



Norwich
Business
Improvement
District

Norwich BID

Procurement Policy

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1. Guiding Principles

1.1 All procurement should be subject to competition. A competitive process provides the best opportunity to procure goods or services with value for money. All procurements above £5k will normally involve competition (tender) as set out elsewhere within this policy. There may be occasional but valid exceptions to this principle, arising from the nature of the requirement, in such circumstances the approval of the Board is required.

1.2 All procurement should be conducted on a value for money basis. Value for money includes the whole life costs, quality and appropriateness for purpose. Although cost is the major consideration other appropriate factors should be evaluated as part of the process (e.g. environmental impact, service level standards, cost of switching suppliers, information security implications).

1.3 All procurement should consider sustainability issues. Sustainability issues should be addressed at the appropriate stages in the procurement process (normally the specification and evaluation stages). Cost and affordability must be taken into consideration. In some instances, particularly when environmental issues are relevant, sustainable procurement can reduce whole life costs and improve quality through recycling or reducing disposal costs.

1.4 The principle of not favouring, or putting at a disadvantage, any potential supplier should be applied. All processes should be seen to be conducted in a fair manner. A well-managed procurement, with a well-defined requirement from the outset, will help enable a successful outcome. Goods and services being sought should be defined as closely as possible; procurement failure usually points to a badly defined requirement.

1.5 Encouraging smaller local suppliers. Consideration should be given to using local firms and small businesses if they can provide an appropriate service delivery at competitive cost.

2. Procurement processes

2.1 Business case and authorisation. If the estimate of cost is in excess of £5k per annum, a business case containing the outline specification for the required service must be prepared to justify the procurement activity and expenditure and will be signed off by the board. The critical success factors must be SMART: Specific, Measurable, Achievable, Relevant and Time bound. It should be ensured that end users of the goods or services are involved in the setting the requirements specification.

2.2 Implementation plan. Dependent upon the size of the procurement and estimated budget allowed (see sections 3,4 and 5), a plan should be prepared to ensure that all the tasks and deliverables are identified in sufficient detail. The approach to the supplier selection and evaluation should be clearly defined from the outset.

2.5 Evaluation processes. There should be clear evaluation processes incorporated into the documentation forwarded to prospective suppliers.

2.6 Evaluation Interviews. It may be appropriate to hold evaluation interviews with potential suppliers.

2.7 Notification of award of contract. Successful and unsuccessful bidders should be notified in writing. Unsuccessful bidders should be offered the opportunity of an appropriate debrief, as a debriefing can help suppliers to improve their competitive performance. It can also help to identify ways to improve the process for the next time, and perhaps improve on communication.

2.8 Ongoing contract management processes. The contract management arrangements should be built into the contract depending on the type of contract. When problems arise, they should be dealt with promptly - this requires good communication channels, aimed at delivering "win-win" outcomes. There should be regular monitoring of supplier performance against agreed service levels. The aim should be to continuously improve in performance or increase value for money.

2.9 The budget holder gives approval to place orders for goods or services within their budget areas, subject to the availability of funds. All orders of £500 or more must be authorised by the budget holder. For orders under £500, the budget holder may delegate ordering as he/she deems appropriate.

2.10 Orders for Goods and Services < £500

Purchases of under £500 (including VAT) will not require a Purchase Order. An order can be placed directly with the supplier, the invoice should be addressed to the Finance department who will register the invoice on receipt and forward it to the appropriate budget holder for checking, coding and authorisation.

2.11 Orders for Goods and Services > £500. A Purchase Order is required for goods and services of £500 gross or more (i.e. £500 including VAT). A Purchase Order is an internally generated document that details the following:

- The supplier to be used.
- A description of the goods required/service to be performed.
- The monetary value of the order.
- The contract code.
- The project code.

3. Single suppliers

3.1 It may be necessary to use a single supplier. This could be that:

- the requirements are specific; or
- the supplier has already undertaken work of a similar nature already; or
- the supply will be an addition to an existing contractual arrangement.

3.2 In such circumstances, the specific approval of the Board or Executive Director is required for procurements above £5k

4. Procurement £10k or below

4.1 No formal tender process is required for the procurement of goods and or services for less than £10k per annum, unless for a multiple year contract that would take the amount over the lifetime of the contract beyond that £10k level. However, the Board also reserves the right to conduct a tender process if it is considered appropriate.

4.2 The factors detailed in section 1 of this policy must be considered and best value must always be sought in the purchase of all goods and services.

4.3 For procurements between £5k and £10k three separate written quotations for the required goods/services should be sought unless section 3 single or nominated supplier conditions are applicable. The chosen quotation will be accompanied by a short report or brief, if the cheapest option is not selected, to outline the justification.

5. Procurement in excess of £10k

5.1 A documented tender process must be followed for procurement of goods or services in excess of £10k per annum, unless section 3 'Single Suppliers' applies.

5.2 The successful tender will be decided based upon best value and not necessarily the lowest price. The criteria to be used in evaluation, together with any weighting, must be included in tender documents.

5.3 A minimum of three organisations should be invited to tender, or the tender process can be made open via publishing on a suitable website. In exceptional circumstances advertisements in relevant regional / national media may be required.

5.4 The 'Tender Document' must be finalised (see appendix A for the required contents of tender document) and approved by the Workstrand lead before the tender is publicised.

5.5 Tenderers should be notified that they must return documents to the commissioning member of the team in an envelope clearly marked on the front with the tender details.

5.6 The tender decision form (see appendix B) must be completed.

5.8 The initial assessment of the submitted tender applications should be based upon the ability of the applicants to demonstrate that they have;

- the financial stability to carry out the contract being tendered
- satisfactory equality policies in relation to the services to be provided
- be of good standing

5.9 The decision to appoint a service provider (for goods or services over £10k following a formal tender process) must be authorised by either the Board or the Executive Director

5.11 In the event that there is no completed tender returned, or if there is no acceptable tender received, the tender process must begin again.

5.12 All successful tender process documents, must be retained for six years from the date of awarding the contract. All unsuccessful tender documents are to be kept for two years following the tender decision date.

5.13 All procurement for goods/services in excess of £10k have been signed off by the Board (Business Case) and then the outcome reported to them.

6. Authority levels & Requirements

6.1 Authority levels and requirements are set out below.

Value or Cost (£)

Value	Requirement	Authorisation Required
0 – 499	None	Budget Holder
500 – 5,000	1 verbal quotation	Budget Holder & Exec Director
5,001 – 10,000	At least three separate written quotations	Exec Director & a Director from the Board Exec.
10,001 and over	At least 3 written tenders	Board Approval

6.2 A list of current staff authorised to sign and at what level will be maintained.

Appendix A

Invitation to tender template suggested contents list:

Tender Document

Table of Contents

PART 1 – Tendering Procedures

Section I Overview of service required and main contract terms

- Length of contract
- Location
- Confidentiality
- Pricing
- Section III Instruction to Tenderers
- Section IV The tender process
- Tender application terms and conditions
- Confidentiality
- Legal Disclaimer
- Use of Information

Section II

- Evaluation and Qualification Criteria

PART 2 – Specific Requirement

Section III Specification document

Section IV Budgetary considerations

Part 3 – Tender application Form

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Appendix B: Tender decision scoring form

Company Name:	Weight x	Rating				
		e.g.	1	2	3	4
Financial Stability	10					
Equalities policies	5					
Company standing / Image	5					
Customer Base / references	10					
Expertise	10					
Resource	5					
Customer Relations	5					
Process	5					
Innovation	5					
Cost AND Value	40					
Total	100					