Warwick District Council
Code of Procurement Practice

APRIL 2016

www.warwickdc.gov.uk

INTRODUCTION 3

1. PURPOSE 4

2. STRUCTURE AND RESPONSIBILITY 5

3. ROLE OF THE PROCUREMENT TEAM 5

4. ORDERING GOODS AND SERVICES 6

5 DISPOSAL OF ASSETS 7

6 EXEMPTIONS TO CODE OF PROCUREMENT PRACTICE 8

7 PRE-PROCUREMENT PROCEDURE 10

8 ESTIMATING THE VALUE OF CONTRACT 11

9 CONTRACT TYPES 12

10 TENDERING PROCEDURES 13

11 CUSTODY, OPENING AND ACCEPTANCE OF TENDERS 15

12 FORM AND CONDITIONS OF CONTRACT 18

13 EXTENDING EXISTING CONTRACTS 19

14. APPOINTMENT OF CONSULTANTS 20

15. POST PROCUREMENT PROCEDURE & CONTRACT MANAGEMENT 21

16 NON-COMPLIANCE WITH THE CODE 22

INTRODUCTION

This code has been revised to reflect the current Public Contract Regulations 2015, EU Procurement Regulations, the Public Services (Social Value) Act 2012 and the Local Government Transparency Code 2014

The code aims to set out how Warwick District Council will procure goods, works and services in line with the above legislation. Failure to do so may result in disciplinary action.

Managers, Officers and Elected Members of the Council will be bound by this code when procuring works, goods and services on behalf of the Council.

The procedures within this code are set out in accordance with the current Public Contract Regulations 2014 and best practice. They are not designed to be a full set of instructions to the procurement process but outline the procedures that will be followed.

The code is designed to ensure transparency of the process and fairness in allowing all suitable suppliers the opportunity to bid for Council work. In following the code managers and officers will be supporting the Council's objectives and values.

This Code should be read in conjunction with the Financial Code of Practice and the Procurement Strategy.

John Roberts – Procurement Manager WDC

1. PURPOSE

1.1. The Local Government Act 1972 requires the Council to have standing orders with respect to the making of contracts. They are part of the Council's Constitution and are; in effect the instructions to Council Officers and Members when entering into contracts on behalf of the Council.

1.2. The purpose of this Code is:-

- To set clear rules for the procurement of works, goods and services for the Council
- To ensure a system of openness, integrity and accountability, in which the probity and transparency of the Council's procurement process will be beyond reproach
- To ensure that the Council achieves value for money when acquiring goods, works and services.

1.3 Accordingly this Code will be followed for ALL Procurement activity (with the exception of internally recharged services) for:

- The supply of goods to the Council
- The supply of services to the Council; and
- The execution of works for the Council

Or any of the above for which the Council is responsible for payment but which are not directly supplied to the Council.

1.4 The Council has a separate Procurement Strategy, which sets out how the Council intends to undertake and improve procurement activity, detailing specific actions.

1.5 All procurement activity over the value of £24,999.99 will be procured by the Procurement Team working closely with project owners. Responsibility for procurement activity below this threshold lies with each team / project owner; however the Council has a Procurement team member available for advice and guidance if required, with overall responsibility for compliance with this code and the wider UK and EU legislation.

1.6 The Council is also subject to EU law with regard to procurement, which requires contract letting procedures to be open, fair, proportionate and transparent. This Code provides a basis for true and fair competition in contracts, by providing clear and auditable procedures, which, if followed, will give confidence that the Council has a procurement regime that is fully accountable and compliant with EU law.

The Code makes provision for the Council to use its purchasing power to assist in delivering elements of the Corporate Strategy and values.

1.7 Wherever used in this document the term "Head of Service" shall be taken to have the same meaning as in the Code of Financial Practice. Heads of Service may delegate Procurement responsibility where appropriate, to senior officers under there management.

1.8 This Code should be viewed as an aid to good business practice and as a tool to enable best value to be achieved.

2. STRUCTURE AND RESPONSIBILITY

2.1 An outline of the responsibilities of Members and Officers is as follows:

- **Executive** – The Executive assume ultimate responsibility for Procurement across the Authority.

- **Finance and Audit Scrutiny Committee** – to promote value for money and good Procurement practice

- **Corporate Management Team** –CMT have responsibility for officer Procurement activity, specifically in accordance with paragraph 3.2.

- **Head of Finance** – Responsible for the procurement team, procurement activity and adherence to the Code.

- **Procurement Manager** – Provides expertise to ensure that all procurement activity undertaken by the Council are transparent, auditable and comply with all relevant local, national and European legislation thus ensuring the Council is exposed to minimal risk in this area and efficient use of resources.

- **Senior Management Team** - Heads of Service are responsible for Adherence to the Code of Practice within their Service Area ensuring that all Managers in their Area understand the Code, training needs are Identified and provided, maintenance of the Contracts Register ensuring the information held is correct in line with the agreed contract award and that procurement exercises are carried in line with the approved budget.

- **Officer Level** – All other tasks relating to procurement and the management of contracts are the responsibility of departments in accordance with the scheme of officer delegation.

3 ROLE OF THE PROCUREMENT TEAM

3.1 The Procurement Team will provide procurement advice and guidance on procurement activity below £25,000.00. The team will manage the process ensuring all procurement activity above £25,000.00 is carried out in line with conditions set with the Code of Procurement Practice and all current Procurement legislation.

3.2 Prior to entering into any contract arrangement the Procurement Team must be consulted early on in the process. This should be at the start of considerations, well before any commitment is made. The advantages of this are:-

3.2.1 To give advice on the recommended process to be followed so as to comply with the Code and the Procurement legislation

3.2.2 To establish whether there may be advantages of bringing selected contracts together, for example for economies of scale, or even where there is the requirement to bring contracts together into lots to ensure EU compliance.

3.2.3 To promote and assist with the evaluation and potential use of buying consortia or other available framework agreements, so as to avoid the cost and time of going through the full procurement process and ensure WDC complies with the rules set within the frameworks.

3.2.4 Explore opportunities for collaboration with other local authorities or public bodies to enable the Council to benefit from aggregation.

3.2.5 To give advice for consideration of any inclusions of the Social Value act into the Procurement exercise.

3.3 The guidance and instructions issued by the Procurement Manager or team member should be followed in all instances unless there is good reason why they are not believed to be appropriate. In these cases, it will be for CMT to agree that the Procurement Manager's / teams recommendations are not to be followed, taking into account all known factors and advice.

3.3 Where it is necessary to follow a full tender process, the Procurement Manager will allocate a resource to lead on the tendering for supplies and services. Early notification of procurement intensions will enable the efficient planning of this resource.

3.4 For corporate supplies and services, it may be appropriate for the Procurement Manager to take the lead. However, in these instances, the Procurement Manager will need to work with relevant budget holders. The management and monitoring of the contract after tendering will then be the responsibility of a suitable budget manager.

3.5 Where contracts are not in place and the procurement of goods and services is occurring on an 'as required' basis the Procurement Manager or team member will assess if a framework needs to be put in place or another contract within the Council can satisfy the requirement.

