PROCUREMENT TASK GROUP – 6 DECEMBER 2010

A meeting of the Procurement Task Group will be held at 5.30 pm on Monday 6 December 2010 in Committee Room 1 at the Town Hall, Rugby.

Andrew Gabbitas
Executive Director

AGENDA

PART 1 – PUBLIC BUSINESS

1. Appointment of Chairman - to appoint a Chairman of the Task Group for the duration of its work.

2. Apologies - to receive apologies for absence from the meeting.

3. Declarations of Interest.

To receive declarations of –

(a) personal interests as defined by the Council’s Code of Conduct for Councillors;

(b) prejudicial interests as defined by the Council’s Code of Conduct for Councillors; and

(c) notice under Section 106 Local Government Finance Act 1992 – non-payment of Community Charge or Council Tax.

Note: Members are reminded that they should declare the existence and nature of their personal interests at the commencement of the meeting (or as soon as the interest becomes apparent). If that interest is a prejudicial interest, the Member must withdraw from the room unless one of the exceptions applies.

Membership of Warwickshire County Council or any Parish Council is classed as a personal interest under the Code of Conduct. A Member does not need to declare this interest unless the Member chooses to speak on a matter relating to their membership. If the Member does not wish to speak on the matter, the Member may still vote on the matter without making a declaration.
4. *Where We Are Now* – Introductory presentation by Steve Ryder Strategic Procurement and Creditors Manager, Nuneaton and Bedworth Borough Council and Scott Ashwood, Procurement Officer.


5. One Page Strategy and Programme of Work – to consider any amendments to the one page strategy (enclosed) and to plan the meetings of the task group.

6. Dates of Future Meetings – please bring your diaries to the meeting.

*Any additional papers for this meeting can be accessed here via the website.*

**Membership of the Task Group:**

Councillors Mrs Bragg, Cranham, Mrs Kaur, Roodhouse and Srivastava

*If you have any general queries with regard to this agenda please contact Linn Enticott, Democratic and Scrutiny Services Officer (01788 533523 or e-mail linn.enticott@rugby.gov.uk). Any specific queries concerning reports should be directed to the listed contact officer.*

*If you wish to attend the meeting and have any special requirements for access please contact the Democratic and Scrutiny Services Officer named above.*
PROCUREMENT STRATEGY
2008 – 2011
Foreword

This is the first Procurement Strategy since the inception of the Procurement Shared Service with Nuneaton and Bedworth Borough Council (NBBC) in July 2008 and now includes an integrated E-Procurement Strategy to reflect the increasing importance of e-government in the local government agenda. The document sets out the Council’s strategic role in procurement and how procurement can contribute to the council’s strategic aim and its key priorities outlined in the Corporate Strategy.

Procurement is a key factor in modernising local government and is fundamental to fulfilling the requirements of the Gershon and Government efficiency agenda. We also have an increasing responsibility to ensure that our procurement is both environmentally and socially sustainable. Therefore, the overarching principles of this strategy are to ensure value for money without compromising our social responsibility.

Rugby Borough Council currently spends approximately £21m per year on procurement of supplies, services and works, using around 2,000 suppliers. The council is actively working to modernise and streamline its current processes and procedures to achieve maximum efficiency.

This procurement strategy has seven key aims, which in summary are:

1. A more coordinated approach to procurement
2. Procurement opportunities that are sustainable for the supplier whilst providing good value for money for the Council
3. Procurement which identifies best practice and challenges current methods
4. The right amount of central procurement skills and resources
5. Socially responsible procurement
6. Deliver efficiency savings
7. Be open to and seek opportunities for partnership or collaborative work with other local authorities to achieve efficiencies.
The seven aims will be delivered through the implementation of a detailed action plan which can be found at the back of this strategy.

The Council has demonstrated its commitment to procurement at the highest level by appointing a member Champion, this role is undertaken by Councillor David Cranham.

1.0 - Introduction

The Procurement Environment

1.1 - Procurement Definition

Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole value cycle from the identification of need, through to the end of a services contract or the end of the useful life of an asset and may include Management Information (MIS). It involves option appraisal and the critical “make or buy” decision, which may result in either the provision of services in-house, or externally to meet the appropriate circumstances.

The term ‘procurement’ has, therefore, a far broader meaning than merely purchasing, buying or commissioning. It is about securing services and products that best meets the needs of users and local community in its widest sense.

