

HARBOROUGH DISTRICT COUNCIL STATEMENT OF REQUIRED PRACTICE FOR PROCUREMENT ('The SORP')

Introduction.

1. Whenever work, goods, services or materials are procured by, or on behalf of, the Council the procedure followed must comply with the Council's constitution and rules as defined by the SORP, UK law, any relevant financial regulations, and the Scheme of Delegations. The SORP will be updated from time to time and the current version will be available on the Harborough district council website. European Union (EU) Regulations must also be followed where applicable. The Service Manager, Commissioning and/or the Head of Legal Services will give or procure advice on procurement and entering into contracts.
2. The rules of the SORP must be read in conjunction with the Financial Procedure Rules and Contract Procedure Rules.
3. All decisions relating to procurement and the reasons for those decisions must be recorded and kept in a form suitable for audit purposes.
4. Where the Council is procuring through a partnership, shared service or delegation arrangement, the Contract Procedure Rules of the Lead Authority may apply, however officers must seek guidance from the Service Manager, Commissioning and/or the Head of Legal Services to ensure that any conflict with Harborough District Council's Procurement SORP is acknowledged and managed appropriately.
5. Where the value of a proposed contract is in excess of any threshold prescribed in any of the EU Public Procurement Regulations (also known as the 'EU Directives') applicable to a contract of that type, then the award of the contract shall be carried out in all respects in accordance with such regulations. The provisions of the SORP shall continue to apply to such contracts only to the extent that they do not conflict with the provisions of the Public Procurement Regulations.

Exemptions from the SORP rules

6. In certain circumstances, it may be necessary to disregard the requirements of the SORP. The following exceptions may only be invoked after consultation between the officer responsible for the procurement ('the Lead Officer') and the Service Manager, Commissioning and/or the Head of Legal Services. The member of the Corporate Management Team (CMT) who has strategic responsibility for the Service must also be consulted and the decision must be recorded in a format suitable for audit purposes.

6.1. Absence of competition. Contracts need not be let in accordance with the SORP Rules where:

6.1.1. The goods are proprietary articles, or are sold only at the same fixed price irrespective of who the seller is so that no reasonably satisfactory alternative is available;

6.1.2. The prices of the goods or materials are wholly controlled by trade organisations or government order, and no reasonably satisfactory alternative is available;

6.1.3. The work to be executed is of such a specialist nature that there would be no genuine competition; or the particular reputation or personal expertise of the contractor is of central importance to the contract (for example, an expert witness or advocate).

6.1.4. The work to be executed, or the goods or materials to be supplied, consist of repairs to or the supply of parts of existing proprietary machinery or plant;

6.1.5. For other reasons, there would be no genuine competition;

6.2. Emergencies. Contracts need not be let in accordance with the SORP where goods and services are required in an emergency, or where the operational need means that insufficient time exists to use the tendering procedure.

6.2.1. The Lead Officer shall certify why the requirement was urgent and seek the agreement of the Corporate Management Team or a relevant member of CMT. The decision must be reported to the Executive at the first available opportunity. **Where urgency has arisen through internal delay in organising the tendering**

procedure and the process, this exemption cannot be invoked;

6.3. Consortium and joint procurement Contracts need not be let in accordance with these rules where:

6.3.1. The Council has joined other bodies in a consortium to make one joint contracting party. The consortium's own adopted practices or regulations for awarding contracts may be followed subject to the agreement of the Service Manager, Commissioning and/or the Head of Legal Services, who must be satisfied that they secure fair competition and value for money and comply with relevant legislation relating to public contracts.

6.4. Contract extensions. Contracts need not be let in accordance with these Contract Procedure Rules where goods or services constitute a variation or an extension of an existing contract, subject to the following:

6.4.1. Extensions to contracts (other than extensions which are already facilitated as an integral part of that contract) shall not be made more than twice; the value of any extension must not exceed the original contract price, and shall be at the original contract rates. Any extension is subject to adequate budgetary provision being available prior to agreeing the extension;

6.4.2. Extensions worth £5,000 or less shall be reported to the relevant member of CMT prior to the extension being formally agreed, together with details of the additional costs involved and budget arrangements;

6.4.3. Other variations which increase the Contract Price by more than £5,000, or which involve substantial changes in the character of the works/ goods/ services involved shall also be reported by the relevant member of CMT to the Executive for approval prior to agreeing the extension with the contractor or supplier.