4. ORDERING GOODS AND SERVICES

4.1 Goods, works and services should be ordered from the contracted Council supplier, using an established framework (e.g. ESPO, YPO, Crown Commercial Services) or through any other public sector framework available to the Council to utilise.

4.2 In the event that an established or other public sector framework is selected as a means of delivering goods or services the officer must follow the award procedures set by the framework and observe any set conditions (e.g. mini-competitions) and complete an access agreement linked to the framework.

4.3 Where a supplier cannot be identified, for example; a new requirement, then the Procurement Manager must be notified and an agreeable procurement process will be advised.

4.4 A purchase order must be raised as instructions to contractors and suppliers, quoting the relevant framework reference number, WDC Contract Reference number or when quotations are requested and accepted, the quotation date, reference included on the order set.

4.5 The total value of the order will include VAT, where applicable. The order raiser will need to establish if VAT applies and ensure the correct VAT category and amount is applied to the net value of the order. Queries in respect of VAT should be raised with the Council's VAT Accountant.

4.6 Should it be impractical to raise an order, for example in an emergency situation, then an order must be raised the next working day.

4.7 No commitment must be placed with a supplier without an official Purchase order or by utilising a Purchasing Card.

4.8 Heads of Service must agree the officers within their Service Areas that are permitted to authorise orders and their individual order limits.

4.9 Purchase Orders must specify clearly the amount and quality of goods or services to be supplied, the date for delivery, the price to be paid (showing any discounts off regular prices) and any quotation / framework / contract reference. If unsure of what references should be applied contact the Procurement Team.

4.10 The Order System will be used, to maintain a record of goods/services ordered, through which Service Areas can verify:

- The receipt of goods/services ordered;
- The authorisation of payment (so as to prevent duplicate payments).

4.11 An annual order should be raised for utility supply arrangements to enable receipting of relevant invoices. Annual orders may be appropriate for other supplies where there is, for example, a fixed monthly charge.

4.12 Select lists are no longer held by the Council. Where necessary these will be replaced by framework agreements via ESPO, YPO, Crown Commercial Services) or other councils. An access agreement will be signed by the Procurement Manager allowing access to the framework.

4.13 All gifts and hospitality must be managed in line with the requirements of the member and officer Codes of Conduct.

5 DISPOSAL OF ASSETS

5.1 The approach to be taken in respect of the disposal of assets (excluding land and buildings) will depend upon the nature and estimated value of the asset.

5.1.1 In the first instance any asset deemed to be of no further use should be offered for re-use within the Council. This can be done via the internet or email to service area managers.

5.1.2 For assets worth £19,999 and below Managers should 'have regard' to the need for value for money and equity. Assets should not be sold without competition unless it is clearly sensible to do so. The reasoning must be recorded by the Head of Service. In cases where competition is appropriate, at least two written quotations should be received or the method of electronic auction may be used (e.g. EBay). For the secure disposal of ICT Assets refer to the Council's Information Security and Conduct Policy (ISCP)

5.1.3 For assets worth £20,000 and above the Executive approval should be sought detailing the asset and the proposed method of disposal. The method of disposal may be either by formal tender (as described in sections 9-13) or by auction (e.g. EBay or property/land auction)

5.2 In the event that electronic auction is selected then this must be through a Council account, under NO circumstances should personal accounts be used.

5.3 If a low value asset cannot be sold then consideration should be given as to its suitability to support local charities, voluntary groups and / or parish councils. In the event that this is deemed a suitable route to disposal the Head of Service is responsible for the disposal.

5.4 Disposal of land and buildings does not normally fall under the Public Contracts Regulations. However, if the disposal is linked to further outputs or developments then there may be a requirement to comply with the regulations. In considering the proposal to dispose of land or property it is necessary to follow the Code of Financial Practice.

6 EXEMPTIONS TO CODE OF PROCUREMENT PRACTICE

6.1 An exemption to the Code of Procurement Practice is a permission to let a contract without complying with one or more of the procedures laid in this document. An exemption may be granted subject to conditions but cannot be granted where a breach of UK or EU legislation may be incurred.

6.2 An exemption may be sought when:

6.2.1 It is not practicable or advisable by reason of emergency to seek competitive tenders;

6.2.2 The Council has followed the procedures but the process has not resulted in a suitable supplier being engaged due to reasons beyond officers' normal control and defined responsibility resulting in an interim supplier being appointed to ensure continuity of service while the procurement process is reviewed.

6.2.3 There are exceptional circumstances in which it would not be in the Council's best interests to follow the tender or quotation procedure.

6.2.4 In certain extreme circumstances Regulation 32 of the Public Contract Regulations 2014 – Use of negotiated procedures without prior publication of a contract, will apply. Advice should be sought from the Procurement Manager and / or Legal Services (if required) before applying this regulation.

6.2.5 Where a 'soft market test' has been carried to understand if there would be interest from the market to provide the service and where this exercise has resulted in only one provider, often this being the current provider, it would be deemed unpractical to carry out any further procurement exercises.

6.2.6 Where due to particular circumstances there would be a need to extend current arrangements for a reasonable period e.g. to allow other contracts to be aligned, or pending changes in legislation that may have an effect on defining the need.

6.2.7 When the current contracted supplier goes into liquidation and time limited short term emergency measures need to be put in place to maintain services until a new tendering exercise has been completed.

6.3 In the event that a Head of Service decides that paragraphs 6.1 and 6.2 apply, in the first instance the agreement of the Procurement Manager must be sought. If the Procurement Manager is in agreement with the decision then a report must be submitted in advance of the exemption coming into force explaining the circumstances and seeking approval on the course of action. In cases of urgency it may be necessary for the Chief Executive to apply the Emergency powers. For exemptions with a total contract value of up to £20k approval should be sort from the S151 officer. For total contract values over £20k exemptions should be submitted to Executive for approval. It should be noted that 'lack of time' is not a reason for this application under current legislation or this Code of Practice.

6.4 Exemptions not requiring approval by Executive are:

6.4.1 Renewal of software licenses or other IT commodity items where the supply is restricted to either the original supplier or their selected re-sellers, and competition does not affect the price paid owing to way the market operates and/or the need for compatibility.

6.4.2 Where officers have followed the procedure for 3 quotes but are unable to obtain 3 quotes. This may be due to lack of market response or where there is only a single supplier in the market place. In this case the approval request should still be submitted to the Procurement Manager using the 3 Quote Form with supporting evidence such as copies of quotes to support the exemption.

6.4.3 Memberships, publications and subscriptions that are only available to purchase from a single organisation e.g. membership of a housing advisory organisation.

6.4.5 In a single source situation where we are restricted to using a particular supplier.

6.4.6 A situation where you need to go to the original equipment manufacturer (OEM)

6.4.7 Where using an alternative supplier will invalidate warranties.

6.4.8 Where it is agreed that an external provider uses our facilities to provide a service i.e. stage performance and as part of providing this service agree to pay the council a commission.

6.4.9 Where the total contract value is up to £20,000, the Head of Finance may agree the exemption in accordance with paragraph 6.3, with the exemption retrospectively reported to the Executive.

