



PROCUREMENT & CONTRACTS POLICY AND PROCEDURE

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Spaldington Parish Council shall hereinafter to referred to in this document as “the Council”.

1. INTRODUCTION

- i. The Council is aware of the Public Contracts Regulations 2015 and has set out this policy in order to comply with relevant legislation.
- ii. The Council will follow NALC’s Procurement Toolkit (last published in April 2015) or any change of legislation.
- iii. Every Contract by the Council or person acting on its behalf shall comply with this Procurement Policy.
- iv. A Contract is an agreement between the Council and an individual or organisation for the individual or organisation to provide works, goods or services (including the engagement of consultants) for which the Council will provide consideration. The following contracts are exempt from the requirement of these rules:
 - contracts relating solely to disposal or acquisition of land
 - employment contracts
 - individual agency contracts for the provision of temporary staff.
- v. Persons involved in the awarding of a Contract on behalf of the Council must ensure that the best value for money is obtained. Before commencing a procurement, it is essential that the authorised person leading the procurement has identified the need and fully assessed the options for meeting those needs. The best use of purchase power shall be sought by aggregating purchases wherever possible, for example by working with other Parish Councils, District Councils or County Councils where appropriate to ensure that bulk discounts are obtained. The Council will also strive to use local suppliers from within the District where possible but not exclusively.
- vi. Exceptions from any of the following provisions of these Contract Procurement Rules may be made under the direction of the Council where they are satisfied that the exception is justified in special circumstances. Every exception and reason therefore shall be recorded.

2. SPECIFICATIONS

- i. Enquiries and invitations to Tender shall be based on a written specification.
- ii. The specification shall adequately describe the requirement procedure in sufficient detail to enable effective procurement in accordance with these rules.

3. SUPPLIER PRE-QUALIFICATION AND DUE DILIGENCE

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



4. REQUIREMENT FOR QUOTATION / TENDER AND PUBLIC ADVERTISING

- i. Consideration shall be given to other costs associated with the procurement (lifetime costings including, for example, maintenance costs and power consumption).
- ii. Where these could be significant such as in the final disposal of a product, appropriate arrangements shall be put in place to consider these costs against alternative options.

5. VALUATION OF CONTRACTS

- i. The value of the contract shall be the total value of the whole contract across the total time period of the contract
- ii. The valuation of the contract will be the annual cost of the contract multiplied by the amount of years the contract is in force

6. CONTRACT REGISTER

- i. The Clerk shall ensure that a Contract Register is kept with the following contract specifics:
 - a) The name of the Contractor
 - b) The trading address of the Contract
 - c) The value of the contract
 - d) The length of the contract
 - e) The date of commencement of the contract
 - f) The date of the cessation of the contract
 - g) Any detail of contract extension
 - h) The date when the contract renewal process should commence
- ii. The Clerk shall ensure that the Contract Register is presented to the Council on an annual basis for a full review and should provide notes to the Council of contract renewals that are likely to be required to be decided in the following three months
- iii. The contract register shall be open to be viewed by the public by request but with commercially sensitive detail redacted. The Clerk will ensure that if there is any doubt of which parts of the contract register should be redacted, they seek guidance from NALC.
- iv. If a member of the public feels that a specific piece of information they wish to know has been redacted, they can put their complaint in writing to the Clerk who will ensure that this is brought to next full Council Meeting and the Council is requested to decide
- v. If a member of the public is still dissatisfied, they shall be sign posted to the applicable statutory or governing body and provide details of how they do this



7. EXEMPTION TO CONTRACT PROCEDURAL RULES

- i. The Council accepts there will specific occasions when agreed contract rules of the Council may be not followed in certain limited occasions
- ii. In these occasions the Clerk shall ensure that a proper note is kept with an explanation and the detail is minuted in the next full Council meeting
- iii. The situations that these exceptions are:
 - a) Purchase by auction or at public fairs
 - b) Contracts involving special technical, scientific or artistic knowledge.
 - c) Contracts comprising spare or replacement parts of existing machinery or plant or repairs to such machinery or plant.
 - d) Urgent situations as agreed with the Chairman of the Council where the Council is put at significant risk, or where significant costs could be incurred, by not taking urgent remedial action.