7. Exemptions; general. Where a contract worth more than £10,000 is exempt from the tendering procedure, the contract and the exemption relied upon shall be reported to the Executive for information.

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7.1. If the exemptions listed in paragraphs 6.1, 6.2, 6.3 and 6.4, above, do not apply, exceptions to these rules may only be made by the Executive or Council where it has received a report by the appropriate Manager, in consultation with the relevant Portfolio Holder(s), Head of Finance and Assets, and Head of Legal Services. The Executive or Council must be satisfied that special circumstances exist to justify departure from them; the special circumstances shall be recorded in the minutes of the Executive or Council meeting.

Determining Procurement methods

8. A number of considerations will determine the appropriate method of procurement: first, the Lead Officer must decide in consultation with the Service Manager, Commissioning whether European Union (EU) Procurement Regulations apply. If the regulations are relevant, the procurement must comply with them to protect the Council from the possibility of legal challenge.
9. If the EU Procurement Regulations do not apply, the Lead Officer must follow the Council's own rules as defined in the SORP in determining the method of procurement.
10. The value of the contract to be awarded is of considerable importance in determining which approach to procurement is to be used. Whenever a contract is proposed, the Lead Officer should estimate its anticipated value; the estimated value should be based on previous prices obtained or quotes given during informal market testing. It should be noted in a form that complies with audit requirements before tendering begins.
11. The value of the contract for procurement purposes is its total value across the whole of the contract term. In determining the estimated value of a proposed contract, a series of connected contracts must be aggregated.
12. If a contract is for hire or lease (as opposed to outright purchase) then its estimated value is:
 - 12.1. In the case of a fixed term period (barring termination for breach of contract etc.) the total price payable over that term;

or

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12.2. In a case where it can be terminated at will, on notice, the total price payable over a 12-month period.

13. When determining methods of procurement achieving value for money (which refers to both quality and price), the availability time and staff resources and the importance of allowing potential providers fair access to Council contract opportunities must also be considered.

14. **The European Union (EU) Procurement Regulations.** The EU Public Procurement regulations require competition for contracts above certain threshold values and prescribe detailed advertising and tendering procedures for purchasers. The use of specifications, standards, and selection and criteria for award is also regulated.

14.1. **Spend Thresholds;** The spend thresholds to which the full EU Directives apply at the time of publication are as follows:

SUPPLIES	SERVICES	WORKS
£113,057	£113,057 ¹	£4,348,350 ²
(€130,000)	(€130,000)	(€5,000,000)

These thresholds are altered from time to time to reflect exchange rate variations; the Service Manager, Commissioning will advise on the current thresholds.

14.2. These amounts are based on the **total value of the contract to be awarded**; they include any maintenance or associated expenses.

¹ With the exception of the following services, which have a threshold of £173,934 (€200,000)

- Part B (residual) services
- Research & Development Services (Category 8)
- The following Telecommunications services in Category 5
 - CPC 7524 - Television and Radio Broadcast services
 - CPC 7525 - Interconnection services
 - CPC 7526 - Integrated telecommunications services
- Subsidised services contracts under regulation 34

² Including subsidised works contracts under regulation 34.

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If the contract is for services that will be provided for a period longer than one year the total value the calculation of all annual payments (including potential extensions) and **not** the annual value. If the goods or services are required on an on going basis in general the value should be calculated over the anticipated contract period.

14.3. **Principles that underpin the EU Procurement Regulations:**

The following principles for procurement apply regardless of value of spend.

- 14.3.1. Equal treatment
- 14.3.2. Non-discrimination
- 14.3.3. Mutual recognition
- 14.3.4. Proportionality
- 14.3.5. Transparency

14.4. **Part A and B Services** The EU Public Procurement regulations classify services (n.b. but not goods or works) into Part A and Part B categories as follows:

14.4.1. Part A services are most those most suitable for competition across Europe and must be advertised in the Official Journal of the European Union (OJEU) if the value of the contract is at or above the threshold level.

