



*Dunbartonshire and Argyll & Bute  
Valuation Joint Board*

## **Procurement Policy**

February 2017

<b>Procurement Policy</b>			
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# **Dunbartonshire and Argyll & Bute Valuation Joint Board**

## **Procurement Policy**

### **1. Introduction**

- 1.1 Dunbartonshire and Argyll & Bute Valuation Joint Board ('the Joint Board') is committed to Best Value and to complying with the statutory duties of the Assessor and ERO in an efficient manner. Efficient procurement will contribute to these goals.
- 1.2 Good procurement involves a number of key stages from identification of need through to the end of any contract. Thus it includes challenging service delivery options and considering the need to buy at all, as well as implementing efficient and effective procurement policies and, risk management and contract management procedures.
- 1.3 Good procurement will:-
- Result in savings which can be channelled into front line delivery.
  - Ensure compliance with legislation, including the Procurement Reform (Scotland) Act 2014, and Directives of the European Union.
  - Avoid financial losses and reputational damage.
  - Ensure that the Joint Board acts properly and purchases in a sustainable way.
  - Ensure and evidence integrity and accountability
  - Make the process transparent and consistent.
  - Ensure that consideration is given to small to medium enterprises and third sector bodies.
- 1.4 Procurement in the Joint Board is generally aligned with the policies of West Dunbartonshire Council (WDC) and its procedures and processes are supported by the procurement Team at WDC.
- 1.5 Although not exhaustive, this Policy provided procurers with a guide to procurement and includes key stages which will ensure a standard approach to procurement.

### **2. Associated Documents**

- 2.1 This Policy is drafted in accordance with the following and should be read in conjunction with these documents:-
- DABVJB Standing Orders
  - DABVJB Financial Regulations
  - DABVJB Scheme of Delegated Powers
  - DABVJB Ordering, Certification and Payment of Goods & Services Authorised Procedures
  - WDC Corporate Procurement Guidance

### **3. Procurement Roles and Responsibilities**

#### **3.1 Purchases of up to £25,000**

3.1.1 The Assessor & ERO and authorised members of the Management Team have authority to directly procure goods and services up to the value of £25,000.

3.1.2 For Guidance on the ordering and authorisation procedures to be adopted see the DABVJB Ordering, Certification and Payment of Goods & Services Authorised Procedures.

3.1.3 Notwithstanding the above, there are areas of expenditure where other restrictions apply and, where any purchaser is in any doubt, reference should be made to the Financial Regulations and Scheme of Delegated Powers.

#### **3.2 Purchases of between £25,000 and £50,000**

3.2.1 The Assessor & ERO has delegated authority for expenditure up to £50,000 but all purchases over £25,000 must be made in accordance with the Tender procedures contained in Standing Orders.

3.2.2 Such Tenders may be completed 'in-house' or by the Procurement Team at WDC. In either event, however, initial advice should be sought from the Procurement Team.

#### **3.3 Purchases over £50,000**

3.1.1 Purchases over £50,000 must comply with the Procurement Reform (Scotland) Act 2014 and with EU Procurement Regulations as contained in the Public Contracts (Scotland) Regulations 2015. Further, and in accordance with the procedures contained in Standing Orders, the Joint Board must formally approve all purchases of over £50,000.

3.1.2 Such tenders will therefore be led by WDC's Corporate Procurement Team with input from relevant officers of DABVJB.

3.1.3 Successful tenders will be decided upon by the Joint Board following submission of a report by the Assessor & ERO with details of tenders received and recommendations on award.

#### **3.4 Roles and Responsibilities – General**

3.4.1 Regardless of the procurement route identified above, no tender shall be invited or contract entered into unless the estimated expenditure has been previously approved by the Joint Board.

3.4.2 When considering the value of any purchase or procurement consideration must be given to the Rules of Aggregation – see section 6 later.

3.4.3 The restrictions on the Assessor & ERO's authority referred to above do not apply to the annual procurement of 'print and mail' services for the annual electoral canvass, but to ensure compliance with the Procurement Reform Act, the procedure will be carried out by, or under the direct guidance of, WDC's Procurement Team.

#### **4. Procurement Routes and Framework Agreements**

4.1 Where making a purchase or commencing an invitation to quote/tender, purchasers should check to see whether there is a contract or framework in place that would be suitable to meet the requirements of the purchase. This may extend to checking arrangements in place through WDC.