6.5 Grants, payments to parish councils or similar bodies (where the Council is body responsible for collection of funds via council tax), payments to BID's (Business Improvement Districts, where the Council is the body responsible for collection of funds via business rates), staff salaries and any statutory taxes are not covered by this code as they are not considered to be the procurement of goods, works or services.

6.6 Where another public body is procuring goods and services on behalf of the Council, and the Council is contributing to the cost of those goods and services, officers should ensure that appropriate procurement procedures are being followed and agree those with the Procurement Manager.

7 PRE-PROCUREMENT PROCEDURE

7.4 Before commencing any new procurement activity above the threshold of £50k, the Head of Service shall complete a Business case / Options Appraisal / Project Initiation Document (PID) to identify the business needs and fully assess any and all options for meeting those needs.

7.5 Before undertaking the procurement exercise the officer responsible for the activity shall:

7.5.5 Consider all other means of satisfying the need (including recycling and reuse where appropriate);

7.5.6 Consider whether there is an existing appropriate compliant pre-tendered contract available. This may be either a contract let by another public body or a framework agreement let by a purchasing consortium (e.g. Crown Commercial Services, ESPO, YPO). It may be necessary to examine a number of frameworks and contracts to find the best value solution;

7.5.7 Consider joint working with one or more other local authorities. Sharing knowledge and resources while aggregating spends should be of benefit. The Procurement team can establish contact with other procurement officers at neighbouring councils to assist with this if this is felt to be a viable option.

7.5.8 Consider the criticality of the supply and/or service with regard to business continuity to ensure a smooth transition from the outgoing and incoming contractor;

7.5.9 Consider and define the need for a confidentiality document either at the initial outset of the tender phase and/or at the contract stage.

7.5.10 Consider any 'Conflicts of Interest' from parties involved in the procurement process, i.e. members' involvement with organisations outside the council.

7.5.11 Where appropriate, carry out Soft Market testing to ensure that the requirement can be met by the market.

7.5.12 Give consideration and ensure adherence to the Ethical Procurement Statement and Sustainable Procurement Policy

7.5.13 Give consideration to the social benefits that can be obtained through the lifetime of the service contract in line with the Public Service (Social Value) Act 2012.

7.5.14 Seek the advice and guidance from the Procurement Manager as appropriate.

7.5.15 Identify any stakeholders that need to be made aware of the renewal process

7.5.16 Consult with Finance or service accountant to determine the approved available budget, where the existing budget may be insufficient to cover current costs of such a contract. Any monies to be drawn from the Reserves must follow the due approval process prior to commencing the procurement process

7.2.12 Where it is agreed to carry out a new tendering exercise the Council should make best use of its purchasing power by aggregating purchases wherever possible. Consideration should be given to lots to encourage participation from SME's.

7.2.13 Consider any current or potential WDC in-house provision of services. They must be invited to participate in the tendering process.

8 ESTIMATING THE VALUE OF CONTRACT

8.4 The contract value should be estimated using the total cost of ownership (to include full costs of acquisition, use and disposal) for the term of the contract.

8.5 Ensuring the contract value is a true reflection of the business need as this will govern the type of contract and the correct procurement route.

8.6 Particular attention should be paid when considering the use of Consultants ensuring that the scope and the length of contract are clearly defined. A reasonable contingency should be applied to the project budget

to cover additional unforeseen expenditure. When considering using Consultants it is important to monitor the contract closely to avoid escalation of costs through follow on work. See section 13.

8.7 The value of a contract to the Service Area should not be viewed in isolation as the regulations are concerned with the aggregated spend / value of a commodity to the Council as a whole.

8.7.5 Service areas need to be aware of other users of similar services within the Council so as to ensure efficiency by aggregation of requirements.

8.7.6 A service area acting in isolation could potentially cause the Council to be in breach of the Regulations. The Procurement Manager can advise of the likelihood of this prior to the commencement of the procurement process.

9 CONTRACT TYPES

9.4 The Procurement Procedure will be defined according to the estimated value. Contract values must not be split in order to change the contract process.

The estimated value including any extensions will be for the term of the contract. This may be a fixed term for project type work.

TYPE	CONTRACT PRICE	PROCEDURE
1	<£4,999	Head of Service to arrange directly, after prior consultation with the Procurement Manager, with regard having to be given for Best Value.
2	<£5,000-£24,999	Head of Service to arrange directly, after prior consultation with the Procurement Manager, to obtain at least three quotations. Regard must be given for best value.
3	£25,000-£49,999	Procurement Manager (or nominated Deputy) to arrange formal quotation exercise, to be advertised exclusively via e-tendering portal with an option to utilise the 'quick quote' function and through advertising on Contracts Finder. A minimum of two local Suppliers must be invited to bid. In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e newsletter.
4	£50,000-EU Threshold	Procurement Manager (or nominated Deputy) to arrange formal Tender opportunity for goods, works or services above £50,000 advertised exclusively via the e-tendering portal and any other portals, specialist forums etc. and through Contracts Finder, to ensure that as wide a market as possible has the opportunity to respond to the opportunity (as detailed in 10.7), to be sought in accordance with the tendering procedures.

		In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e newsletter.
5	>EU Threshold	Procurement Manager (or nominated Deputy) to arrange formal Tender opportunity for goods, works or services above E U Threshold will be advertised exclusively via the e-tendering portal and any other portals, specialist forums etc. and through Contracts Finder, to ensure that as wide a market as possible has the opportunity to respond to the opportunity (as detailed in 10.7), to be sought in accordance with the tendering procedures. EU Procurement Directive thresholds at 1st January 2016: Supplies & Services: £164,176.00, Works : £4,104,394.00
6	Frameworks	Procurement Manager (or nominated Deputy) to arrange the following the procedures set out in the framework without the need to go to back to the market. Mini Competitions advertised exclusively via the e-tendering portal.

9.5 In the event that the minimum number of quotations or tenders cannot be obtained for reasons of insufficient suppliers within the market, the Head of Service in conjunction with the Procurement Manager will have the final decision in whether to proceed or to redesign the specification. See 6.2

9.6 Where the spend is agreed by the relevant Head of Service and Procurement Manager to be classed as low value / low spend, the Council's Purchasing Cards can be used in such circumstances. In such cases the instruction on the use of the Purchasing card must be adhered to.

10 TENDERING PROCEDURES

10.1 Subject to any overriding statutory enactment this tender procedure applies in relation to any and all type 3, 4 and 5 contracts.

10.2 For type 3 contracts a formal quotation process needs to be followed.

10.2.1 The 'Quick Quote' process within the e-tendering portal to be used as a call for competition, where applicable.

10.2.2 Advertise the requirement on Contracts Finder.

10.3 For type 4 and 5 contracts a formal tendering process to be followed.

10.3.1 A formal tendering project to be carried out using the e-tendering portal.

10.3.2 The requirements will be linked to Contracts Finder.

10.4 For type 5 contracts the relevant procedure (open, restricted, negotiated or competitive dialogue) needs to be identified prior to advertisement;

- **Open Procedure** – where only a limited number of potential suppliers are likely to respond.
- **Restricted Procedure** – where there are potentially many suppliers likely to respond and a pre-tender selection is required.
- **Competitive Procedure with Negotiation** – for complex tenders giving the option to negotiate
- **Competitive Dialogue** – for highly complex tenders where none of the above are suitable or the solution cannot easily be identified.
- **Innovation Partnership** – highly complex tenders, working with the market to deliver the business objectives when the route or specification is hard to establish or if the market can deliver (working together partnership)

10.5 Where it is agreed to follow a restricted procedure documents will include for a 2 stage tendering process - stage 1 the Pre –Qualification Questionnaire (PQQ) for the Public Sector and stage 2 the Invitation to Tender (ITT)

10.6 For type 3, 4 and 5 contracts a clear specification and pricing scheduled needs to be developed for publishing to the market. An evaluation criteria and scoring matrix needs to be available for consideration.