14.4.2. Part B Services are those that are most likely to be provided in the country of the procuring authority. Procurement of services listed under Part B is subject to the treaty principles but not to the full regulations. Most health, education and social care services are categorised as Part B services but other services are also included. There is no requirement to advertise Part B Services in OJEU although the procuring authority may choose to do so.

14.4.3. Where the contract to be procured includes both Part A and Part B services, the rules applying to whichever category accounts for the majority of the service must be followed.

14.5. **Conducting Tenders under EU Procurement Regulations.** If the EU Procurement Regulations apply, it will usually be necessary to conduct a tender. Guidance on conducting tenders under EU

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Procurement Regulations is available at Appendix C; the Service Manager, Commissioning will offer advice and support to Lead Officers in this process and will usually manage the tender.

14.6. Framework agreements. In some circumstances, it may be possible to use a framework agreement to procure work, goods or services when EU Procurement Regulations apply. The Service Manager, Commissioning must confirm that the framework agreement to be used complies with the regulations and it may be necessary to undertake further competition under the framework agreement to identify a provider. A list of organisations that offer approved framework agreements that have already been approved is available [at Appendix B. See section 28 for the rules governing their use.](#)

15. Procurement when EU regulations do not apply. If the EU procurement regulations do not apply, the Council's own rules will govern the procurement. They are as follows:

15.1. Where the estimated Value of a Contract is more than £40,000, tenders must be invited in accordance with the Procurement SORP unless the Lead Officer and relevant member of CMT in consultation with the Service Manager, Commissioning have identified and agreed that an appropriate framework agreement should be used.

15.2. When the estimated Value of a Contract is £40,000 or less, the Lead Officer and relevant member of CMT in consultation with the Service Manager, Commissioning may decide to procure using any of the following methods:

15.2.1. a formal tender

15.2.2. an appropriate framework agreement

15.2.3. written quotations. Written quotes should be obtained in cases where the estimated value is in excess of £10,000, but is equal to or less than £40,000.

15.2.4. Estimates. Estimates will only be acceptable where the value of the work is below £10,000.

16. Other considerations.

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- 16.1. The Procurement SORP should be considered when procuring banking or insurance services under the terms of Financial Procedure Rule 16 – Banking and Financial Procedure Rule 21 – Insurance.
- 16.2. In certain circumstances, grants made by the Council may be subject to EU and UK procurement regulations; in any event, it is important that they are made under formal and appropriate contracts. Officers who award or manage grants should refer to Financial Procedure Rule 23 – Council Grants and seek advice from the Service Manager, Commissioning to clarify the correct procedure.

Methods of Procurement

Tenders

17. The rules in this section apply subject to all tenders undertaken by the Council; however, where EU Procurement Regulations apply, the regulations will take precedence over the Council's rules. Guidance on conducting tenders under EU Procurement Regulations is available at Appendix C. The Service Manager, Commissioning will offer advice and support to Lead Officers in this process and will usually manage the tender.
18. **Types of tender.** If procurement is to be undertaken through a tender process, the Lead Officer must decide in consultation with the Service Manager, Commissioning which of the following procedures should be employed:
- 18.1.1. Open procedure (or open tender); a single stage tender where no Pre-Qualification Questionnaire (PQQ) is used.
 - 18.1.2. Restricted procedure; a two stage tender where a PQQ is used to reduce the number of tenders that are fully evaluated.
 - 18.1.3. Competitive Dialogue procedure; a process that allows dialogue during the tender process between the contractor and the providers due to the scale and complexity of the tender.
 - 18.1.4. Competitive negotiated procedure; this procedure is only permissible in specific circumstances and should only be used where other procedures will not work, either because competition

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is not viable or appropriate; because other procedures have not produced an acceptable tender; because work is needed for research and development purposes; or where prior overall pricing is not possible. There are circumstances in which this procedure can be used without competition.

18.2. In most cases, an open procedure is likely to be the best option; the Service Manager, Commissioning will advise on the procedure to be used which must be agreed by the Corporate Management Team and approved by the Council or Executive as appropriate.