4.2 Where a supplier is being used for the first time, their details must be added to the WDC 'Aggresso' Debtors' system and/or 'We-Buy' system in accordance with the relevant guidance. New suppliers will normally be added to these systems by way of completion of an 'Achieve' Form on the WDC intranet.

4.3 For many items procured by the Joint Board, at any of the expected cost bands referred to at 3.1 to 3.3 above, the preferred method of procurement may be by way of an existing Framework Agreement or collaborative organisation, access to which is likely to be by way of WDC membership of these. These will most commonly be used for routine and/or recurring purchases.

4.4 Purchases should be made from Framework Agreements where the product or supplier meets the requirement and provides Best Value. Further information is provided below:-

4.4.1 **Scotland Excel** is the Centre of Procurement Expertise for the local government sector in Scotland. Scotland Excel develops and manages collaborative contracts for products and services where a strategic requirement is identified across the local government sector. Scotland Excel is a non-profit making organisation funded by participating local authority members.

4.4.2 **Scottish Procurement** develops and manages collaborative contracts for goods and services where a strategic requirement is identified across Scottish public sector organisations. It is part of the Scottish Government.

4.4.3 The **Crown Commercial Service** is the UK public sector portal providing a choice of over 500,000 products and services. The procurement arrangements established allow public sector organisations to access existing framework agreements. Procurers will be able to access framework rates, or use the Invitation to Quote (ITQ) facility or run a mini competition.

## 5. Planning Procurement (Non-Framework routes)

- 5.1 Where a procurement need has been identified and it has been established that this requirement cannot be met through an existing contract or framework, then planning the procurement process will depend on the value, complexity, urgency and risk involved. Key elements of the planning process are included in the table below which is designed to assist the planning and specification stages of the process.

<b>Planning – What you need</b>	<b>How to find this information</b>
Historic spend information to determine the total spend of the requirement	<ul style="list-style-type: none"> <li>• Previous payment information</li> <li>• Future/planned budget availability</li> <li>• Number of years required</li> <li>• <b>See guidance on aggregation in section 6 below</b></li> </ul>
Specify the requirement and identify the type i.e. goods, services or works	<ul style="list-style-type: none"> <li>• Review the adequacy of historic requirements.</li> <li>• Consult stakeholders and/or service users on future requirements.</li> <li>• See Specification Template Brief at Appendix 2 and</li> <li>• Specification checklist at Appendix 3 provides prompts and suggested headings.</li> </ul>
Sufficient, approved, budget	<ul style="list-style-type: none"> <li>• Discussion with Assessor &amp; ERO</li> <li>• Approval contained within Joint Board approved Budget estimates and 'Detailed Budget Breakdown' document</li> </ul>
Approval to spend budget in required manner	<ul style="list-style-type: none"> <li>• Discussion with Assessor &amp; ERO</li> <li>• Approval contained within Joint Board approved Budget estimates and/or Board Minutes</li> </ul>
Identify the feasibility, capability, maturity and capacity of the market to provide the required item/service.	<ul style="list-style-type: none"> <li>• Through internal and/or external reports</li> <li>• Meetings with internal stakeholders</li> <li>• Research with suppliers, other public sector bodies, private sector etc</li> <li>• Desk based research via internet and trade directories etc.</li> </ul>
Carry out a risk assessment to identify and analyse potential risks	<ul style="list-style-type: none"> <li>• Project management guidelines</li> </ul>

## 6. Rules of Aggregation

- 6.1 When considering a procurement requirement the estimated value of all the potential payments for that requirement must be aggregated to determine the total contract value, and therefore, what procurement route must be followed. This should include:

- Separate contracts for the same requirement.

- Any anticipated additional or variable spend for the requirement
- The total period of time for which the requirement will be needed

Table 1, below, shows how to calculate the estimated total contract value (for illustration purposes only).

	<b>Goods &amp; Services</b>	<b>Goods &amp; Services</b>
Initial/Single Payments	£10,000	£30,000
Estimated Annual Spend	£20,000	£50,000
Period of Contract/Req.	4 years	3 years
Total Recurring Spend	£80,000	£150,000
Aggregated Spend	<b>£90,000</b>	<b>£180,000</b>
Standing Order Threshold	£50,000	£164,176*
Procedure	<b>Tender</b>	<b>EU Tender</b>

\*Note that the current EU procurement threshold for “**Works**” is £4,104,394.

## 7. Tender Thresholds

7.1 Appendix 1 provides a full breakdown of the applicable procurement thresholds and procurement routes that will normally be applied.