10.7 At the time of publishing the call for competition for type 4 and 5 contracts, clear background information, specifications and pricing schedules , as required by the Procurement Manager, including the evaluation criteria and scoring matrix, needs to be available for consideration. Service level agreement and key performance indicators should be included and used as a tool to manage the performance during the life of the contract. All KPI's should be SMART (specific, measurable, achievable, realistic and timely) and not onerous. ALL contract documentation needs to be prepared to be published as part of the process.

10.8 Tenders will be let as framework agreements for use by other local authorities, where applicable.

10.9 All tender opportunities must be advertised via the CSW-JETS e-tendering portal by the Procurement Team. Advertisements will also be advertised through Contracts Finder and on our external web site, while those above EU thresholds will be sent to the OJEU. The advertised opportunity will have links to the documents for consideration and will include the date, time and the process for the return of the completed documents to the originator.

10.10 Constructionline shall be used as the basis for selecting contractors for works and construction related consultants to quote or tender for contracts up to the value of the EU limits for Works and Services.

10.11 In order to promote procurement opportunities and increase the number of local SME's registered on the E Portal, invitations to Participate will be circulated using Federation of Small Businesses weekly e mail.

10.12 The Public Contract Regulations 2015 requires the Council to provide an indication within the invitation to tender contract notice why the Council has not broken a contract down into lots. Therefore, the assumption is that all contracts, where possible, shall be broken down into appropriate lots and requesting a discount where more than one lot is awarded to the same Tenderer. Any discounts proposed shall be considered as part of the overall evaluation of prices and awarded according to the published award criteria.

11. CUSTODY, OPENING AND ACCEPTANCE OF TENDERS Type 3 - 6

11.1 Receipt of Quotations / Tenders

11.1.1 Quotations / Tenders will be returned via the e-tendering portal and will not be available for opening until after the closing time / date where an opening ceremony via the system will take place. No quotation / tender will be available to view until after this event. WDC operate an anonymous submission system and names of tenderers are not revealed until after the submission deadline.

11.2 Opening

11.2.1 The e-tendering system records the time quotes / tenders are submitted.

11.2.2 Once the quote / tender has been opened it is only then that the name of the tenderer is revealed.

11.2.3 The Procurement Manager (or nominated deputy) will be responsible for opening Tenders (Opening Ceremony) in respect of all tenders and quotations issued via the e-tendering portal

11.3 Late Quotations / Tenders

11.3.1 Late quotations / tenders will not be accepted unless the Council is at fault in its ability to accept documents (e.g. loss of internet access, building closure). It is the responsibility of tenderers to allow sufficient time for their documents to reach the Council via the e-tendering portal.

11.3.2 Where information is missing from a quote / tender, officers may clarify the omission with the bidders. Acceptance of any missing information is at the discretion of the Procurement Manager, who will first decide if this breaches any regulations. If no breaches will occur and it is of benefit to the Council then late information can be considered.

11.4 Altered Quotes / Tenders

11.4.1 If examination of an apparently successful quote / tender reveals any errors which affect the quote / tender figure, the tenderer is to be given details of the error and given the choice of either confirming the tender figure or withdrawing the tender except:

11.4.1.1 where the priced specification/schedule of works/schedule of rates/bills of quantities is submitted with the quote / tender, errors in any of those documents may be corrected and tender sums amended accordingly; or

11.4.1.2 by approval of the Executive after considering a report by the appropriate Head of Service.

11.5 Evaluation of Quotes / Tenders

11.5.1 The evaluation must be carried out in adherence with the Guide to Tender Evaluation.

11.5.2 Evaluation must be carried in out in an objective, fair and transparent manner using the criteria specified in the documentation (PQQ and/or ITT) with all scores and relevant comments recorded.

11.5.3 Evaluation must be carried on a 'most economically advantageous tender' (MEAT) basis, that is a mix of price and award criteria in order to identify the best value tender for the Council. In exceptional circumstances, and for goods only, may the lowest price selection criteria be used and this will be subject to the permission of the Procurement Manager.

11.5.4 All calculations, not / comments relating to the selection and the award process must be kept for the term of the contract. The individual score awarded must be given to the tenderer as part of the communications at the contract award stage (mandatory part of the UK Remedies Directive 2009).

11.6 Acceptance of Tenders

11.6.1 Following the evaluation process a Recommendation Report needs to be compiled bringing together the process followed, evaluation details, shortlisted suppliers, reasons for interviews if applicable and reasons for recommendation. This needs to be signed off by the Project lead, Procurement and Budget Holder before communicating outcome to the successful tenderer. In certain circumstances where funding is being provided from an external organisation e.g. Heritage Lottery Fund, Friends Groups, acceptance of the recommendation may need to be obtained.

11.6.2 The Head of Service concerned may then formally accept the most economically advantageous tender (MEAT), provided that:

11.6.2.1 the amount of the MEAT tender can be met from within the revenue budget (including any available virement); or

11.6.2.2 the amount of the MEAT tender, together with any other scheme costs (e.g. fees, capital, salaries, post-contract services etc.) can be met from within the capital programme provision for the scheme/groups of similar schemes and that Executive approval for the capital expenditure has previously been granted,

11.6.2.3 Where a tender cannot be accepted by the Head of Service concerned because of the budget limitations of paragraphs 10.6.1.1. and 10.6.1.2. above, a report should be submitted to the Executive outlining the position and the options. It will then be a matter for the Executive to decide whether to proceed on a reduced basis, how the shortfall will be funded in line with the Financial Code of Practice, or not to proceed with the scheme.

11.7 The intention to award a contract must be communicated in writing to all suppliers that have declared an interest in the process. This should be done as soon as possible once an agreement has been obtained. This should be by formal letter. For contract above £50k the communication needs to include details of;

11.7.1 Criteria for the award of the contract

11.7.2 The score achieved by the successful supplier and the tenderers score (broken down by each element used to evaluate the tender)

11.7.3 Any reasons for the decision including the characteristics and relative advantages of the successful supplier

11.7.4 The name of the successful supplier

11.7.5 The right to appeals or challenge and how this can be done

11.7.6 The date that the standstill period will end

For contracts of types 1-3 this level of information is not required. Although for transparency this may be advantageous.

