality are fully applied. Checks may be made to ensure that these organisations are aware of and addressing equality and diversity legislation.

4.3 Contract Documents

- 4.3.1 The appropriate Terms and Conditions must be used. These are Central Bedfordshire Councils own Terms and Conditions (Minor, Major or Consultancy) or where appropriate Industry standard ones, i.e. JCT or NEC building terms and conditions. Every contract over £20,000 must be recorded on the Council's Contract Register which is the threshold level at which the Council's electronic tendering system must be used'. To ensure this process is completed successfully, every contract must be in writing, and must state clearly as a minimum:
- What is to be supplied (description and quality);
 - Payment provisions (amount and timing);
 - Additionally every contract over £60,000 must state clearly:
 - When the Council will have the right to terminate the contract;
 - That the contract is subject to the law as to prevention of corruption (see Section 4.7);
 - That the contractor may not assign or sub-contract part or all of the activity without prior written consent;
 - All insurance requirements;
 - Health and safety requirements;
 - Any regulatory requirements;
 - Data protection requirements if relevant;
 - Equality and Diversity requirements;
 - Freedom of Information Act requirements;
 - The right of access to relevant documentation and records of the contractor, for monitoring and audit purposes.
- 4.3.2 Where an agent (consultant or contractor) is used to let a contract, that agent must comply with the Council's Procurement Procedure Rules relating to

contracts.

4.3.3 Appropriate legal/procurement advice must be sought for contracts:

- That involve any leasing arrangements, other than property;
- Where it is proposed to use the supplier's own terms and conditions, or;
- That are complex in any other way.

4.4 Award of Contract

4.4.1 All candidates must be notified in writing or electronically, simultaneously and as soon as possible, as to the outcome of the tender exercise. Information regarding the outcome should be anonymised and be general so as not to disclose commercially sensitive information or trade secrets.

4.4.2 In the case of those contracts that fall within European Union procurement rules a statutory "Standstill" of 10 days must apply between the notification of the tenderers and the successful candidate signing the contract, to allow for the decision to be challenged by any unsuccessful candidates. See the Procurement Toolkit for further details.

4.4.3 In any event a "Standstill" period of seven days is good practice. This allows the Council to become aware of any potential challenges.

4.5 Appeals Process

4.5.1 Any appeal must be made in writing, giving a full justification as to why there is an appeal. These appeals must be logged by the Procurement Team and investigated in conjunction with the service area and Legal Services.

4.5.2 All appeals are governed by EU and UK Law. Any correspondence with the appellant must be in writing. It should be noted that the Council reserves the right to claim any legal associates with an unsuccessful appeal from the appellant.

4.5.3 Where possible, appeals should be dealt with within the Standstill period. Where this is not possible because of the nature or complexity of the appeal, the authorising officer, in consultation with the Procurement Team and Legal Services can extend the Standstill for a maximum of 30 days.

4.5.4 If the appeal cannot be satisfactorily investigated and settled within the extended period, the tender may choose not to award the contract. Procurement and Legal must be consulted and advice taken before choosing not to award.

4.5.5 The contract can only be signed by an officer who has the authority to do so – see Table 1.

4.5.6 All signed contracts over £20,000 should be sent to the Procurement Team and logged on to the Contracts Register. An electronic copy should be kept within the Procurement Team, and a hardy-copy should be retained within the service area

where it can be accessed easily by the contract managers and audit. The service teams are responsible for ensuring that the contract register maintained with the latest information regarding their contracts.

- 4.5.7 In the case of contracts over the EU procurement thresholds, or those with bonds or parent company guarantees, the Procurement Team will, under instruction from the service area, pass them to Legal Services Team for sealing.

4.6 Sealing a Contract

- 4.6.1 Where a contract has a bond or parent company guarantee or is over the European Union threshold, it shall be sealed on behalf of the Council.
- 4.6.2 Any contract under the European Union threshold shall be signed by an authorised officer as set out in the Financial Procedure Rules.