## 8. Guidance for Purchases up to £50,000

8.1 The Scottish Government has developed a standard route map named the Procurement Journey. This is intended to support all levels of procurement activity and to support procurers in the Scottish public sector. It facilitates best practice and consistency across the public sector. The Procurement Journey has 3 routes with ‘Route 1’ providing guidance on low value non repetitive spend with low risk. The guidance below describes Route 1.



## 8.2 The Procurement Journey

The procurement journey for low value, non-repetitive, purchases should include the following stages:-

- Prepare a Brief – which should detail the requirements, expected outputs, fees, timetables and selection and award criteria.
- Identify Suppliers – using various sources such as framework suppliers, internet searches, trade publications etc
- Invite Quotes – using the thresholds and timescales at Appendix 1.

- Prepare Quotation Documents – A template for preparing an Invitation to Quote (ITQ) is attached at Appendix 4. The ITQ should contain a copy of the Joint Board's Terms and Conditions.
- Advertise ITQs – where possible through the Public Contract Scotland Quick Quote facility. Approval to use this system must be obtained – seek further advice from WDC Procurement Team.
- Evaluate Quotes – An electronic version of an Evaluation Matrix is available on request from WDC Corporate Management Team. A record of quotes received must be retained for audit purposes.
- Award the Contract –The successful and unsuccessful bidders should both be notified. Award letters (see sample at Appendices 5 and 6) should be signed by an appropriately authorised person.
- Contract Management – The supplier's contract must be managed against the criteria specified in the evaluation. Appendix 7 provides some hints and tips to support the development of contract relationships with suppliers.

**PROCUREMENT THRESHOLDS AND TIMESCALES**

The table below applies to procurement of goods, services and works for the Joint Board, though variation from these options may be appropriate in certain circumstances at the discretion of the Assessor & ERO or the Depute Assessor & ERO

<b>Value</b>	<b>Options for Procurement</b>	<b>Approach</b>	<b>Normal Advertising Procedure</b>	<b>Minimum Tender Timescales (days)</b>
£2,000 or less	Access Existing Framework	In-house	n/a	n/a
	At the discretion of the Assessor or Depute Assessor - 2 quotes	In-house	n/a	n/a
£2,001-£10,000	Access Existing Framework	In-house	n/a	n/a
	At the discretion of the Assessor or Depute Assessor - 3 quotes	In-house	n/a	n/a
	Invitation to Quote (ITQ) - normally 3 quotes	In-house	PCS – Quick Quotes	14
£10,001-£50,000	Access Existing Framework	In-house	PCS – Quick Quotes	14
	Invitation to Quote (ITQ) - min 3 quotes	In-house	PCS – Quick Quotes	14
£50,001-£172,514	Formal Tender (Open or Restricted)	WDC Procurement Team	PCS Tender	14
> £164,176 (or £4,104,394 for 'Works')	Formal EU Tender (Open or Restricted)	WDC Procurement Team	PCS Tender / OJEU	Open 52 Restricted (PQQ -37) (ITT – 40)

### **The Procurement Brief** **(to be completed and attached to the Invitation to Quote Document)**

Note: This document should be tailored to the specific requirements of the particular purchase. The level of detail within the brief should adequately reflect the nature of the requirements. Some of the information may not be necessary and can be omitted. The Specification checklist at Appendix 3 provides some helpful prompts.

#### **Introduction**

The main aim and purpose of work should be indicated here. Include instructions for return of quotations; detail how the suppliers should structure their responses. The invitation needs to include both the Selection Criteria and Award Criteria (see below), however, the Selection Criteria require to be assessed before Award Criteria.

#### **Background**

The information provided here should be of sufficient length and detail to ensure the supplier has an understanding of why this work is being commissioned.

#### **Objectives**

##### **a. Scope of Services**

Briefly detail the project expectations and an outline method that could be adopted to achieve project outcome. This should be drafted in a manner that will encourage the supplier to incorporate their methodology to achieve the final deliverable.

##### **b. Outputs and Milestones**

Provide an outline project plan detailing timescale for the project including (where applicable):

- Scheduled meetings, include venue for meetings.
- What presentations and reports are required.
- Details of the format of any reports expected
- The volume of any goods required
- Timescales and any deadlines for deliveries
- Any applicable quality standards
- Outline final deliverables expected by the Joint Board within this project.

##### **c. Fees and Costs**

Rates and prices shall be deemed inclusive of all additional expenses howsoever incurred.

## **Selection and Award Criteria**

The invitation needs to include both the Selection Criteria and Award Criteria.

