



# Penrith Town Council

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## PROCUREMENT POLICY

### BACKGROUND

#### CURRENT EU PROCUREMENT THRESHOLDS

These thresholds are valid from 01 January 2018 and are normally subject to change every two years. They apply to high value procurements which will rarely, if ever, be made by the Town Council:

Public Works contracts	£4,551,413
Public Service contracts	£181,302
Public Supply contracts	£181,302

The council is also obliged to follow some basic principles.

For supplies and services over these thresholds, a tender notice must be placed in the Official Journal of the European Union (OJEU) to give all providers within the EU an opportunity to tender.

Tenders must be invited in accordance with one of the prescribed procedures either Open, Restricted, Competitive with Negotiation, Competitive Dialogue, Innovation Partnership or Light Touch Regime. Each of these procedures imposes minimum time scales covering the tender activities to ensure that reasonable time is given to interested parties to respond to advertisements and prepare submissions.

### NATIONAL RULES

Whilst there is no prescription on local authorities to tender out specific services all councils have a duty under best value legislation as laid down by Part 1 of the Local Government Act 1999 to fundamentally review their services and make arrangements to ensure continuous improvement, having regard to economy, efficiency and effectiveness.

All contracts opportunities and contract awards of £25,000 in value and above in accordance with The Public Contracts Regulations 2015 must be advertised openly on the Contracts Finder portal.

## **LOCAL RULES**

The Council will strive to attain best value for all goods, materials and services which it purchases.

“Best Value” will be defined as a balance of price, quality of product and supplier services.

The Council will operate a transparent procurement process in accordance with its Financial Regulations and Standing Orders for Contracts.

1. The Council will purchase locally wherever possible and where best value can be satisfied. The Council will primarily make purchases within the parish of Penrith and the district of Eden.
2. In evaluating “best value”, the past record of the supplier will be taken into account.
3. For goods, materials or services over £4,000, a service level agreement incorporating an evaluation report will be agreed.
4. The Council will purchase Fair Trade goods where possible.
5. The Council will purchase re-cycled goods or less environmentally damaging materials where they meet the required functional standard and will have regard to protect and sustain the environment.
6. Procurement activities will comply with the Council's Financial Regulations and the Procurement Regulations 2015 and reflect the practises as recorded in the NALC Procurement Toolkit.
7. Tender opportunities will be promoted on the Councils website to encourage tenders from local community and voluntary organisations and the local SME sector.
8. The Council will show favour to organisations that pay the Living Wage as set by the Living Wage Foundation.

## THRESHOLDS & PROCEDURES

Procedures as recorded in the Financial Regulations apply. Procurements should not be disaggregated solely to avoid the need to meet a more rigorous procedure.

<b>Estimated contract value</b> (net of VAT)	<b>Contract requirements</b>
Up to £15,000	<p>A purchase can be made from the source that offers the best value for money to the Council.</p> <p>This should be demonstrated by the obtaining of 3 written quotes, where this is possible.</p> <p>Contracts shall be by purchase order.</p>
£15,001 to £25,000	<p>Shall be advertised on the website of the Council (and/or other public advertisement as determined by the relevant Committee) unless, in consultation with the Responsible Financial Officer, it is agreed to approach suppliers on an ad hoc basis inviting expressions of interest (in which case 3 written quotes shall be sought).</p>
£25,001 to £50,000	<p>Procurement opportunities over £25,000 in value shall be openly advertised on the Council's website and shall also be advertised on Contract Finder within 24 hours of that advert appearing together with unrestricted and full direct internet access to relevant contract documents.</p> <p>A formal written contract approved by a solicitor must be utilised. A purchase order referring to the contract will also be utilised where required. Following award of the contract, relevant details must be published on Contract Finder.</p>
£50,001 to EU procurement threshold	<p>Shall be advertised on the website of the Authority and on Contract Finder (within 24 hours of any other adverts appearing; and /or other public advertisement as determined by the authorised officer) together with unrestricted and full direct access to relevant contract documents.</p> <p>Pre-Qualification Questionnaires (PQQ's) can be used in procurements above the lower EU threshold for supplies and services for tender opportunities for works contracts. A formal written contract prepared/approved by the Council's Solicitor must be utilised. A covering purchase order referring to the contract will also be utilised where required.</p> <p>Following award of the contract, relevant details must be published on Contract Finder.</p>

<b>Estimated contract value</b> (net of VAT)	<b>Contract requirements</b>
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EU procurement threshold and above	<p>Shall be advertised in the Official Journal of the European Journal (OJEU), on the Council's website and on Contract Finder (within 3 days of the receipt of OJEU notice at publications office or within 24 hours of the OJEU notice being published; and/or other public advertisement as determined by the Authorised Officer).</p> <p>Pre-Qualification Questionnaires (PQQ's) can be used in procurements above the lower EU threshold for supplies and services for tender opportunities for supplies, services and works.</p> <p>The Council's Solicitor shall advise on the most appropriate EU procurement procedure to be used for the relevant supplies. Services and/or works to be procured. The two most common procedures are:</p> <p>Open Procedure - anyone can submit a tender</p> <p>Restricted Procedure - following receipt of expressions of interest a pre-qualification questionnaire (PQQ) is used to shortlist candidates who are then invited to submit a tender.</p>
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**APPROVED:**

**May 2016**

**REVIEWED:**

**September 2018**

**APPROVED:**

**September 2018**

**Reviewed annually**