



11 June 2018

FREEDOM OF INFORMATION REQUEST – 687/18

Dear Sir/Madam

Your request for information has now been considered and the information requested is provided below.

Request:

1. What number, and value, of procurement contracts and/or tenders with a value of over £10,000 have been issued by the council, but not listed on the Contracts Finder website, in a) current financial year b) each financial year since 2015/16?

Answer: The number, and value, of procurement contracts and/or tenders with a value of over £10,000 that have been issued by the council, but not listed on the Contracts Finder website are listed in the table below.

Year	Peoples Directorate		Places Directorate		Resources Directorate		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2015/16	9	£148,391.77	10	£207,412.50	3	£86,521.00	22	£442,325.27
2016/17	9	£190,109.00	7	£153,681.00	2	£60,000.00	18	£403,790.00
2017/18	5	£89,760.00	13	£327,187.00	0	£0	18	£416,947.00
2018/19	2	£74,738.44	0	£0	1	£10,000.00	3	£84,738.44

For procurement contracts and/or tenders across the Council that have a value of between £10,000 to £49,999 – Rutland County Council will not issue a ‘Contract Finder: New Opportunity Notice’ as this is below the Council’s ‘advertising threshold of £50,000’ (each financial year 2018/2017; 2017/2016; 2016/15).

2. What, if any, standing orders does the council have in relation to when a procurement contract and/or tender must be published on the Contracts Finder website, including any specified minimum contract value, setting out the method by which the contract is issued i.e. single quotation, three quotations or tender.

Answer: Rutland County Council’s advertising threshold is £50,000, therefore there is no requirement on the Council to issue a ‘Contract Finder: New Opportunity Notice’ for any procurement opportunity valued below £50,000, which is the Council’s tender threshold.

Requests for Quotation, (single quotation up to the value £10,000) or (three quotations valued between £10,000 to £49,999) are below the Council’s advertising



threshold and will not be published on Contracts Finder or any other advertising portal.

Any contract awarded that has a value of £25,000 and above – shall require a 'Contract Finder: Awarded Contract Notice' to be published, which is a quarterly return co-ordinated by the Procurement & Contracts Management Team and forwarded to the Welland Procurement Unit for publication.

3. Any internal guidelines, documents or policies relating to when procurement contracts and/or tenders should or should not be published on the Contracts Finder website.

Answer: The current 'Contract Procedure Rules' (See below link) and 'Procurement Toolkit' (Attached) reflect the above position, that procurement opportunity's **below £50,000** do not need to be advertised, whilst tender opportunity's **above £50,000** do. And in all cases a contract award which is **above £25,000** in value must have a 'Contract Finder: Awarded Contract Notice' published via the Welland Procurement Unit.

<https://www.rutland.gov.uk/my-business/selling-to-the-council/contracts/>

If you are dissatisfied with the handling of your request please contact the Head of Corporate Governance, Rutland County Council, Catmose, Oakham, Rutland LE15 6HP
You can also complain to the Information Commissioner at:

The Information Commissioner's Office
Wycliffe House, Water lane
Wilmslow, Cheshire
SK9 5AF
Tel: 01625 545700

Yours faithfully

FOI Administrator
Corporate Support Team, Rutland County Council

RUTLAND COUNTY COUNCIL

PROCUREMENT TOOLKIT

UPDATED JANUARY 2017



DEVELOPED AND UPDATED BY: WELLAND PROCUREMENT UNIT

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1 INTRODUCTION

1.1 Purpose

To help officers manage procurements that are not only compliant with the Contract Procedure Rules but that also deliver value for money.

1.2 Using the Toolkit

Follow the Toolkit through the whole Procurement Cycle

OR

Use the navigation tools (in Section 2) to go directly to the section you need

The Toolkit comes with a set of template documents that you may find a useful starting point, these documents range from a Timetable template to template Invitation to Tender documents, and can be found at [\[insert location\]](#).

1.3 Questions

If you have any procurement questions which are not answered in this Toolkit, please contact any member of the Welland Procurement Unit (your shared procurement service).