8. CONTRACT SPECIFICS

- i) The Clerk shall ensure the contract process has followed the valuation criteria set out in points 8, 9, 10 and 11 of this policy with any exceptions noted clearly as detailed in point 6
- ii) Each contract the Council enters into in regard to services tendered, quoted or agreed, the following details must be present:
 - a) Name and trading address of the of whom the Council is entering into the contract with.
 - b) The date the contract was formally agreed
 - c) The signatures of the contractors and the Council Chair (or Vice Chair in the absence of the Chair)
 - d) The length of the contract and the date when the contract ceases
 - e) The value of the contract
 - f) The detail of when payment is due and the manner of payment
 - g) The specific detail of the work required in the contract or service completed for the consideration of payment to be actioned
 - h) Any specific work equipment or provision the Council is required to provide in order for the Contractor to fulfil their work or service
 - i) Details of any discounts, deductions or compensatory measures (if any) if specific work is not completed or not completed by a specific date; the contract will be clear in the situations when any discount, deductions or compensatory measures will apply
 - j) Detail of the timeframe or occasion when the contract specific detail shall be completed
 - k) Any provision for the extension of the contract
 - l) The process of how the Council or Contractor shall give notice (if any) and the notice period required for each party
 - m) Detail of how any dispute of work or service is brought to the attention of the Council or Contractor



9. CONTRACTS WITH A VALUE UNDER £100

- i. The Clerk or RFO shall have delegated authority to enter into contracts on behalf of the Council with a value of under £100
- ii. The Clerk should strive to get more than one estimate but will accept one estimate if considered pertinent
- iii. For these contracts the Clerk or RFO shall ensure that the contract expenditure is formally noted in the agenda and then minutes at the next full Parish Meeting
- iv. The contracts shall not be in excess of three years unless agreed by the Council
- v. The Clerk will note in the minutes the contract the Council (through the Clerk's authority in point 9.1) agreed to engage with and ensure that a contract (specified in point 8) is completed and signed by the Chair (or Vice Chair in the Chair's absence).
- vi. The Clerk shall ensure that the Contract Register is updated with a clear note of the value and length of the contract
- vii. The Clerk shall ensure copies of the estimates are kept for a minimum of one year or within the NLCA guideline if different

10. CONTRACTS WITH A VALUE ABOVE £100 BUT BELOW £500

- i. The Clerk should strive to get more than one estimate but will accept one estimate if considered pertinent
- ii. The Clerk shall obtain verbal, written or electronic authority of the Chair before entering into contracts on behalf of the Council with a value in excess of £100 but not in excess of £500
- iii. The Clerk shall ensure that any verbal conversation is cleared noted
- iv. For these contracts the Clerk or RFO shall ensure that the contract expenditure is formally noted in the agenda and then minutes at the next full Parish Meeting
- v. The contracts shall not be in excess of three years unless agreed by the Council
- vi. Clerk will note in the minutes the estimate to which the council has agreed to engage with and ensure that a contract (specified in point 8) is completed and signed by the Chair (or Vice Chair in the Chair's absence).
- vii. The Clerk shall ensure that the Contract Register is updated with a clear note of the value and length of the contract
- viii. The Clerk shall ensure copies of the estimates are kept for a minimum of one year or within the NLCA guideline if different