19. Preparing the tender. Prior to the issue of the tender, the method by which it is to be evaluated must be established. There are a number of ways in which tenders may be evaluated:

- 19.1. Purely on price;
- 19.2. On a combination of price and quality; or
- 19.3. On quality only (e.g. Fixed Price Contracts).

20. The evaluation methodology to be used must be agreed by CMT.

21. The evaluation documentation should be in such a form that it can be made available to be viewed by contractors after their tender has been submitted.

22. The Invitation to Tender Before advertising the tender the Lead Officer responsible for the tender, in conjunction with the Service Manager, Commissioning must complete an Invitation to Tender Document (ITT). The ITT will include the following:

- 22.1. the service specification;
- 22.2. terms and conditions of the contract to be awarded;
- 22.3. a statement of the procedure the Council will use to deal with any errors in the tender;
- 22.4. a statement that the Council has the right to accept a tender: other than the lowest if spending money; or other than the highest if receiving money; or not to accept any of the tenders.
- 22.5. a statement that unless it says so in a contract, the contractor must not assign or sublet the contract without the prior written approval of the appropriate Officer. The Lead Officer must consult

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with the Service Manager, Commissioning before agreeing to any sub-contracting arrangements.

- 22.6. details of the tender process, including procedures for tender submission, submission of questions for clarification, weighting for price and quality and the evaluation method;
- 22.7. details of the Council's requirements for tenders (including rules to ensure equity and prevent corruption);
- 22.8. details of any aspects of the contract to be negotiated after award (such as key performance indicators) or capacity;
- 22.9. the deadline for submission.
- 22.10. Approval of the Chief Finance Officer and Head of Legal Services must be obtained if any of these requirements are not to be included.

23. Advertising the tender

- 23.1. All tender opportunities must be advertised on the 'Source Leicestershire' website. The Service Manager, Commissioning will place the advertisement.
- 23.2. If EU Procurement Regulations are applicable, the tender must be advertised in the OJEU.
- 23.3. Additional advertisements in specialist journals or local media may be placed if the Lead Officer and the Service Manager, Commissioning agree that this would lead to greater competition or improve the accessibility of the tender for local small and medium enterprises.
- 23.4. Tender submissions will only be accepted from providers that have replied to an advertisement using the specified procedure. This must be clearly stated in the ITT document and advertisement.
- 23.5. Tender submissions will not be accepted after the specified deadline.

24. Submission of tenders

- 24.1. Tenders will be submitted electronically unless specific provision has been made for the receipt of submissions by post.
- 24.2. The Lead Officer responsible for the tender, in conjunction with the Service Manager, Commissioning may agree to use an 'e-

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tendering' system to receive tenders. Any such system must fully meet the requirements below and must be used as agreed with the provider.

- 24.3. The ITT must stipulate the process for submission of tenders which must:
- 24.3.1. Be secure: provision must be made to ensure that only an authorised officer of the Council or approved representative is able to access submissions.
 - 24.3.2. Be fair: no assessment of the submissions should take place except as described in the ITT.
 - 24.3.3. Make consistent and equitable provision for providers to ask questions for clarification; all questions and answers must be made available to all providers that have expressed an interest in the tender, although the anonymity of the provider asking the question must be protected.
 - 24.3.4. Ensure that all submissions are acknowledged as soon as possible.
 - 24.3.5. Allow full records to be kept in a format suitable for audit.
- 24.4. Tenders received after the deadline must be rejected. The provider submitting the tender must be informed of its rejection without delay.
- 24.5. **Extensions.** An extension of the tendering period will only be allowed if the Lead Officer, in conjunction with the Service Manager, Commissioning has agreed. The relevant Portfolio Holder(s) and CMT must be advised of the extension.
- 24.5.1. Extensions will be allowed to all providers that have expressed an interest in the tender.
 - 24.5.2. All providers that have expressed an interest in the tender must be told that more time has been allowed.
 - 24.5.3. If tenders have already been submitted, the relevant providers must be offered the option of withdrawing their tender and re-submitting it.
 - 24.5.4. Extension must not be allowed within 24 hours of the deadline.

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25. Restricted procedures. Where a tender is being conducted using a restricted procedure (see 18.1.2), rules 19, 20 and 21 will apply. However, the document initially submitted by providers will be the completed Pre-Qualification Questionnaire rather than the full tender document.