11.8 Where EU Regulations apply, a period of at least 10 days shall be allowed between the date of despatch of the intention to award letters to all contractors who expressed an interest and the date on which the Council proposes to enter into the contract (the Alcatel standstill period). These letters are to be dispatched by the most rapid means of communication practicable, ideally via e-mail. The standstill period shall be extended to 15 days if notifications are sent by post. In response to a written request the Council shall inform an unsuccessful Tenderer of the characteristics and relative advantages of the successful Tenderer. Tenders have the full 10 or 15 day period within which to either ask further clarification questions are state legal proceedings. Tenders subject to the Alcatel standstill period shall be recommended for acceptance by formal letter and can only be accepted after the end of the Alcatel standstill period and provided that no challenge has been received.

11.9 Details of all contracts accepted and awarded will be recorded on the central Contact Register, maintained by the Procurement team. The register will published on the Councils website quarterly. (Items of a highly confidential nature will not be published).

11.10 An annual report of all contracts awarded during the preceding twelve months will be made available to the Finance and Audit Scrutiny Committee. This will be supplemented by a six monthly interim update, for information only.

11.11 The successful tender and material associated with the tender process (emails, letters etc.) should be retained for a period of three years from the end/completion of the contract and be available for audit. Unsuccessful tenders should be retained for a period no less than 7 months from the award date in line with Councils retention policy.

12 FORM AND CONDITIONS OF CONTRACT

12.1 The officer responsible for the contract shall at the start of the process ensure that the specification is clear and meets all the business needs of the requirement. Procurement will ensure that contracts awarded are sufficiently clear and robust to enable the Council to enforce their execution and fulfilment. Contracts can be bespoke, industry standard (e.g. JCT) or made on Warwick District Council's standard terms and conditions of goods or services as appropriate.

12.2 Contracts will clearly state:

- Work to be carried out/goods to be supplied, together with a definite quality of provision;
- The price, any discounts and (where appropriate) a means of defining price adjustments for any subsequent amendment of requirements and the mechanism for inflationary increases;
- Time by when (or during which) the contract is to be carried out;

12.3 Contracts will also specify the Council's expectations of its contractors in relation to aspects of the Sustainable Community Strategy and Fit for the Future, e.g.

- Employment practices must reflect good practice in equality and diversity.
- Payment terms to subcontractors should mirror those that the Council agrees to the contract holder e.g.: number of days to pay third party suppliers in line with Government guidelines.
- Consolidation of invoices. The Council preference is for monthly billing but shorter frequencies may be acceptable depending on the supplier and the expenditure
- All Health and Safety requirements must be met.
- Business Continuity and emergency availability for key services and supplies.
- Environmentally sustainable working practices. The need, where appropriate, for equipment/systems to comply with EU requirements, and any other current legislation.
- Performance and complaints monitoring and reporting.

Procurement in consultation with Legal Services will determine if the contract requires the provision of a performance bond or parent company guarantee, or the provision for liquidated damages.

12.4 Contracts should provide powers for the Council to cancel the contract and recover any resulting losses from the contractor in the event that the contractor, its employees or agents (with or without its knowledge):-

12.4.1 improperly offers or gives anyone anything or benefit in order to influence the way in which any contract with the Council is given, completed or carried out; or,

12.4.2 Commits any offence under the Prevention of Corruption Acts 1889 to 1916, section 117(2) of the Local Government Act 1972 or any consolidating or amending legislation.

12.5 All contracts should be duly signed by both the Council and supplier before any services are commenced or goods ordered.

12.5.1 Legal advice may be sought before any contract can be put forward for signing.

12.5.2 Only those officers and managers identified as approved may sign and execute contracts on behalf of the Council. Type 1 and 2 authorisation will be at the point of order approval. Contracts of type 3-4 may be signed by a Head of Service (or any officer above this level). For contracts of type 5 only officers that are members of CMT or the S151 Officer may sign. Where contracts are to be executed as a deed, under the scheme of delegation reference G (9), these can only be signed by the Chief Executive or the Deputy Chief Executives.

12.5.3 All signed contracts to be stored in the Central Document Store in line with the Council's Retention Policy

13. EXTENDING EXISTING CONTRACTS

13.1 An extension to a Contract may only be permitted where the details of any extension provisions were included within the scope of the Contract, tender/quotations documents and OJEU notice (where relevant).

13.2 If the existing contract includes a term or condition of contract which automatically extends the contract period that contract must be reviewed in accordance with the following timetable

13.3 Current contracts must be reviewed in accordance with the following timetable:

Total contract Value	Review Date
Where a low value contract has been in place or rolled over repeatedly for at least three years and the total spend has	Carry out review at least 3 months before break clause date by Head of Service

exceeded £ £5000.00	
£25,000- £49,999	Carry out review at least 6 months before break clause date or sooner if the goods / services are of high complexity, strategically important or politically significant as determined by Corporate Management Team / Head of Finance/ Procurement Manager
£50,000-EU Threshold	Carry out review at least 9 months before break clause date or sooner if the goods / services are of high complexity, strategically important or politically significant as determined by Corporate Management Team / Head of Finance/ Procurement Manager
>EU Threshold As at 01/01/2016 Supplies & Services: £164,176.00, Works : £4,104,394.00	Carry out review at least 12 months before break clause date or sooner if the goods / services are of high complexity, strategically important or politically significant as determined by Corporate Management Team / Head of Finance/ Procurement Manager
Frameworks	Carry out review in line with total contract value as indicated above.

13.3 Prior to extending a Contract (valued £25,000 and above), the Head of Service in consultation with the Procurement Manager, must ensure that a value for money appraisal is undertaken to determine if it is in the best interest of the Council to extend the current arrangement, and this will be carried out in accordance with the timetable shown in 13.2.

13.4 When negotiating a Contract extension the Authorised Officer must make every effort to negotiate improved Contract terms with regards to cost and/or quality of the Goods, Services and/or Works being delivered

14. APPOINTMENT OF CONSULTANTS

14.1 The appointment of a Consultant falls into two categories: a Consultancy service or the needs of a specialist Consultant, individual. Defining the specific requirement will ensure the correct contract is awarded.

14.2 A Consultancy service includes:

- A service from a company to provide specialist advice to deliver a particular project such as building consultants (architects, quantity surveyors, structural engineers etc.)

14.3 A specialist Consultant includes:

- Need to employ the skills and expertise of an individual such as employment specialist, training

14.4 A Consultant will be appointed after following the required procurement process, as outlined in items 9 and 10, taking into account the full estimated value for the whole period to complete the project(s) and not disaggregated into separate portions.

14.5 The requirements from the Consultant need to be clear covering all business needs. Where there may be a need for any potential additional services above the original scope of works, these need to be allowed for in original tender / quotation document.

14.6 Fixed fee payment should always be considered alongside shared percentage savings / cost recovery schemes to ensure that selection is equitable, transparent, demonstrates value for money and is the most economically advantageous bid.

14.7 The choice of a consultant will be based on price and their ability to deliver to a particular brief as part of the selection / award criteria.

15. POST PROCUREMENT PROCEDURE & CONTRACT MANAGEMENT

15.1 Contract management is the process which ensures that both parties to a contract fully meet their respective obligations as efficiently and effectively as possible, to ensure the contract delivers the business and operational objectives requirements

15.2 Service level agreement and key performance indicators should be applied and used as a tool to manage the performance during the life of the contract. All KPI's should be SMART (specific, measurable, achievable, realistic and timely) and not onerous.

