



# Procurement Process Guide

*A guide to the City Council's procurement process for all members and staff who procure goods, services and works.*

***December 2017***

## **CONTENTS**

<b>Reference Number</b>	<b>Description</b>	<b>Page</b>
<b>1</b>	<b>Introduction</b>	<b>3</b>
<b>2</b>	<b>The Requirement to Procure</b>	<b>4</b>
<b>3</b>	<b>Overview of Procurement Requirements and Approach</b>	<b>5</b>
<b>4</b>	<b>Before Tendering</b>	<b>7</b>
<b>5</b>	<b>Procurement Process</b>	<b>10</b>
<b>6</b>	<b>Award of Contract</b>	<b>19</b>
<b>7</b>	<b>Using Collaborative Agreements</b>	<b>21</b>
<b>8</b>	<b>Procurement Using ERDF Monies</b>	<b>21</b>
<b>9</b>	<b>Manual Procurement for Low Value Quotations</b>	<b>22</b>
<b>10</b>	<b>Supplier Lists</b>	<b>22</b>
<b>11</b>	<b>Contract Management and Changes</b>	<b>23</b>
<b>12</b>	<b>Exemption Certificates</b>	<b>24</b>
<b>13</b>	<b>Documentary Records, Retention &amp; Disposal</b>	<b>25</b>
<b>14</b>	<b>Employee Code of Conduct</b>	<b>25</b>
<b>Annex A</b>	<b>Drafting a Specification</b>	<b>28</b>
<b>Annex B</b>	<b>Definition of “Local”</b>	<b>30</b>
<b>Annex C</b>	<b>Glossary of Terms</b>	<b>31</b>

## 1. Introduction

Procurement is the process of acquiring services, goods and works, covering both acquisitions from third parties and from in-house providers. The process can cover the whole cycle from the identification of a requirement, through to the end of a service contract or useful life of an asset. It should involve an options appraisal, e.g. delivery in-house or external purchase, the crucial “make or buy” question. The process is therefore much broader than the term “purchasing”.

Responsibility for procuring goods, services and works lies with the Procurement Team, which forms part of the City Council’s Commercial Development service. All officers must refer initial enquiries to the Procurement Team so that an assessment of requirements can be made and suitable advice given. In summary:

- All purchases of £50,000 or more will be undertaken by the Procurement Team unless there are particular circumstances why it should be done elsewhere within the Authority;
- All purchases of £25,000 or more will be undertaken by the Procurement Team where the Authority’s eProcurement platform is to be used to publicise and manage the opportunity unless there are particular circumstances why it should be done elsewhere within the Authority;
- In all other cases the advice and guidance of the Procurement Team should be sought, especially where the purchase is complex, novel or contentious.

Procurement is a complex and highly-regulated area, and failure to follow the rules may lead to severe consequences including legal action being taken against the City Council. Therefore a breach of this guidance will be viewed as a disciplinary matter and should be reported immediately to the Strategic Manager Audit & Fraud, who will recommend appropriate action.

Where procurement is undertaken by Directorates, it must be undertaken in accordance with this document which provides a step by step guide for council officers on the main components of the procurement process. This must be followed by all members and officers involved in procurement without exception. Following the guidance will ensure compliance with the City Council’s Contract Procedure Rules (which itself is compliant with UK and EU regulations).

Key documents, including the Council’s Contract Procedure Rules, are available on the dedicated procurement section of the City Council’s website. In addition, purchasers should also be mindful of the Council’s Code of Conduct, which is also available on the Council’s Intranet.

As well as compliance with Regulations, the other key drivers in effective procurement are:

- Seeking best value for the taxpayer, especially during a difficult fiscal period;
- Maximising local social value, i.e. using the Authority’s purchasing power to enhance local communities, economy and the environment.

## **2. The Requirement to Procure**

Before starting any procurement process you need to consider whether there is a real need to procure. Goods, works or services should only be procured where absolutely necessary and not just because a budget is available.

### Internal Provision

If a genuine requirement to procure services is identified, your first consideration should be whether you can deliver the required service by utilising the Council's own internal resources and staff. Rather than make an immediate assumption that a service has to be delivered externally, you should take time to investigate whether the required knowledge, skill sets and capacity exists in-house. You are advised to contact the Procurement Team who will be happy to identify relevant internal provision.

In-house contracts (using the Councils own resources) can be carried out by the relevant Directorate without the need for a competitive tendering process.

As part of this process, where internal provision does not exist officers could make a case to the City Council to establish such provision, where (a) it is more cost effective than purchasing it externally and/or (b) has the potential to be traded with other organisations (and hence generate an income). Such an approach will have a significant financial implication, so will need careful and robust business planning (including soft market testing).

### Corporate Contracts

The Procurement Team has established a number of contracts for use by the City Council (including its wholly owned companies) which cover common areas of recurring expenditure. These contracts aggregate the demand for all like items across the council and use the resulting economies of scale to achieve the best possible pricing. It also ensures the Council is paying one set of pricing for a given product based on the whole demand.

To avoid a duplication of effort you must therefore always contact the Procurement Team to check whether your requirement can be met under an existing contract before considering doing a separate procurement exercise.

Examples of corporate contracts which include contracted items include stationery, furniture, photocopiers, cleaning materials and food. A number of these corporate contracts are shown in the Purchasing Catalogue which can be accessed through the dedicated Procurement Intranet pages. The catalogue gives supplier details, Civica creditor code number and duration of the contract period.

Orders can be placed directly with the contracted suppliers for contracted items through the Councils Civica Purchasing system. To access the system please view the Civica purchasing area on the City Council's intranet.

The Council has standard terms and conditions of order which set out what the Council expects from suppliers when placing an order. These apply to every order placed by the Council and again can be accessed via the Intranet.

### 3. Overview of Procurement Requirements and Approach

If you are unable to satisfy your requirement through internal resources or existing corporate Contracts and need to go to the marketplace, you must follow a compliant procurement process as set out in these Rules and the guidance given in the Procurement Process Guide.

The Council's procurement must be done in a compliant way to satisfy the Council's procurement rules (the Contract Procedure Rules), and EU procurement law. These rules ensure fairness and transparency in the way that the tender process is conducted and support equal treatment of all companies.

The tables below give a summary of the procurement requirements which are based on the total value of a Contract. These do not apply if you are using an existing corporate Contract (which has already been through a procurement process) or if an Exemption Certificate has been agreed by your Director.

*All establishments (excluding schools)<sup>1</sup>*

Value Range (Excluding VAT)	Required Procurement Route
Under £10,000	Obtain at least one written Quotation. Where possible and appropriate, the provider should be a local organisation. <b>Optional:</b> The opportunity will be advertised on the City Council's website with alerts posted on twitter and facebook.
Between £10,000 and £24,999	Obtain at least three written Quotations by e-mail. At least one local provider must be invited to apply where possible and appropriate. The opportunity must be advertised on the City Council's website with alerts posted in the Council's twitter and facebook accounts, unless an approved Supplier List is being used.
Between £25,000 and £49,999	Obtain at least three written Quotations by e-mail. At least one local provider must be invited to apply where possible and appropriate. The opportunity must be advertised on the Council's approved e-tendering system, Contracts Finder website, the City Council's website with alerts posted in the Council's twitter and facebook accounts, unless an approved Supplier List is being used. At least one local provider must be invited to apply where possible and appropriate.