Selection criteria are focused on “the bidder”, for example, financial status, health and safety record and the ability to meet quality requirements of the product or service. Award criteria are focused on “the bid”, for example, understanding of the specific project requirements, methodology and approach proposed, ability to meet volumes and delivery timescales and price. A clear distinction must be maintained between Selection Criteria and Award Criteria throughout the Invitation to Quote process. Selection Criteria require to be assessed before Award Criteria. If a bidder does not meet the selection criteria they should not be considered during the assessment of Award Criteria.

### **Selection Criteria**

Suppliers should first be assessed on their capability. Selection Criteria should include any weightings for each area, or any minimum standards required. Criteria may include such areas as:

- Previous relevant experience
- Equal Opportunities
- Health and Safety
- Sustainability considerations as applicable

If the supplier(s) meet the thresholds identified they should then be assessed on the Award Criteria.

### **Award Criteria**

The following areas may be considered for use, again to include any weightings.

- Understanding of this specific project requirements
- Methodology and approach proposed
- Specific expertise proposed for the service
- Delivery / Timescales proposed
- Price

All criteria must be relevant to the goods or services being provided.

Key Performance Indicators may be applied to the contract. These should realistically reflect the final outputs and milestones. Examples might include:

- Time targets
- Productivity indicators
- Quality of service
- Demand
- Availability

### **Additional information**

Relevant additional information, as applicable to the project, may include, but is not restricted to;

- Details of EU funding or grants that apply to the project;
- Key contact details;
- Intellectual property rights which are to be retained by DABVJB;
- Any sustainability issues that could impact on the contract;
- Any health & safety issues that may impact on the contract.

### **Sustainability**

Any relevant issues relating to sustainability should be included within the brief to ensure best practice is promoted and to minimise the impact on the environment.

**PROCUREMENT BRIEF - SPECIFICATION CHECKLIST**

Consideration should be given to the following when preparing a specification

Description	Y/N
Are previous (similar or related) specifications available?	
Are the requirements stated clearly, concisely, logically, unambiguously and contain the essential features or characteristics of the requirement?	
Do the specifications contain enough information for potential suppliers to design and cost the products or services they will offer?	
Are limits, tolerances or performance targets reasonable and reliable? Are they written in such a way that they define the criteria for acceptance of offered products or services as well as permitting them to be evaluated by examination, trial, test or documentation?	
Do specifications conform to relevant national, European or international standards and comply with any legal obligations?	
Do specifications provide equal opportunity for all potential suppliers to offer a product or service which satisfies the needs of the user and which may incorporate alternative technical solutions? Specifications must not contain features that directly or indirectly unlawfully discriminate in favour of, or against, any supplier, product or source.	
Is the specification presented in performance terms rather than a detailed design?	
Ensure that it does not over-specify requirements i.e. specify performance that is more than 'Fit for Purpose'?	
Does the specification take due account of the Joint Board's environmental, sustainability, social and other relevant policies?	
Have you considered the possibility of variety reduction and simplification?	
Does the performance of the contract require the contractor to hold licences, and does the specification reflect this?	
Are site specific requirements necessary?	

**INVITATION TO QUOTE – TEMPLATE**

Note - Supplier address information is not required if using QuickQuote

**"Insert date"**

Dear Supplier,

**INVITATION TO QUOTE FOR "(Insert name of service/goods)"  
QUOTE Ref: "(Insert quotation ref)"**

You are invited by Dunbartonshire and Argyll & Bute Valuation Joint Board ("the Joint Board") to quote for the provision of goods/services detailed in the attached Brief documentation. Your quotation must be received by **"Insert time, day and date"**. It is the responsibility of all suppliers to ensure that their quotation response is received no later than the appointed time. The Joint Board may undertake not to consider quotations received after that time.

The Joint Board are not bound to accept the lowest priced or any quote and shall not be bound to accept the supplier as sole supplier. Prices quoted shall remain firm for the duration of the contract. Value Added Tax (VAT) should be shown separately and the VAT registration number given.