15.3 A clear contract management plan should be developed for managing the contract to ensure delivery of the required outputs from the contract using the agreed measures. A clear escalation process needs to be understood and accepted for the management identified issues.

15.4 Regular meetings should be agreed in advance to allow the exchange of information between the supplier and the contract manager. It should be noted that this is a two-way process and that both parties should be looking to develop the contract for mutual benefit (taking care not to fundamentally change the specification of the contract that was awarded).

15.5 All contract management meetings should be formally recorded

15.6 There should be continuous assessment and management of the risks to service delivery and this should be detailed on the department Risk register.

15.7 The contract manager should regularly (annually and/or prior to any extension or renewal) check the Council is continuing to achieve VFM by regularly testing for example price benchmarking or market testing with support from the Procurement team.

15.8 Depending on the precise nature of the contract, administration and change management activities may focus on: Cost monitoring and forecasting, ordering, payment and budget monitoring procedures,

Resource management, forward planning, management is reporting systems, asset management.

15.9 Any cost variations should be reported to Finance as part of the monthly Budget Review Process. This must be in line with the Budget Management responsibilities within the Financial Code of Practice and Budget Protocol.

15.10 In the event of poor supplier performance, the contracts manager should make financial deductions where relevant (the contract should have provision for this). This should only be employed where other mechanisms for resolution of the performance have failed to achieve the required standard.

15.11 It is permissible to work with suppliers on a voluntary basis, after contract award, to improve their environmental and/or social performance. This is in addition to those requirements included in the contract. For example, putting in place measures to reduce energy use or recycle packaging.

15.12 A contract may only be extended in accordance with the provisions set out in the original advertisement. Extensions of contracts beyond the provisions set will be in contravention to this Code and the wider EU legislation.

All amended contract information, such as price, once approved should be communicated to the Procurement team to enable the Contracts Register to be amended and updated.

15.13 All variations to contracts need to be stored with the original signed contract in the Deed Store.

16. NON-COMPLIANCE WITH THE CODE

15.1 Any case of non-compliance with this Code of Practice, or? the EU Procurement Regulations (as incorporated into English Law) must be reported immediately to the Head of Finance. A report should also be submitted to the next available Executive. Non-compliance may be subject to action under the Council's Disciplinary Policy.

.

GLOSSARY

Added Value - Often used to classify non-cash releasing benefits realised through the procurement process. The "added value" from the procurement process may include risk reduction, stakeholder training, exclusivity, preferential access to resources etc., all of which would be classified as 'added value' benefits.

Aggregation – Rules that determine whether a series of below EU threshold contracts (or a contract which under its terms is renewable) should be let as a single, above EU threshold, contract.

Audit – The process of seeking effective assurance through verification as to whether business processes and controls are robust in that they protect value for money, probity, integrity and compliance.

Award Criteria – Evaluation Criteria and sub criterion used to inform, and evidence, the decision-making on which candidate supplier(s) to be awarded contract(s).

Benchmarking – The practice of making comparisons between organisations with the aim of ensuring continuing value for money, getting better performance and improving business practices.

Best value – Best value was a local government performance framework introduced into England and Wales by the Local Government Act 1999. The aim of the framework was to promote continuous improvement in local authorities' performance.

Bid Rigging - This occurs when suppliers communicate with each other before lodging their bids and agree amongst themselves who will be the successful bidder and at what price. This practice is one type of collusive tendering and may be discouraged by introducing new bidders and, regularly benchmarking offers against industry standards. See Collusion.

Business Case – A document prepared in support of a decision to make an investment or award a contract, showing an analysis of the costs, benefits and risks associated with each option open to the authority.

Business Plan – A document agreed between both parties to a contract showing pre-determined milestones (or what needs to be achieved by when) that the contractor is contractually obliged to meet. Also called a contractual obligations timetable.

CCS - Crown Commercial Services. A buying organisation set up by Central Government to offer complaint goods and contracts for use by other Public Sector organisations.

Call-off – the mechanism through which individual contracts (call-offs) are awarded under Framework Agreements. When making a call-off, the authority does not go through the full procedural steps in the EU Directives again, provided the rules were followed appropriately in the setting up of the framework agreements themselves.

Capital Spending – expenditure on any new build properties, improvements to existing ones, land purchases or any additional expenditure on fixed assets.
Cartel - An illegal association of producers bringing to market the same or similar categories who cooperate with each other to influence the market. While they may appear to be competing with each other, their actions such as fixing prices, restricting output, dividing markets or rigging tender bids are based on self-interest. See Collusion.

Central Purchasing Body (CPB) – defined in the Public Contracts Regulations as a contracting authority which a) acquires goods or services intended for one or more contracting authorities; b) awards public contracts intended for one or more contracting authorities; or c) concludes framework agreements for work, works, goods or services intended for one or more contracting authorities.

Clarifications – these are (written) discussions with candidates or tenderers for the purpose of clarifying or supplementing the content of tenders or the requirements of the contracting authority - they must not involve discrimination (i.e. the clarification must be circulated to all relevant parties). Clarifications are not negotiations on fundamental aspects of contracts.

Collusion - Secret agreement between two or more individuals or organisations to limit competition by the use of such methods as deception, misleading behaviour or fraudulent activity, where the objective is to obtain an unfair advantage. Collusion may take the form of a market sharing agreement, price fixing or bid rigging. Legally, all acts affected by collusion are considered to be void. See Bid Rigging and Cartel

Commissioning – the cycle of assessing the needs of people in an area, designing and then securing appropriate services.

Common Procurement Vocabulary (CPV) – CPV is an EU-wide classification system for public procurement contracts. CPV helps all EU businesses and SMEs to easily identify public procurement contracts offered by any EU public authority, irrespective of the original language of the tender notice. It works by allowing businesses to insert the relevant CPV code corresponding to their products or services into the Tenders Electronic Daily (TED) database, where all calls for tender in the EU are published. The system is able to describe contract types in 20 EU languages.

Competitive Dialogue Procedure – One of the EU procurement processes where, following an OJEU Contract Notice and a selection process, the authority then enters into dialogue with potential bidders, to develop one or more suitable solutions for its requirements and on which chosen bidders will be invited to tender. May be used where the authority does not consider that the open or restricted procedures will allow the award of a contract. Normally for use on high value, complex procurements.
Concession – A service contract granted by an authority to a contractor for the provision of a service to the general public usually under the arm's length control of the authority, e.g. a catering kiosk at a hospital or leisure centre.

Contract – Any lawful agreement between two parties where goods, services or works are provided in exchange for a consideration.

Contract and Relationship management – A vital part of the procurement life cycle, definable as the management of the interfaces between client and contractor to ensure that the relationship and contract performance are optimised to deliver best value.

Contract Notice – a notice, published via OJEU, to inform the EU market of an opportunity to win a contract.

Contract Award Notice – a notice, published via OJEU, to inform the EU market of which contract was awarded to which supplier
Contractor – A supplier, seller, vendor, provider, service provider, partner, constructor or other terminology meaning a party contracted by an authority to provide goods or services in return for payment.