<sup>1</sup> NB Where Frameworks or similar central purchasing body arrangements are used, the advertising requirements will be different. In this context the advice of the Procurement service should be sought at all times.

<p>Between £50,000 and EU Procurement Threshold</p> <p><b>Involve Corporate Procurement at the outset.</b></p>	<p>Undertake a full electronic tendering process through the Approved e-tendering System and obtain at least three Tenders. The opportunity must be advertised on the Council's approved e-tendering System, the Contracts Finder website and the City Council's website. Alerts will be posted on twitter and facebook accounts.</p>
<p>Over EU Threshold</p> <p><b>Involve Corporate Procurement at the outset.</b></p>	<p>Undertake a full electronic tendering process through the Council's approved e-tendering System (using the corporate above threshold tender template) and obtain at least three Tenders. The opportunity must be advertised in OJEU, on the approved e-tendering System, the Contract Finder website and the City Council's website. Alerts will be posted on twitter and facebook accounts.</p>

### Schools

Value Range (Excluding VAT)	Required Procurement Route
Under £9,999	Obtain at least one written Quotation by e-mail.
Between £10,000 and £49,999	Obtain at least three written Quotations by e-mail.
<p>Between £50,000 and EU Procurement Threshold</p> <p><b>Involve Corporate Procurement at the outset.</b></p>	<p>Undertake a full tendering process including advertising the opportunity and obtain at least three written Tenders.</p>
<p>Over EU Procurement Threshold</p> <p><b>Involve Corporate Procurement at the outset.</b></p>	<p>Undertake a full tendering process including advertising the opportunity in OJEU and obtain at least three written Tenders.</p>

An EU tender procedure is required when the total value of a relevant contract exceeds the EU thresholds. Such contracts must be advertised in the Official Journal of the European Union (OJEU). These contract values are updated every two years and the values for the period 1 January 2018 to 31 December 2019 are below<sup>2</sup>:

<sup>2</sup> revised 1<sup>st</sup> January 2018

<b>Supplies Contracts</b>	<b>Services Contracts</b> ( <i>Other than Light Touch Regime Contracts</i> )	<b>Works Contracts &amp; Concessions</b>	<b>Light Touch Regime Contracts</b>
£181,302 (€221,000)	£181,302 (€221,000)	£4,551,413 (€5,548,000)	£615,278 (€750,000)

To manage procurements effectively, and to ensure transparency, fairness and non-discrimination, the City Council uses an e-tendering portal called ProContract (live from 1<sup>st</sup> January 2018, which replaces the previous Bravo e-tendering portal):

- All tendering must be carried out using the ProContract system (Tendering is defined as procurements with a total value of £50,000 or greater);
- The ProContract system must also be used for all opportunities with a total value of £25,000-£49,999 where the opportunity is to be advertised (i.e. where a Supplier List is not being used).

#### **4. Before Tendering**

Involving the Procurement Team

To involve Corporate Procurement please contact The Team Manager – Procurement and ask for a member of the team to be assigned to your tender. To enable a decision to be made please provide details of the procurement to be done and the value. You will then be informed of the person who will be supporting with your tender and they will contact you directly to arrange a meeting and send a Pre Tender Questionnaire to enable them to collect all the relevant information needed and to guide you through the initial stages of the procurement process.

#### The Public Services (Social Value) Act 2012

All service contracts over the EU threshold are required to comply with the Public Services (Social Value) Act 2012. The Act requires the Council to take a number of steps pre-tender with a view of promoting the social, economic and environmental well-being of the City.

In addition, it is the Council's intention to maximise social value across ALL services, goods and works contracts, subject to practicality, proportionality and relevance.

The City Council's Social Value User Guide provides officers with guidance on how the Act should be applied when planning and implementing a procurement process.

#### Drawing Up A Specification

You will need to draw up a specification which describes as accurately as possible the goods, services or works that the Council requires. This is very important to enable the companies who are subsequently tendering for the requirement to be able to submit a suitably relevant and informed tender submission.

This will not be the case if your specification is vague, ambiguous or lacking in detail and could result in companies either not tendering at all or submitting higher pricing if they have to make assumptions about your requirements. In some cases it will be a highly prescriptive specification). In other cases the specification may be output or outcome focused, where the Council describes expected standards and results, but is not necessarily prescriptive regarding how this is achieved.

The specification would usually be drawn up by the service area with the relevant expertise, especially where it is highly specialised (e.g. information technology). A good specification requires in-depth research to be carried out. It is recommended that you research the market by talking to suppliers, other purchasers, industry associations, etc. to identify possible solutions, indicative costs and delivery timescales.

It must be stressed however that the actual specification itself must be drawn up by the City Council or a third party not involved in the subsequent tender. It would be a conflict of interest to allow a particular company to draw up a specification which they then tender against.

When specifying requirements this must be done in general technical or performance terms. Brand-specific terms or terms which refer to materials or goods of specific origin, or to a particular process or means of production, may only be used exceptionally and with the words 'or equivalent'. If you need further guidance in this area please contact the Procurement Team.

It is still important to have a specification for a quotation but generally this would be simpler in its composition.

An Annex to this document provides additional guidance on what should be included within a specification.

#### Defining Contract Value and Classification

You must determine the value of the contract since this will dictate the procurement route as shown in section 3 above. The value of a contract means the estimated total monetary value over its full duration, including any extension options and not the annual value. For example, if you want to have a two year contract with the option to extend for a further one year then the value of the contract for procurement purposes would be the three year value.

You must never split the value of contracts to avoid the application of procurement rules since such disaggregation is contrary to EU procurement law and could result in legal action being taken against the City Council. For further advice on defining contract values please contact the Procurement Team.

It is important that you calculate a pre-tender estimate of the anticipated contract value (which should have a sound basis) to ensure that you have the necessary budget for the requirement and that this estimate is considered when approval is given to commence the procurement process. A written record of the pre-tender estimate should be kept on the tender file either in the form of an e-mail from the person who has provided the pre-tender estimate or a written note signed and dated by them.



Under EU procurement law, contracts are defined either as supplies, services or works. A supplies contract is one for the acquisition (purchase, lease etc) of products. Services contracts cover things such as maintenance, financial services, consultancy, transport, health and social care etc. Works contracts in the main cover construction. You must always contact the Procurement Team for advice on how to classify a contract (especially in the case of Service contracts, which are complex and operate under different thresholds).

#### Requesting a Unique Contract Reference Number

Before beginning any procurement exercise you must request a unique contract reference number by completing the 'Request for Contract Reference Number' form on the Council's Intranet. It must be completed for all procurements with an expected value of over £500 to satisfy the government's transparency agenda and the requirement will therefore apply to both tenders and quotations.

The reference number should be quoted on your invitation to tender documentation and will also appear on the Corporate Contracts Register. At the end of your procurement exercise you will be required to provide further details on the form in respect of the awarded contract. This will enable the Procurement Team to update the Register on a monthly basis and publish this on the Council's internet (and where relevant the government's Contracts Finder site).