4.7 Prevention and Detection of Corruption

- 4.7.1 Officers must comply with the Council's Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for officers to prove that anything received was not received to influence them. High standards of conduct are obligatory. Further information is included in the Procurement Toolkit. Corrupt behaviour will lead to dismissal and is a crime under the Prevention of Corruption Acts 1889 to 1916 or Section 117(2) of the Local Government Act 1972 and the Bribery act of 2010.
- 4.7.2 Central Bedfordshire Council's Terms and Conditions cover termination and loss through bribery and corruption. It is mandatory that the Council's Terms and Conditions are issued with every tender or Request for Quotation.
- 4.7.3 All officers and suppliers are expected to adhere to the Council's Anti-Fraud and Corruption (including Anti-Bribery) Policy. The Council has a zero tolerance policy on fraud and has a confidential reporting mechanism (known as whistle blowing) for reporting concerns of potential malpractice.
- 4.7.4 Whistle Blowing Policy. The Public Interest Disclosure Act 1998 encourages individuals to raise concerns about malpractice in the workplace and this policy document makes it clear that employees can raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage and is intended to encourage and enable employees to raise those concerns within the Council, rather than overlooking a problem or 'blowing the whistle' outside. The policy applies to all employees and those contractors working for the Council on Council premises. For example, agency staff, builders, and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises.

4.8 Managing Contracts

- 4.8.1 All contracts must have a named officer contract manager for the entirety of the

contract. Contract managers are responsible for:

- Maintaining up-to-date records, including an up-to-date copy of the contract and any variations
- Monitoring performance, reviewing KPI information and recording non-performance and corrective actions
- Ensuring payments are in-line with services provided
- Monitoring the quality and effectiveness of the service
- Ensuring that the scope and specification of the contract is adhered to
- Managing risks associated with the contract and contractor, including the risk of non-delivery, service failure or contractor failure

4.8.2 There should also be a clear nominated officer for Service Level Agreements (SLA), who will be similarly responsible for monitoring the SLA and ensuring the provider is meeting the standards and specifications expected.

4.8.3 Officers should be aware of “contract creep”, whereby the original brief is expanded or extended without further competitive tendering. In particular, officers should monitor expenditure on consultancy advice (services) with regard to the EU procurement thresholds. Any extension or change of scope must be formally noted as a contract amendment or variation.

4.9 Performance Monitoring and Efficiency Review

4.9.1 It is a core responsibility of contract managers to carry out an annual improvement and efficiency review, as referred to in the standard Terms and Conditions. Standard documentation to carry out these reviews is included in the Procurement Toolkit and Contract Management toolkit, and an example template can be found in Appendix 4. These templates must be submitted to the Procurement Team.

4.9.2 In addition, the contract manager must record the supplier’s performance throughout the life of the contract: should the supplier tender for any further similar work with any other section of the Council, the performance and contract management information recorded will be used as a reference for that supplier in advance of the Council seeking other external referees.

4.10 Contract Governance Arrangements

4.10.1 All contracts which have a value higher than the European Union threshold limits, or which are considered high-risk, are to be subject to monthly formal performance review with the contractor and this should be documented. Contracts may be considered “high-risk” because of their complexity or the reputational or financial impact of failure, or the criticality of the service. The contract manager should work with the Procurement Team to define the level of risk associated with a contract, during the contract mobilisation phase. A risk assessment should be undertaken.

4.10.2 All major contracts and those which are high risk, high value, or high profile, require a formal governance structure, typically a joint contract board. The board should be chaired by a Director of the Council and there should be a senior representation from service users and the supplier.

4.10.3 The board should prepare and manage a continuous improvement programme with a set of targets with check-points and milestones. As a minimum Annual efficiency reviews should take place using the Council's efficiency templates found in the Procurement Toolkit, the joint contract board should report its progress periodically to the Councils Executive.

4.11 Risk Assessment and Business Continuity Planning

4.11.1 For all contracts with a value of over £60,000, contract managers must:

- Maintain a risk register during the contract period;
- Undertake appropriate risk assessments;
- Ensure, for identified risks, contingency measures are in place;
- Ensure critical support and maintenance arrangements are documented in the specification in order to avoid costly post-tender negotiation.

