

Procurement Rules

1. Introduction

These rules shall be followed without exception for every procurement carried out by Bron Afon.

“Procurement” for these purposes means the process of obtaining and contracting for any goods, supplies or services of any value other than the recruitment of an employee or a Board member.

2 Responsibilities

- 2.1 It is the responsibility of the Chief Executive, Directors and Head of Human Resources to ensure that all procurement is carried out at all times in accordance with these Rules.
- 2.2 It is the responsibility of every member of staff involved in procurement to comply with these Rules at all times during the procurement process.

3 Deciding the procurement method (the “Gateway process”)

- 3.1 Before taking any steps to procure any goods, supplies or services, the decision maker authorised under the Scheme of Delegation must decide the appropriate procurement method using the “Gateway process”.
- 3.2 The person carrying out the procurement must not be the decision-maker but will prepare a report for the decision-maker where required under these Rules.
- 3.3 All potential procurement must go through a “Gateway process” with the following exceptions:
 - Procurement of goods, services or supplies that are regular and small scale such as catering, temporary staff, office supplies and vehicle and machinery fuel where the Director of Resources has approved and issued a Standard Procedure for procurement of those goods, services or supplies or has agreed a Standard Procedure for the use of a Procurement Club such as Procurement for Housing. In this case the Standard Procedure must be followed.
 - Small scale procurements of less than £5,000 in estimated value.
 - Where a call-off contract is already in existence if that call-off contract is to be used e.g. for maintenance. If it is proposed that it is not to be used, the Gateway process must be followed to review that decision.
 - Where there is already an existing contract for the goods, services or supplies concerned in which case that contract must be used e.g. existing service level agreements with the Council.

- Where there is a guarantee or insurance policy covering the goods, works or services. In this case, steps should be taken to make use of the guarantee or insurance policy in accordance with any conditions that apply.
- Any other procurement where there is a Standard Procedure approved by the Director of Resources for that type of procurement process.

3.4 Where the Gateway process is to be applied, a questionnaire must be completed that evaluates the different options for procurement taking account of the following factors and recommends the preferred procurement method with reasons;

- Any legal requirements applicable to the procurement taking into account EU rules, the value of the procurement and the legal requirements in relation to consultation with leaseholders
- The likelihood that the different methods available will secure value for money taking into account any competition involved
- The likelihood that the different methods available will secure the best quality of goods, services or supplies
- The timescale within which the procurement must be completed
- How it is proposed that the Bron Afon Board, members and/or staff will be involved in the procurement process
- The key risks arising from the procurement and the different methods of procurement and how it is proposed to manage these risks throughout the procurement process and during and after any contract that is entered into including any defect period or guarantee period
- If there is a need for a longer term arrangement, the extent to which the different methods are likely to permit sufficient flexibility of service requirements and provision over any longer contract period
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- If there is a need for a longer term arrangement, the extent to which the different methods will enable Bron Afon to secure continuous improvement in services or supplies and efficiency over the contract period and the ease to which it will be possible for Bron Afon to take action if there is poor quality supplies or services
- The extent to which the different methods will secure the community benefits set out in the Procurement Strategy including maximising external income, creation of new local jobs, increased training places, and opportunities for supporting local sustainable businesses
- The extent to which the different methods will support the objectives of our Environmental Sustainability Strategy
- The extent to which the different methods will promote equality of opportunity

3.5 The Director of Resources will issue guidance on the different methods of procurement to be considered in the Gateway Process and will ensure that

key staff have the necessary expertise to assess the best method of procurement under this Gateway arrangement.

- 3.6 All methods must be transparent and properly recorded in accordance with guidance issue by the Director of Resources.
- 3.7 Where possible and appropriate, Board members, members and staff who will be affected by the outcome of a procurement will be involved in the procurement process.
- 3.8 No Board member, member of staff or member of Bron Afon may be involved in any procurement process who has any personal or financial interest in the procurement as defined by the Code of Conduct for Board members and the Membership and the Code of Conduct for staff.
- 3.9 All procurement methods must ensure the health, safety and welfare of staff and anyone else affected by the process.
- 3.10 Where it is proposed that a method of selection is to be used using any factor other than price, the Gateway questionnaire must recommend the proposed factors to be used in the selection and the weighting to be applied to those factors.

4 Competitive bids or tendering

- 4.1 Where competitive bids or tendering is to be used as the procurement method, the following rules apply:

Below £5,000: Inquiries of 3 suppliers should be made where possible and documented;

£5,001 - £25,000: 3 written quotes must be secured and documented;

Above £25,000 Full tendering procedures must be followed as set out below.

- 4.2 The following key stages will apply in the tendering process:

- check that the firms used in tendering have the ability and capacity to do the work in the timescale proposed, and are likely to produce competitive prices; so far as permitted by law, to ensure that their employment, investment and operational policies and practices are consistent with our aims and values.
- issue invitations to tender to prospective tenderers to ensure they are able and willing to tender;
- standard tender documents prepared and issued to tenderers with details of the return procedure;

- the return procedure should include a standard return envelope detailing the return address and marked appropriately to ensure it is not opened immediately;
 - tenders to be date stamped and locked away until opening;
 - a receipt to be issued to the tenderer;
 - tender opening is held in Llantarnam Park office with the appropriate delegated officers in attendance (see Schedule of Delegated Authority) and the tender book is to be completed;
 - once officers are satisfied they have all the information they require, a tender report should be prepared outlining the reasons for the choice of successful tenderer. This should be forwarded to the Chief Executive for authorisation and copied to the Director of Resources.
- 4.3 The lowest submission may not necessarily be the best value for money and account should also be taken of such aspects as the quality of the proposal and the degree to which it accords with the critical specification, the time input, the quality of staff and service, particularly relevant experience, levels of professional indemnity cover, previously competitive rates etc.

5 Monitoring and reporting arrangements

- 5.1 The Board and the Chief Executive will determine financial limits above which the Board or the Chief Executive respectively, will receive reports on the outcome of any procurement which will identify any benefits secured both financial and non financial.