The Corporate Contracts Register provides a focal point of all the Council's contracts and is useful for identifying any duplication of contractual provision and highlighting opportunities for aggregation of demand. All officers providing data for the Corporate Contracts Register shall be responsible and accountable for the accuracy of the information.

#### Obtain Formal Approval to Commence a Procurement Process

Formal approval must be obtained before the commencement of a procurement process.

For procurements in excess of £500,000 a report should be presented to Cabinet which seeks approval both to commence a procurement process and also for delegated authority to award the contract at the end of the process to be given to the appropriate Director in conjunction with the relevant portfolio holder. At the end of the procurement process a Tender Outcome Notice is then sent to the relevant Director; the decision to award is made by that Director.

All Cabinet reports should follow the corporate standard, which is available from the Democratic Services Team. Officers are also required to place an entry in the Notice of Decisions in respect of the relevant Cabinet report.

For procurements valued between £50,000 and £500,000 approval needs to be given by the appropriate Director or Assistant Director. Whilst it would be preferable to have this approval in the form of a report, an e-mail will suffice.

Approval to commence a quotation process (i.e. procurements below £50,000) needs to be given by the appropriate Director, Assistant Director or an officer designated by the Director. Again approval can either be in the form of a report or an e-mail from the authorising officer.

The approval to commence a procurement process should detail the value, length of the proposed tender and whether the tender process is also being done on behalf of other parties and that the resulting contract will be open for them to use.

Financial Regulations state that the Section 151 Officer shall determine, maintain and publish financial limits that officers at each level of the council are permitted to authorise. Directors shall ensure that a list detailing officers who may authorise orders, including their respective authorisation limits, is maintained up to date and a copy forwarded to the Section 151 Officer.

#### Request Solicitor to Provide Legal Advice

It is important that Legal Services are engaged right at the start of the tender or quotation process. This must be done before you issue your invitation to submit a tender / quotation. If Legal Services are not engaged early on, then it will make it more difficult to resolve any legal difficulties which may arise in the procurement process.

The Procurement Team will make the request to Legal Services to engage a solicitor where they are leading the procurement process. By engaging Legal Services at the start of the process, this will enable appropriate advice and where necessary draft a legal agreement to be provided. The latter will be published as part of the invitation to tender documentation.

## **5. Procurement Process**

### Award Procedure and Evaluation Criteria

Under UK and EU law there are five different ways in which a tender exercise can be carried out:

#### 5.1 Restricted Procedure

This consists of a two stage process:

#### **Stage 1 – Pre-Qualification**

A Pre-Qualification Questionnaire (PQQ) is used to select which suppliers to invite to submit a tender. This will contain 'Selection' criteria covering:

- a. Professional honesty, solvency and reliability
- b. Economic and financial standing
- c. Technical or professional ability
- d. Aspects relevant to contract requirements (e.g. Insurance, Health and Safety, Equality and Diversity, Quality Assurance).

Selection criteria focus on a supplier's past experience and track record to identify suitably qualified and experienced suppliers capable of providing the Council's requirement. Hence, they are backward looking.

Some of the selection criteria such as financial standing would be assessed on a pass / fail basis, others would be scored. It is important that:

1. The selection criteria, marks for each criteria and scoring mechanism are defined prior to the issue of the PQQ.
2. That the selection criteria, marks for each criteria and scoring mechanism are clearly stated in the PQQ and that the subsequent evaluation of the PQQ responses is done strictly in accordance with this (see below on PQQ/tender evaluation).

## **Stage 2 – Tender**

Those companies who are successful from the PQQ stage are then invited to submit a formal tender.

Tenders are assessed using 'Award' criteria which relate to the specific contract and are forward looking. Contracts are normally awarded on the basis of the 'most economically advantageous tender (MEAT)' which means the tender offering the best overall value for money in terms of price and quality. Alternatively, for simple low value procurements the award criteria can be lowest price.

Examples of award criteria are price, quality, approach methodology and programme, skills transfer, technical merit, innovation, technical assistance, after sales service.

Again it is important that :

1. The award criteria, marks for each criteria and scoring mechanism are defined prior to the issue of the invitation to tender.
2. That the award criteria, marks for each criteria and scoring mechanism are clearly stated in the tender documentation and that the subsequent tender evaluation is done

## **5.2 Open Procedure**

This is by far the most commonly-used procedure.

The open tender has the advantage of being a one stage process but you may receive lots of compliant tenders for which you have to do a full tender evaluation. The process is as follows:

### **One Stage Process**

The open tender is effectively a one stage process whereby tenders are invited and any interested firm may tender on a contract.

However, whilst the tender evaluation using the 'Award' criteria cannot be staged, it is still possible under the open procedure to have an initial selection stage on a pass/fail gate using selection criteria.

Government guidance is to reduce the use of PQQs (i.e. the restricted procedure) to cut down on bureaucracy. This will mean more use of the open procedure.

Again it is important that :

1. The award criteria, marks for each criteria and scoring mechanism are defined prior to the issue of the invitation to tender.
2. That the award criteria, marks for each criteria and scoring mechanism are clearly stated in the tender documentation and that the subsequent tender evaluation is done in accordance with this (see section below on PQQ / tender evaluation).

## **5.3 Competitive Procedure with Negotiation**

Both this procedure, and the Competitive Dialogue procedure (see 5.4, below) can only be used in one or more of the following circumstances: (a) the needs of the City Council cannot be met by an "off the shelf" approach; (b) the solution will involve design and innovation; (c) the contract cannot be awarded without negotiation due to complex legal, financial or other risks; (d) the detailed technical specifications cannot be established at the outset.

Alternatively, these processes can be used if the Council initially pursued a Restricted or Open procedure but only received unsatisfactory tenders.

This is a complex and infrequently used procedure. The advice and guidance of the Procurement Team must be sought at each stage. In summary, the steps in this process are:

- Publication of a notice (in OJEU and Contracts Finder) asking for suppliers or contractors to submit a qualitative submission. This allows the Council to evaluate those tenders based on specific selection criteria and grounds of exclusion. This may limit the number of suppliers/contractors who participate in subsequent phases of the procedure;
- Those suppliers who are successful are asked to submit an initial tender;
- The City Council can then negotiate with suppliers on the first and subsequent tenders, to improve their content. The exception is the final tender submitted, which is not subject to negotiation.

#### 5.4 Competitive Dialogue

The circumstances under which a competitive dialogue is acceptable are the same as those for the Competitive Procedure with Negotiation (see 5.3, above).

Again this is a complex and infrequently used procedure. The advice and guidance of the Procurement Team must be sought at each stage. In summary, the steps in this process are:

- Publication of a notice (in OJEU and Contracts Finder) asking for suppliers or contractors to submit a pre-qualification questionnaire. This allows the Council to evaluate those tenders based on specific selection criteria. This limits the number of suppliers/contractors who participate in subsequent phases of the procedure. Three is the normal number of final participants but there is no fixed number;
- An Invitation to Participate in Dialogue is sent to the shortlist. There are few mandatory requirements on the structure of the actual dialogue except that holding it over successive stages is acceptable, and that the Council should not provide information in a discriminatory manner which gives some suppliers an advantage over others;
- The dialogue stage can include invitations to submit Outline Solutions, and certain suppliers being eliminated from the process as a result;
- Once a final solution or solution has been identified, the remaining supplier or suppliers are invited to submit a Final Tender.