2.0 - Context

2.1 - The national and global context

This strategy recognises that Council priorities and strategic objectives are framed within a national and global policy context. Of particular relevance to procurement are:
• Local government funding
• Best Value
• The Government’s Efficiency Review (the Gershon Report)
• Use of Resources/Value for Money assessments
• The Byatt Report ‘Delivering Better Services for Citizens’
• The National Procurement Strategy
• The Lyons review of local government functions
• EU procurement law
• Equalities and Diversity
• E-government and transformational government
• Partnership working
• Community leadership
• Climate change and the role of local and national governments in addressing this
• International agreements on ethical issues such as the use of child labour and fair trade
• Environmental Strategy

2.2 - The local context

The Council is one of the largest purchasers of goods and services in the borough, and each year spends around £21 million of capital and revenue money, with a total of approx 2000 suppliers, on the procurement of goods, works and services.

Given this level of expenditure, effective procurement can play an important part in delivering the objectives of the Corporate Strategy 2008-2011 and in achieving the Council’s own ‘Clean Green and Safe’ objective, particularly that of ‘clean and green’ procurement. It is crucial to achieve continuous improvement, to secure good value for money in public services, and to achieve its objectives in a range of areas including;
<table>
<thead>
<tr>
<th>Objective:</th>
<th>Procurement Action:</th>
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</table>
| Enable our local enterprises to achieve and prosper | • Engagement with local and regional suppliers, and the voluntary and community sector.  
• Addressing and promoting equality and diversity in procurement activity. |
| Clean and green | • Addressing climate change by promoting environmental sustainability in procurement:  
  o Minimising packaging  
  o Sourcing locally where possible  
  o Setting sustainability standards for the goods we purchase  
  o Raising awareness in the supplier base |
| Enable the delivery of excellent value for money services. | • Sustainable, strategic procurement  
• Partnerships and collaboration  
• e-procurement  
• Performance-managed procurement |
| Internal Focus | • Planned and co-ordinated procurement  
• Cross functional process and systems  
• Procurement knowledge, expertise and training |
| Customer Focus | • Efficient procurement processes  
• Socially responsible procurement |

### 2.3 The Current Position Re Procurement

Historically the Council deployed a decentralised and autonomous approach to procurement with the buying process devolved to individual service units. Following a review of best practice the restructuring and adoption of a Share Service Central Procurement model from 2008 will enable a more holistic approach to Procurement and provide the opportunity to deliver the Councils seven key aims.
2.4 - Procurement: A Shared Service Approach with NBBC

The Central Procurement Service is to reside within the Corporate Finance Service Unit NBBC with access to the Agresso finance systems of NBBC and RBC (including developments) and Accounts payable supplier information. Local tactical support will be provided by a Procurement Officer within each Council. The procurement function will provide the two Councils with private and public sector best practice and will provide a catalyst for development of strategy, effective deployment/delivery and Business Process Improvement (BPI) with regards to Procurement. The Central Procurement Service will be resourced appropriately by both Councils depending on workload and return on investment (ROI) reviewable annually.

The Central Procurement Function shall be provided by the Central Procurement Team made up as follows:-

**Strategic Procurement manager** – Responsible for Strategic issues, managing suppliers, frameworks contracts, procurement processes, overall administration of the Team

**Procurement Officer x2 (NBBC & RBC)** – locally based responsible for day to day procurement issues and customer support

**Data Analyst** – to support data structure and spend analysis (Based at NBBC)

**Project Management and Systems Analyst** - to support BPI and systems integration (based at NBBC)
### Strategic Service / Opportunities

- Harmonisation of contract standing orders, standard contracts and procurement strategies for operational efficiency.
- Deployment of Procurement Toolkit to improve the Parties governance and comply with EU and UK legal requirements.
- Provision of Central Contract Database to reduce duplication, improve aggregation and improve contract management.
- Ensure contract terms to devolve the Councils’ policy into supplier network.

### Tactical Service

- Produce action plans to deliver procurement strategy.
- Provide professional procurement advice to both Councils with regards to processes, regulations, supply contracts, and tendering.
- Aggregate the Councils’ spend to improve contract leverage.
- Undertake Tendering processes in line with Standing Orders, EU and UK legislation.
- Provision of Management Information and reporting of procurement metrics.
- Process mapping and improvement (e tendering etc).
- Development of Spikes Cavell data interrogation tool leading to better identification and harnessing of joint contract opportunities.
- Deployment of E-procurement tools providing efficient, compliant procurement.
- Manage and report on NI-179 Indicator.