4.11.2 Business continuity is critical to the successful delivery of council services. Officers must ensure that appropriate business continuity arrangements are in place and fully tested to enable services to be delivered in the event of any disruptive incident occurring. The requirement for a Business Continuity Plan must be an integral element of the Council's specification.

4.11.3 Where the total value of the contract exceeds £60,000, officers must make a written report evaluating the extent to which the contracts objectives were met by the contract. This should be done when the contract is completed. A "lessons learnt" log should be maintained, so that where a contract is to be re-let the lessons can be included in the post implementation report, early enough to inform the approach to re-letting of the contract.

4.11.4 Contract managers must follow the best practice guidance set out in The Procurement Toolkit and the Contract Management toolkit

4.12 Register of Contracts and Service Level Agreements

4.12.1 The Council is required to maintain a Register of Contracts. It is the responsibility of the relevant Director to ensure that any contract with a value of over £20,000 is included on the Council's Register of Contracts.

4.12.2 Any Service Level Agreement must be included on the Register of Service Level Agreements, which is maintained by the Procurement Team.

4.13 Termination of Contract

4.13.1 Officers must seek appropriate legal and procurement advice if payments to a contractor are to be withheld, or there is any other problem with the contract, such as non-performance or fundamental breach, which may result in possible early termination.

- 4.13.2 Where there is an intention to terminate a contract early, the officer shall report the reasons for this termination to the Chief Procurement Officer at the earliest opportunity.
- 4.13.3 Officers shall not terminate a contract prior to its expiry date without first obtaining appropriate legal and procurement advice.

Section 5: Specific Procurements

5.1 Appointment of Consultants to Provide Services

- 5.1.1 The Council uses the expertise of specialist consultants to undertake a range of services on behalf of the Council. Officers must ensure that such consultants are procured in accordance with these Procurement Procedures and Consultancy Staff Financial Procedures and that they are fully briefed and adhere to Central Bedfordshire Council's Procurement Procedure Rules. In addition:
- 5.1.2 The authorised officer must sign off the business case to engage a consultant prior to any agreement between parties. The business case must clearly identify the outputs required, the timeframe to achieve the outputs, along with checkpoints, milestones and the schedule of fees to be paid.
- 5.1.3 The engagement of a consultant shall follow the Tender / Quotation processes as detailed in these Procurement Procedure Rules. The specification / brief must detail the scope of the services to be provided, timescales and the required outcomes. This will be included in formal contract documents see section 4.3.
- 5.1.4 Consultants shall be required to provide evidence of, and maintain professional indemnity insurance policies in accordance with contract requirements for the duration of the contract.
- 5.1.5 Consultants will generally be engaged for a finite period. They should be paid on results (outputs) and the fee schedule should be clearly documented.
- 5.1.6 Consultants' contracts must be subject to Central Bedfordshire Councils Consultancy terms and conditions. The consultant's performance should be reviewed regularly, to ensure that their services are clearly monitored and delivered. Where performance is not satisfactory and breaches the termination clauses within the contract, then the contract should be terminated. If the services are no longer required there are termination clauses to exit the contract prior to the end date within the contract.
- 5.1.7 Any person, including, consultants or contractors procuring services on behalf of the Council must be authorised to do so (see financial regulations for authorisation) and adhere to these Procurement Procedure Rules and the Financial Procedure Rules.
- Note that consultants are not authorised officers – i.e., that are not able to approve expenditure or go into contract for services on behalf of the Council.
- 5.1.8 Further guidance can be obtained in Consultancy Staff Financial Procedures.

5.2 Land and Property

- 5.2.1 Asset Management Financial Procedure 9 governs the acquisition and disposal of Land and Property, and must be adhered to in the first instance. In any event, professional Legal, Procurement, Finance, Planning and Surveying advice should be sought on all acquisition, disposal and capital works relating to property.
- 5.2.2 All valuations and negotiations shall be conducted by appropriately qualified officers and agents.
- 5.2.3 Agents, Architects, Surveyors and Consultants should be selected by means that comply with The Procurement Procedure Rules.
- 5.2.4 No purchase of land or property (freehold or leasehold) may be made without the prior approval of the nominated Assets Senior Manager and the Section 151 Officer.