#### 5.5 Innovation Partnership

An Innovation Partnership is a very specialised form of procedure which is effectively a variation of the Competitive Dialogue (see 5.4, above). The purpose of this procedure is to procure an innovative product, service or works that cannot be met by the market. It allows public bodies to appoint one or more research partners to develop innovative solutions.

By its nature this procedure is very rarely used by local authorities. Directorates interested in pursuing this approach should discuss their requirements with the Procurement Team.

## The Use of the e-Tendering Platform

The City Council uses the ProContract e-Tendering platform to manage all tenders. Licenses to manage tenders will be held by the Procurement Team. The Team will work with Directorates to:

- Create projects on the platform (including, where used, the pre-qualification questionnaire);
- Construct the central tender document. This will comprise three sections. The Qualification section contains instructions on how to complete the tender and can also include selection stage questions (on a pass/fail gate) under the open tender procedure. The Technical section contains questions pertaining to the qualitative evaluation of the tender and the Commercial section contains questions pertaining to the pricing evaluation of the tender;
- Attach all other relevant key documents (e.g. the specification);
- Attach the draft Legal Contract (see below).

As well as tenders the e-Tendering platform will also be used to manage quotations of £25,000 where those opportunities are to be advertised (i.e. all opportunities >£25,000 where Supplier Lists are not being used). Where these opportunities are likely to be frequent, the Procurement Team will grant licenses to relevant staff to allow them to manage the process, subject to full training on use of the platform.

## Advertising in OJEU

Once you have created your PQQ or tender documentation the opportunity will be advertised.

Contracts over the relevant EU threshold (see section 3) need to be advertised in the Official Journal of the European Union (OJEU), and this will be undertaken by the Procurement Team. The Council's e-Tendering platform will place contract notices in OJEU on behalf of the Authority.

An OJEU advert is not required for non-priority services (Part B services) although it is recommended that a voluntary notice is placed in OJEU for such Services particularly if the value greatly exceeds the OJEU threshold. If you are unsure, please contact the Procurement Team for advice.

The e-Tendering system gives access to standard templates for placing adverts in OJEU. Once it is agreed which procedure the opportunity will take, the Procurement Team will indicate that on the advert template.

An important point to note is that minimum timescales apply to tender procedures over the OJEU threshold and these must always be followed. The current OJEU timescales (i.e. from despatch of the notice to the receipt of the responses) are generally 35 days for an Open procedure and 30 days for a Restricted procedure (with a reduction in both cases of 5 days if the responses are to be submitted electronically). However, there are potential variations to these timescales and Directorates should always consult with the Procurement Team for the avoidance of doubt.

Where advertisement in OJEU is required, no other adverts pertaining to the procurement must appear at least 48 hours before a contract notice is

transmitted to OJEU and other adverts must not contain any information additional to that contained in the OJEU notice.

### Advertising elsewhere

The table below shows locations where tender advertisements should be placed:

<p>All quotations and tenders valued at £10,000 or over, except where an approved Supplier List is being used. <b>(Mandatory)</b></p>	<p>All quotations and tenders valued at £10,000 and over must be advertised on the City Council’s website. (This requirement does not apply to schools).</p> <p>In order to meet this requirement, the procedure as follows:</p> <ol style="list-style-type: none"> <li>1. When you are ready to advertise, please complete the “Advert details for city council website’ form on the intranet giving all the necessary details. Once completed, click ‘Send to Corporate Procurement’.</li> <li>2. The form will then be received by the Procurement Team who will place the advert on the Council’s website. The Procurement Team screen the adverts and either accept or reject with comments. If accepted the advert is automatically published;</li> <li>3. The Procurement Team will also instruct the Communications &amp; Marketing Team to put an alert in the Council’s Twitter and Facebook accounts. This will make interested parties aware of the quotation / tender opportunity and refer them back to the Council’s website.</li> <li>4. The Council’s website will contain the name and contact details of the responsible officer (i.e. the officer leading the procurement process) for the given procurement and interested parties will contact that officer directly if they are interested in the quotation/tender opportunity. The named person is responsible for sending out the quotation documents, as there is no facility within the website for doing so;</li> <li>5. The responsible officer will deal with all enquiries for that quotation / tender opportunity accordingly.</li> </ol>
<p>All quotations and tenders valued at £25,000 or over, except where an approved Supplier List is being used. <b>(Mandatory)</b></p>	<p>The process as set out above is followed.</p> <p>In addition, the opportunity will be advertised on the Government’s Contracts Finder website. This will be done through the Council’s e-Tendering platform. The process can be undertaken by the Procurement Team except in those cases where Directorates hold licenses to the platform.</p>
<p>All tenders (i.e. procurements over £50,000) <b>(Mandatory)</b></p>	<p>The process as set out above is followed.</p> <p>In addition all tenders will be advertised on the City Council’s e-Tendering platform. This will be undertaken by the Procurement Team.</p> <p>Finally, the procuring officer, in conjunction with the Procurement Team, should consider whether a Meet The Buyer event is appropriate (see below).</p>

<p>Tenders for ERDF funded projects <b>(Mandatory)</b></p>	<p>All procurements between £20,001 and the OJEU thresholds that are subject to funding by ERDF must be advertised in Contracts Finder. (See section 8 for further information on ERDF funded procurement).</p> <p>The Contracts Finder website is the governments dedicated site for making Small and Medium Enterprises (SMEs) aware of tender opportunities. Notices can be placed via the City Council's e-Tendering platform.</p> <p>Please note that non-compliance with advertising requirements is a common error that could lead to claw-back of ERDF funding.</p>
<p>All tenders <b>(Optional)</b></p>	<p>Newspapers, specialist journals or trade magazines. Adverts would be placed via the Communications &amp; Marketing Team appointed advertising agency (and the charge will be incurred by the ordering Directorate).</p>
<p>All quotations and tenders valued at £10,000 or below <b>(Optional)</b></p>	<p>Although not a requirement under the Contract Procedure Rules, seeking competitive estimates and advertising for lower value opportunities can be beneficial, particularly in terms of cost and finding out what is in the market. In which case the procedure is followed for purchases £10,000 or more.</p>

### Meet The Buyer Events

For all purchases over £50,000, the purchasing officer in conjunction with the Procurement Team, should consider whether a Meet The Buyer event is appropriate. This will be determined by the scale of the contract; the type of contract (service and works contract lend themselves better to such an event)); and the size and maturity of the market (i.e. if there is only a small number of specialist providers, such an event would be of limited value).

The purpose of such an event would be to:

- Alert the market to the opportunity;
- Set out what the evaluation criteria will be (i.e. what a “good” tender looks like);
- Explain how the e-Tendering system works.

A key benefit of the event would be to enable small & medium enterprises (SMEs) and voluntary and community sector enterprises (VCSEs) on an equal basis with their larger counterparts.

Under no circumstance should the invitations be limited to specific types or geography of business, i.e. they should be entirely open. However, every effort should be made to engage with SMEs and VCSEs wherever possible.

### Communications with tenderers/other stakeholders

All communications with tenderers during the tender process must be conducted via the secure messaging service which forms part of the e-Tendering system. The system provides an audit trail of all correspondence with tenderers.