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**Efficient e Procurement Value Chain**

- **Requisitioner** → **Authorization Process** → **Punch out Web Shops** → **Electronic Billing** → **Supplier Order** → **Central Procurement Framework Contracts** → **Agresso Database** → **E Procurement Solution**

- **End User**

- **Local Suppliers**
- **National Suppliers**
- **Service Providers**
- **Cost Down Initiatives**
3.0 - Responsibility & Governance of the Shared Service

It was agreed that the future management of the Service is the responsibility of the Project Steering Group; and the day-to-day management of the Services is the responsibility of the Procurement Manager. (Appendix 1)

3.1 - The Key Aims of the Procurement Strategy

1: A more co-ordinated approach to procurement which provides visibility and allows aggregation of demand between individual service areas, promotes procurement partnerships, and gains Best Value on large corporate contracts.

To facilitate this objective the Council will deploy central procurement and contract principles to manage data, apply the most applicable tendering process, define the most appropriate order process and select the most appropriate preferred suppliers. This work stream is key to improving visibility of spend delivering further cost savings associated with e enablement and proactive planning.

Key elements:

- Analysis of spend data including verification of product codes.
- Application of Commodity Group methodology so as to cluster spends. identifying significant spend and opportunities to aggregate. Also define preferred control, order and payment process (e.g, P Cards) by commodity.
- Rationalisation of suppliers using standard tendering or e tendering tools, including service and process capability criteria. By applying 1st and 2nd tier methodology as appropriate, improve the Councils opportunity to reduce order and invoice processing time and reduce the significant tail of suppliers.
- Creation of central framework contracts through clearly defined and auditable tendering processes.
- Standardised Contract templates which cover standard terms and conditions in line with Council policy. Specific contract details will be covered in addendums.
- Encourage the use of Partnership/ Collaboration agreements where significant spend can be identified within Commodity groups.
E-tendering:
The Council’s formal tendering process is currently paper-based and complex when linked to OJEU disciplines. It can be simplified immediately by sending tender documents out electronically to all bidders who are willing to receive them electronically. Two successful pilot tenders were run in 2008 and there are plans to undertake more e tenders in 2009. The facility to receive and open tenders electronically using an OGC approved solution is now established.

2: Procurement opportunities which are sustainable for the supplier whilst providing good value for money for the Council, and which are sourced in a manner appropriate to the strategic importance of the goods or services being procured.

It is in the interests of the Council and Local economy that Supply Contracts are of a suitable length and sustainable, avoiding the imposition of terms and conditions which make the contract unsustainable from the supplier’s viewpoint. A strong supplier base and improved service delivery will result from the following:

Key elements

- Review and maintain procurement policy, contract procedures and guidelines.
- Gain an understanding of supplier capability and support preferred supplier’s capability development eg. Order and invoice processing, membership of Business Clubs, waste disposal etc.
- Develop and deploy standard tender and contract documentation which accommodates risk analysis, value, processes and priority as identified and measured against the risk/value matrix below.
RISK VALUE MATRIX:

<table>
<thead>
<tr>
<th>RISK</th>
<th>VALUE</th>
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<tbody>
<tr>
<td>BOTTLENECK</td>
<td>ROUTINE</td>
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<tr>
<td>Low value or high risk procurement may be critical for service delivery. Processes may include use of multiple suppliers, secondary contracts, etc.</td>
<td>Low risk or low value procurements benefit from arrangements such as e-procurement, purchasing cards and approved suppliers.</td>
</tr>
<tr>
<td>STRATEGIC</td>
<td>LEVERAGE</td>
</tr>
<tr>
<td>High risk or high value procurement requires careful project management, and in certain cases strategic partnerships may be an option.</td>
<td>Low risk or higher value (for example, bulk supplies) should be covered by appropriate corporate arrangements such as corporate contracts, approved consortia, etc.</td>
</tr>
</tbody>
</table>
3: Procurement which supports business transformation and customer focus by identifying best practice and challenging existing service delivery methods.