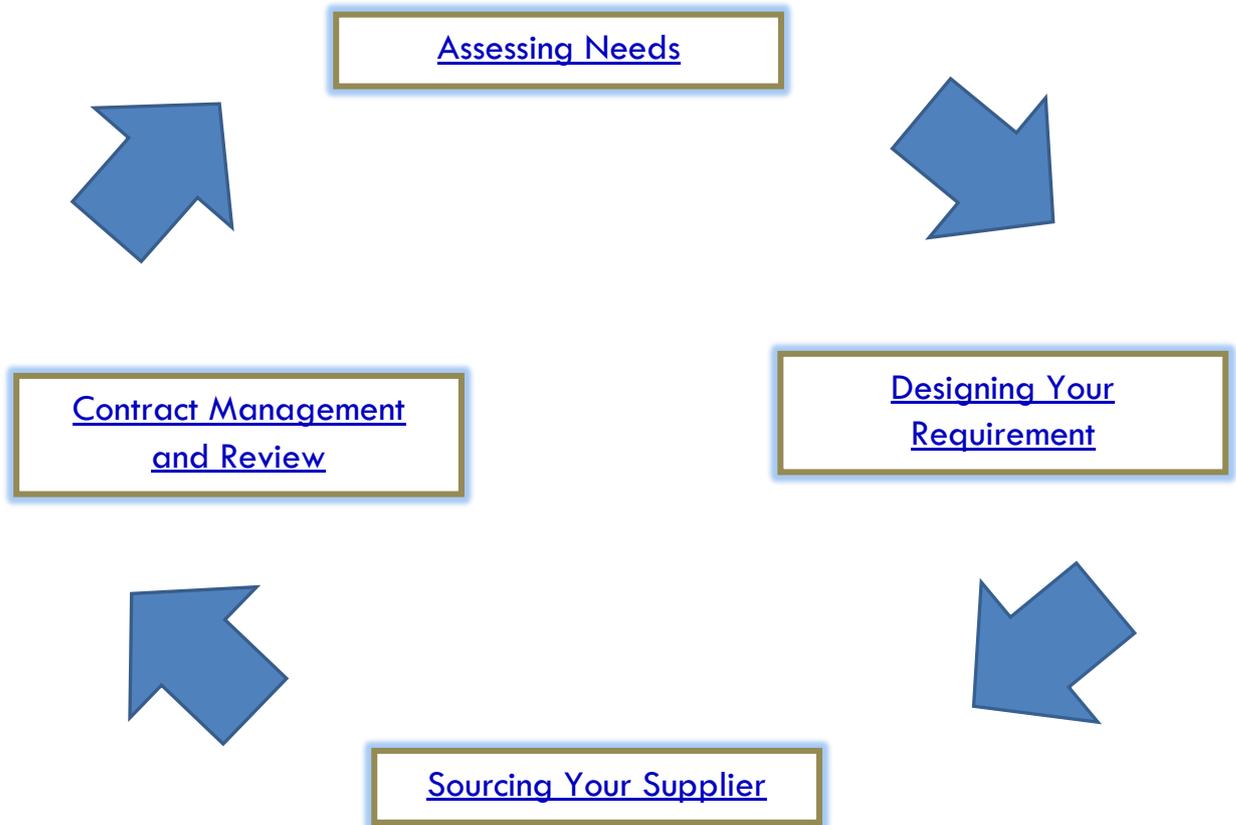
Paul Large (Procurement Strategy Manager): plarge@melton.gov.uk 07769 918574

Clare Ellis (Welland Standards Manager): cellis@melton.gov.uk 07876 574944

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2 PROCUREMENT CYCLE

The diagram below details the Procurement Cycle, clicking on the relevant box will take you directly to that section for further information.



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3 ASSESSING NEEDS

A building without foundation is soon demolished

As with most other project cycles, getting this stage right is the key to getting the procurement right.

Try and make sure that you have left yourself enough time to undertake this part of the cycle well. Doing it effectively may mean that you have to consult with lots of people – that takes time!

When you are working through this section, you will also need to bear in mind the potential impact of the Council's strategic commitments to equal opportunities, the environment etc. You may also want to consider whether TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended) applies. Seek advice from Legal Services if you are not clear on this.

3.1 Identification and Analysis of Need

There are a number of questions that you might want to ask yourself and others when defining your procurement needs. Below is a summary of the kinds of questions you may want answers to:

- What type of service/good or works do we need?
- Why is it needed?
- When is it needed?
- How much detail do I already have about what I need?
- Who can help me to describe the need more fully?
- Have we needed a similar service/good or works before? If so, how did we satisfy the need?
- Can it be provided in-house?
- How long a contract will I need?
- What is the budget? What are the budgetary constraints?

3.2 Consulting Users

Before undertaking a procurement exercise, it is important to understand who the users are going to be and what their view is.

First of all try and identify all the users – there may be various groups with different needs and views. Then find out what they want and what they need (which may be 2 different things!). It may be that you have to ask for priorities rather than a full list of wants/needs as

you are likely to be working under budgetary constraints. It is important not to raise expectations.

Next, if something similar has been delivered before, find out how it worked, what went well and not so well.

3.3 Understanding the Market

Understanding what suppliers/providers can deliver is important when you are developing your procurement, its no good defining a need that the market can't meet! However, consulting the market has to be done carefully within the following parameters:

- Suppliers you speak to need to understand that you will be going through a competitive procurement in due course.
- Make sure that you give exactly the same information to all the suppliers you speak to
- Don't promise suppliers that they will get the work
- Behave ethically and don't accept anything which could be construed as an inducement. The Council has an Anti Bribery policy, have a look at it if you are in any doubt.

Potential suppliers will often be willing to help at this stage with a view to influencing your thinking about a potential solution – so concentrate on what you want to achieve rather than what a supplier can offer you.