Contracts Finder – this is the system, where all new government contract opportunities can be found.

Cost Avoidance - Cost avoidance is a reduction in cost resulting in a spend that is lower than would otherwise have been if the cost avoidance exercise had not been undertaken.

Dynamic Purchasing System – The EU dynamic purchasing system is a completely electronic system established by a contracting authority to purchase commonly used goods, works or services. Typically this will be for lower value goods and will involve the contracting authority linking its purchasing IT system with the supplier's systems. Unlike a Framework it does not have a fixed period and suppliers can join it throughout.

e-auction - Electronic auctions (or reverse electronic auctions as they are sometimes called) are on-line auctions where selected bidders submit offers electronically against the purchaser's specification. Other quality aspects are assessed prior to the auction stage.

EBAY - Electronic reverse auction website

eProcurement – electronic systems for tendering and buying.

eSourcing – electronic-sourcing system used to automate the end-to-end procurement cycle including supplier, tender, and contract management. It's web-based and it's paperless sourcing.

ESPO - Eastern Shires Purchasing Organisation. A buying organisation set up by a group of Local Authorities to offer complaint goods and contracts for use by other Public Sector organisations

EU Procurement Directives – set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire supplies, services, or works (e.g. civil engineering or building). They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

Evaluation Criteria – High level Selection Criteria and Award Criteria found in the PQQ and/or the ITT. Maybe broken down into more detailed sub criterion.

Exit Strategy – A strategy by which a party will terminate a contract and end the relationship in certain circumstances with, if necessary, access or step-in rights that will allow the client to assume control of such assets, materials, personnel and information that are necessary to maintain service continuity.

Expression of Interest (EOI) - An expression of interest is a formal notice to potential suppliers that a prospective buyer is planning to acquire goods or services and inviting interested suppliers to register their interest.

Financial Regulations – (often referred to as Contract Standing Orders) Procurement activities must comply with the Councils' own Contract Procedure Rules contained in Financial Regulations. These regulate how a Council conducts business and employees must conform to them.

Framework Agreement – a general term for agreements with providers that set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement (usually 4 years). In most cases a framework agreement itself is not a contract, but the procurement to establish a framework agreement is subject to the EU procurement rules. No mew suppliers can join.

Freedom of Information Act (FOIA) - This gives anyone the right to access recorded information held by public sector organisations. There are no restrictions on age, nationality or where you live. The request will be handled under different regulations depending on the kind of information you ask for. An organisation could refuse your request if the information is sensitive or the costs are too high.

Further Competition – (aka mini-competition) the mechanism through which individual contracts (call-offs) are competed under Framework Agreements.

Government Buying Standards (GBS) – These are easy wins. GBS are designed to make it easier for public sector buyers to buy sustainably and therefore cut costs and reduce carbon whilst looking after the environment. GBS specifications are tested by stakeholder review and a market capacity assessment, and whole life costing is assessed.

Ineffectiveness - A remedy which can be obtained by suppliers in procurements where a contracting authority has failed to place a mandatory OJEU notice; has breached requirements relating to standstill thereby denying a supplier the opportunity to challenge an award decision; or has failed to follow call-off requirements under a framework for a call-off over the EC procurement threshold.

Input Specification – A specification that sets out the precise method that the contractor needs to employ to deliver a product or service (sometimes known as a conformance specification). Places the onus and the risk firmly with the client to prescribe correctly, in some detail, such things as materials, staffing levels and processes. Consequently seen to stifle innovation Input specifications tend to be longer documents demanding a greater attention to detail.

Invitation To Quote (ITQ) – A call for bids or call for lower value quotes or invitation to quote (ITQ) (often called quote for short) is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts.

Invitation To Tender (ITT) – A call for bids or call for tenders or invitation to tender (ITT) (often called tender for short) is a special procedure for generating competing offers from different bidders looking to obtain an award of business activity in works, supply, or service contracts. They are sometimes preceded by a pre-qualification questionnaire (PQQ) where allowed.

Key Performance Indicator (KPI) – One of a small number of the most important measures of a contractor's performance.

Lessons Learned Log – A document used by both parties to a contract for recording lessons learned during the operational phase, as part of an effort to achieve and monitor continuous improvement.

Letter of Intent - A Letter of Intent is a document outlining the status of agreement between two or more parties before a contract has been finalised and which aims to give some comfort to one or both parties that they can anticipate a contractual agreement will be forthcoming.

Life-Cycle Costing (LCC) – used interchangeably with Whole-Life Costing (WLC).

Liquidated Damages - Present in certain legal contracts, this provision allows for the payment of a specified sum should one of the parties be in breach of contract.

Market Testing - Market testing is about developing an understanding of the market (i.e. of suppliers collectively) to a proposed requirement and procurement approach.

Most Economically Advantageous Tender (MEAT) – Factors other than or in addition to price, like quality, technical merit and running costs can be taken into account. This is the evaluation option other than lowest price.

Negotiated Procedure – One of the EU procurement processes, under which a purchaser may select one or more potential bidders with whom to negotiate the terms of the contract. An advertisement in the OJEU is usually required but, in certain circumstances, described in the Regulations, the contract does not have to be advertised ion the OJEU. An example is when, for technical or artistic reasons or because of the protection of exclusive rights, the contract can only be carried out by a particular bidder.

OJEU – Official Journal of the European Union.

OJEU Notices – includes the "Contract Notice" (i.e. an EU wide advertisement) and the "Contract Award Notice" (which informs the EU market who the contract was awarded to).

Open Procedure – One of the EU procurement processes under which all those interested may respond to the advertisement in the OJEU by tendering for the contract.

Options Appraisal – described as "The process of defining objectives, examining options and weighing up the costs, benefits, risks and uncertainties of those options before a decision is made." (Source: HM Government: Green Book). It enables you to objectively and systematically evaluate the best way to achieve your desired outcomes / optimal solution. This is achieved by exploring

the relative costs and benefits of a particular option and then compare this fairly to how other options perform against the same set of evaluation criteria which you will have developed.

Output Specification – A specification that determines only the desired end product or result (sometimes called a performance specification). The contractor is given the flexibility to decide for themselves exactly how those outcomes should be achieved, using their own specialist expertise and competence to determine how best to manufacture and supply the goods or provide the service. Consequently the contractor bears the greater share of risk in this regard. Tend to be shorter, more succinct documents, because they only set out what is required from a product or service, rather than prescribing in detail how the contractor should go about delivering it.

Outsourcing – The transfer of a service currently provided by a public sector body to a private, third sector or other public sector body (and sometimes a consortium) under a contract. Outsourcing usually involves the transfer of staff and assets. The aim may be to improve performance, save money, or both.

Parent company guarantee - A parent company guarantee binds the guarantor (the 'parent company') to fulfil and complete a subsidiary company's obligations and liabilities in the event of failure by that subsidiary to fulfil and complete its obligations and liabilities under a contract.

Payment Mechanism – A mechanism set out in the contract showing precisely how payments to the contractor will be calculated and timed, taking into account any milestone payments and any performance or availability data that may trigger payment deductions or bonuses.