5.3 Asset Disposals (other than Land and Property)

- 5.3.1 As noted above, Asset Management Financial Procedure 9 should be adhered to in relation to all asset disposals. A check should be made to determine whether there is a corporate policy or contract for the disposal of the asset. If a policy or contract is in place, this must be used.
- 5.3.2 Office equipment and furniture should first be advertised on the Council's Intranet, and communicated to other establishments of the Council. Where this method of disposal is unsuccessful, the goods may be sold according to the sections below. Consideration should also be given to the use of public auctions.
- 5.3.3 Disposals are subject to the Procurement Procedure thresholds shown in Table 1 and the Tender/Quotation process. When disposing of assets, the thresholds identified in the table should be considered as the maximum likely value to be obtained through disposal (for example, if a fleet of vehicles is likely to obtain a combined value of £50,000, three bidders should be sought to ensure the Council is achieving best value).
- 5.3.4 Officers responsible must ensure that the disposal achieves maximum value, taking into account of disposal income and costs.
- 5.3.5 Items for disposal must not be given or sold to any member of staff without suitable authorisation from the Section 151 Officer.

Procurement Definitions

“Agent”	A person or organisation acting on behalf of the Council or on behalf of another organisation.
“Authorised Officer”	A staff member of the Council that has been authorised to expend budget and contract with external providers, in line with the Financial Procedure Rules and Constitution.
“Award Criteria”	The criteria by which the successful quotation or tender is to be selected.
“Award of Contract”	The procedure for awarding a contract as specified in Section 4.
“Best Value”	The duty, which the Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the Council. (Note: This terminology has now in many instances been superseded with Value for Money)
“Bond”	An insurance policy: if the contractor does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the bond (often 10% of the contract value). A bond is intended to protect the Council against a level of cost arising from a contractor's failure.
“Business Continuity Plan”	The method by which an organisation prepares for future incidents that could jeopardise the organisation's core mission and its stability. Incidents include local incidents like building fires, regional incidents like floods, epidemics or national incidents like pandemics.
“Candidate / Bidder”	Any person who asks or is invited to submit a quotation or tender.
“Code of Conduct”	The Council's code regulating conduct of members and officers.
“Committee”	A committee, which has power to make, decisions for the Council, for example a joint committee with another local council.
“Constitution”	The Constitutional document approved by the Council which: allocates powers and responsibility within the Council and between it and others; delegates authority to act to the Executive, Committees, Portfolio Holders and Officers; regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.

“Consultant”	Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the Council has no ready access to employees with the skills, experience or capacity to undertake the work.
“Contracting Decision”	Any of the following decisions: <ul style="list-style-type: none"> • composition of approved lists; • withdrawal of Invitation to Tender; • whom to invite to submit a quotation or tender; • short listing; • award of contract; • any decision to terminate a contract.
“Contract”	Any agreement between the Council and Supplier(s) for the provision of works, supplies and services in exchange for consideration (e.g. money).
“Corporate Contract”	A contract let by the Council to support the Council’s aim of achieving Value for Money. Where a corporate contract is in place, officers are obliged to use it unless a waiver has been granted under Section 1.8 of Procurement Procedure Rules.
“Council”	For the purposes for these Rules, “Council” refers to Central Bedfordshire Council.
“Consortium”	A Consortium of Organisations engaged in collaborative procurement.
“Central Buying Consortium Contract”	A contract let by the Central Buying Consortium on behalf of the Council to support the Council’s aim of achieving Value for Money and available for use by the Council.
“Discrete Operational Unit”	Means a unit: to which the decision to purchase (and budget) has been devolved; for the sole use of which the purchase is intended; which takes the decision independently of any other part of the Council.
“Escrow Bank Accounts”	An Escrow Bank Account is intended to protect the Council against a level of cost arising from a contractor’s failure to do what it has promised under a contract and the contract is terminated. The Council can claim from a financial institution the sum of money specified in the Escrow Bank Account (often 10% of the contract value).
“EU”	European Union
“European Union Procedure”	The procedure required by the EU where the total value exceeds the EU threshold (see The Procurement Toolkit for the tendering rules).
“European Union Threshold”	The contract value at which the EU public procurement legislation must be applied.