3.4 A Business Case?

The higher the potential value of the procurement or the more strategically important it is, the more likely you are to require a business case. However, regardless of whether you need to actually produce a business case – thinking through the information that would go into one can be a useful tool in setting out your purpose, benefits, risks etc. If you do decide to develop a business case, it should contain the following information:

- The business need
- The purpose and objectives
- The main options considered
- The known or perceived risks and how these might be minimised
- The recommended option
- The reasons for choosing the recommended option

3.5 Assessing Risks

Once you have completed the work identified above, you will have a better idea of the risks associated with the procurement. For each risk you have identified you should be able to describe:

- How likely it is to occur
- If it does occur, what the severity of its impact will be
- What you can do to mitigate the risk

This risk analysis will need to be reviewed and updated as you work through the procurement.

Below are some examples of risks that you might encounter, but there will be others:

- Insufficient time to complete the procurement
- Insufficient resources to complete the procurement
- Insufficient resources to fund the requirement
- Market risks: too many or too few suppliers
- Supplier fails to perform
- Supplier goes out of business
- Changes are needed to the contract
- The funding available reduces

3.6 Costing your Requirement

Understanding the potential cost of your requirement is important as it will determine the procurement process you have to undertake.

If you are already paying for a similar requirement, you will have a good idea about what costs are involved although you will want to ensure that your estimate takes into account any revisions you make to the Specification.

If the requirement is new, there are a number of options for estimating the cost. If you have undertaken market research, this may have given you some information about what suppliers are charging. You can also speak to other councils about what they are paying for similar services. The Welland Procurement Unit may be able to provide you with cost information for the other councils in the shared service arrangement.

Once you have an estimated annual cost, you will need to decide how long you want your contract and whether you want the option to extend it. So for example, you might want a 3 year contract with the option to extend it for a further 2 years. The contract value is the total value over the whole potential life of the contract so if your annual value was £20,000 the calculation would be as follows:

$$£20,000 \times 5 \text{ (3 year contract + 2 year extension)} = \underline{\underline{£100,000}}$$

Once you have the value you can refer to your Contract Procedure Rules to determine which method of procurement you will need to use.

Please make sure that you don't minimise your cost estimate or split your requirement into smaller parts to avoid the full application of the Contract Procedure Rules. Likewise, if you buy the same or similar items regularly throughout the year, your total spend on those item(s) will be your contract value.

3.7 Fulfilling the Council's Social Value Commitment

If you are buying a service (or goods/works with a service element) and the value is above the EU Threshold (see your Contract Procedure rules for the current thresholds) you will need to comply with the Public Services (Social Value) Act 2012. Where you have an urgent need, and the urgency isn't of the Council's own making, you don't need to comply with this law. Please also note that there is a growing emphasis on such social value benefits being considered for all service contracts, not just those over the EU Threshold.

This means that you have to consider how the service could bring additional economic, environmental and social benefits to the area. You also need to consider whether to consult on these issues. The key points are:

- The Act asks that you should give consideration to consultation on your service area to identify additional benefits. This consultation could be with current service users, potential service users, organisations representing services users, the market and commissioners of similar services. The Act doesn't prescribe how you need to consult – only that it should be appropriate and digital wherever possible. The Cabinet Office's Consultation Principles should also be applied.
- The Act says that you should consider benefits to your area. This is the area which the contract covers, for example the Borough. If you are procuring jointly with another council, the area is that which is covered by both councils. However, you have to be careful that any requirements you set to deliver these benefits don't discriminate against potential suppliers from outside the area and even the EU. All suppliers must be able to apply for the opportunity on an equal footing.
- You will need to keep a formal record of what consultation was undertaken and its result. If you decide not to consult, remember you only have to consider consultation, you will need to record the reason for that decision as well as the rationale for any subsequent decisions.

You may find it difficult to consider what wider benefits your procurement might be able to deliver so please see [Appendix 1](#) for some case examples.

3.8 Procurement Timetable

Developing a procurement timetable is a key tool in the management of your procurement. You will need to identify each stage of the procurement and think about how long each stage will take – realistically! If you would like to see a template Procurement Timetable or you would like some help devising your timetable, please contact the Welland Procurement Unit.

You are now ready to start the next stage of the Cycle!



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4 DESIGNING YOUR REQUIREMENT

You reap what you sow

Getting your specification right is the only way of making sure you that you get what you want – writing a specification takes time.

4.1 What is a Specification?

A Specification can be defined as a ‘statement of needs to be satisfied by the procurement of external resources’. It is a key part of the procurement process and describes the supplies, services or works that the Council needs. In some cases it will be very detailed (for example where a specific piece of equipment is required) and in other cases it might be more outcome focussed – including only a description of the standards and results you want rather than how they are to be achieved.

Where there is an existing contract for your requirement, it can be tempting to simply ‘copy across’ the existing Specification. However, this may be unwise as

- the Specification may not have been updated in line with changes to contract delivery, regulations etc.;
- there may be a requirement to analyse the value of the contract in line with increasing budget constraints; and
- the current contract may not have been delivered effectively – using the same Specification may therefore mean that the new Contract will suffer the same issues.

