

EAST GRINSTEAD TOWN COUNCIL PROCUREMENT POLICY

Introduction

Members approved the following Procurement Policy at Finance & General Purposes Committee on the 23rd September 2010 following a review by Officers in the light of new standing orders and, particularly, the need to be as effective and efficient as possible in our procurement practices at this time of financial pressures and uncertainties. It was also agreed that this policy will be reviewed at least once in every Council administration.

Getting procurement right is important. It is about improving the delivery and cost effectiveness of quality public services to citizens.

The Council aims to use effective ways to procure, work in partnership with others, and manage services that will :

- Better achieve community plan objectives
- Deliver consistently high quality services that meet users' needs, with a range of partners from other sectors
- Provide savings and better value for money, thereby improving the cost effectiveness of the Council
- Support delivery of the e-Government agenda.

The principal benefits of a cohesive strategy which reflects the National Procurement Strategy for Local Government (ODPM October 2003) are

- Deliver improvement of public services and renew public assets like East Court, Parish Halls, Chequer Mead and Mount Noddy Cemetery.
- Establish partnership with WSCC and MSDC to build quality design into projects for the improvement of the built and natural environment in East Grinstead
- To use creative buying power to stimulate innovations such as the use of recycled materials or fair trade products.
- Achieve the Council's objective to improve continuously.
- Comply with EU procurement regulations.
- Remove unnecessary red tape to reduce time and costs for the Council and its suppliers

Context

During the year 2009/10 the Council spent £525,000 on purchases of which £336,000 represented employment costs (weekly wages, Paye/NI and Pension) , grants (principally Chequer Mead) and business rates. The remaining £189,000 included 3 contracts/suppliers over £5000, 50 contracts/suppliers between £1000 and £5000, and 125 suppliers less than £1000.

1. Contracts valued at £5000 or more

The procurement process for contracts valued at £5000 or more is laid down in Standing Orders (51-56 inclusive) agreed by Finance & General Purposes Committee on the 24th June 2010 which are designed to ensure propriety, fairness, consistency, good practice and Best Value in all contracts for services, supplies and works entered into by or on behalf of the Council. The Standing Orders define the tendering process

and the selection of contractors who will be invited to tender, as well as defining nine exceptions to the Orders. The Standing Orders include reference to the need to adhere to Constructionline procedures.

2. Contractual considerations for values over £5000

- The contract must be in writing or electronic form capable of providing a permanent record in writing.
- The contract must clearly specify the services, supplies or work to be provided.
- The contract must clearly specify the price to be paid net of discounts and including any Value Added Tax in £ Sterling.
- The contract must specify the time or times within which the contract is to be performed. In the case of all contracts exceeding £75,000 the contract must specify the liquidated damages to be paid by the contractor if the contract is not completed at the specified date.
- The contractor must be required to hold appropriate insurance to satisfy the requirement within each contract to indemnify the Council in the event of any claim in respect of employers' liability or in the event of loss.
- No clause will be inserted in any contract which would unfairly discriminate against a contractor in any member state of the EU.
- For employers' liability the level of cover should be at least £10m.
- For Public Liability it is unlikely that cover of less than £5m will be acceptable.
- Every contract must contain an anti-corruption clause.
- Every contractor must obtain the written permission of the Council before assigning or sub-letting the contract or any part of it.
- For values in excess of £250,000 the contract must require the completion of a performance bond or parent company guarantee.
- All contracts must comply with the law and the policies of the Council.
- If a contract is terminated because a contractor has gone into receivership, administration, liquidation or other similar reason, any novation of the contract with a third party shall be subject to the approval of the Council.

3. Contracts/ Purchases valued at more than £1000 and less than £5000

Standing Orders do not impose specific procedural requirements for procurements valued at less than £5000, but it is Council practice to require at least two written quotations for contracts/purchases valued between £1000 and £5000. General requirements to provide "best value" within budget and fairness still apply to such contracts.

4. Contracts/Purchases valued at less than £1000.

By far the largest volume of transactions have an individual value of less than £1000. The general requirement to provide “best value” within budget and to ensure propriety, fairness, consistency, and good practice still remains. In practice the Council will also aim to support local suppliers , but only within the general principles aforementioned.

5. Other considerations for values below £5000

Supplier Monitoring

The Council monitors suppliers’ performance to ensure Best Value is being delivered. This includes regular review of the contract with suppliers and the monitoring of the provision and price competitiveness of goods and services.

Framework Agreements

The Council already uses Framework Agreements that have been let by West Sussex County Council or other public bodies in order to take advantage of consortium bulk discounts. The Council will ensure that it is aware and stands ready to take advantage of the benefits of any such agreements.

E-Procurement

E-procurement is playing an increasingly important part in all aspects of the procurement process. Future developments may see the Council looking to move towards online ordering and automating the payment of invoices. Suppliers may be asked about the extent that they are able to deal with us by these methods.

6. Officers’ responsibilities

Members hold Town Council staff responsible for the safety of contractors working at our sites. The key accountability for Town Council contracts and for the Parish Halls Charity rests with the ‘Amenities Manager’ who is required to ensure that detailed operational procedures are in place to assist staff governing our relationships with contractors and that effective monitoring procedures are in place to ensure adherence at all times.

The following controls are fundamental to the assurance of this safety:

- Selection of Contractors who are competent and qualified to undertake the required task.
- Confidence that the Contractors understand safe working practices by examining qualifications, work experience, risk assessments, and method statements and ensuring full documentation is in place to aid internal and/or external audit.
- Preparation of our sites to make sure they are safe for the contractor, highlighting in writing any potential areas of concern.
- Oversight of the contractor’s work. Town Council staff, as identified and instructed by the accountable officer, are responsible to ensure compliance with method statements and should suspend work if the agreed contract of working practices is not being followed. Compliance should be assured by regular discussion, observation and spot checks as appropriate.
- By regular inspection , ensure that work of the right quality is produced by the contractor.