In the Audit Commission’s review of procurement activity “Competitive Procurement” the act of procurement is described as “a mechanism to challenge current services and to determine new models for service delivery”. This objective covers both the analysis of existing service provision across the Council and deployment of BPI/BPR within the Procurement process. With regards to the Procurement processes the following are key elements:

key elements
• Mapping and measure all existing Procurement processes including time and cost elements
• Through a series of workshops define new streamlined procurement process flows
• Define functional specification for e procurement solution and selection of provider
• Selection of provider and project implementation of new cross functional process and e procurement.

Cross Functional Procurement Process

With regards to analysis of existing service provision across the Council, this challenge can be accomplished by conducting an options appraisal as part of every major procurement exercise, or as part of selected reviews of service delivery, in order to assess the wants and
needs of the customer, and how best these might be satisfied. It is incumbent on Procurement to seek best practice options from the market and include them in any appraisal. The options appraisal should take consideration of alternative service delivery options such as:

- In-house provision
- Public sector consortium
- Local authority company
- Joint venture company
- Framework agreement
- Partnering contract
- Design, build, finance and operate contract
- Concession or franchise
- Private sector solution
- Voluntary or community sector
- A mixture of the above

4: An appropriate level of central professional procurement resource and knowledge available within the Council, including the development of a performance management framework for procurement.

Good intelligence and information is essential to the management of any activity. The previous devolved procurement methodology did not support a management overview as to how and with whom its money was spent. Such spend intelligence is essential if the Council is to identify areas of procurement activity where collaborative working with other partners can be pursued, where aggregation of demand within the Council can be undertaken, and where procurement savings need to be targeted. Spend analysis data is critical and should be refreshed on a regular basis in order to provide procurement intelligence which can inform future service delivery and procurement decisions. Allied to information regarding the Council’s spend is the need to develop a robust method of base lining and identifying savings achieved through effective procurement; currently no such mechanism exists which can be guaranteed to capture all savings across the Council.

Employees engaged in procurement and contract management should be suitably trained for the purpose and have access to the Council’s Standing Orders, as should members who
need to understand the process in order to provide proper oversight and scrutiny.

**Key elements**

- A Procurement Toolkit has been developed to enhance procurement knowledge across the Council and also to ensure Procurement compliance. The Toolkit will also define process and procedures applicable to different types and levels of procurement and provide standardised templates for Contracts, evaluation, tendering etc. The Toolkit will be hosted on the Councils intranet and access will be available for all employees and members. A training programme will be undertaken across the Council to ensure all interested parties are aware of the Toolkit and can use it effectively. This resource will continue to be developed in order to ensure a consistent approach to procurement throughout the Council, and the embedding of procurement principles.

External sources of advice and guidance also provide an important procurement resource which the Council needs to capture and utilise. The Council has developed good relationships with the West Midlands Regional Improvement and Efficiency Partnership, BIP Solutions, Society Of Purchasing Officers (SOPO) and Achilles and will continue this engagement to ensure that the Council’s employees have ready access to best procurement practice.

The Council also participates in a regional procurement forum, where good practice and information is shared between procurement officers within the County. This engagement will also be continued and developed further.

- Given the appropriate training to undertake effective procurement and purchasing
- Made aware of their responsibilities under the Council’s corporate procurement framework
- Advised on the budgetary implications of procurement decisions

### 5: The adoption of socially responsible procurement, which places environmental sustainability, action to address climate change, equality and diversity, and the promotion of the local economy on an equal footing with the traditional procurement priorities of efficiency and quality and price

Sustainable Procurement has two key elements:

- Embedding procurement practices which support a sustainable environment.
  - Purchase materials from sources that are sustainable, to this end we will ask our suppliers for their environmental policies.
Develop and implement a policy of waste reduction, reuse and recycling.

Purchase as little as possible.

Purchase equipment that is energy efficient.

Apply an efficient Procurement process with reduced paper flows and increased electronic transactions.

- Supporting an economically sustainable local community. RBC will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers, by:
  - Being signed up to the National SME-friendly business concordat (see Appendix 4 National Procurement Concordat for SME’s).
  - Updating on our website the business section which describes what we look for in our suppliers and helps businesses in how to deal with us.
  - Advertising forthcoming contracts on these business pages.
  - Encouraging major national suppliers and collaboration partners involved in larger contracts to use local sub-contractors and local labour whenever possible.
  - Encouraging bidders for major contracts to submit additional proposals which aim to provide local community benefits.

6: Deliver efficiency savings.

Following publication of the Gershon report regarding efficiency in the Public Sector and releasing resource into front line services, the following outlines a vision for Rugby borough council to harness opportunities currently available to deliver measurable efficiency improvements and deliver Value for Money.