11. CONTRACTS WITH A VALUE ABOVE £500 BUT BELOW £3,000

- i. The Clerk shall strive to obtain three estimates which are considered to be appropriate
- ii. In cases where the Clerk has not been able to obtain three estimates, then the Clerk shall obtain as many as possible. In these situations, the Clerk shall consider obtaining the advice of national organisations as well as from the Chair if they feel it is required
- iii. The clerk shall then ensure that these three estimates are presented at the next full meeting of the Council and make a formal recommendation of the contract the Council should engage in. The formal recommendation will be based on the best value for money principle – where the estimate that has been recommended is not the cheapest, the Clerk shall make it clear why this estimate was recommended.
- iv. The Clerk shall undertake an agreed a scoring criterion and formulate a recommend estimate to which the Council should engage with
- v. The clerk shall then ensure that these estimate/s and the scoring criteria are presented at the next full meeting of the Council and make a formal recommendation of the estimation the Council should engage in. The formal recommendation will be based on the best value for money principle – where the estimate that has been recommended is not the cheapest, the Clerk shall make it clear why this estimate was recommended.
- vi. The Clerk will note in the minutes the estimate to which the council has agreed to engage with and ensure that a contract (specified in point 8) is completed and signed by the Chair (or Vice Chair in the Chair's absence).
- vii. The Clerk shall ensure that the Contract Register is updated with a clear note of the value and length of the contract
- viii. The Clerk shall ensure copies of the estimates are kept for a minimum of one year or within the NLCA guideline if different

12. CONTRACTS WITH A VALUE ABOVE £3,000 BUT BELOW £25,000

- i. Written quotations must be sought by not less than three individuals or organisations that could undertake the contract.
- ii. Quotations must be in writing or by email from a reputable email address and contain:
 - a) Full trading name of the contractor including address and contact information
 - b) Specific details of the work or service to which the quotation is submitted
 - c) Specific details of the quotation price or cost
 - d) Dates when the work or service shall be attended or completed
 - e) Details of the specific work equipment or service the Contractor requires in order to fulfil the contract specifics
 - f) Details of when payment will be required and the manner or process to which payment is required



- iii. The Clerk shall undertake an agreed a scoring criterion and formulate a recommend quotation to which the Council should engage with
- iv. The clerk shall then ensure that these quotations and the scoring criteria are presented at the next full meeting of the Council and a formal recommendation of the quotation the Council should engage in. The formal recommendation will be based on the best value for money principle – where the quotation that has been recommended is not the cheapest, the Clerk shall make it clear why this estimate was recommended.
- v. The Clerk will note in the minutes the quotation to which the council has agreed to engage with and ensure that a contract (specified in point 8) is completed and signed by the Chair (or Vice Chair in the Chair's absence).
- vi. The Clerk shall ensure that the Contract Register is updated with a clear note of the value and length of the contract
- vii. The Clerk shall ensure copies of the quotations are kept for a minimum of one year or within the NLCA guideline if different

13. CONTRACTS WITH A VALUE ABOVE £25,000

- i. Every contract which exceeds £25,000 and is either for the execution of work or the supply of goods
- ii. The Clerk shall ensure that advice is sought from NALC or other accepted statutory bodies before the details of the tender invitation is completed to certify that all legal safeguards are met and statutory provisions are provided – this should include advertising in the OJEC (where legally required)
- iii. The scoring system of each tender should be agreed by the Council before the submission of tenders. Advice should be sought by the Clerk from NALC, any other appropriate specialist or statutory body
- iv. A public notice must be made setting out particulars of the contract and inviting persons interested to apply, within a period of not less than 10 days, for opportunity to tender.
- v. The public notice can be via accepted industry specific tender invitation methods and / or by direct electronic or written procedures
- vi. The public notice should be clear and specific in the works or service the Council require
- vii. The Clerk shall ensure that all direct communications with organisations who are notified or invited are noted
- viii. After the expiration of the period specified in the public notice, invitations to tender shall be sent to not less than four individuals or organisations that could undertake the contract (or, if fewer than four apply, to those that are suitable).
- ix. The process of the submission of tenders, acceptance of tenders, tender criteria review, acceptance of tender, project management and cessation of contract need be followed in points 14 – 22.