4.2 Pre-Specification Tasks

Before you start writing your Specification there are a number of tasks for you to consider:

- Ensure that you have a clear understanding about what is required and why. If you are writing the Specification for someone else, make sure that you identify and agree the other party’s requirements at the start of the process.
- For works procurements, analyse any existing provisions to determine the impact of the new proposals and the relationship of new to existing.
- If you have not read through and completed the work identified in [Section 3](#), now is the time to consider that work.
- Identify the scope of the contract, what is to be included and not included.
- Identify how you are going to evaluate bids received so that the Specification will reflect the importance of each criteria.
- Determine (and be clear in the Specification) how you manage the performance of the Contract.

4.3 What to Include in the Specification

Specifications will vary in length and complexity depending on the nature of the requirement however; you will always want to cover the following areas.

4.3.1 *Outcomes*

What is the Contract fundamentally trying to achieve? Outcomes should be the objectives of the end users and should not be concerned with the details of contract delivery.

4.3.2 *Outputs*

Outputs focus on the measurable deliverables of a Contract, such as service availability, delivery dates etc. Outputs specify the arrangements to meet the outcomes so they should be quantifiable and easy to measure.

4.3.3 *Inputs*

Inputs are the resources necessary to carry out the requirements of the Contract, such as staff, training, finance, IT and management. They may be resources provided by the Supplier or the Council and you will need to be clear on each.

4.4 Writing the Specification

When you are writing your Specification you will need to strike a balance between how prescriptive you are and how much freedom you want to give suppliers to use their own initiative. Specifications which are too prescriptive may not give the Council the value for money it needs as Suppliers aren't able to use their own expertise, capacity etc.

The Specification should reflect in its detail the financial commitment and risk to service performance that the Contract presents. A Specification for a service that is fundamental to the well being of service users or to the performance of essential services or has a high cost should be more detailed than a low value Contract that presents little operational risk to the Council.

You will also need to consider the following:

- Performance measures (usually linked to outcomes/outputs) need to be SMART – Specific, Measurable, Achievable, Realistic and Timescaled. E.g. 'delivery shall be not later than 3 months from the date of the order' not 'delivery shall be as soon as is practical'.
- When you are defining your requirements, you should note that under EU legislation it is illegal to specify brand names or specify too closely any technical requirements as this can be anti competitive. Stating that new systems must be compatible with existing systems and must deliver X, Y and Z is acceptable.
- The language used in the Specification must be the same language as that used in the Contract to ensure continuity. You should ensure that your Specification is easily understood and unambiguous so that there is no possibility of a misunderstanding. It's often a good idea to show a draft to someone who doesn't understand the

requirement to see whether they understand the Specification. Don't be afraid of using diagrams and plans as they can often make things easier to understand.

4.5 Contract Management

Writing your Specification is the time to start thinking about how you are going to manage the Contract with your chosen Supplier. The act of defining your requirement will identify to you the important elements of contract delivery, in turn these can be turned into performance measures against which you will manage the Contract. Identifying these performance measures now will help potential Suppliers understand how to deliver the Contract.

Remember it is often said 'what gets measured, gets delivered'

You may also want to consider performance incentives and sanctions at this stage. For example, do you want to include a system for staged payments to be made on completion of specific milestones? Do you want to consider the application of Service Credits for when a supplier consistently fails to deliver? The Specification and Terms and Conditions together will define such incentives/sanctions and identify how they will operate so you will need to be clear:

- Who is responsible for capturing and reporting performance data?
- Who is responsible for keeping performance records?
- Who is responsible for making payments/payment deductions?
- What is the precise method for calculating and presenting payments/payment deductions?
- Are the deductions discretionary or automatic?

Thinking through and being clear about performance measures, incentives and sanctions at this stage will help to ensure that you achieve value for money.

You are now ready to move on to the procurement!



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5 SOURCING SUPPLIERS

If something is worth doing, its worth doing it right

When you read this section you may be concerned about the amount of work involved and be tempted to shortcut the process – don't! Getting your procurement right will save you time and money in the long term and will help to stop challenges from Suppliers.

5.1 Introduction

The method of sourcing your Suppliers is governed by the Council's Contract Procedure Rules; these Rules can be found online at [\[insert link\]](#).

Using this Toolkit is not a substitute for reading and understanding the Contract Procedure Rules, the Toolkit is designed to support you in implementing those Rules in a practical way.

Before moving on to use the rest of this section, you will need to know what the value of your procurement is. Please refer to [Section 3.6](#) if you have not already got that information.

5.2 Using Framework Agreements

A Framework Agreement is a contract which has already been set up for a specific requirement and which can be accessed by a range of organisations without the need to run a further procurement. Usually Framework Agreements are set up by organisations such as ESPO or the Crown Commercial Service. They can offer value for money through economies of scale for requirements which are of a fairly standard nature, such as IT goods/services, vehicles and services such as cash collection. If you feel that your requirement may be standard and you would like to investigate the possibility of using a framework, please contact the Welland Procurement Unit for further advice.