The Council, will pursue the development, implementation and management of a corporate wide integrated procurement solution which is cost effective and efficient in process including associated payment processes. This will require adoption of best practice from Public and Private sector and use of cost effective technology (using grants and Centre of Excellence shared solutions where applicable). The Shared Service for Procurement will facilitate Best
Value in Procurement be responsible for strategic development including provision of Contract frameworks, procurement processes, collaboration and benchmarking. Use technology, process improvement and restructuring to; maximise procurement leverage, reduce process time in front line services and back end payment, improve supplier service and quality, improve management information and visibility.

Key elements

- Reduced cost of procurement transaction.
- Improved supplier service to end user.
- Reduced piece part price through strategic sourcing (demand aggregation, supplier rationalisation, collaboration and e tendering).
- Continuous improvement process to ensure best supply performance.
- Improve management information allowing better financial management, budgeting and quoting.
- Better control of product Quality through material standardisation.
- Defined accountability for each stage of the Supply Chain Process.
- Stimulate SME’s involvement.

7: Develop a partnering or collaborative approach to procurement with other authorities and organisations, to achieve economies of scale where appropriate and also to share best practice.

The opportunities identified within this strategy become even more powerful when shared with other local authorities, agencies and private sector partners. The completion of the data gathering exercise will provide the base for exploring the initiatives available.

We define ‘partnering’ as the creation of sustainable, collaborative relationships with suppliers in the public, private, social enterprise and voluntary sectors to deliver services, carry out major projects or acquire supplies and equipment. Partnering is appropriate for a limited number of very high-value, high-risk, long term contracts such as Private Finance Initiatives and Public Private Partnerships and in those cases it can deliver substantial additional benefits. The council will enter into very few formal partnering arrangements.

We define ‘collaboration’ as the process of working in various ways with other public bodies to combine our buying power, to procure or commission good’s, works or services jointly or to create shared services. Collaboration is a form of public-public partnership. Its major
benefits are economies of scale, accelerated learning and reduced sourcing activity.

The Council acknowledges the importance of collaboration and partnerships in delivering Best Value including partnership with the private and voluntary sectors, partnership with other public bodies acting locally, partnership with central government. The Council also acknowledges the importance of ‘joined up services’ with other Council’s with the opportunities of shared responsibilities.

The Council will encourage the development of new methods or approaches to procurement that will deliver services efficiently, effectively and economically.

**Key Elements**

- The Council have been successful in establishing a Procurement Shared Service with Nuneaton and Bedworth Borough Council, which will deliver improved services, aggregated spends and best value. Collaboration with other local and national public authorities is being explored and actively encouraged. Authorities local to Rugby and Nuneaton are being approached to share best practice, spend and potentially join the procurement shared service.

- Established links to Public Sector Frameworks provided by organisations such as East Shires Purchasing Office, Procurement for housing, WMREIP, Office of Government & Commerce, Central Buying Consortium, BIP Solutions and SOPO etc.

Significant links have been made to the Central Buying Consortium which consists of 17 public authorities nationally with the aim of improving leverage and service. ESPO (East Shires Purchasing Office) is a consortium of 7 County Councils and RBC are a Partner Council, giving access to a significant number of pre tendered commodity groups and providing a Government approved tendering process for more specific requirements.

Also active participation in Government sponsored groups such as the West Midlands Regional Improvement and Efficiency Partnership will provide opportunities to share best practice.
Appendix 1

The Project Steering Group shall:

- Meet every quarter to receive reports from the Procurement Manager on performance of the Services;
- Agree, monitor and review performance standards for the Services from time to time;
- Consider any resource issues related to the delivery of the Services; and
- Discuss Agenda items, performance and projects for the Board’s quarterly meeting.

Heads of Service of both Councils are responsible and accountable for the procurement performance of their Units:

- Spending relevant budgets via corporate contracts.
- Using corporate procurement expertise for all procurement projects in line with Contract Procedure Rules.
- Providing information to the Procurement Officer to help the Council make better procurement decisions using the procurement toolkit.
- Supporting the Councils Transformation Plan including procurement related projects.
**Appendix 2 Procurement Action Plan** - The 7 Key Aims of the Procurement Strategy will be delivered through the attached Action Plan. This will be monitored through the Cavalian reporting tool in support of N179.