25.1. The PQQ will assess:

25.1.1. Financial standing;

25.1.2. Technical competence;

25.1.3. References provided by the applicant;

25.1.4. If the providers has recently or is still working for the Council, the views of the relevant officer regarding its performance.

25.2. The PQQs submitted by all providers must be assessed; the assessment must determine their suitability for further consideration.

25.2.1. If a number of providers are considered suitable, at least five must be invited to submit a full tender.

25.2.2. Where fewer than five providers are considered suitable all must be invited to submit a full tender.

25.3. The full tenders submitted by suitable providers under a restricted procedure must be evaluated in accordance with the SORP in all respects.

26. Tender evaluation. All of the tenders submitted shall be evaluated in accordance with the methodology indicated in the ITT.

26.1. The precise details of the evaluation process must be agreed prior to advertisement but need not be included within the ITT document.

26.2. It is important that criteria for scoring are determined before evaluation and are understood by all members of the evaluation panel.

26.3. If there are essential requirements that must be met to satisfy the Council's responsibilities and obligations, these should be tested through 'qualification questions' where an unacceptable response will lead to rejection of the tender. This must be made clear in the ITT.

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Examples might include Health and Safety requirements, insurance, employment policy and safeguarding of children and vulnerable adults.

- 26.4. A tender must not be accepted if the total cost, including any fees, exceeds the estimated tender value or budget estimate provision by 5 per cent or £40,000. In these circumstances, a report must be submitted to the Executive for a decision.
- 26.5. Where the outcome of the tender evaluation has identified a preferred tender which is not the lowest, a report must be submitted to the Executive for a decision, unless it has been agreed before advertisement that the lowest tender may not be accepted.
- 26.6. The Lead Officer, in conjunction with the Service Manager, Commissioning must assess tenders to ensure that sufficient provision has been made in resourcing the contract delivery, technical competence and for health and safety. More information should be obtained from the tenderer during the evaluation process if necessary.
- 26.7. A signed and dated record of the decisions taken, and the reasons for those decisions, in an auditable form must be kept and be available for scrutiny and audit.
- 26.8. All contracts over £200,000 will automatically be referred to the Executive or Council for decision before awarding.

27. Post Tender Negotiations. Once the tenders have been evaluated, ('post tender negotiations') may be conducted either with the preferred provider or a number of providers, subject to the following provisions:

- 27.1. Where the lowest overall tender for a call-off contract contains individual goods or materials which were priced lower by other (unsuccessful) contractors, negotiations may be undertaken with the successful contractor either to reduce the price of those individual goods or to exclude them from the contract. These individual goods may then be purchased separately from cheaper suppliers;
- 27.2. Where the overall successful tender contains various individual prices or elements, some of which were bettered by other overall unsuccessful tenders, and where the Lead Officer, in conjunction with the Service Manager, Commissioning believes that the successful

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- tenderer would improve those items or elements if requested; then, revised terms may be negotiated with the preferred provider only;
- 27.3. Where all tenders exceed the budget for the Contract, negotiations may be undertaken with any or all of the providers to explore revision of their tenders and the specification.
- 27.4. The ITT must note that post tender negotiations might occur.
- 27.5. The decision to enter into post-tender negotiations shall be taken by the Chief Executive or member of CMT following a report by the Lead Officer or the Service Manager, Commissioning explaining:
- 27.5.1. Why post-tender negotiations are necessary or suitable in the particular circumstances.
- 27.5.2. The elements of the tenders are to be negotiated.
- 27.5.3. The providers that are to be invited to negotiate.
- 27.5.4. The officer responsible for negotiations on behalf of the Council.
- 27.6. Any post tender negotiations must be undertaken in a way that is fair to all of the contending contractors. No bias shall be shown towards or against any of the contractors and all will be offered an equal opportunity to negotiate.
- 27.7. No contractor shall be allowed to prepare or revise its tender in the knowledge of another's bid. The contents of opened tenders must be kept absolutely confidential; and
- 27.8. When negotiations are concluded, contractors may be asked to submit revised bids by a set date. These will be opened and evaluated in accordance with the same procedure used for the original tenders.

