



Fermanagh & Omagh
District Council
Comhairle Ceantair
Fhear Manach agus na hÓmaí

Procurement Policy

Version 3 – September 2020

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1. Background

Fermanagh and Omagh District Council (the Council) require goods, services, construction works and other supplies to efficiently meet the needs of the Council.

Procurement:

- is the process of obtaining or buying these goods, services, construction works and other supplies usually by means of a contractual arrangement after public competition to fulfil the strategic objectives of the Council;
- is a strategic process which follows a clearly defined method (i.e. applying effective and up-to-date procurement procedures and processes);
- includes the processing of a demand/requirement as well as at the end receipt and spans the whole life cycle of the asset or service contract from initial conception and definition of the needs of the service through to the end of the useful life of an asset or the end of a contract which should generate benefits not only for the Council but also to society and the economy whilst minimising damage to the environment; and
- seeks to achieve 'value for money' i.e. the most advantageous combination of cost (whole life cost), quality (meeting a specification which is fit for purpose and meets the Council's requirements) whilst maximising social value, minimising environmental impacts and ensuring fair treatment throughout the supply chains (economic, social and environment benefits). Important quality criteria include efficiency, longevity, production methods and social value.

The award of grants is not included within the activity of procurement however, grant recipients are expected to apply the Council's Procurement Policy to their expenditure.

The Policy is based on the EU procurement principles of equal treatment, non-discrimination, proportionality and transparency. It has been prepared taking account of the NI Public Procurement Policy and current relevant UK and EU legislation.

2. Aim

The Fermanagh and Omagh 2030 Community Plan outlines 4 Themes and 9 shared outcomes and this Policy aims to achieve a number of outcomes across 3 of these Themes:

- Theme 2: Economy, Infrastructure and skills;
- Theme 3: Environment; and
- Theme 4: Supporting Service Delivery.

The supporting Council Actions makes clear the commitment of the Council to direct and govern the way in which it does business. It also provides opportunity for further development and will enable the Council to respond to the changing public sector procurement environment and legislative requirements.

This Policy aims to support the delivery of those Actions in a consistent manner which makes the best use of available resources whilst achieving value for money and constantly

seeking continuous improvement along with contributing towards the Council Values and Outcomes included in the Council's Corporate Plan 2020-2024.

In order to ensure that the Procurement Policy is viable as well as meaningful, supporting both value for money and operational effectiveness, implementation of the Policy will be undertaken according to spend threshold (Section 12), category risk/opportunity and the market maturity of the contract in question as well as complying with Procurement Regulations, Best Practice Guidance and all relevant Council Policies.

3. Scope

The Policy is applicable to all employees (and agency workers) of the Council who have a role in procuring goods, services and construction works.

Consultants working on behalf of the Council who are involved in the procurement process must ensure their documentation complies with this Policy.

4. Objectives

By working in accordance with this Policy the Council aims to ensure that:

- (i) Goods, services, contract works and other supplies are properly procured to meet the needs of the Council;
- (ii) Value for money is achieved in the procurement process;
- (iii) The procurement process is high quality, clear, open and transparent;
- (iv) Compliance with relevant legislation and guidance is achieved;
- (v) Procurement Principles are defined;
- (vi) The procurement process is as straightforward as possible for the Council and potential suppliers and raises supplier awareness;
- (vii) There is consistency in approach which includes standard documented procurement procedures utilised by officers who have undertaken training on the Procurement Policy and Procedures;
- (viii) Responsible Procurement including sustainability and social value considerations in procurement activities is considered within procurement processes;
- (ix) Procurement is undertaken in a professional manner which seeks to share best practice and includes participation in the Local Government Procurement Group;
- (x) The processes focus on continuous improvement in terms of quality, effectiveness and efficiency; identifies opportunities for collaborative working between Council departments and with other Councils; and which continually seeks to improve the way in which the Council's procurement function and processes operate.

These objectives are consistent with the shared values and principles of the Community Plan which promote Openness, Accountability and Transparency; Equality, Inclusivity and Diversity; Sustainability, Social Value and Continuous Improvement.