14. SUBMISSION OF TENDERS FOR CONTRACTS OVER £25,000

- i. Where an invitation to tender is made, such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance from an appropriate source to prepare a specification in appropriate cases.
- ii. The invitation should clearly state the date when the tenders must be received by – it is the responsibility of the tenderer to ensure sufficient time is allowed for the postal system to deliver the tender
- iii. The invitations shall, in addition, state that tenders must be addressed to the Clerk in the ordinary at an address provided in the tender invitation
- iv. Each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed (it will remain sealed until the prescribed dates for opening tenders)
- v. Local businesses should be encouraged to apply
- vi. The tender can be received in an electronic format but the actual tender should be an attachment of the email – this is to help ensure that the actual information of the tender is kept confidential until they need to be reviewed
- vii. The Clerk shall keep a specific record of when the tender enveloped is received (or emailed tender with attachment) by noting the date and contract envelope or tender number.
- viii. If a tenderer requires confirmation of receipt the Clerk can provide this upon request
- ix. The tenders in the form of hard copy envelopes shall be kept in the custody of the Clerk (or appropriate nominated person) until the time and date clearly specified in the invitation to tender document.
- x. If the tender is received electronically the Clerk shall ensure that the tenders are kept in a specific electronic file that only the Clerk or Chair has access
- xi. The Clerk shall ensure that any detail of receipt of tenders is not disclosed to another person or organisation other than the tenderer or the Chair – they will be requested not to disclose this to other sources

15. OPENING OF TENDERS FOR CONTRACTS OVER £25,000

- i. The date, time and persons present at the opening of the tenders shall be documented by the person who is designated as the official opener
- ii. The tender envelopes shall be only opened by the Clerk or Chair of the Council in the presence of at least one other Councillor
- iii. Each tender upon opening shall be signed by the Clerk / Chair and the other Councillor present on the part of the tender which contains the pricing or charging information
- iv. If the tender was received electronically, the attachment of the email should only be downloaded at the time when other tender envelopes are opened and witnessed by one other Councillor – a note shall be made of the value of the electronic tender



- v. A list of the tenders shall be noted as follows:
 - a) Name of tender
 - b) Date of tender
 - c) Value of tender
 - d) Does the tender meet the technical specifications of the tender invitation?
 - e) Could the tender be considered from a 'local business'?
- vi. Each tender should be fully read and digested to establish the applicable criteria
- vii. Any very obvious arithmetical errors found in any tender when checking shall be dealt with as follows: The tenderer shall have the error pointed out to them and be offered the opportunity to stand by their original tender, or their corrected tender, or to withdraw it.

16. ACCEPTANCE OF QUOTATIONS AND TENDERS

- i. Each tender shall be evaluated for:
 - a) Price
 - b) Quality
 - c) Most economically advantageous tender considering the lifetime cost of the contract
 - d) Local business situated
- ii. The tender that offers the **best value for money** shall be accepted - the Council should consider that the lowest cost of the contract will not automatically mean that this tender is selected
- iii. The tender scoring system agreed by the Council before the tendering process should be used. This should be detailed and signed by the Clerk and the other Councillor present
- iv. The Clerk and one other Councillor present, will then consider who is the preferred bidder. In some specific circumstances the Clerk or Chair and the other one Councillor may agree that two tenders are of equal 'best value for money'. This should be clearly noted and the reasons specifically detailed
- v. Upon agreement of the Chair and Clerk, the Clerk may be authorised when in the best interests of the Council negotiate with the preferred tenderer/s to establish if the tenderer wishes to modify the submission - this may be value of the contract, the resources delivered or the service provided
- vi. No negotiation on contracts whose value is in excess of £25,000 can take place without reference to the Chairman of the Council
- vii. Any negotiation which would distort competition is expressly forbidden. Details of the negotiation must be placed on the contract file.
- viii. The clerk may consider informing the winning tender of decision of the Council informally to allow for any immediate preparations for the Council or tenderer. In these circumstances, the Clerk shall be clear that until the acceptance of the tender has been received in writing, the tenderer shall cause any expenditure in regard to the contract