5.3 Which method to Use

Deciding on how you are going to source your supplier depends on the value of your procurement. You will also need to know whether you are buying a service, a good/supply, works or a service covered by the Light Touch Regime. Please see your Contract Procedure Rules Section 10 for definitions of each or contact the Welland Procurement Unit. Remember the current EU Thresholds can be found in your Contract Procedure Rules (Appendix 1).

To find out more, please click on the appropriate value below – if you have any further questions you may find that they are answered in Frequently Asked Questions, section 5.9.

Under £10,000

Between £10,000 and £50,000

Between £50,000 and the EU Threshold for Services/Supplies

Works: Between EU Threshold for Services/Supplies and EU Threshold for Works

Light Touch Regime: Between EU Threshold for Services/Supplies and EU Threshold for Light Touch Regime

Over Relevant EU Threshold

5.4 A Procurement Value of Under £10,000

The primary objective of this, and all procurements, is obtaining value for money.

There is no requirement to seek comparable quotations if your procurement is valued under £10,000. You must, however, seek one written quotation which should contain the following information:

- What goods/works/services are to be supplied
- Where and when they will be supplied
- What the price is
- Terms and conditions of supply including payment terms.

5.5 A Procurement with a Value between £10,000 and £50,000

Please read the whole section before starting the process.

The Process:

For procurements valued at this level, you need to seek multiple written quotations using your Specification as the basis. At least one of the Suppliers you ask to quote should be from the local area (to support the Council's obligations under the Social Value Act) if this is possible.

Once you have written your Specification and read the sections below you will be ready to send out your Request for Quotation documents to your identified Suppliers, remember template documents are available if you want some help in putting those documents together.

Selecting your winning bidder:

You must decide how you are going to select your winning bidder before you start your procurement. Usually criteria are split into 2 groups – cost and quality. It is advisable to score quotes out of 100 so you need to allocate a proportion of your 100 points to each of those 2 groups, for example 40/60. You should consider the following when deciding on your criteria:

- Do the criteria align with your Specification?
- Have you asked bidders to supply their pricing information in the same way (for example an annual price, a contract price, an hourly rate) so that you can compare one supplier with another?
- If you have sub criteria, for example if you have asked specific questions under quality or asked for different elements of price, you will need to be clear how many of your 100 points each of those sub criteria is worth.

Advertising your requirement:

You must not advertise your requirement in any way, if you think you need to advertise your requirement please speak to the Welland Procurement Unit for further advice. However, all procurements valued over £25,000 must have an award notice published on Contract Finder. Please contact the Welland Procurement Unit for help in doing that.

Record Keeping

You must keep a copy of the documents you send out to Suppliers and the documents you receive back from them. In addition, you should keep any written and electronic communications you have with the winning bidder.

The Contract

For contracts of this value it is possible to use a Purchase Order supported by your Specification as your 'contract' where the requirement is straightforward. Where your requirement is more complicated, you should speak to the Legal Team for a Terms and Conditions document (a Contract) which you can use with the winning bidder.

Please be aware that suppliers sometimes try and impose their own terms and conditions on Councils, they may even state in their quote that it is subject to their own terms and conditions. This is rarely acceptable and if you receive such a quote or your winning bidder sends you

their terms and conditions for signature, please seek the advice of the Welland Procurement Unit before proceeding.

5.6 A Procurement with a value over £50,000 and below the EU Threshold for Services/Supplies

Please read the whole section before starting the process.

Where your estimated value is over £50,000 you are required (by law) to run a tender exercise. If you have never managed a Tender before or you haven't run a tender since the new Procurement Regulations were introduced on 26th February 2015, it is advisable to seek the advice of the Welland Procurement Unit in addition to reading this section of the Toolkit.

A procurement of this value is subject to the Public Contract Regulations 2015 and Transparency Regulations as well as the EU Procurement Principles of fairness, transparency, equality and non-discrimination.

To comply with the Public Contract Regulations 2015 you must run an Open (or one stage) Tender exercise. This is where you ask all your questions in one document without shortlisting suppliers through a pre-qualification stage. You must also make available to bidders all tender documents at the point you advertise your Tender – these documents will include those listed in the boxes below and any other drawings, maps etc.

Preparing your Documents (remember templates are available)

- An Instructions to Bidders document: this will include information about how you are going to evaluate the tenders received - this should include weightings for each criteria (price/quality) and sub criteria (each question asked under each of those sections).
- Your Specification
- A Terms and Conditions document (contract): to show bidders what they will be signing up to. Please note that minor amendments can be made to this after you have awarded the Contract.
- A Tender questionnaire asking bidders to respond to questions about how they will provide your requirement. This will include a pricing schedule.