“European Economic Area”	The 27 members of the European Union, and Norway, Iceland and Liechtenstein.
“Executive”	The Council's Executive as defined in the Constitution.
“Financial Procedures”	The Financial Procedures outlining officer responsibilities for financial matters issued by the Section 151 Officer in accordance with the Constitution.
“Framework Agreement”	An agreement between one or more contracting authorities and one or more suppliers, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
“Government Procurement Agreement”	The successor agreement to the General Agreement on Trade and Tariffs. The main signatories other than those in the European Economic Area are: the USA, Canada, Japan, Israel, South Korea, Switzerland, Norway, Aruba, Hong Kong, China, Liechtenstein and Singapore.
“High Profile”	A high-profile purchase is one which could have an impact on functions integral to Council service delivery including publicity and public interest should it fail or go wrong.
“High Risk”	A high-risk purchase is one which presents the potential for substantial exposure on the Council's part should it fail or go wrong.
“High Value”	A high-value purchase is one where the value is greater than that of the EU threshold values.
“Invitation to Tender”	Invitation to Tender documents in the form required by the Procurement Procedure Rules.
“Key Decision”	<p>A key decision is an executive decision, which is likely to:</p> <ul style="list-style-type: none"> • result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decisions relates. The financial threshold set by the Council for key decisions is £200,000 and above; • be significant in terms of its effect on communities living or working in an area comprising two or more electoral divisions in the area of the Council.
“Late / Irregular Tender”	A late / irregular tender is a tender, which is received after the appointed time for receipt or contains a mark of identification.
“Nominated Suppliers and Sub-contractors”	Those persons specified in a main contract for the discharge of any part of that contract.
“Non Commercial Considerations”	<p>Except as provided below, the following matters are non-commercial considerations:</p> <ul style="list-style-type: none"> • the terms and conditions of employment by

contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces (“workforce matters”)

- whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only;
- any involvement of the business activities or interests of contractors with irrelevant fields of government policy;
- the conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons (“industrial disputes”);
- the country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors;
- any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees;
- financial support or lack of financial support by contractors for any institution to or from which the Council gives or withholds support;
- use or non-use by contractors of technical or professional services provided by the Council under the Building Act 1984 or the Building (Scotland) Act 1959. Workforce matters and industrial disputes, as defined above in paragraphs (a) and (d) of this definition, cease to be non-commercial considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which the Transfer of Undertakings (Protection of Employment) Rules 1981 (“TUPE”) may apply.

“Officer”	A staff member of the Council.
“Open Procedure”	All candidates are invited to bid in response to advertisement.
“Official Journal of the European union(OJEU)”	OJEU - the Official Journal of the European union This is the publication in which all contracts from the public sector which are valued above EU thresholds must be published.
“Parent Company Guarantee”	A contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a contract with the Council, they can require the parent company to do so instead.
“Portfolio Holder”	A member of the Executive to whom political responsibility is allocated in respect of specified functions.
“Procurement”	Procurement is “the end to end process to acquire or

commission works, supplies and/or services at the best possible total cost of ownership, in the right quantity and quality, at the right time, in the right place for the direct or indirect benefit or use of the Council and the taxpayers of Central Bedfordshire, generally via a contract"

"Procurement Contract Approval Form"

A Procurement Contract Approval Form produced by the authorised officer detailing the outcome of the evaluation process undertaken, from which a recommendation is put forward for approval by another authorised officer.

"Purchasing"

Purchasing refers to the Council's attempt to acquire works, supplies and services to ensure its key objectives and strategies can be met. It adds value and sets standards in the purchasing process, through Procurement Procedure Rules. Note: Typically the word "purchasing" is not used interchangeably with the word "procurement", since procurement typically includes a wide range of issues such as supplier quality and logistics in addition to the purchasing process.

"Purchase Card"

A card issued to an officer or member by the Council, to be used for purchasing works, supplies and services of low value or for one-off purchases.

"Quotation"

A quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender).