5. Policy Responsibility

The Director of Corporate Services and Governance has overall responsibility for the Procurement Policy. All employees are expected to follow this Policy and take the appropriate action to meet the aims and objectives.

6. Review

The Procurement Policy will, under normal circumstances, be reviewed every two to three years, and, from time to time, updates will be re-issued and circulated.

However, the Policy will be reviewed sooner in the event of any one or more of the following:

- Failure or weaknesses in the Policy is highlighted;
- Changes in legislative requirements; or
- Changes in Council/Government or other directives and requirements.

7. Linkages (to other policies)

This policy provides the framework for undertaking procurement on behalf of the Council and is supported by procurement procedures. The policy should be read in conjunction with the Council's Financial Regulations which are included in the Council's Constitution, the Council's Fraud and Corruption Policy; Payments Policy; Credit Card Policy; the Council's Fair Trade Guiding Principles; the Options Appraisal Policy; and the Council's Climate Change and Sustainable Development Strategy.

8. Procurement Approach

The Council adopts a hybrid approach whereby a central procurement function supports trained and competent staff within directorates.

However ultimate responsibility for procurement resides in the Council service area where the expenditure is being incurred. The Council aims to ensure that each directorate has sufficient capacity to implement the Council's procurement policies and processes.

The Council has in place procurement limits but, where appropriate, the use of Government Procurement Service Frameworks and other relevant frameworks will be explored. Collaborative procurement opportunities should also be considered where relevant.

Regularly used supplies, services and works will be procured through the 'tenders for services and supplies' process. These will be reviewed at appropriate intervals.

9. Procurement Principles

The 12 principles guiding public procurement in Northern Ireland (Public Procurement Policy in Northern Ireland), which complement the shared values and principles of the Fermanagh and Omagh 2030 Community Plan, will be applied to all Council procurement:

The twelve procurement principles are:

1. **Accountability:** Effective mechanisms must be in place in order to enable Council Officers to discharge their personal responsibility on issues of procurement risk and expenditure.
 - Council officers in the relevant departments will be **accountable** for the procurement process. Council officers will have a sufficient understanding of procurement procedures and legislation and maintain high professional standards as well as retain full documentation to evidence a transparent and clear procurement process.
2. **Competitive Supply:** Procurement should be carried out by competition unless there are convincing reasons to the contrary.
 - Procurement will be carried out in a competitive manner in line with the Council's procurement limits.
3. **Consistency:** Suppliers should, all things being equal, be able to expect the same general procurement policy across the public sector.
 - All suppliers will be treated in a consistent manner across all departments.
4. **Effectiveness:** Public bodies should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.
 - The Council will put in place mechanisms in which the procurement method will be effective by affording appropriate consideration to the goods, services and construction works being procured.
 - All major procurement shall consider the impact on the social, economic and environmental well-being within the District.
 - Social considerations will be included in the procurement process provided they are considered when appraising options and relate to the subject matter of the contract or the performance of the contract.
5. **Efficiency:** Procurement processes should be carried out as cost effectively as possible.
 - The procurement process will be carried out as cost effectively as possible. All major procurement will have due regard to the issue of Sustainability and Social Value and early decisions will be taken to ensure that procurements are developed so as to encourage delivery in the most efficient manner meeting the needs of the end user within budget.
6. **Fair-dealing:** Suppliers should be treated fairly and without unfair discrimination, including protection of commercial confidentiality where required. Public bodies should not impose unnecessary burdens or constraints on suppliers or potential suppliers.
 - The Council will endeavour to treat everyone in an equitable and fair manner regardless of religious belief, political opinion, racial group, age, marital status,

sexual orientation, between men and women generally, between persons with a disability and persons without and between persons with dependants and persons without.

- Suppliers should be treated fairly and without unfair discrimination including protection of commercial confidentiality where relevant. The tendering process should not place unnecessary burdens or constraints on current or potential suppliers.

7. **Integration:** In line with the NI Executive's policy on joined-up government, procurement policy should pay due regard to the Executive's other economic and social policies, rather than cut across them.