Running your Tender (you have to advertise nationally)

- Once you have finalised your documents, you will need to get them approved - please see the Contract Procedure Rules for approval routes.
- Next you will need to advertise your tender - there are rules on advertising so please see the Contract Procedure Rules for more information. The Welland Procurement Unit is responsible for advertising your tender nationally.
- All your tender documents will be uploaded with the advert so you should ask bidders to confirm their interest in the tender with you as soon as possible. This is to ensure that all potential bidders have access to question responses.
- Bear in mind the record keeping requirements in the Contract Procedure Rules
- There are also rules about how your tender should be submitted, received and opened, make sure you follow those as well.

Evaluating the Bids/ Awarding the Contract

- You will evaluate your tenders using the criteria established within your Instructions to Bidders document. You will need to record the score of each bidder on a spreadsheet.
- It is normally the case that the bidder with the highest marks is awarded the contract. If for some reason this is not the case, please contact the Welland Procurement Unit.
- You will send out a letter awarding the contract to the winning bidder and a letter giving feedback to those bidders who have not been successful. Please bear in mind that bidders may want extra feedback and you should give as much as you are able - you are helping them to become better bidders in the future!
- You must publish an award notice on Contracts Finder - the Welland Procurement Unit will help you do that.

Awarding the Contract

Once you have sent out the letters to bidders (described above) you will need to take the following actions:

- Ensure that any required amendments are made to the previously circulated terms and conditions.
- Check in the Contract Procedure Rules to determine whether the Contract needs signing or sealing and follow the processes set out there.
- If it requires signature, ensure that 2 copies of the terms and conditions are signed by both the Council and the winning bidder. The details of the person from the Council responsible for signing the contract are in the Contract Procedure Rules. One copy should be retained by the Council and one copy by the winning bidder.
- The Council's copy will need to be stored [insert means of storage]
- The relevant details of the Contract will need to be added to the Council's Contract Register, to do that please speak to [insert details].
- Publish an award notice on Contracts Finder, contact the Welland Procurement Unit for help in doing this.
- It would be a good idea to have an initial meeting with your new supplier so that the roles and responsibilities under the Contract are understood by both parties and so that any plans can be made to begin the service provision.
- If the contract is transferring from one Supplier to another, you will need to ensure that the roles and responsibilities during this transition period are clear to all. You will need to be active in managing the process to ensure it is carried out successfully.

5.7 A Procurement for Works valued between the EU Threshold for Services/Supplies and that for Works OR
A Procurement for Light Touch Regime Services valued between the EU Threshold for Services/Supplies and that for the Light Touch Regime.

EU Procurement Thresholds can be found in the Contract Procedure Rules (Appendix 1). Details of which services are included in the Light Touch Regime can also be found in the Contract Procedure Rules (Section 10) or for more information please contact the Welland Procurement Unit. If the service you want to buy isn't on the Light Touch Regime list, the usual Services/Supplies EU Threshold applies. A definition of Works can also be found in the Contract Procedure Rules (Section 10) or for more information, please contact the Welland Procurement Unit.

For procurements between these thresholds, you are required (under Law) to run a tender exercise. If you have never managed a tender or you have not managed one since the Procurement Regulations were introduced on 26th February 2015, please contact the Welland Procurement Unit for further advice.

A procurement of this value is subject to the Public Contract Regulations 2015 and Transparency Regulations as well as the EU Procurement Principles of fairness, transparency, equality and non-discrimination.

You can use 1 of 2 tender processes:

- An Open (1-stage) tender: you ask all your questions in a single document. You have to evaluate the whole document (regardless of whether the bidder is capable of completing the contract) so this type of tender should be used where there are a limited number of potential suppliers.
- A Restricted (2-stage) tender: you issue a Pre Qualification Questionnaire (PQQ) first to assess whether the bidder is capable of delivering the Contract. This is most often used when the value of the Contract is high and there are potentially large numbers of suppliers. The purpose of issuing a PQQ is to arrive at a shortlist of bidders who will then be issued a tender – this is where you will assess how bidders will actually deliver your requirement and at what price.

Once you have made your decision about which process to use please refer to the boxes on [page 18](#) and the details about how to award a contract on [page 19](#) for information about how to run the tender process.

However, if you decide to run a Restricted (2-stage) process you need to also bear the following information in mind:

- You have to use the Government mandated Standard Selection Questionnaire (SSQ) – please contact the Welland Procurement Unit for more information.
- The SSQ is issued and evaluated first.
- That all tender documents (including Instructions to Bidders, Specification, Terms and Conditions and Tender return) need to be issued at the time you advertise the procurement – even though this is the SSQ stage.

- Once you have evaluated your SSQ, you re-issue the remaining tender documents to the shortlisted bidders. At this point you will write to those bidders who have been unsuccessful at the PQQ stage, providing feedback.

Remember pages 18 and 19 provide you with the detail on how to run the procurement.

5.8 A Procurement over the Relevant EU Threshold

For the current EU Thresholds please refer to the Contract Procedure Rules (Appendix 1).