Framework Agreements

28. If a framework agreement offered by an approved provider is to be used, the Lead officer must consult with the Service Manager, Commissioning. The Service Manager, Commissioning must confirm that the framework agreement to be used complies with the EU Procurement Regulations and the Council SORP. It may be necessary to undertake further competition under the framework agreement to identify a provider. A list of

organisations that offer approved framework agreements is available Appendix B.

Quotations and Estimates

29. When the estimated Value of a Contract is £40,000 or less, it will be necessary to decide whether or not the formal tendering procedures described above should be followed, or whether to obtain written quotations or estimates. If there is uncertainty over which method to use, advice should be sought from the Service Manager, Commissioning. Whichever is chosen:
- 29.1. value for money should be sought;
 - 29.2. competitiveness must be demonstrated; and
 - 29.3. fairness and impartiality must be exercised at all times.
30. At least three estimates, quotes or tenders must be obtained for comparison and to demonstrate value for money in the use of resources.
31. Criteria for award of contracts should be agreed and recorded before seeking estimates, quotes or tenders. All submissions must be fully and thoroughly evaluated against the criteria before awarding the contract. In the event that there is no criteria set, the Lead Officer in consultation with the Service Manager, Commissioning must record the criteria by which they evaluated the estimates, quotations or tenders before accepting an estimate, quotation or tender.
32. Quotes, estimates or tenders can only be accepted by employees authorised to do so. The Lead Officer, if not authorised to accept estimates, tenders or quotations, must inform the relevant member of SMT before undertaking any procurement. It is the responsibility of the relevant member of SMT to consult with the Service Manager, Commissioning to ensure that the requirements of the SORP are met.
33. The Head of Finance and Assets and the Head of Legal Services must be consulted if by accepting the estimate, quotation or tender, the Council will be committed to any non-standard or unusual terms and conditions.
34. All contracts are affected by the Contracts (Right of Third Parties) Act 1999.

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35. There must be a provision in the budget for the contract. Authorisation to spend must be in accordance with the financial rules.
36. **Estimates.** Estimates will only be acceptable where the value of the work is below £10,000. All estimates obtained orally or by telephone must be confirmed in writing by the contractor or supplier, and must be kept safely. An estimate will not guarantee a fixed price, but should provide an approximate cost for the work. The Contract Manager and their line manager must ensure that the total cost of the work does not exceed the allocated budget provision.
37. **Written Quotations.** A written quote will provide a fixed price for doing the work.
- 37.1. There may be instances where, even though the value of the work is less than £40,000, the Lead Officer in conjunction with the Service Manager, Commissioning may decide that it is more appropriate to adopt the full Tender Procedure that would apply if the value exceeded £40,000, as outlined above.
- 37.2. If quotations are to be evaluated on criteria other than price alone, advice should be sought from the Service Manager, Commissioning on the method to be used.

Procurement; general guidance.

38. **Call-Off Contracts.** Call-off contracts are those that set prices and conditions for the provision of goods and services, but where the capacity required is not pre-determined. Officers will access the goods and services required as and when necessary. The actual value of the contract is therefore not known at the time of its commencement.
39. Procurement of call-off contracts must be undertaken in accordance with the rules of the Procurement SORP above.
40. The list of services or goods advertised when procuring a call-off contract shall contain estimated quantities which the Lead Officer envisages ordering over the contract period. The estimated quantities must be used in calculating the cheapest tender.
41. **Project Management.** The Council has agreed a Project Management Guide ("PMG") to manage major projects undertaken by the Council. The

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current version of the PMG is Version 1.3 dated October 2010. The current Project Management Guide will be used for all projects.

42. **Consultancy agreements.** If the Executive approves the employment of consultants, subject to Contract Procedure Rule 7 Consultancy Agreements, the Procurement SORP does not apply.

43. **Agency work.** Where the Council has agreed to act as an agent for doing work or supplying services, the SORP must apply unless it conflicts with the terms and conditions of the agency agreement or contract; or any instruction of the agency company or agency authority.

43.1. In the event of such a conflict, advice should be sought from the Service Manager, Commissioning and the Head of Legal Services.