- The Policy will integrate with other policies and will take account relevant legislation, best practice and guidance.

8. **Integrity:** There should be no corruption or collusion with suppliers or others.

- All Council officers will conduct themselves with integrity in a professional and ethical manner at all times. There will be no corruption, bribery or collusion with suppliers. Such behaviour will not be tolerated by the Council.
- The risks associated with all procurement shall be assessed and minimised accordingly.

9. **Informed decision-making:** Public bodies need to base decisions on accurate information and to monitor requirements to ensure that they are being met.

- Accurate, timely information will provide the basis for informed decision making with the purpose and intended outcomes of the procurement always kept in mind.

10. **Legality:** Public bodies must conform to European Union and other legal requirements.

- All Council procurement will be carried out in line with relevant legislation and guidance.

11. **Responsiveness:** Public bodies should endeavor to meet the aspirations, expectations and needs of the community served by the procurement.

- The Council's procurement process should result in an end product which is responsive to the needs of the end user identified at the initiation phase of the procurement within budget and on time.

12. **Transparency:** Public bodies should ensure that there is openness and clarity on procurement policy and its delivery.

- The Council's procurement process should be transparent; open and clear.

10. Responsible Procurement

Social Value objectives are addressed in the 2014 Public Contracts Regulations and the Public Services (Social Value) Act 2012. In Northern Ireland, the Northern Ireland Procurement Board agreed a standard approach ('**Buy Social**' Model) to be used in the procurement of construction projects from April 2016. The Buy Social model was developed by the Strategic Investment Board and Central Procurement Directorate seeks to maximise the benefits from public procurement in terms of personal well-being, social

cohesion and inclusion, equal opportunities and sustainable development. The Model does not apply to Local Government but will be considered within the Council's procurement to formally embed social value into all procurement processes, influenced by the Council's Corporate Plan 2020-2024 and associated strategies and policies. Sustainability is most often defined as meeting the needs of the present without compromising the ability of future generations to meet theirs and its main principles focus on the economy, the environment and society and it is inextricably linked to social value.

Responsible Procurement encompasses both Social Value and Sustainability and recognises the Council's responsibility to procure value for money goods, services, works and utilities, whilst maximising social value, minimising environmental impacts and ensuring the ethical treatment of people throughout its supply chains. The Council recognises **Three Pillars of Responsible Procurement** as follows:-

Pillar 1: Social Value

Leveraging service and works contracts to protect and enhance the health and wellbeing of local people and the local environment, providing skills and employment opportunities and promoting the local economy.

- Protecting people and the environment by ensuring Health and Safety is an inherent part of the procurement process;
- Promoting social inclusion, equality and community benefit by including work-related opportunities, employability and apprenticeships in relevant contracts
- Supporting local economic regeneration by paying the living wage and ensuring that supply chain opportunities are accessible to Small and Medium Enterprises, Social Enterprises and the Voluntary and Community Sector.

Pillar 2: Environmental Sustainability

Minimising environmental impacts, promoting animal welfare and improving efficiency throughout the supply chains of all goods, services and works procured.

- Sourcing lower impact materials and methods and promoting sustainable food, farming and animal welfare
- Maximising resource efficiency by considering whole life costs and seeking to reduce waste
- Mitigating and adapting to climate change by ensuring energy efficiency and promoting renewable and carbon energy

Pillar 3: Ethical Sourcing

Ensuring that human rights and employment rights are protected throughout the Council's supply chains and encouraging responsible business practices within the procurement process.

- Ensuring human and labour rights
- Ensuring legal and fair employment practices
- Contracting with responsible businesses

Responsible Procurement will be balanced and guided by use of available resources whilst achieving value for money and constantly seeking continuous improvement and will contribute towards the Council Values and Outcomes included in the Council's Corporate Plan 2020-2024.

In order to ensure that Responsible Procurement is viable as well as meaningful, supporting both value for money and operational effectiveness implementation of the Three Pillars will be undertaken according to spend threshold, category of risk, opportunity

in any procurement and the related market maturity.

