

Borough Council of  
**King's Lynn &  
West Norfolk**



Corporate Performance Panel

3 June 2020

Introduction to Procurement

Tony Hague

# Agenda



- Rules and Regulations
- Spending Council money
  - Contract value
  - Procurement thresholds
- Brexit Impact
- E-tendering
- Framework Agreements
- RFQ and ITT documents
  - Client input
  - Award criteria
- Purchase orders
- Formal contracts
- Existing contracts
- Questions and introduction to the Procurement team



- The Public Contracts Regulations 2015 (based on EU Directives)
- The Council's Contract Standing Orders (part of the Council Constitution)

Designed to ensure: -

- compliance with regulations
- value for money
- high standards of integrity
- fairness and transparency

# Spending Council money



- When planning to commit the Council to any expenditure, or when instructed to purchase anything for the Council, officers must comply with the Council's Contract Standing Orders (CSOs).
- Remember – Having budget approval does not mean that CSO rules can be ignored

# Contract Value



- The value of a proposed contract or purchase determines the rules and regulations that apply
- It is not acceptable to disaggregate (break down) expenditure into smaller purchases in order to evade the rules
- Similar expenditure has to be aggregated across all Council departments
- Contract or purchase value must be calculated on the Council's aggregated spend over at least 3 years

# Procurement thresholds



- Up to £5,000 – one written quotation
- £5,000 - £25,000 – three quotations using a Request For Quote, and approved by Procurement
- £25,001 - £100,000 – tender openly advertised using the electronic tendering system and managed by the Procurement Team
- Above £100,000 – as above but with monitoring by Legal
- Above EU Thresholds – as above but advertised in OJEU.

EU Thresholds – Goods and services - £189,330  
Works - £4,733,252

# Brexit Impact



- No impact in the transition period
- Amendment to PCR 2015 laid before parliament in 2018
- New national tender portal to be called the “Find a Tender Service” (FTS) will replace OJEU if we do not get a trade deal.
- Systems already complete and tested



- Delta eSourcing (BIP Solutions)

Tender Manager (full tenders)

Quick Call (quick quotes or framework further competitions)

Complete Audit Trail



# Framework agreements



- An agreement on terms & conditions – not a contract
- No guarantee of volumes
- Menu of prices or rates  
or
- Further Competitions for specific requirements  
(or a combination of both)

# Framework agreements



## Examples

- Printing
- Care & Repair DFG works
- Construction of industrial units
- Crown Commercial Service – IT Hardware
- ESPO - Consultants

# RFQ or ITT



- Section 1 – Background info – contact for queries – tender return details – evaluation criteria – no guarantee of contract award – warnings about F.O.I. and transparency policy
- Section 2 – Detailed Specification
- Section 3 – Proposed Terms & Conditions of Contract
- Section 4 – Quote or Tender Response Form with Non-collusion Certificate

# Client department input



- Specification – enough detail to ensure that quotes or tenders can be compared like for like
- Selection Questionnaire questions (pass or fail)
- Award Criteria

# Award Criteria



- Lowest Cost or Most Economically Advantageous?
- Full details of award criteria to be provided in Request for Quote (RFQ) or Invitation to Tender (ITT)
- Include weightings and sub-criteria details
- Evaluation spreadsheet needed to document scoring
- Record reasons for feedback to bidders

# Purchase Orders



- For any purchase an official Council Purchase Order must be created in the Purchasing area of the Council's Unit4 finance system
- Every department has trained Unit4 users
- If a supplier is required that the Council has not used previously a purchase order cannot be created until a new supplier account has been set up
- To set up a new supplier an application form must be completed and approved by the Procurement Team.
- If we have satisfactory existing suppliers a new supplier may not be approved

# Formal contracts



- Larger or complex contracts must use formal contract documents prepared by Procurement / Legal advisors
- Council Goods, Services or Consultancy contracts
- Industry Standard – Joint Contracts Tribunal (JCT)
- Officers must not accept supplier's Terms & Conditions
- If a supplier insists on their T&Cs, check with Legal Services or Procurement before signing.

# Existing Contracts



- The Council has numerous existing contracts and preferred suppliers that must be used by all departments.
- Examples of existing contracts are: -
  - Lift Maintenance – Curti Lifts
  - Archive Storage – Stor-a-file
  - Drain & Gutter Clearance – 1-2 Call Drainage
  - Boiler Maintenance – Aaron Services
  - Air Conditioning Maintenance – JD Cooling
  - Alarms & Emergency Lighting – M. English



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# Any Questions?

Contact: [procurementtenders@west-norfolk.gov.uk](mailto:procurementtenders@west-norfolk.gov.uk).

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