<table>
<thead>
<tr>
<th>Key Aim</th>
<th>Action</th>
<th>Requirements</th>
<th>Procurement Lead Officer</th>
<th>Service Area</th>
<th>2008/09</th>
<th>2009/10</th>
<th>2010/11</th>
<th>PIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Establish a contract management database, include collaboration agreements. Build a contract database to ensure Council spend is appropriately controlled, tendering and collaborative work can be planned and co-ordinated.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>1.2</td>
<td>Review all purchasing arrangements for Housing Stock Maintenance /Services in the Council. Support Housing Services strategic development through establishing best practice and external consultants. Establish current contractual situation and support future Strategic requirements.</td>
<td>Steve Ryder/Scott Ashwood</td>
<td>Housing</td>
<td>Continuing Development</td>
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<td>1.3</td>
<td>Monitor the Council’s compliance with EC Legislation. Ensure aggregated spending, contract arrangements and Procurement Policy conforms to EC Legislation.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>1.4</td>
<td>Undertake a detailed supplier and spend analysis. Investigate appointing specialist data company who has worked with other Councils. Aids Commodity Group aggregation, collaboration and identify targets for invoice reduction (e procurement/P Cards etc)</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>✔️</td>
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<td>1.5</td>
<td>Manage major procurements as projects. Training in the use of the Council’s “Project Management” document to be formally carried out.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>Continuing Development</td>
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<td>1.6</td>
<td>Identify areas where potential savings can be made without</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td></td>
<td>Continuing Development N1-</td>
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<td>1.7</td>
<td><strong>Carry out a tendering and contract management system feasibility study</strong></td>
<td>Establish Preferred and Approved supplier database with supplier accreditation and Procurement / Finance sign off. Establish e tendering tool to provide structure and audit ability</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>Continuing Development</td>
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<td>2.1</td>
<td><strong>Establish and deploy Standard Procurement Contract format</strong></td>
<td>To ensure standard Council Policy, Terms of Contract and Process interfaces are adhered to.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>2.2</td>
<td><strong>Review and maintain Council procurement policy, contract procedures and guidelines</strong></td>
<td>Ensure that the interests of the Council and local economy are supported through sustainable procurement procedures and tendering is appropriate to strategic importance</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>2.3</td>
<td><strong>Gain understanding of supplier capability and support supplier develop</strong></td>
<td>To secure strong supply chain and improve supplier interface in support of Council Process improvement eg e invoicing</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>3.1</td>
<td><strong>Baseline existing procurement processes including costs</strong></td>
<td>Establish baseline process and costs/time, audit issues associated with as is</td>
<td>Steve Ryder</td>
<td>Business Transformation</td>
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<td>3.2</td>
<td><strong>Define streamlined procurement processes and identify cost/time saving</strong></td>
<td>Establish streamlined process using Kaizen principles (reduced waste) to improve service and reduce costs</td>
<td>Steve Ryder</td>
<td>Business Transformation</td>
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<td></td>
<td>Definition of E-procurement solution, business case, ROI and select supplier</td>
<td>To deploy ‘E’ procurement into the Council’s operations where effective and in line with Government directives to reduce order processing and invoice time/cost.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>3.4</td>
<td>Define implementation plan as part of the Council’s Transition Plan</td>
<td>Integrate cross functional e procurement solution enterprise wide</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>4.1</td>
<td>Apply recommendations of the National Procurement Strategy For Local</td>
<td>Ensure that the interests of the Council and local economy are supported through sustainable procurement procedures and</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>Strategy review includes recommendations And measurement</td>
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<td>4.2</td>
<td>Develop performance measures for purchasing.</td>
<td>To secure strong supply chain and improve supplier interface in support of Council Process improvement eg e invoicing</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>BVPI 8 Invoicing Gershon Savings Cipfa KPI's</td>
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<tr>
<td>4.3</td>
<td>Aggregate spend and rationalise suppliers. Undertake detailed supplier and spend analysis and implement Commodity Groups.</td>
<td>Establish baseline process and costs/time, audit issues associated with as is</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>4.4</td>
<td>Identify procurement training and resource needs within the Authority, and ensure procurement expertise is incorporated in all service reviews.</td>
<td>Establish streamlined process using Kaizen principles (reduced waste) to improve service and reduce costs</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>Continuing Development</td>
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<td>4.5</td>
<td>Strengthen links to West Midlands Regional Efficiency and Improvement Partnership (REIP)/BIP Solutions/OCG.</td>
<td>To deploy ‘E’ procurement into the Council’s operations where effective and in line with Government directives to reduce order processing and invoice time/cost.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>Established</td>
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<tr>
<td>5.1</td>
<td>Incorporate Environmental Sustainability into Procurement Strategy/Contracts/Tenders</td>
<td>Integrate cross functional e procurement solution enterprise wide</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>5.2</td>
<td>Maximise use of efficient procurement and payment processes, including P cards and e commerce</td>
<td>Ensure that Procurement Value Chain is efficient and minimises environmental impact</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
<td>Continuing Development</td>
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<td>5.3</td>
<td>Undertake a review of existing suppliers process capability (online and questionnaire) and introduce a preferred/ approved supplier data base with pre qualified suppliers and supplier development needs.</td>