The Council aims to incorporate the following 10 steps to delivering Responsible Procurement through Procurement into its processes:

1. Maintain a **'Request for Quotation' Supplier Database** – Local suppliers are encouraged to register their interest in participating in quotation exercises. The Council actively promotes the opportunity to take part in procurement exercise to local businesses.
2. **Engage with Suppliers** to provide support and guidance to local suppliers, Small and Medium Enterprises (SMEs), Social Enterprises (SEs) and the Voluntary and Community Sector in terms of building capacity and knowledge /skills in relation to participating in Council procurement and other public sector procurement opportunities. This will include encouraging contractors to source materials locally where appropriate.
3. **Use of Lots** to encourage participation of SMEs, SEs and the Voluntary and Community Sector and inclusion of a clause requiring Tenderers to pay sub-contractors within 30 days. Any proposed outcomes identified should be proportionate and relevant to the specification of the procurement.
4. **Publish future Tender** opportunities to allow SMEs, SEs and the Voluntary and Community Sector time to prepare for future procurement opportunities.
5. **Work to continuously improve and streamline procurement processes** to ensure that unnecessary burden is not placed on supply base and to ensure that all tender documents includes maximum and relevant Responsible Procurement objectives and requirements and includes Responsible Procurement in Quality Criteria of relevant procurement opportunities.
6. **Business cases** – ensure responsible procurement is considered from the beginning of the procurement process and identify any opportunities to link responsible procurement considerations to the subject matter of the contract, which must be proportionate to the value of the contract. Where responsible procurement is not clearly linked to the subject matter of the contract consider use of a contract condition/voluntary requirement.
7. **Pre-Tender Form** – require the consideration of responsible procurement within each Tender
8. **Work to identify contracts** that are suitable for the incorporation of defined responsible procurement criteria relating to the employment of long term unemployed, provision of apprenticeships or provision of training opportunities and ensure selection criteria appropriately addresses equal opportunity, fair trade, fair employment and eliminate modern slavery and Investigate the possibility of partnering with local educational or training organisations with the view of encouraging training opportunities for local students within supply base through voluntary clause in procurement documents.
9. Ensure **Responsible Procurement clauses** are included in Tender documents for Building Contracts, Civil Engineering Contracts and Services Contracts in line with Northern Ireland Procurement Board recommendations. Engage with Strategic Investment Board (SIB) regarding the Council's Capital Plan to identify opportunities

for incorporation of appropriate responsible procurement clauses and use mandatory government buying standards in procurement specifications wherever possible. Ensure climate change resilience is maximised by opting for sustainable, durable solutions in the face of changing temperatures and weather patterns and the environment is protected by minimising terrestrial, marine and air pollution and enhancing and protecting local biodiversity.

10. **Specifications** – ensure all relevant procurement specifications (including fleet and vehicle specifications) seeks to improve energy efficiency and maximises energy supply from renewable sources and encourages zero-carbon travel.

11. Procurement – Approvals

The table below details the Procurement and Approval Limits to be followed in the procurement process and the responsibility of Council Officers.

Where the required number of quotations has not been received, the officer responsible for seeking the quotations must complete a Procurement Authorisation Form documenting the process followed and the rationale for proceeding, this must then be authorised by the relevant Head of Service/Director before the purchase can proceed.

Once the quotations/tenders have been assessed electronic requisitions must be raised and electronic purchase orders must be approved by authorised Officers, a list of which is maintained by the central procurement function.

Approval to proceed to Tender and award to the Most Economically Advantageous Tender is required in line with the Authorisation and Procurement limits.