44. **Sustainability.** Contract Procedure Rule 10 'Environmental Issues' requires that the appropriate policies and strategies of the Council should be referred to in tender and contract documentation.

44.1. The Lead Officer and the Service Manager, Commissioning will assess environmental impacts as a routine part of the procurement process to identify the environmental impacts of the goods, works and services involved. If appropriate, the evaluation criteria may involve asking providers questions such as:

44.1.1. Does the organisation have an environmental policy?

44.1.2. Does the organisation have an environmental management system in place?

44.1.3. Has the organisation compiled an environmental effects register?

44.1.4. Does the organisation have an environmental action plan to reduce adverse impact on the environment?

44.1.5. Does the organisation have any unspent prosecution in relation to environmental legislation?

44.2. Where appropriate, responses to these questions will be used to consider both the environmental risk and risk to the Council's reputation. Wider costs and concerns such as reducing the potential for long term pollution should be considered when the specification is drafted. The Council will promote the key principles "reduce, reuse,

recycle and rethink”.

44.3. Suppliers may also be required as part of the procurement process to explain how they will meet or exceed the specification for works and services on the following criteria:

- 44.3.1. materials used in manufacture;
- 44.3.2. Reduction of energy used during manufacture;
- 44.3.3. Disposal of goods and the use of energy and water;
- 44.3.4. Generation of waste;
- 44.3.5. Pollution and protection of the natural environment.

44.4. **Sustainability standards.** The Council may elect from time to time to incorporate specific standards such as The WWF timber pledge or Fairtrade standards in specifications.

45. **Procurement and the local economy.** The Council recognises that as a major buyer of goods and services, the decisions it takes in awarding contracts will have an effect on the local economy and local communities. However, the Council must also act within a legislative framework, particularly in regard to the non-discrimination and competition requirements. The Council is committed to maximise the benefits to the local economy of its procurement decisions; to achieve this, the Council will:

- 45.1. Analyse the Council’s current spending patterns,
- 45.2. Take available measures to maintain local spend;
- 45.3. Ensure that procurement practice enables local providers, especially Small and Medium Enterprises (SME’s), to compete for Council contracts.
- 45.4. Engage with local business through relevant organisations.
- 45.5. Offer support, advice and training to local providers to enable them to compete for Council business.
- 45.6. The Council recognises that local suppliers and SMEs generally are not able to compete for every contract opportunity. HDC will therefore encourage providers tendering for large contracts to work with the local supply chain to increase the local economic benefits of

the contract.

45.7. The Council will encourage a diversity of suppliers to compete for its contracts to promote a competitive marketplace. The Council recognises that smaller suppliers and those in the voluntary and community sectors can often offer innovative approaches. It will identify any gaps in the supply base and strive to increase provision from currently under-represented areas.

45.8. The Lead Officer and the Service Manager, Commissioning will seek to identify approaches to any procurement activity that may make it easier for local suppliers and SMEs to compete for the contract.

45.9. The Service Manager, Commissioning will develop an appropriate database or web portal to enable lead officers to identify local suppliers and SMEs that may be able to respond to tendering opportunities.

45.10. **The Public Services Social Value Act 2012.** The Public Services (Social Value) Act 2012 requires local authorities to 'have regard to economic, social and environmental well-being' in connection with public services contracts. The Act states that the authority must consider how any procurement might improve the economic, social and environmental well-being of the relevant area (the district) and how in the process of the procurement it might act with a view to securing that improvement. The Act emphasises that the authority must consider only matters that are relevant to the procurement and in doing so to act in a way that is proportionate. The Act applies only to public services contracts, not to works or supplies contracts.

46. Human Rights, Race Relations, Crime and Disorder. Contract

Procedure Rule 9, 'Human Rights/Race Relations/Crime and Disorder and other matters' notes that the Race Relations Act places upon the Council a statutory duty to promote race equality. If this duty is relevant to a contract to be awarded, the Lead Officer should consult with the Service Manager, Commissioning about requirements that might be appropriate.

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47. Where appropriate, the Council's current Community Safety Policy should be referred to in tender and contract documents where appropriate.
48. Where appropriate, the Council's current policy and procedures in respect of the Human Rights Act should be referred to in tender and contract documents.
49. **Freedom of Information.** All tender and contract documentation must have provision for the contractor to provide information as required by the Council in respect of the current Freedom of Information law.
50. **Ethical Governance.** The requirements or guidance as set out by the Monitoring Officer must be included in contract documents.