In order to ensure equal treatment of all tenderers, any enquiries and the respective responses should be supplied in a suitably anonymous form to all

bidders except where the enquiry is of a commercially sensitive or confidential nature.

If you have any queries or concerns at any stage of the tender process then you must raise these with the Procurement Team or Legal Services as appropriate.

### Tender periods

Specific time periods apply to tenders advertised in OJEU. Please contact the Procurement Team for further information.

For non-OJEU procurements, there are no stipulated timescales but tender periods must be reasonable in order to give bidders sufficient time to submit their response.

The closing date for receipt of tenders may only be extended in exceptional circumstances and this must be approved in writing by the Strategic Manager Commercial Development and the reasons documented. A record must be kept on the tender file accordingly.

### Tender opening and late tenders

Tenders will be submitted electronically through the e-Tendering system and cannot be opened until after the tender closing date. The system shows the time and date that each tender has been submitted and will flag up any late tenders.

All late tenders must be referred to the Strategic Manager Commercial Development who will investigate the circumstances of the late tender and report the findings to the Assistant Director Governance who will then make a decision whether the late tender will be accepted. They will only be accepted in exceptional circumstances where there has been a failure of the electronic tendering system or if the failure to comply is the fault of the City Council AND tenders have not been opened.

If you receive less than three tenders or quotations then an Authority To Proceed notice must be issued by the Procurement Team prior to tender or tenders being opened.

### PQQ/Tender Evaluation

The evaluation of PQQs and tenders must be done strictly in accordance with the criteria, marks and scoring mechanism stipulated in the PQQ / invitation to tender documents.

The evaluation of PQQs (in a restricted procedure) and the initial selection stage of an open tender will be based on the selection criteria (and will not involve the evaluation of price). The evaluation of financial standing can include the use of a credit reference check. Please contact the Procurement Team for advice.

The evaluation of the tender stage will be done using the award criteria which will normally be based on the Most Economically Advantageous Tender



(MEAT) (i.e. a mixture of price and quality to ensure best value). The exact split between price and quality should be agreed with the respective client on a tender by tender basis.

The tender evaluation will be undertaken by a tender evaluation panel comprising of relevant officers who have the required knowledge to carry out the assessment. The tender scoring will be recorded on suitable spread sheets and these must be signed and dated by the tender evaluation panel. These spreadsheets must be retained, ideally electronically.

Guidance is given below on how to score price and quality under a MEAT analysis:

### *Evaluation of Price*

The following standard formula for calculating the price score should be used:

$$\frac{\text{Lowest Total Tender Price}}{\text{Bidders Total Tender Price}} \times \text{total marks available} = \text{points awarded}$$

*(Bid under consideration)*

For example if the total mark attributable to price was 500 and the tendered prices for each bidder were Company A - £100,000, Company B - £120,000 and Company C - £80,000 then the price scores would be as follows:

<b>Tendered Prices</b>	<b>Price Score</b>
Company A- £100,0000	400 marks
Company B - £120,000	333 marks
Company C - £80,000	500 marks

### *Evaluation of Quality*

Quality would typically be broken down into a number of sub-criteria which must also be disclosed in the tender documentation. For example, if the total mark attributable to quality was 500, this could be broken down into:

- 200 marks for approach and methodology
- 180 marks for programme
- 120 marks for technical merit

Each of the sub-criteria should be scored using the scoring mechanism detailed in the tender documentation. A suitable scoring mechanism is detailed below:

- Score 5 marks – where the evidence demonstrates that all of the tender requirements have been met. Response provided is excellent.
- Score 4 marks - where the evidence demonstrates that most of the tender requirements have been met. Response provided is good.
- Score 3 marks - where the evidence demonstrates that some of the tender requirements have been met. Response provided is satisfactory.
- Score 2 marks – where the evidence demonstrates clear gaps in meeting the tender requirements and is not comprehensive. Response provided is below average.
- Score 1 mark – where the evidence demonstrates a significant flaw in meeting the tender requirements. Response provided is poor
- Score 0 marks - where no information is provided for the relevant criteria.

The scoring mechanism is applied to each sub-criterion to arrive at a total quality score for each company. Example below:

Score out of 5

	Total marks available	Company A		Company B		Company C	
		Score	Marks	Score	Marks	Score	Marks
Approach & methodology	200	4	<b>160</b> (4/5*200)	2	<b>80</b> (2/5*200)	3	<b>120</b> (3/5*200)
Programme	180	5	<b>180</b> (5/5*180)	0	<b>0</b> (0/5*180)	1	<b>36</b> (1/5*180)
Technical Merit	120	3	<b>72</b> (3/5*120)	4	<b>96</b> (4/5*120)	2	<b>48</b> (2/5*120)
<b>Total Quality Score</b>			<b>412</b>		<b>176</b>		<b>204</b>

### Total MEAT Score

This is arrived at by adding the total price score to the total quality score. Using the previous examples, the total MEAT score of each company would be as follows:

	Company A	Company B	Company C
Price Score	400 marks	333 marks	500 marks
Quality Score	412 marks	176 marks	204 marks
<b>Total MEAT Score</b>	<b>812 marks</b>	<b>509 marks</b>	<b>704 marks</b>

The company with the highest overall MEAT score will win the tender. In the example, Company A have achieved the highest MEAT score even though Company C is the cheapest. This demonstrates that best value does not always mean the cheapest tender.

### Approval to Award Contract

Once the tender evaluation has been completed the Procurement Team will prepare a Tender Outcome Notice. Approval to actually award the contract may also be required:

Procurements in excess of £500,000	<p>If the Cabinet approval obtained at the start of the procurement process gave delegated authority for the appropriate Director to award the contract, then he/she can do so on receipt of the Tender Outcome Notice.</p> <p>If Cabinet approval did not give such authority to award then a second report would need to go to Cabinet to award the contract. No action can be taken until after the expiry of the call-in period.</p>
Procurements between £50,000 and £500,000	Approval to award the contract needs to be given by the appropriate Director on receipt of the Tender Outcome

	Notice.
Procurements below £50,000	Approval to award the contract needs to be given by the appropriate Director or an officer designated by the Director on receipt of the Tender Outcome Notice.

## **6 Award of Contract**

### **Mandatory Standstill Period/Notification of Tender Decision**

For all contracts over the OJEU threshold, a mandatory 'standstill period' must be observed between notification of the contract award and conclusion of the contract. The reason for this is to give the unsuccessful tenderers the opportunity to challenge the award decision before the contract is concluded.

It is very important that the standstill period is adhered to where this is required otherwise the council will be open to a legal challenge.

A 'standstill letter' must be sent through the e-Tendering platform to all tenderers (both successful and unsuccessful) on the same day notifying them of the outcome of the tender process. The letter to the successful tenderer should state that their tender is successful (subject to contract) but that the contract cannot be awarded until after the standstill period.

The letters to the unsuccessful tenderers should contain the following information:

- The tender award criteria
- The name of the successful tenderer
- Summary of reasons for the tender decision:
  - a) Characteristics and relative advantages of the successful tender.
  - b) Successful tenderers score.
  - c) Tenderers own score.
- Precise statement of standstill period

You do not need a standstill period for tenders below the EU threshold and quotations. However, it is still important that formal notification of the tender decision is sent to both the successful and unsuccessful tenderers in writing.