<td>Need to ensure suppliers capability is in line with Councils procurement and payment process development i.e. identify suppliers as local, sub-regional, national, and S.M.E.s) and look at possibility of using a questionnaire to evaluate “e” readiness.</td>
<td>Steve Ryder</td>
<td>Shared Service Board</td>
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<td>5.4</td>
<td>Ensure there is a commitment to our policies on sustainability and respect for the environment</td>
<td>Working with the Service Units and the Sustainable Partnerships Manager give guidance/steerage on issues relating to sustainability and the environment when procuring.</td>
<td>Scott Ashwood</td>
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<td>Continuing Development</td>
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<td>5.5</td>
<td>Maintain the Councils Website with regards to trading with the Council, Support Supplier development and encourage trade</td>
<td>Comply where possible with the National Procurement Concordat for SME’s by developing local suppliers and providing public information on how to do business with the Council</td>
<td>Scott Ashwood</td>
<td>Business Transformation</td>
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<td>5.6</td>
<td>Incorporate Environmental Sustainability into</td>
<td>Review, re write and issue updated Procurement Strategy and Policy</td>
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<td>Procurement Strategy and Policy</td>
<td>incorporating National and Council ESS requirements</td>
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<td>5.7</td>
<td>Incorporate Environmental Sustainability clauses into new standardised supply contracts</td>
<td>Draft new Corporate standard supply contract in conjunction with Legal Department to include Environmental Clauses covering: RBC environmental statement, use of recycled products, ISO 14001, supplier assistance, Fair trade supplies, reduced packaging and environmental disposal.</td>
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<td>Ensure new tenders and contracts are awarded on supply contracts with ES clauses to maximise Environmental policy impact through RBC spend</td>
<td>Implementing commodity buying strategy and central contract database to identify environmental, aggregation and control opportunities. Green Stationery Contract Awarded with KPI's covering green, recyclable and Fair trade products that are available. Need to limit off contract spend.</td>
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<td>5.8</td>
<td>Ensure the procurement activity and process is green by deployment of efficient purchase and payment processes and enablement</td>
<td>Central Procurement function established Jan 2009 Maximise electronic ordering where suppliers are compatible – Lyreco all electronic Develop commodity buying to support supplier rationalisation and simplify PO process</td>
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<td>Develop business and project plan to enable enterprise wide procurement workflow.</td>
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<td>6.0</td>
<td>Ensure that Environmental Sustainability opportunities identified externally are investigated by RBC</td>
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<td>• Electronic tendering – aim to reduce paper tendering</td>
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<td>New Energy Contract</td>
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<td>6.1</td>
<td>Align cross functional process improvement/ e commerce with the Councils Transformation plan.</td>
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<td>Drive procurement efficiencies in RBC in support of Council policy and Central Government initiatives such as Gershon, NePP</td>
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<td>Base line existing procurement process(s)</td>
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<td>Need to understand existing procurement process and measure costs/ time/non conformance</td>
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<td>6.3</td>
<td>Define the scope of service and strategy to deliver new process flows with automated value chain</td>
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<td>Need to understand the customer / council service requirements and re engineer process(s) to deliver efficiency</td>
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<td>6.4</td>
<td>Identify IT solution and develop cross functional Implementation plan</td>
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<td>Select and deploy e commerce / P card tools in line with re engineered process(s)</td>
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<td>6.4.1</td>
<td>Photocopier / Networked Services</td>
<td>Enter into a shared contract with NBBC for photocopier contract utilising shared services for both ICT &amp; Procurement</td>
<td>Steve Ryder/ Scott Ashwood</td>
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<td>6.4.2</td>
<td>Print</td>
<td>Aggregate spend and reduce supplier base</td>
<td>Steve Ryder/ Scott Ashwood</td>
<td>PST</td>
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<td>6.4.3</td>
<td>Agency Provision / Temporary Staff</td>
<td>Implement vendor neutral supplier for provision of agency staff (Comensura)</td>
<td>Steve Ryder/ Scott Ashwood</td>
<td>Business Transformation</td>
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<td>6.4.4</td>
<td>Energy Provision</td>
<td>Establish new contract for the supply of energy through aggregated framework agreement</td>
<td>Steve Ryder/ Scott Ashwood</td>
<td>Corporate Property</td>
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<td>6.4.5</td>
<td>E-Procurement</td>
<td>Improve contract compliance, spend management and efficiency</td>
<td>Steve Ryder/ Scott Ashwood</td>
<td>Business Transformation</td>
<td>✔️</td>
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<td>6.4.6</td>
<td>Housing Maintenance</td>
<td>Review current contact arrangements and support housing strategy through best practice. Review market place to understand appointment process within similar sized councils. Enhance appointments system and benchmark across market.</td>
<td>Steve Ryder/Scott Ashwood</td>
<td>Housing</td>
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<td>6.4.7</td>
<td>CCTV Contract</td>
<td>Tender for renewal of new CCTV contract</td>
<td>Steve Ryder / Scott Ashwood</td>
<td>Housing</td>
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<td>6.4.8</td>
<td>Homelessness prevention Services</td>
<td>Tender for homelessness prevention</td>
<td>Steve Ryder / Scott Ashwood</td>
<td>Housing</td>
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<td>7.1</td>
<td>Actively develop shared services, Partnerships and Collaborative working with organisations such as The West Midlands REIP, Warwickshire Procurement Network, ESPO and Central Buying Consortium</td>
<td>Achieve economies of scale, reduced cost of administration, whilst retaining auditable process(s)</td>
<td>Scott Ashwood</td>
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<td>7.2</td>
<td>Investigate ways to maximise opportunities through the Warwickshire Compact with Voluntary sector and to enable better informed joint</td>
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</table>
Appendix 3 - Procurement Efficiency Project Plan