List of Appendices

Appendix A – Revised Contract Procedure Rules (Document attached)

Appendix B - Approved framework providers

Appendix C – Guidance on The EU Procurement regulations

Appendix D - Glossary

Approved framework providers

The following organisations provide framework agreements that may be used to procure goods, works and services on behalf of the Council in consultation with the Service Manager, Commissioning.

When using these framework agreements, officers must adhere to the HDC Procurement SORP and to the rules determined by the framework provider.

Government Procurement Service (formerly the Office of Government Commerce Buying Solutions)

Scape (for construction work)

Constructionline (for construction work).

ESPO

Pro-5

The Northern Housing Consortium.

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Appendix C

Guidance on The EU Procurement regulations

Further guidance on the regulations is available as follows:

The 2006 Procurement regulations

<http://www.legislation.gov.uk/uksi/2006/5/contents/made>

Page with links to the EU regulations:

http://webarchive.nationalarchives.gov.uk/20100503135839/http://www.ogc.gov.uk/procurement_policy_and_application_of_eu_rules_uk_regulations.asp

2011 Procurement legislation update:

<http://www.legislation.gov.uk/uksi/2011/2053/made>

Introduction to Public Procurement:

http://webarchive.nationalarchives.gov.uk/20100503135839/http://www.ogc.gov.uk/documents/Introduction_to_Public_Procurement.pdf

Introduction to the EU rules:

http://webarchive.nationalarchives.gov.uk/20100503135839/http://www.ogc.gov.uk/documents/Introduction_to_the_EU_rules.pdf

Introduction to framework agreements:

http://webarchive.nationalarchives.gov.uk/20100503135839/http://www.ogc.gov.uk/documents/OGC_Guidance_on_Framework_AgreementsSept_08.pdf

Page with links to Best Practice Guidance:

http://webarchive.nationalarchives.gov.uk/20100503135839/http://www.ogc.gov.uk/procurement_documents_best_practice_guidance.asp

Page with links to the recent PPNs:

<https://www.gov.uk/government/organisations/cabinet-office/series/procurement-policy-notes>

Page with links to the archived PPNs:

http://webarchive.nationalarchives.gov.uk/20110601212617/http://www.ogc.gov.uk/procurement_policy_and_application_of_eu_rules_procurement_policy_notes.asp

Appendix D

Glossary (see also the HDC Procurement SORP toolkit)

CMT	Harborough District Council Corporate Management Team
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Call-off contract	A contract allowing the Council to access goods and services as and when necessary at a pre-determined price and under pre-determined conditions.
Competitive Dialogue procedure	Permits dialogue between the contracting authority and contractors during the procurement process; aimed at large, complex contracts such as PFIs and PPPs; enables contracting authorities to develop specifications with the input of contractors, and to assist contractors in developing tenders that are responsive to the specifications.
European Union (EU) Regulations/directives	Regulations of the EU governing public sector procurement established in support of the European Single Market.
Evaluation criteria	Pre-determined framework for assessing tender (or other) submissions to determine the preferred provider.
Evaluation panel	Group responsible for assessing tender (or other) submissions to determine the preferred provider. May include members, customers or partner representatives
The Executive	The Executive of the Council
ITT (Invitation to Tender)	Official and public document inviting tenders and defining specification, process and other expectations.
The Lead Officer	Officer with responsibility for the procurement; usually a member of the service with budget responsibility.
Open procedure	A single stage tender where no Pre-Qualification Questionnaire (PQQ) is used.
Pre-Qualification Questionnaire (PQQ)	Used in a restricted tender process at the "Selection Stage" to assess suppliers' capability.
Restricted procedure	Formerly sometimes referred to as a 'One-off list'; a two stage tender where a PQQ is used to reduce the number of tenders that are fully evaluated.
The Statement of Required Practice for Procurement ('The SORP').	The Council's procurement rules and policy.
Weighting	The proportion of marks given for different aspects of the tender when evaluating (usually price and quality/technical requirements).