

# Understanding Council Procurement

Richard Wilson – Chief Officer Environmental and Operational Services

# What is Procurement

- The process of purchasing goods, services and works
- Public procurement can be defined as the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought

# The 'Big Spenders'

<b>Direct Services</b>	Vehicles Diesel Waste Disposal Sacks Parts Agency Staff
<b>IT and Facilities Management</b>	IT Equipment/Licences/Support etc. Mail Stationery Copiers Telecommunications
<b>Others</b> Environmental Health Parking Property Amenities CCTV Communications Planning Community Development Revenues and Benefits	Consultants Pay & Display Machines, Signing/Lining Maintenance/Energy Ground Maintenance/Playgrounds/Arboricultural Work Maintenance/Transmission costs "In-Shape" Consultants and Specialists Grants and Commissioning Agency Staff

# What is Procurement

- There are legal requirements and Council rules
- Specify so you get what you want
- Select suitable suppliers - open process or pre-selection
- Achieve efficiency/savings
  - 1% - £4.2 million = £42,000
  - 5% - £210,000
- Evaluate bids - make the right choice
- Achieve value for money
- Consider wider impacts
- Protects the procurer - contractual arrangements
- Public procurement can be defined as the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought

# The Council's Procurement Rules

## The Framework:

- Financial procedure rules
- Contract procedure rules
- EU Public procurement directives
- Public Contracts Regulations 2015
- Local Government (Transparency Requirements) (England) Regulations 2015

## The Council's procurement thresholds:

- £0 to £10,000 - one written quote in advance
- £10,001 to £74,999 - three written quotes in advance
- Over £75,000 up to the EU procurement threshold - at least three tenders, formal opening, Cabinet member approval and contract
- At or over EU procurement thresholds - OJEU Tender process
- Supply and Services Contracts - £164,176
- Works Contract - £4,104,394

# A Few Principles From These Rules

- All purchases however small shall be in writing and have an official order with few exceptions.
- All orders over £25,000 will be subject to the Contract Procedure Rules
- All contracts of a value of £10,000 or more or which involve a substantial risk to the Council must be subject to a written risk assessment.
- All quotation/tender opportunities over £10,000 need to be advertised on the Kent Business Portal and if above £25,000 (see below) on the Crown Commercial Service portal ‘Contract finder’.
- There are additional recommended requirements for greater disclosure in the Local Government Transparency Code. This includes monthly (or preferably real time) publication on Contracts Finder of every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000 (and a lower threshold of £500 is recommended)

# The Importance of Specification

Performance	<ul style="list-style-type: none"> <li>• Output or desired function or properties</li> <li>• Standards compliance and quality</li> <li>• Maintenance requirements</li> <li>• Expected Life</li> <li>• Residual Value</li> </ul>
Design Function and Application	<ul style="list-style-type: none"> <li>• Type, style and capacity</li> <li>• Materials</li> <li>• Essential or associated equipment</li> <li>• Optional Extras</li> </ul>
Dimensions	<ul style="list-style-type: none"> <li>• Product measurements (L x W x H)</li> <li>• Critical In-use or operating measurements</li> </ul>
Finish	<ul style="list-style-type: none"> <li>• Finish type or colour</li> <li>• Additional surface finishes</li> </ul>
Delivery	<ul style="list-style-type: none"> <li>• Availability or production lead time</li> <li>• Delivery date</li> <li>• After-sales support</li> </ul>

# Value For Money

## Definition reminder:

- ‘The best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought’.
- Advertise on Portal to attract competition
- Best value
- Most economically advantageous
- Not the cheapest
- Get what you want
- Get what you pay for
- Recourse to a ‘contract’

# External Impacts

- Social
- Environmental
- Economic

# Suggested Evaluation Criteria

- Pre-Qualification Questionnaire response
- Price
- Compliance with Specification
- Quality & Technical Merit
- Performance data
- Method Statements
- Service life
- Whole-life operating costs
- Residual value
- On-site demonstrations
- Assessed Capability to support the contract
- Acceptance of SDC contract conditions

# Weighting The Evaluation Outcome

## Value for Money/Price - 60%

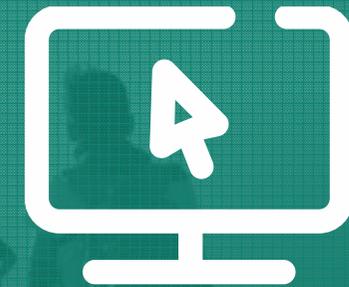
- Price
- Whole life operating costs
- Residual value

## Quality Compliance and Completeness - 40%

- Questionnaire response
- Compliance with specification
- Delivery date
- Technical merit and quality factors
- Supplied method statements and performance data.
- Service life
- On site demonstration and use of equipment
- Assessed capability to support the contract
- Acceptance of existing contract conditions

# Other Forms of Supply/Service Provision or Commissioning

- In-house provision
- Unique supplier or specialist competency work
- (A formal waiver from the Contract Procedure Rules would likely be required)
- Design and Build
- Negotiation
- Framework arrangement



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