

# Stilton Parish Council Financial Regulations

## Addendum 1 – Additional Procedures for Tendering

### 1. Introduction

1.1. The purpose of this addendum is to provide additional guidance on the factors to be taken into account when purchasing goods and services.

1.2. Persons involved in the awarding of a Contract on behalf of the Council must ensure that the best value for money is obtained. Before commencing any procurement, it is essential that those authorised to do so have identified the need and fully assessed the options for meeting those needs.

### 2. Local contractors preferred

2.1. The Council recognises the benefits to the economy of using local businesses and will seek out local contractors and suppliers wherever possible, subject to Para 8 below.

### 3. Competence of contractors and due diligence

3.1. The Council shall only enter into a contract with a supplier if it is satisfied as to the supplier's suitability, eligibility, financial standing and technical capacity to undertake the contract by carrying out appropriate due diligence.

3.2. All contractors and suppliers working on Council sites will be required to comply with the Council's Health & Safety policy and any rules specific to the site of operation, for example Cemetery Regulations. Provision of suitable risk assessments and method statements will be a condition of all such contractors.

3.3. The Council requires all contractors working on Council sites and projects to maintain adequate insurance, including but not limited to Public Liability insurance for **£5 million**.

### 4. Equality and sustainability

4.1. The Council recognises the importance of sustainability and will take into account the environmental, social and economic impacts of its purchasing decisions.

4.2. The Council recognises its duty to protect biodiversity under Section 40 of the Natural Environment and Rural Communities (NERC) Act 2006. To meet this duty the Council will wherever possible purchase products that protect biodiversity, for example peat-free compost.

4.3. The Council will, wherever possible, purchase goods that meet international Fairtrade standards (or similar).

### 5. Prompt payment of invoices

5.1. The Council understands the importance of paying suppliers promptly and will wherever possible settle accounts within a maximum of 30 days, or earlier, by agreement. In order to comply with current legislation all payments (apart from petty cash payments) are made by BACS transfer or cheque.

## **6. Specifications**

6.1. Enquiries and invitations to Tender shall be based on a written specification. The specification shall adequately describe the requirement procedure in sufficient detail to enable effective procurement in accordance with these rules.

## **7. Contracts above £25,000 – Public Works Directive 2014/24/EU**

7.1. A public notice must be made setting out particulars of the contract and inviting persons interested to apply, within a period of not less than 10 days, for opportunity to tender.

7.2. After the expiration of the period specified in the public notice invitations to Tender shall be sent to not less than four individuals or organisations that could undertake the contract (or, if fewer than four apply, to those that are suitable)

7.3. Contract Procedure Rules shall not apply to the following but wherever possible, alternative quotations shall be obtained:

- a) Purchase by auction or at public fairs
- b) Contracts involving special technical, scientific or artistic knowledge
- c) Contracts comprising spare or replacement parts of existing machinery or plant or repairs to such machinery or plant
- d) Urgent situations as agreed with the Chair of the Council where the Council is put at significant risk or significant costs could be incurred by not taking urgent remedial action.

7.4. Every written contract shall specify:

- a) The work, materials, matters or things to be furnished, had or done:
- b) The price to be paid, with a statement of discounts or other deductions (if any); and
- c) The time or times within which the contract is to be performed.

7.5. Contracts over the value of £25,000 shall comply with Articles 109 to 114 of the Public Contracts Regulations 2015 as explained in NALC Legal Topic Note 87 regarding the advertising of contracts and the use of the 'contract finder' website.

## **8. Acceptance of Quotations and Tenders**

8.1. Normally the Council will accept the quotation, estimate or tender that provides best value for money, however, the Council is not obliged to accept the lowest of any tender, quotation or estimate, but must give valid reasons for not doing so. Each tender shall be evaluated for the price and quality to ascertain the most economically advantageous tender. Local companies should be encouraged to apply.

8.2. For procurements over £25,000 the questions and scoring systems used shall be written before tenders are received. The basis of this exercise shall be explained in any invitation to tender documentation.

8.3. Arithmetical errors found in any tender when checking shall be dealt with as follows:

*the tenderer shall have the error pointed out to them and be offered the opportunity to stand by their original tender, or their corrected tender, or withdraw it.*

## **9. Signing and Sealing of Contracts**

9.1. Every successful quotation/tender shall be accepted in writing, provided that contracts as the Solicitors to the Council shall determine shall be set out in a formal contract document.

## **10. Nominated Sub-Contractors and Suppliers**

10.1. Where a sub-contractor or supplier is to be nominated to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules.

## **11. Contract Variations**

11.1. Any necessary instructions to vary a contract shall be made in writing by the Clerk or person(s) responsible for supervising the contract and authorised by The Parish Council. Where a variation occurs during the currency of the contract that is material and cannot be met from within the original contract sum an immediate report shall be made to the Council who shall decide what further action is necessary.

## **12. Insurances**

12.1. Consideration must be given as to the appropriate type (employee liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract.

## **13. Termination of contracts**

13.1. The Council reserves the right to terminate any contract immediately for any of the following reasons: Termination for Cause – where a supplier commits a material breach of the agreement to deliver services, or fails to deliver agreed services, in the agreed timeframe without a plan to address the failings.

## **14. Compliance with other relevant legislation.**

14.1. In cases where any law, statutory instrument of Government regulation is found to be at variance with any section of this policy, then that shall be applied and this document shall be amended accordingly.