Performance Bond - A performance bond is a written agreement set up by participants in a relationship in order to guarantee performance, or to provide security against default or non-performance. A sum of money is deposited as surety that each party will fulfil their obligations, as the bond may be forfeited in defined circumstances.

Performance Monitoring – The process of gathering data pertaining to a contractor's performance by an agreed set of measures set out in the contract.

Performance Reporting – The process of compiling and analysing data pertaining to a contractor's performance by an agreed set of measures set out in the contract and presenting it as management information.

Pre-Qualification Questionnaire (PQQ) – The PQQ is a tool used as the first part of a two-stage procurement process to enable public sector procurers to identify the most suitable suppliers to invite to tender (or quote) for contracts in the second part of a two-stage procurement process.

Prior Information Notice (PIN) – a mechanism that can be used to take advantage of reduced timescales in the main procurement phase. The rules also require a minimum period of 52 days between the publication of the PIN and Contract Notice before any timescale reductions may take place.

Procurement – the process of acquiring goods and services from third parties. Various policy drivers encourage local authorities to review procurement services and modernise procurement practices to achieve greater efficiencies.

PfH - Procurement for Housing**.** A buying organisation set up to provide E U compliant framework arrangements for the acquisition of goods and services for use by Housing Associations and Public Sector organisations

Procurement Strategy - The procurement strategy describes the contribution that effective procurement will make to fulfil the Council's aims and objectives. The definition of procurement in this context is not only limited to purchasing – it can have a wider meaning and can address the ways in which the Council can deliver its services – from providing the service in-house to joint commissioning and outsourcing.

Professional Indemnity Insurance – Insurance cover purchased by the contractor at a level usually set by the client, to protect both parties from insurable risks arising from the application of the contractor's professional skill, knowledge and practice in the course of the performance of the contract.

Public Liability Insurance – Insurance cover purchased by the contractor at a level usually set by the client, to protect both parties from claims arising from the general public and third parties in the course of the performance of the contract.

Public-Private Partnership (PPP) – A more complex, long-term contract, joint venture or similar partnership between public and private sector bodies to deliver a public service. Includes contracts awarded under the Private Finance Initiative (PFI).

Purchase to Pay (P2P) – electronic-buying system used to automate the end-to-end P2P process. Much more than "online shopping", it minimise requirements for "touching" data as it is driven through the transactional process. P2P includes requisitioning, ordering (approval), order transmission to supplier, goods receipting and invoicing.

Restricted Procedure – One of the EU procurement processes under which a selection is made of those who respond to the advertisement and only they are invited to submit a tender for the contract and after going through a Pre-qualification process – (see PQQ). This allows purchasers to avoid having to deal with an overwhelmingly large number of tenders.

Retention – A proportion of payment (usually 5-10% of the total contract price) withheld by the client until satisfactory completion of a warranty period or initial period of operation. Usually associated with contracts for the purchase of capital equipment.

Risk – Uncertainty of outcome, whether this is positive (i.e. an opportunity) or negative (i.e. a threat).
Risk Management – Identifying and controlling the factors that may have an impact on the fulfilment of a contract.

Selection Criteria – Evaluation Criteria and sub criterion used to inform, and evidence, decision-making on reducing the quantity of candidate supplier(s) to pass through to next stage selection that will be based on Award Criteria.

SME – Small to Medium Sized Enterprise - Medium-sized enterprises <250 employees, turnover <€50m; small enterprises <50 employees, turnover €10m, micro enterprises <10 employees, turnover €2m.

Social Enterprise - A business driven by social objectives, where profits are principally reinvested in the business or in the community, rather than by the need to maximise profit for shareholders and owners. Social enterprises non-profit taking organisations.

Specification – A document contained within a contract setting out clearly the client's specific requirements for the goods, services or works in question. See also Input Specification (performance) and Output Specification (technical).

Spend Analysis - Spend analysis is the part of the procurement process focused on reviewing expenditure data to allow exploration of the opportunities which may exist to create value in a category. The key activities include acquiring the data, cleansing the data, and analysing the data.

Spot Price – or spot rate of a commodity (e.g. diesel) is the price that is quoted for immediate (spot) settlement (payment and delivery). This is in contrast with a forward price established in a contract, where terms (price) is set now, but delivery and payment will occur at a future date. Forward price will balance forward premium and forward discount based on the suppliers assessment of price risk and the market.

Stakeholder – Any individual or group of people, either internal or external to the authority, who can be identifying as having either an interest in, or an influence over a contract or relationship. The client, contractor, service users, Members and standards authorities are all stakeholders.

Standstill Period – (sometimes known as the Alcatel Period) a 10 calendar day period (15 days where not electronic) prior to the award stage to permit unsuccessful tenderers to seek further information about the award decision, and enable them to take action in the courts where they have sufficient grounds.

Sub criterion – Low level Selection Criteria and Award Criteria. May be rolled up to less detailed Evaluation Criteria.

Sustainable Procurement – a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.

Third Sector – Another expression for third sector is the voluntary and community sector (VCS). The Third Sector is a diverse and active sector. Organisations share common characteristics: they are non-governmental and value-driven. They also principally reinvest any financial surpluses to further social, environmental or cultural objectives. The term encompasses voluntary and community organisations, charities, social enterprises, cooperatives and mutuals, both large and small.

Thresholds – Monetary values (of contracts) above which different procurement processes must be followed. EU procurement processes are applied to contracts above EU thresholds. EU thresholds are net of VAT.

Transparency code - The local government transparency code is issued to meet the government's desire to place more power into citizens' hands to

increase democratic accountability. It will make it easier for local people to contribute to the local decision making process and help shape public services.

The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) - The purpose of TUPE is to preserve continuity of employment and to safeguard employment rights of all employees whose employment transfers to a new employer as a result of a relevant transfer.

Value For Money – the optimum combination of whole-life cost and quality to meet the user's requirement.

Variation – A change to the contract agreed by both parties and implemented under the change control process as set out in the contract.

Variant bids - A bid which is different from that specifically requested by the contracting authority in the tender documents. Examples of variant bids are those proposing different pricing structures, or new and innovative ways of delivering a service.

V.E.A.T notice - The abbreviation stands for Voluntary Ex-Ante Transparency notice and it is covered by the Remedies Directive. It is a means of advertising the intention to let a contract without opening it up to formal competition. If a contracting authority decides to take this route, they must give sufficient information as to the justification for direct award and they must still observe the minimum standstill period. By doing this it provides economic operators the opportunity to challenge the decision.

WDC - Warwick District Council

WEEE – Waste Electrical and Electronic Equipment directive January 2007 - Aims to both reduce the amount of electrical and electronic equipment being produced and to encourage everyone to reuse, recycle and recover it.

Whole-life Cost (WLC) – The total cost of investing in an asset, evaluated by taking into account not only the initial outlay but also all the costs of owning, operating and disposing of that asset i.e. means comparing not just the initial purchase price of a product, but all future costs as well.

WMRIEP - West Midlands Regional Improvement and Efficiency Partnership. An organisation set up to support the Public Sector in the West Midlands Region.

YPO - Yorkshire Procurement Organisation**.** A buying organisation set up by a group of Local Authorities to offer complaint goods and contracts for use by other Public Sector organisations