The quotation will be evaluated using the following criteria and weightings:

<b>Evaluation Criteria</b>	<b>Weighting</b>
Eg Quality	X%
Eg Price	X%
Eg Technical Merit	X%

By providing us with a quotation you agree to be bound by the Joint Board's Terms and Conditions, which are enclosed with this Invitation to Quote and which will apply to any contract awarded to you after you have provided us with our quotation. *(Please discuss these with the WDC Procurement Team if you require guidance on how these fit with requirement)*

Enquiries and returns regarding this Invitation To Quote should be addressed to **"add our contact details here"**

Yours faithfully

**"Add your name here"**  
**"Job Title"**

**SUCCESSFUL ITQ AWARD LETTER**

**"Supplier contact name"**

**"Supplier name"**

**"Address 1"**

**"Address 2"**

**Town**

**County**

**Postcode**

Dear **"INSERT SUPPLIER NAME"**

**INVITATION TO QUOTE FOR: "add contract name here and contract reference number"**

On behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board ("The Joint Board"), I am pleased to accept your quotation for the above requirement. The documents listed below shall be deemed to form, and to be read and to be construed as part of, the Contract:

- This letter
- The Invitation to Quote (and Brief) Dated **"(insert date)"**
- Your response to the Invitation to Quote Dated **"(insert date)"**
- The Joint Board's Terms and Conditions of contract

The contract will commence on **"(insert date)"**, and, per the above, the value of the contract, for the full life of the contract shall be **£"insert price"** exclusive of VAT. The contract completion date is **"(insert date)"**.

Please confirm receipt of this contract award letter at the address below by return in order to act as an acknowledgement of receipt of this contract award letter.

Furthermore no action should be taken by your company at this time in respect of this contract until the official contract start date. The Joint Board accepts no responsibility or liability for any actions which you may take based on the information detailed in this letter. Any such actions and their financial consequences will be entirely at your own risk.

Please do not hesitate to contact me directly should you have any questions about the content of this letter.

Yours faithfully

**"Name"**

**"Job title"**

Contd.

-----

On behalf of **"INSERT SUPPLIER NAME"** I hereby accept and agree to the terms and conditions of contract as set out in this contract award letter.

Sign Name	
Print Name	
Job Title	
Authorised Signature on behalf of:	<b>"Insert name and address of supplier"</b>
Date	

UNSUCCESSFUL ITQ AWARD LETTER

"Supplier contact name"

"Supplier name"

"Address 1"

"Address 2"

Town

County

Postcode

Dear "INSERT SUPPLIER NAME"

**INVITATION TO QUOTE FOR: "add contract name here and contract reference number"**

On behalf of Dunbartonshire and Argyll & Bute Valuation Joint Board ("the Joint Board"), I would like to thank you for your quotation dated "**(insert date)**". The evaluation of all the quotations received for this contract has been completed and on this occasion your quotation has not been successful.

The quotation submitted by "**insert successful supplier's name**" was successful and "**provide brief reasons why the supplier was unsuccessful**".

On behalf of the Joint Board I would like to thank you again for the time and effort taken by "**insert supplier name**" when submitting this quotation.

Please do not hesitate to contact me directly should you have any questions about the content of this letter.

Yours faithfully

"Add name here"

"Add job title"

## HINTS AND TIPS FOR GOOD PRACTICE IN CONTRACT MANAGEMENT

Ref	Hints and Tips
1	A written contract with a supplier is good practice. It gives clarity regarding your agreement with a supplier in terms of what you have asked for and what they will provide in terms of goods, services or works. The Specification Checklist at Appendix 3 can help you to consider what to include.
2	Terms and conditions should be clearly reference in written contracts.
3	The Invitation to Quote must establish clear start and end dates.
4	Rather than asking consultants for day rates, the specification should have clearly stated outputs and deadlines that suppliers can quote a prices and project plans for.
5	Contracts should be kept sufficiently short to deliver only those outputs specified in the Invitation to Quote and <b>must not</b> be extended to deliver other objectives.
6	Suppliers should be managed and appraised against the contract and <b>must not</b> be managed or appraised against any internal staff performance system.
7	Contracts <b>must not</b> make provision for any employee benefits such as paid leave or pensions etc.
8	All payments against a contract must be made as outlined in the Joint Board's Ordering, Certification and Payment of Goods & Services Authorised Procedures and through WDC's Finance Department after receipt of an invoice. Paragraph 2, in this guidance, provides you with information on how to ensure your supplier is registered with WDC's Finance systems for payment.
9	Contractors must provide their own equipment to do the job, including any required computer equipment. To ensure appropriate use of Joint Board resources, and that Contractors are not mistaken for Joint Board employees, they should not be given access to internal electronic systems, such as email, intranet etc.
10	It is appropriate to ensure that there is no implied obligation to provide work to any one supplier.
11	All contracts must be tendered in line with the Joint Board's Procurement requirements as outlined at Appendix 1.