If you need to run a procurement which is valued above the relevant EU Procurement Threshold (i.e. that for either Services/Supplies, Works or Light Touch Regime), please contact the Welland Procurement Unit for support.

5.9 Frequently Asked Questions

Question 1: Can I clarify information submitted in a PQQ or Tender with a bidder?

Answer:

You may have read through the submitted PQQ or tender and come across information that isn't clear. You are allowed to seek clarification provided that it does not alter the material information contained within the bid. If the lack of clarity probably has a simple explanation and is capable of being easily resolved – it would make sense for you to seek clarity. However, you should ensure that your tender documentation makes it clear that you may seek clarification (that it gives you 'permission' to do so) and that by seeking clarity from one bidder you are being fair and transparent to the other bidders. Above all else, a clarification should not allow a substantial (material) amendment to the tender.

If you feel that a tender you have received contains an abnormally low price (i.e. one which is much lower than the other prices submitted or much lower than your knowledge of the market would suggest is reasonable) you should act with caution and contact the Welland Procurement Unit before proceeding further.

Question 2: How do I go about evaluating quotations, PQQs and Tenders?

Answer:

Firstly you need to decide who is going to evaluate – evaluations should be undertaken by more than one person to ensure that no bias can enter the process. Ideally your panel should comprise of at least 1 person with a good understanding of the requirement and at least one person from another discipline.

Once you have your panel members, you then have 3 options in deciding how final scores will be calculated:

- Each member takes a specific set of questions and marks them.
- The panel reaches a consensus score on each question (i.e. all panel members mark all questions individually and then the panel come together to agree the final score); or
- Each panel members scores each question individually and then an average of the individual scores is calculated to produce the final score.

Any PQQ or Suitability Questions (whether asked in a separate stage or as part of an open process) must be marked first. Remember for procurements over the relevant EU Threshold, you have to use the government's mandated PQQ. Your PQQ questions will be a mixture of pass/fail questions and questions which are allocated a score. You should mark your pass/fail questions first as these are the questions which can exclude bidders. Bidders should be excluded if:

- They have been convicted of organised crime, corruption offences or fraud;
- They are bankrupt or facing bankruptcy or compulsory winding up;
- They have been proved guilty of grave professional misconduct.

You can then move onto scoring the remaining questions using the scoring table from your tender documentation. You can then shortlist those bidders with the highest marks or those who meet the minimum criteria, if you are unsure about the shortlisting process please speak to the Welland Procurement Unit.

Once you have received your tenders back – you can begin to evaluate those making sure that PQQ scores are not carried forward. You will have already decided on your criteria and sub criteria and their relevant weightings (as this information must be contained in the tender documents) so now you simply mark each question using the marking table in your tender documentation. Once you have a mark for each question, you can apply the relevant weightings to give you a final score for each bidder. The Welland Procurement Unit can help develop evaluation spreadsheets to make this process easier.

Question 3: What is a Performance Bond and when should I use one?

Answer:

A Performance Bond is an insurance policy: if the Supplier does not do what it has promised under a contract with the Council, the Council can claim from the insurer (provider of the bond) the sum of money specified in the bond –often 10% of the contract value. A Bond is intended to protect the Council against a level of cost arising from the Supplier's failure. They are usually applied when the winning bidder represents a risk (usually financial) or where the contract itself is of a very high value or represents a high risk if it fails. For more advice on the application of a Performance Bond please contact the Legal Team and refer to the Contract Procedure Rules.

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6 CONTRACT MANAGEMENT AND REVIEW

What gets measured gets done!

You might breathe a sigh of relief when you have awarded your contract but unfortunately your work doesn't stop there. Managing your contract well is the only way of ensuring that it delivers effectively and it will also help you plan for the future.

What is Contract Management?

Contract management is a process designed to ensure that both parties to the Contract (the Council and the Supplier) meet their obligations and that the intended outcomes of a contract are delivered. It involves building a good working relationship between buyer and supplier continuing through the life of a contract.

Contract management should be proportionate to the value, risk and complexity of the contract. A small contract could be managed so closely that the costs of contract management actually outweigh the value of the contract. Conversely high value and complex contracts can be under managed, leaving the possibility that they do not deliver as intended.

Effective contract management can result in the following benefits:

- Better outcomes
- Improved quality and customer focus
- Value for money and better financial control
- Improved risk management
- Clarity about who is doing what
- Early identification of problem or poor performance

The process of Contract Management starts when you begin to draft your Specification and may continue beyond the expiry date of the contract.

Step One: Establishing the Process of Contract Management

Your Specification and Terms and Conditions documents should contain details of how you are going to measure the performance of the contract, in terms of performance indicators and contract management mechanisms, such as meetings or performance reports.

You should try and meet your Supplier as early as possible to:

- Ensure that the roles and responsibilities established within the Contract are clearly understood by both parties.
- Begin to establish a working relationship with your supplier.
- Plan any transition arrangements required.
- Plan the implementation and commencement of the Contract.