"Section 151 Officer"

The Chief Finance Officer appointed by the Council

"Service Level Agreement"

A formally negotiated agreement between two parties. It exists between customers and their service provider. It records the common understanding about services, priorities, responsibilities, guarantee, etc. with the main purpose to agree on the level of service. For example, it may specify the levels of availability, serviceability, performance, operation or other attributes of the service like billing.

"Short listing"

Where candidates are selected to quote or bid proceed to a further stage in the procurement process.

"Tender"

A candidate's proposal or offer submitted in response to an Invitation to Tender.

"Tender Thresholds"

The thresholds that determine the appropriate procurement route:

- the whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal;
- whether or not it comprises several lots or stages;
- to be paid or received by the Council or a Discrete Operational Unit within the Council.

"Tender with Advertisement"

An Invitation to Tender sent to candidates shortlisted from among either: those responding to advertisement of the contract inviting proposals placed in such publications as shall secure widest publicity among relevant suppliers; those included on an approved list in respect of the type

of purchase which is the subject of the Invitation to Tender.

“Total Value”

The total value shall be calculated as follows:

- where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period;
- where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions over the period of the contract;
- No contracts should be made without an agreed target end date, clear objectives and indicative cost.
- for feasibility studies the value of the scheme or contracts which may be awarded as a result, if part of the contract;
- for nominated suppliers and sub-contractors the total value shall be the value of that part of the main contract to be fulfilled by the nominated supplier and/or sub-contractor.
-

“TUPE - Transfer of Undertakings (Protection of Employment)”

TUPE refers to the Transfer of Undertakings (Protection of Employment) Rules, 1981 as amended. These rules were introduced to ensure the protection of employees when, for example, a business is taken over by another organisation. Broadly, TUPE rules ensure that the rights of employees are transferred along with the business. There have been various updates and clarifications since the legislation was introduced. HR advice should be sought if any procurement is likely to affect the role and position of staff.

“Value for Money”

Value for Money (VfM) is not the lowest possible price; it combines works, supplies and services that fully meet the needs of the Council, with the level of quality required, delivery at the time needed and at an appropriate price. This includes the total cost of delivery (whole life cost).

“Whistle Blowing Policy”

The Public Interest Disclosure Act 1998 encourages individuals to raise concerns about malpractice in the workplace and this policy document makes it clear that employees can raise serious concerns without fear of victimisation, subsequent discrimination or disadvantage and is intended to encourage and enable employees to raise those concerns within the Council, rather than overlooking a problem or ‘blowing the whistle’ outside. The policy applies to all employees and those contractors working for the Council on Council premises. For example, agency staff, builders, and drivers. It also covers suppliers and those providing services under a contract with the Council in their own premises.

“Workforce Matters”

Authorities cannot focus on matters classed as ‘non-commercial’ considerations as part of the contractual

process. However, the restrictiveness of the original definitions was considered too great, and so from 2001 authorities may consider the following matters to the extent that they are relevant to the delivery of best value or for the purposes of a TUPE transfer:

- the terms and conditions of employment by suppliers of their workers or the composition of, the arrangements for the promotion, transfer or training of or other opportunities afforded to, their workforces (Section 17(5)(a));
- the conduct of suppliers or workers in industrial disputes between them (Section 17(5)(d)). Restrictions on other non-commercial considerations listed in Section 17 of the Local Government Act 1988 remain in place.

REQUEST FOR WAIVER FROM PROCUREMENT PROCEDURE RULES	REF No	12/13 /
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It is mandatory that officers use existing corporate contracts set up by the Council. These can be viewed on the intranet under procurement. If there is no existing contract officers should check if a “framework” contract exists for that service set up by another public body via Procurement East Contracts Data Base <http://contracts.improvementeast.gov.uk/>.

NOTE: A waiver is not permissible for **any** EU tenders. Waivers are not necessary for Mini competitions undertaken via In-Tend against compliant framework agreements.