If no legal challenges have been received by the end of the standstill period then a subsequent letter to award the contract (subject to contract) should be sent to the successful tenderer.

Templates for the standstill letters have been put on the procurement section of the intranet.

If you are doing a below threshold tender or a quotation (then whilst the standstill period does not apply) you still need to inform the successful and unsuccessful companies of the outcome of the tender or quotation in writing.

The letter to the successful company should state 'subject to contract', where the award is subject to a legal contract being signed. Feedback should be given where this is requested.

### Finalise Legal Contract

Following the expiry of the standstill period, Legal Services will finalise the legal contract in respect of the successful tenderer. This will be based on the draft contract that was sent out with the invitation to tender.

You should provide Legal Services with a copy of the e-Tendering tender submission from the successful tenderer together with relevant correspondence and clarifications.

Legal Services will then finalise the contract and send it to you for any last comments before it is dispatched to the successful tenderer for signature. You will be sent a copy of the signed contract by Legal Services.

No work should be commenced or goods or services provided until a signed contract (or letter of intent) is in place and has been exchanged between the parties.

### Contract Award Notice

The Procurement Team will place a Contract Award Notice in OJEU for all contracts awarded above the EU thresholds. This must be transmitted to OJEU no later than 48 calendar days after the date of award. This requirement does not apply to below threshold tenders or quotations.

If you placed an advert in Contracts Finder, then you will also need to publish an award notice in Contracts Finder and retain a copy of this in your tender file.

The Procurement Team will place the award notice where they are leading the procurement.

### Complete Entry for Contracts Register

At the end of your procurement exercise you will be required to provide further details on the share point form in respect of the awarded contract. This will enable Corporate Procurement to update the Register on a monthly basis and publish this on the Council's internet.

**All officers providing data for the Corporate Contracts Register shall be responsible and accountable for the accuracy of the information.**

### Recording of Executive Decisions

All executive decisions made by an officer i.e. decisions between the value of £50,000 and £500,000 must be published in the record of decisions on the Council's internet. This is to ensure compliance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Please contact the Democratic Services team which will provide guidance on how this is done.

## **7 Using Collaborative Agreements**

### Frameworks

It is important that you consider whether your requirements can be satisfied by using a contractual arrangement set up by another public body. It is now common practice for Councils to utilise such contracts, particularly the use of framework agreements. These are where prices and terms are established in advance with one or more companies which can then be used to satisfy the specific requirements of the individual Council choosing to utilise the framework.

The benefit of using collaborative contracts is that they provide a compliant procurement route because the procurement rules have already been satisfied and many provide competitive pricing by taking advantage of economies of scale.

In all cases however, please contact Corporate Procurement for advice before going ahead with using any contract set up by another public body. This will enable the appropriate checks to be carried out.

### Collaborating with Other Public Bodies

Purchasing goods, services and works across a wider geographical area, or across a wider range of organisations, can yield real economies of scale. If you are purchasing in categories which would lend themselves to being shared with other local authorities, or even in other public agencies (health; blue-light services; further & higher education etc), please consider how scalable those purchases will be. The Procurement Team can negotiate with purchasers in other public bodies to determine whether the opportunity exists to widen the scope of the purchase, with a view to reducing unit or overall cost.

## **8 Procurement using ERDF monies**

Special rules apply to any procurement that is subject to funding by the European Regional Development Fund (ERDF), which forms part of the wider European Strategic & Investment Fund (ESIF). It is extremely important that you follow the ERDF National Procurement requirements, as failure to do so can lead to clawback of funding.

In addition, you need to ensure that all tender documentation includes the ERDF logo and also a statement that 'this commission is subject to European Regional Development Funding'.

When placing a Contract Notice in the Official Journal of the European Union then you must check the yes box at VI.2 contract related to a project and/or programme financed by Community Funds.

If you have any queries regarding ERDF funded procurement then please contact the Council's ERDF Programme Manager on extension 6314 or any of the Procurement Team.

## **9 Manual Procurement for Low Value Quotations**

It is important that any low value quotations being carried out manually still follow the principles set out in this guide. In summary, a quotation exercise will be one stage process and should include the following:

- You should obtain approval to commence the quotation exercise from your Director or an officer designated by the Director;
- A unique contract reference number should be requested for the quotation if over £500;
- Involve Legal Services if you feel the quotation is likely to be contentious or a legal contract is required;
- The quotation should have a clear specification and include the award criteria on which the quotation will be awarded;
- The quotation should state the documentary evidence or other information that must be submitted by companies in their quotation response;
- The quotation closing date and time should be clearly specified;
- You could advertise the quotation on the City Council's website to promote business for local companies. This is a requirement for purchases £10,000 or more (NB for procurements less than £10,000, the provider must be local<sup>3</sup> where appropriate and practical; for procurements of less than £50,000 at least one local provider must be invited to participate);
- Given that quotations do not have to be sealed bids they can be submitted in writing through the post or by e-mail. However, in the interests of reducing the need for paper-based approaches, electronic responses are preferred;
- A written record shall be kept of all quotations received;
- Quotations must be evaluated in accordance with the specified award criteria;
- You need to notify the successful and unsuccessful companies in writing of the outcome of the quotation. The letter to the successful company should state 'subject to contract', where the award is subject to a legal contract being signed. Feedback should be given where this is requested;
- If a legal contract is set up for the quotation, you should retain and archive a copy.

## **10 Supplier Lists**

Directorates may from time to time wish to maintain lists of providers who are qualified for and interested in particular types of contract. Supplier lists can have the benefit of streamlining the procurement process (e.g. through removing the requirement to advertise) leading to cost savings, wider competition and efficient information management.

These Supplier Lists differ from Frameworks in that there are no specific guidelines around upper or lower values, and suppliers can choose to enter or

---

<sup>3</sup> See Annex for definition of "local".

leave those lists at any time. Unlike Frameworks there are no provisions with the Public Contract Regulations relating to supplier lists, so care must be taken in establishing them to ensure that they do not breach those Regulations. In particular:

- The agglomeration of similar contracts given to providers selected from a list should not breach OJEU thresholds;
- The existence of the lists must be advertised;
- The qualifications required for a supplier to be on that list should not discriminate against suppliers from another EU state.

Should a Directorate wish to establish a Supplier List, the Procurement Team should be notified, who will then work with that Directorate to establish the list. In particular the Directorate will agree with the Procurement Team:

- Minimum qualifications necessary for a supplier to be allowed onto the list;
- How the existence of the list will be advertised, and how suppliers will be invited to apply to be on the list.

Once established the lists shall be maintained by the Directorate. However, the Procurement Team should be notified of any changes to those lists.

## **11 Contract Management and Changes**

### Contract management

It is important to have adequate contract management in place to ensure that the actual service provided by the appointed company is in accordance with the agreed standards and prices. Performance measures to cover all aspects of a contract should be designed to suit the requirements of a particular contract and should be set out in the tender documentation to ensure tenderers are fully aware of both the measures and the measurement methodology before any contract is awarded.