Officers will assess Tender submissions in line with the Tender Criteria and will proceed to award unless the Most Economically Advantageous submission is above the pre-tender estimate or only one tender has been received, in this instance approval will be sought in line with the Authorisation and Procurement Limits. A Monthly report detailing all Tenders awarded will be reported for information to committee, details of the pre-tender estimate will be included within this report

12. Authorisation and Procurement - Limits

Value	Key Objective	Procurement Processes	Evidence	Responsibility	Authorisation
Up to £999	Demonstrate Value for Money	Ensure budget available: Undertake price comparison to ensure value for money: Consider use of Supplier Database, Framework(s)/Annual Tender Listings: Complete Purchase Order with full details (including any rebates or volume discounts as agreed)		Delegated Service matter	Manager / Head of Service
£1K-£2,999	Demonstrate Value for Money	Ensure budget available: Obtain at least 2 price comparisons through written/email/internet information: Complete Record of quotation & save electronic version in correct file: Consider use of Supplier Database, Framework(s)/Annual Tender Listings: Complete Purchase Order with full details (including any rebates or volume discounts as agreed) Note: only 1 quotation required when using an existing approved framework	2 quotes	Delegated Service matter	Manager / Head of Service If less than 2 prices Procurement Authorisation to be signed by Head of Service / Director
£3K-£9,999	Demonstrate Value for Money & Technical compliance check	Ensure budget available: If price is only factor, obtain at least 3 price comparisons through written/email/internet information: If quality is a factor, use Request for Quotation (RFQ) to seek responses. Evaluate, assess, and complete record of decision. Collate information & save electronic version of all records to support decision: Consider use of Supplier Database, Framework(s)/Annual Tender Listings. Note -only 1 quotation required when using an existing approved framework	3 quotes	Delegated Service matter	Head of Service If less than 3 prices obtained Procurement authorisation to be signed by Head of Service/ Director

Value	Key Objective	Procurement Processes	Evidence	Responsibility	Authorisation
£10K- £29,999	Ensure Most Economically Advantageous arrangements	Ensure budget available: Service prepares specification for RfQ to assess quality & price factors with advice from Procurement: RFQ administered by Procurement through NI procurement portal. Check if local/existing suppliers can access and notify if appropriate. Service staff undertake evaluation, assessment & complete documentation and liaise with Procurement, who advise successful/unsuccessful suppliers. Consider use existing Frameworks (1 quote)	FORMAL QUOTATION	Service with support from Procurement	Expenditure Authorisation Form to be completed and approved by Head of Service/Director
£30K- £250K	Ensure Most Economically Advantageous Tender arrangements taking into account all relevant factors-	Plan and liaison between Service - Procurement on timetable and tender requirements: Specialist/expert advice sought if required: Service prepare specification for Tender including supporting requirements involving Procurement section on criteria and weighing and any other relevant issues: Formally consider responsible procurement: Public advertisement and NI procurement portal listing: Formal evaluation, assessment, completion and retention of documentation: Consider use existing Frameworks (1 quote) Note: OJEU arrangements for contracts/services above EU thresholds	TENDER	Procurement Section with support from Service	Approved business case (SMT). Maintenance contracts in line with approved Estimates Report outcome to Council for noting.
£250K+	Ensure Most Economically Advantageous Tender arrangements taking into account all relevant factors	Consider OJEU requirements in respect of dates and documentation. Plan and liaison between Service - Procurement on timetable and tender requirements: Formally consider responsible procurement: Specialist/expert advice sought if required: Service prepare specification for Tender including supporting requirements involving Procurement section on criteria and weighing and any other relevant issues: Public advertisement and NI procurement portal listing: Formal evaluation, assessment, completion and retention of documentation: Consider use existing Frameworks (1 quote)	TENDER	Procurement Section with support from Service	Normally Business Case /Economic Appraisal approval in place from Committee. Report outcome to Council for noting with approval of any variation >10%

Value	Key Objective	Procurement Processes	Evidence	Responsibility	Authorisation
Frameworks		Access to approved procurement frameworks (where suppliers have already pre-qualified) agreed through Procurement. The purpose of these frameworks is to enable buyers to place orders for goods or services without running lengthy full tendering exercises. Frameworks are based on large volume buying. The Council has a large number of Frameworks in place and has access to many more. Consider scope for responsible procurement.		Contact procurement team if you wish to purchase through a framework.	

In certain cases, the Council will have to follow specific procurement guidelines of the body who provides funding and this should be considered early in the process.

PROCUREMENT LIMITS

Always ensure approved Budget for expenditure is in place and the documentary evidence is saved in correct files