Describe officers requirements			
Supplier name (if known)		Any Alternative?	
Total Contract Value			
Contract start date		Duration (including any extension)	

Waiver of Procurement Procedure Rules is required as:	
4.2.1. There is no genuine competition, for example, works, supplies and services:	<i>Right click tick box where applicable below)</i>
(a) are sold only at a fixed price and no reasonably satisfactory alternative is available;	<input type="checkbox"/>
(b) are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available;	<input type="checkbox"/>
(c) are of a proprietary type only available from a single supplier;	<input type="checkbox"/>
(d) are required for repairing or servicing existing specialist plant or equipment;	<input type="checkbox"/>
(e) involve the provision of highly specialised professional legal or other services;	<input type="checkbox"/>
(f) constitute a reasonable short term extension (less than 6 months) of a time-based contract or form part of a serial programme, the terms having been negotiated with the contractor on the basis of rates and prices contained in an initial contract awarded competitively following an invitation to tender or quote in accordance with the Procurement Procedure Rules.	<input type="checkbox"/>
4.2.2. A waiver is necessary because of unforeseen emergency involving immediate risk to persons, property or serious disruption to Council services. In extreme circumstances it is accepted that prior written approval may not be possible.	<input type="checkbox"/>
4.2.3. The contract is an extension to an existing contract and a change of supplier would cause disproportionate technical difficulties, diseconomies of scale or significant disruption to Council services.	<input type="checkbox"/>
Please explain the rationale to substantiate the waiver and attach any relevant documents:	

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Every supplier must be issued with and then quote against Central Bedfordshire (CBC) Standard Procurement Quotation Documents with CBC Terms & conditions (T & C's).
 We Confirm the supplier has quoted against CBC Procurement Doc & T & C's

Demonstrate below how Best Value for Money has been achieved (i.e. The accountable officer has bettered the first offer).

--

Tick Box if assistance is required to finalise agreement or negotiate further.

Name of Originating Officer Requesting Approval:
 Department:
 Signature: Date:

Expenditure Approved by Authorised Officer (see Table 1 Section 1.5)
 Name: Position:
 Signature: Date:

Completed forms should be sent to the Head of Procurement <mailto:paul.meigh@centralbedfordshire.gov.uk>

For Corporate Procurement		Date	12/1/13
Comments			

Approved by Chief Procurement Officer
 Signature: Date:

Approved by Chief Finance Officer (AD Financial Services)
 Signature: Date:

Appendix 3



COST SAVING REPORT - Monthly										
Name		Terry Gittins								
Service		Corporate Services - Procurement			Month		April		2009	
Blue area self calculating										
DATE	ITEM NUMBER	DESCRIPTION	CURRENT / MIDDLE QUOTE		NEW / BEST QUOTE		QTY	SAVING ANNUAL (NEXT 12 MONTHS)	NEW	COMMENTS PLEASE QUOTE EVIDENCE OF QUOTATION REF. NUMBER IF APPLICABLE
			PRICE	SUPPLIER	PRICE	SUPPLIER		SPEND	SPEND	
05/04/09	Dp4000	Projector + Screen + PA	£118,849.00	Sound Associates	£109,973.00	Sound Associates	1	£8,876	£109,973	Negotiation against lowest price Best and final offer
IMPLEMENTATION EFFECT			2009/10	ANNUAL	NEW	SAVING				
MONTH	YEAR	Effect	SAVING	SPEND	%					
April	2009	£8,876	£8,876	£109,973	7.5%					

Efficiency/Improvement Monitoring Form			
Contract Number & Start Date		Supplier	Contract Length
Works, Supplies or Services		Service Area	Annual Review Date
Efficiency Gains/Improvements made throughout last year			
Area of Improvement	Efficiency/Improvement made	Comments	
Communication			
Customer Satisfaction			
Environmental			
Equalities			
Improvements to Service			
Innovation			
Price			
Quality Standards			
Other			
Efficiency Gains/Improvements proposed for next year			
Area of Improvement	Efficiency/Improvement made	Comments	
Communication			
Customer Satisfaction			
Environmental			
Equalities			
Improvements to Service			
Innovation			
Price			
Quality Standards			
Other			
Please sign to confirm acceptance of review			
	Designation	For Central Bedfordshire Council	For Supplier
N.B any contract changes must be subject to a variation order and the Contract Register updated			