It is important that the performance measures selected provide clear and demonstrable evidence of the success (or otherwise) of the contract. Issues such as the following should be covered:

- cost and value obtained
- performance and customer satisfaction
- delivery improvement and added value
- delivery capability
- benefits realised
- relationship strength and responsiveness.

### Contract changes

**You should proceed with extreme caution when making any changes to a concluded contract. Please contact the Procurement Team or Legal Services for advice before making any changes.** The contract should only be terminated or extended in accordance with the contractual provisions.

If you make any changes to the contract so that it is 'materially different' to the contract that was originally awarded then there is a risk of challenge on the

basis that it is a new contract requiring a new award procedure. Examples of material changes would be if there is a fundamental change in scope or value.

## **12 Exemption Certificates**

An Exemption Certificate is required where the council is exempting from the requirements of its Contract Procedure Rules. Section 135(3) of the Local Government Act 1972 permits local authorities to exempt themselves from their own standing orders where “special circumstances” apply.

Approval to exempt must be given **before** you take any action (exemptions will not be granted retrospectively). Hence, exemptions must be requested in good time.

Examples where an exemption certificate may be granted are where there is only one possible provider for technical, artistic or reasons related to exclusive rights, or for reasons of extreme urgency, particularly those arising from unforeseeable events.

If you require an exemption certificate, then this must be formally requested from the Procurement Team ([purchasing@stoke.gov.uk](mailto:purchasing@stoke.gov.uk)) with a proper justification of why the exemption certificate is required.

The exemption certificate is considered and signed in the following order:

- a) Signed and completed by the requestor at section 1.
- b) Counter-signed by the relevant Assistant Director at section 1 (where the value of the exemption is over £50,000).
- c) Signed and completed by someone from Finance at section 1 to agree the financial implications.
- d) Signed and completed by the Strategic Manager Commercial Development at section 2 to highlight the procurement risk.
- e) Signed and completed by the relevant Director at section 3 who makes the decision as to whether to accept or reject the exemption.

An exemption certificate will be also be required to extend an existing contract (unless the original contract provides for the given extension). If an existing contractual extension is exceeded, then an exemption certificate will be required to extend the contract further. In these circumstances, the signatures required will be the same as detailed in situation one above.

Please be aware that there are frequent FOI requests for details of exemption certificates and the information you provide may end up in the public domain. Unless you can justify an exemption, then you must conduct a competitive tendering exercise when procuring goods, services and works. This is important for a number of reasons:

1. To obtain value for money for the City Council by adequately testing the marketplace. Clearly when companies are having to compete for business it is far more likely the Council will achieve a better outcome in terms of more competitive pricing and overall best value.
2. Tendering supports transparency, probity and fair treatment by giving all companies the chance to win the business through a formal structured process.



3. It is particularly important in supporting the local economy that as many requirements as possible are put out to tender to increase opportunities for local small and medium enterprises

### **13 Documentary records, retention and disposal**

It is important that proper records are kept of the procurement process in a suitable electronic or hard copy form. As a minimum, the following documentation should be retained:

1.	Pre-tender actions including approval to go out to tender or quotation.
2.	Tender or quotation documentation (and PQQ documentation if tender under the restricted procedure).
3.	Tender advertisement.
4.	List of returned tenders / quotations (and PQQ's if applicable).
5.	Tender or quotation evaluation.
6.	Tender or quotation approval report.
7.	Notification of tender award decision to successful and unsuccessful tenderers.
8.	Copy of signed legal contract.

It is preferable that an electronic file structure is established to hold all of the above information (pertaining to a given procurement) together in one place.

You are advised to read the council's Retention and Disposal Policy and also the specific requirements for document retention and disposal pertaining to Procurement as detailed on pages 207-211 of the Retention and Disposal Schedule. Tender documentation shall be retained and disposed of in accordance with the requirements of this Schedule.

### **14 Employee Code of Conduct**

All officers should read the Code of Conduct (particularly the sections pertaining to Pecuniary Interests, Financial and Non-Financial Interests and Tendering/Procurement) and be aware of their responsibilities. The Code of Conduct covers:

Pecuniary Interests: Every Officer involved in any decision in respect of any Provider or Contract in which he/she or any immediate member of his or her family has a Pecuniary Interest shall make their line manager aware at the earliest opportunity and complete a 'Declaration of interests' form which shall be held in the Register of Interests.

Financial and Non-financial Interests: The Local Government Act 1972, section 117, requires you to disclose, in writing to your Director or other nominated manager, any direct or indirect interest in an organisation that is doing business with the City Council, which you think conflicts with your job role. It also forbids an employee to accept "any fee or reward" whatsoever other than proper remuneration.

An Interest need not only be financial. For instance, relationships might be seen to influence judgements and give the impression of a personal motive. In such cases, again you should inform your Director or other nominated senior manager of that interest (e.g. familial).

Internal procurement: If you are involved in the internal provision of a service, which is the subject of a tendering process, you should seek guidance from your Director, or other nominated senior manager, as to how the competitive tendering process is to be conducted and how the “provider” and “commissioning” responsibilities are to be separated and discharged. Employees working for an internal provider unit or working in a commissioning role must exercise fairness and impartiality when dealing with all customers, suppliers and other contractors and subcontractors.

External procurement: If you have a business or private relationship with external contractors or potential contractors, you should tell your senior manager. Orders and contracts must be awarded on merit, by fair competition against other tenders and no special favour should be shown to a business run, for example, by friends, partners or relatives, in the tendering process. Similarly if you engage or supervise contractors or work with contractors and have formerly had or currently have an interest or relationship either in a private or domestic capacity with contractors, you should declare that relationship to your Departmental Director or nominated senior manager. Finally if you are privy to confidential information on tenders or costs for either internal or external contractors you should not disclose that information to any unauthorised party or organisation.

## **ANNEX A: Drafting a Specification**

Below are some examples of areas to be covered in a specification:

- a) Title page – this should describe the project and identify the Council and the main contact person (or contract administrator).
- b) Table of Contents – ensure the document is well set out and easy to read, using plain language.
- c) Definitions – In addition to the definitions in the contract part of the tender, it is important that there is a list of definitions, or a glossary of terms, to ensure that technical words and phrases in the specification are mutually understood. Failure to define key words and phrases may lead to misunderstandings and inappropriate solutions.
- d) Introduction - The introduction should briefly explain the requirement and the context of that requirement.
- e) Scope - The scope will address areas such as anticipated demand or volumes, whether the supplier is to supply only, supply and install, provide training, provide support documentation, etc. and, where appropriate, should identify specifically what is not to be included. This section should also highlight whether the Public Service (Social Value) Act 2012 will apply.
- f) Background – The more information a tenderer has, the better able he or she is able to respond to the tender. Background information may cover, where appropriate, the reason the Council is tendering, its expectations, the implications for the Council implementing the solutions, and other options which have been considered by the Council (and if dismissed, why). It may also explain how the solutions may link into other requirements and applications whether already implemented or planned for the future.
- g) Service Conditions and Environmental Factors – Explain any factors which may have a bearing on the operation of the goods or services. For example, if the physical environment may impact on the output design or performance, the specification must highlight these conditions. Examples are:
  - Operating and storage conditions
  - The need for interchange ability or compatibility with existing services and equipment
  - Personnel and health and safety aspects
  - Existing facilities to be maintained throughout a contract period and what has to be done to ensure this

The specification must also cover any particular sustainability requirements, for example, energy usage and the recycling capability of the goods.

