



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

Procurement Policy

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Contents

1. Background	3
2. Aim	3
3. Scope	4
4. Objectives	4
5. Policy Responsibility	4
6. Review	5
7. Linkages (to other Policies)	5
8. Procurement Approach	5
9. Procurement Principles	5
10. Social Value in Procurement	7
11. Procurement – Approvals	9
12. Procurement – Limits	10

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 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; 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) and sustainability (economic, social and environment benefits).

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.

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:

- 4.1 Goods, services, contract works and other supplies are properly procured to meet the needs of the Council;
- 4.2 Value for money is achieved in the procurement process;
- 4.3 The procurement process is high quality, clear, open and transparent;
- 4.4 Compliance with relevant legislation and guidance is achieved;
- 4.5 Procurement Principles are defined;
- 4.6 The procurement process is as straightforward as possible for the Council and potential suppliers and raises supplier awareness;
- 4.7 There is consistency in approach which includes standard documented procurement procedures utilised by officers who have undertaken training on the Procurement Policy and Procedures;
- 4.8 Sustainability and social value considerations in procurement activities is maximised within the procurement processes;
- 4.9 Procurement is undertaken in a professional manner which seeks to share best practice and includes participation in the Local Government Procurement Group; and
- 4.10 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 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; Payments Policy; Credit Card Policy and the Options Appraisal Policy (Economic Appraisals and Business Cases).

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** can be included in the procurement process provided they are considered at business case 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. Social Value in Procurement

The Public Services (Social Value) Act 2012 (the Act) requires an authority to consider how:

- (a) what is proposed to be procured might improve the economic, social and environment well-being of the relevant area and,
- (b) in conducting the process of procurement, it might act with a view to securing that improvement.

The Act does not apply in Northern Ireland, but cognisance will be taken of the Act.

The 2014 Public Contracts Regulations (the Regulations) were transposed into UK law in 2015 and these Regulations implement the 2014 EU Public Sector Procurement Directive, they aim to make public procurement more accessible to small businesses and encourage better integration of social and environmental procedures.

The Directives offer scope for taking account of social considerations, provided in particular they are linked to the subject-matter of the contract and are proportionate to the requirement and as long as the principles of value for money and equal access for all EU suppliers are observed.

Award criteria relating to social value therefore will be used only if they:

- (a) are being used to assess Most Economically Advantageous Tender (MEAT) in achieving value for money;
- (b) are linked to the subject matter of the contract;
- (c) do not confer an unrestricted freedom of choice on a contracting authority;
- (d) comply with EU Treaty obligations, and specifically are not directly or indirectly discriminatory;
- (e) are compatible, generally, with EU law;
- (f) can be compared and / or assessed objectively; and
- (g) Are properly advertised in the contract notice and / or contract documents.
(Buying Social: A guide to Taking Account of Social Considerations in Public Procurement', European Commission publication)

The Northern Ireland Procurement Board agreed a standard approach (**Buy Social Model**) to be used in the procurement of construction projects from 01 April 2016. The Buy Social model was developed by the Strategic Investment Board and Central Procurement Directorate in conjunction with central government departments and it is a way of maximising 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.

The Council aim to incorporate the following 10 steps to delivering Social Value through Procurement into its procurement processes.

1. Maintain a 'Request for Quotation' **Supplier Database** – Local suppliers are encouraged to register their interest in participating in quotation exercises.
2. **Engage with Suppliers** - provide support and guidance to local suppliers, Small and Medium Enterprises (SMEs) and social enterprises in terms of building capacity and knowledge /skills in relation to participating in Council procurement and other public sector procurement opportunities.
3. **Use of Lots** to encourage participation of SMEs and inclusion of a clause requiring Tenderers to pay sub-contractors within 30 days.
4. **Publish future Tender** opportunities to allow SMEs and Social Enterprises time to prepare for future procurement opportunities.
5. **Streamline procurement processes** to ensure that unnecessary burden is not placed on supply base

6. **Business cases** – ensure social value is considered from the beginning of the procurement process and identify any opportunities to link social value considerations to the subject matter of the contract, which must be proportionate to the value of the contract. Where social value is not clearly linked to the subject matter of the contract consider use of a contract condition / voluntary requirement.
7. **Pre-Tender Form** - consideration of Social Value within each Tender.
8. **Identify contracts** that are suitable for the incorporation of social clauses relating to the employment of long term unemployed, provision of apprenticeships or provision of training opportunities.
9. Ensure **social value clauses** are included in Tender documents for Building Contracts, Civil Engineering Contracts and Services Contracts in line with Northern Ireland Procurement Board recommendations.
10. 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.

11. Procurement - Approvals

The table below details the Procurement 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 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.

Council approval is required to proceed to Tender and to award to the Most Economically Advantageous Tender in line with the assessment criteria.

A schedule of Tender opening times and locations is issued to Members for information.

Following a Tender opening a schedule listing the Company name and address of all tenderers along with the range of prices will be reported to committee for information. Details of the pre-tender estimate will be included within this report.

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 a report detailing the outcome of the Tender assessment will be provide to committee for information.

A Monthly schedule of all Tenders awarded will be reported for information.

12. Procurement - Limits

Procurement Objective and Process	Procurement Limit	Evidence Requirement	Responsibility
Demonstrate Value for Money <ul style="list-style-type: none"> - Obtain price comparison through written/email/internet information - Complete Record of quotation & scan/retain quote information - Use annual tenders/ existing Frameworks (1 quote) - Consider supplier database/catalogue/ other sources (2 -3 quotes) 	Up to £999 £1k - £4,999k	1 or 2 quotes 3 quotes	Directorate Staff
Demonstrate VfM & Technical compliance check <ul style="list-style-type: none"> - Obtain quotation using 'Request for Quotation' (RfQ) price only template (or full RfQ if quality assessment required) - Evaluate, assess and complete RfQ record: Scan/retain quote information 	£5k - £9,999	3 quotes	Directorate Staff
Ensure Most Economically Advantageous arrangements <ul style="list-style-type: none"> - Preparation of specification for full RfQ (assessing quality & price) - RfQ administered by Procurement through NI CPD procurement portal - Procurement arrange evaluation, assessment, completes & retains documentation 	£10k - £29,999	4 quotes	Procurement section
Ensure Most Economically Advantageous Tender arrangements <ul style="list-style-type: none"> - Preparation of specification for Tender including supporting requirements involving work by Directorate staff and Procurement section - Public advertisement and NI CPD procurement portal listing - Specialist/expert advice sought if requires - Formal evaluation, assessment, completion and retention of documentation <p><i>OJEU arrangements for contracts above EU thresholds</i></p>	£30K +	Public advertisement	Procurement section