17. SIGNING AND SEALING OF CONTRACTS

- i. Every successful quotation/tender shall be accepted in writing as a formal contract document between the Council and the tenderer
- ii. The Council shall ensure that they seek legal advice or advice from official bodies to ensure that the contract is deemed fit for purpose, legal and protects the interests of the Council
- iii. The clerk shall ensure that once the contract document details are agreed (and advice sought as per point 17.ii) they request the authorised representative of tenderer sign the contract together with the Chair of the Council (in agreed circumstances with delegation from the full Council the Vice Chair may sign)
- iv. The clerk shall then ensure that each party has a signed copy of the contract
- v. The Clerk shall ensure that the Contract Register is updated with a clear note of the value and length of the contract

18. NOMINATED SUB-CONTRACTORS AND SUPPLIERS

- i. Where a sub-contractor or supplier is to be nominated to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules.
- ii. The contractor shall ensure that full sub-contract details are disclosed to the Council
- iii. In the event of a main contractor nominating any sub-contractor for delivery of all or part of the services, the Council's contract will remain with the main contractor and the main contractor remains responsible and liable for delivering the agreed contract.
- iv. The main contractor holds responsibility for delivery of the contract and any associated penalties, financial or otherwise, to the Council as agreed in the main contract.

19. CONTRACT PROJECT MANAGEMENT

- i. Project management shall be practised at all times in undertaking procurement, using industry agreed project management framework and standards as appropriate to the work being undertaken (for example, but not limited to, PRINCE2, PMI, RIBA, RICA). Suppliers will be expected to demonstrate their Project Management competency and qualifications.
- ii. The clerk shall ensure that the contractor is adhering to the contract conditions and codicils and any discrepancy should be first brought to the attention of the contractor
- iii. If any discrepancies are not amended as contractually required, then this should be brought to the full Council for consideration.
- iv. If the matter is urgent then the Clerk should contact the Chair for agreement of how to proceed. In these cases, a full note should be made and then disclosed at the next full council meeting



20. CONTRACT VARIATIONS

- i. The clerk shall ensure that situations when deemed appropriate, they shall seek advice from NALC, other statutory bodies or from legal advisors
- ii. Should the Contractor wish to vary the contract in any way that is considered substantial, they shall put this into writing addressed to the Clerk. The request for variation should be from a suitable authorised representative of the contractor
- iii. If the Council wishes to vary the contract, this should be done in writing
- iv. Any necessary instructions to vary a contract shall be made in writing by the Chairman, Clerk or persons responsible for supervising the contract.
- v. Where a variation occurs during the running of the contract that is material and cannot be met from within the original contract sum, an immediate report shall be made to the Council who shall decide what further action is necessary.

21. BONDS, GUARANTEES AND INSURANCES

- i. For procurement projects where the spend is greater than £25,000, consideration must be given as part of the pre-qualification assessment and evaluation process as to whether a performance bond and/or parent company guarantee (if applicable) shall be required from the successful tenderer.
- ii. Consideration must be given as to the appropriate type (employee liability, public liability, professional indemnity etc) and level of insurance requirements

22. TERMINATION OF CONTRACTS

- i. If the contract is to be terminated, the Clerk shall ensure that the full Council is notified with the reasons of the termination given
- ii. The Council reserves the right to terminate any contract immediately for:
 - a) Termination for Cause – where a supplier commits a material breach of the agreement to deliver services or provide the work contracted for
 - b) Fails to deliver agreed services, in the agreed timeframe without a plan to address the failings
 - c) Where both the contractor and the Council both agree in writing that the contract shall cease. The writing shall contain details such as payment of final dues, return of Council equipment, documents containing warranties or guarantees and any handover of assets
- iii. In situations where the contract has been terminated before the natural end, the Clerk should consider recommending a contract review to ‘learn lessons’.
- iv. Clerk will update the Contract Register is updated with a clear note of the contract cessation

23. POLICY STATUS

- i. This policy will be reviewed annually.