- h) Statement of Requirements - The statement of requirement must contain a description of the outputs for services or functionality and performance requirements for goods. Details of the performance indicators and benchmarks that will be monitored during the contract period must also be included. The statement of

requirements will vary significantly in scale and complexity depending on the size and nature of the contract but may contain some or all of the following:

Services:

- Required outputs and/or outcomes
- Performance measures
- Targets
- Management of the contract
- Transfer of assets and personnel
- The hand-over process
- Transition between service providers
- Best Value

Supplies:

- Design and performance criteria
- Functional characteristics
- Performance characteristics
- Technical characteristics
- Reporting requirements
- Standards
- Compatibility and standardisation
- Acceptance testing

Works:

- List drawings and other guidance provided
  - Details of access, ground conditions and preparation work
  - Performance criteria including contractors' designs
  - Relationships with subcontractors and suppliers
  - Employer's contractual and legal requirements
  - Insurances of works and indemnities
  - Works management including completion and defects
  - Control of time and cost
  - Quality control, standards and checks required
  - Health and safety
  - Temporary facilities
- i) Technology, systems and management techniques - The specification may need to state where the Council expects improvement in the use of systems and other management techniques. This will help ensure that the supplier continues to adopt best practice throughout the course of the contract.
- j) Quality Requirements - The specification should address the quality processes and standards expected of the supplier. For supply contracts, the quality of the goods required must be clearly defined.
- k) Whole of life support - This section should state what maintenance is required and any modifications or upgrades that may be required in the future plus any warranties required.
- l) Security - If security is an issue then this section should ask suppliers about how the confidentiality of personal and commercial information will be handled. It may also address security issues such as theft-reduction measures.

- m) Training - Any training which is required for the product or service in question should be clearly identified and the supplier should be required to state what will be provided, plus the cost of any additional training requirements that may be required above the levels agreed in the tender process.
- n) Implementation timetable - The implementation timetable should be fully detailed including the commencement date, delivery date(s), milestones, and a completion date. The Council must specify the required dates and not ask the supplier when he or she can deliver, although the supplier can be asked to provide costed variations if deemed appropriate.

## **ANNEX B Definition of “local”**

In terms of an individual, “local” is defined as any person whose primary residence is within the municipal boundary of Stoke-on-Trent; or any young person whose care is the responsibility of the City Council regardless of their address.

In terms of a private company, voluntary group or other provider, the definition of local is wider. However, consideration should be given in the following descending order of priority:

1. An organisation whose principal trading base lies within the municipal boundary of Stoke-on-Trent;
2. An organisation of regional, national or international stature but which has a branch operation located within Stoke-on-Trent;
3. Any company located within the Stoke-on-Trent Travel To Work Area (TTWA), as defined by the Office of National Statistics<sup>4</sup>.

---

<sup>4</sup> The current TTWA includes Stoke-on-Trent; Newcastle Borough; Staffordshire Moorlands District; and parts of Stafford Borough; East Staffordshire Borough; and Cheshire East. For the avoidance of doubt a map can be made available via the City Council’s Economic Growth service.

## **ANNEX C: Glossary of Terms**

Award Criteria	<p>Award criteria relate to the specific contract and are forward looking. Contracts are normally awarded on the basis of the 'most economically advantageous tender (MEAT)' which means the tender offering the best overall value for money in terms of price and quality.</p> <p>Alternatively, for simple low value procurements the award criteria can be lowest price.</p> <p>Examples of award criteria are price, quality, approach methodology and programme, skills transfer, technical merit, innovation, technical assistance, after sales service.</p>
CPV Codes	<p>Common Procurement Vocabulary EU classification scheme used to standardise the classification of goods and services for the benefit of purchasers and suppliers.</p>
EU	<p>European Union</p>
Expression of Interest	<p>An invitation to the market to apply for a place on the tender list. Usually requires providing specified information regarding a firm's economic and financial standing and technical or professional ability.</p>
FOI	<p>Freedom of Information – as per FOI Act 2000.</p>
Framework Agreement	<p>An agreement between one or more public bodies and one or more suppliers, the purpose of which is to enable contracts to be awarded over a period of time.</p>
Key Decision	<p>A Key Decision means an Executive Decision which is likely:</p> <ul style="list-style-type: none"><li>• to result in the Authority incurring expenditure which is, or the making of savings which are significant, having regard to the Local Authority's budget for the services or functions to which the decision relates. The City Council's Constitution states that savings are deemed to be significant if they exceed £500,000;</li><li>• to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the local authority.</li></ul>
ITT	<p>Invitation to Tender.</p>
OJEU	<p>Official Journal of the European Union.</p>
Open Procedure	<p>This is a commonly used award procedure whereby all those companies who apply for tender documents will be allowed to tender.</p>
PQQ (Pre Qualification Questionnaire)	<p>A Pre-Qualification Questionnaire (PQQ) is used to select which suppliers to invite to submit a tender. This will contain 'Selection' criteria covering:</p> <ol style="list-style-type: none"><li>a. Professional honesty, solvency and reliability.</li><li>b. Economic and financial standing.</li><li>c. Technical or professional ability.</li><li>d. Aspects relevant to contract requirements (e.g. Insurance, Health and Safety, Equality and Diversity, Quality Assurance).</li></ol>
Restricted Procedure	<p>This is a commonly used tender award procedure. Companies express an interest by Pre-Qualification</p>

	Questionnaire and a number are short-listed to be invited to tender. Under this procedure normally at least 5 firms are invited to tender.
Selection Criteria	Selection criteria focus on a supplier's past experience and track record to identify suitably qualified and experienced suppliers capable of providing the Councils requirement. (See PQQ).
Service Contract	A contract for the provision of services as defined in the EU Directives.
Service Concession	A contract of the same type as a service contract except for the fact that the consideration for the provision of the services consists in the right to exploit the service or in this right together with payment.
Service Provider	An individual or company which provides services.
SME	Small and Medium Size Enterprise.
Specification	A description of the product or service required in terms of functional and/or technical performance.
Standstill Period	Also known as the Alcatel Period. The period between the notification date of the contract award and the conclusion of the contract. This is to give the unsuccessful tenderers the opportunity to challenge the award decision before the contract is concluded.
Supply Contract	A contract for the purchase, lease, rental or hire purchase of products (may also include siting and installation services).
Tender	Tender refers to a formal written submission from the supplier or service provider detailing their offer.
Tenderer	A party submitting a tender to a public body.
Total Value	This is the aggregated value of a purchased good, works or service over the duration of a contract. For example a particular service costs £50,000 per year to deliver, but the contract for the service is four years. The Total Value is therefore £200,000 and is therefore subject to the OJEU procedure when procuring that service.
TUPE	Tenders which include the potential for staff to be affected must take due regard of the Transfer of Undertaking (Protection of Employment) Regulations, including formal consultation with staff and their trade unions.
Weightings	The mathematical emphasis placed on various criteria in the selection or award stage of a tender procedure.
Works contract	A contract for the execution of works (e.g. construction).