Step 2: Transition Arrangements

If you there has been a previous supplier providing the same or a very similar service – you will need to establish transition arrangements to manage the change from one supplier to another. These arrangements will need to address the following issues:

- Who is doing what
- Are there staff and/or asset related issues to be resolved? If so, you will need to seek support from HR and/or Legal.
- What are the risks and how can they be managed?
- How can you ensure continuity and quality of service?
- How should I communicate with end users to inform them of the changes?

You will need to meet both your existing and new suppliers to ensure that these arrangements progress as smoothly as possible.

Step 3: Performance and Relationship Management

Using the performance indicators you have established, you will probably want to use a combination of performance reports and meetings with your supplier to ensure that the required outcomes are being delivered. Effective performance management means that problems can be identified early and resolved quickly before they impact too negatively on outcomes. If you have set up incentives or sanctions within your Contract (such as staged payments, service credits) you will need effective performance reporting and management to administer those. You will also want to keep a regular check with your Supplier as to how the money is being spent on the contract delivery.

For high value, long term or strategic Contracts you will also want to work on relationship management with your Supplier. An open and trusting relationship between a Supplier and the Council can help to ensure that the contract is delivered effectively, can support mutual problem solving and help you to get continuous improvement from your Supplier.

Step 4: Validation and Accreditation

During the process of establishing your Contract with the Supplier, you will have checked that the Supplier has certain basic requirements in place, for example insurance, accreditation etc. There will be obligations in the Contract for the Supplier to continue to meet these minimum standards and so you will need to periodically check that those requirements are still in place. This information is only usually required annually and may include visiting the Supplier to check policies and procedures are in place and being implemented.

Step 5: Review

Review is the strategic analysis of the Supplier's performance and future intentions. You should conduct a review at regular intervals with meetings set well in advance and attended by representatives of both parties. You should ask the Supplier to provide you with relevant information prior to the meeting and you should also seek the view of other staff involved in the Contract and, where relevant, end users. A set agenda is usually helpful and you should use the review as an opportunity to discuss future intentions.

6.1 Other Considerations

Frequency of Monitoring and Risk

The frequency of monitoring and the quantity of information required should be based on risk which you can measure in 2 ways:

- How much of the Council's money is at risk should the Supplier cease trading or not providing the Contract?
- What would be the impact on service users should the Supplier cease trading or providing the Contract?

The level of monitoring should be linked to the level of risk you have assessed your Contract at – for example a low risk Contract may only need annual performance monitoring and once a term contract reviews whereas a high risk Contract may need monthly performance monitoring and quarterly contract reviews. You can also move a Supplier between risk bandings based on monitoring information, e.g. if the annual accounts highlight a new financial risk you may want to monitor the Supplier's finances more closely.

Resolving Disputes

You will need to establish a clear understanding of your Supplier's business, in relation to the individual Contract and the wider pressures that may affect that Contract. Many conflicts between Councils and their Suppliers are created by a lack of understanding of the other's viewpoint. Another source of conflict is the mismatch between the expectations of end users and the terms of the contract. As a Contract Manager, one of your roles is to manage user expectation and be clear about the difference between dissatisfaction arising from the Specification and poor performance of the Supplier. When disputes do arise, clear procedures and escalation processes will help to minimise disruption and maximise the efficient handling of the problem.

If something goes wrong, the first thing to do is find out:

- What has gone wrong?
- Has it (or something similar) happened before?
- Why has it gone wrong?
- Is it a one-off problem and if not, is it likely to recur and how often?
- Has the Council contributed to the problem?
- Can it be put right and if so, at what cost?

You should ensure that:

- Full details of the problem are recorded
- The Supplier is notified as soon as possible of the problem
- The action taken to resolve the problem and the outcomes are clearly documented.

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APPENDIX 1

Example: Meals on Wheels Service

Why are we doing this?	Good quality food for housebound frail elderly? OR To make sure people eat? OR To reduce isolation OR The current contract ends on....
What else can we achieve for the stakeholders?	Benefit entitlement checks? Basic community healthcare? Local transport? Social networks, e.g. a regular group meal?
What about other outcomes?	Work placements in catering? Training/qualifications in catering? Community/social care placements? Catering services for other sectors?

Croydon Council

Let a housing repairs contract which encompassed social value commitments including apprenticeships, mentoring to SMEs within the Supplier's supply chain and volunteering opportunities for the supplier's staff.

Birmingham City Council

Let a contract with a Green Deal Partner which delivered added value through the offering of supply chain opportunities to SMEs, the encouragement of business partners to invest in green energy facilities and engagement of schools in energy efficiency.

Gateshead Council

Let a contract for support for troubled families. Social value was built into the contract by activity to build further capacity in the voluntary and community sector and a sustainable family mentoring programme.

Oldham Council

Let a contract for banking services. Social value was built into the contract by work with local schools to improve employability and money management as well as the offering of apprenticeships.