Key areas of work

- Identify 'as is' position – Base Line
  - Map current operational model
  - Map organisational structure and culture
  - Map spend volumes and values by commodity group, supplier, service and order process
  - Define process costs/ timescales and current budgets
  - Baseline product prices (possibly basket of products)
  - Define available technology and systems
- Define Scope of Service
  - Clearly define service level required
  - Clearly define and agree target area's for improvement
  - Develop Goals and Objectives
- Strategic Development
  - Assess key suppliers service capability
  - Assess internal process changes and define process improvement
o Define culture and HR issues (process changes/ outsource v in house)
o Define Product / Service Code to be adopted
o Identify Sourcing techniques and Demand process by Commodity Group including ‘on demand’, punch out, collaboration, e tendering etc.
o Identify test area’s
o Define future operational model – options
o Proposed implementation plan

- Planning Phase
  o Appoint customer champions
  o Develop and agree implementation plan for selected process model aligned to structure and IT solution
  o Develop and agree implementation plan for IT solution including connectivity to Agresso
  o Plan Request for Quotation (RFQ) with suppliers by Commodity Group
  o Request for Quotation using traditional methods and e tender/auctions
  o Analysis of RFQ’s
  o Negotiation and selection of Suppliers

- Implementation
  o Establish roles – procurement, user, requisitioner, goods receipting etc
  o Formulate and agree Service Level Agreements, savings targets, supply contracts
  o Populate systems with product data
  o Build Client user hierarchy, authorisation levels and management controls in e procurement solution
  o Establish connectivity with Finance system
  o Develop and deploy training plan
  o Drive implementation

- Ongoing Management
  o Monitor Supplier performance
- Continuous Improvement and Supplier Development
- External Bench Marking and re tendering
- Manage collaboration with Public bodies
- Evaluate Customer requirements (and manage maverick activity)
- Log Savings
- Strategic Development
Appendix 4

National Procurement Concordat for SMEs

RUGBY BOROUGH COUNCIL

Subject: “Small Business Friendly Concordat”

A statement of principles to encourage effective trade between local authorities and small businesses.

Introduction

The Council is committed to delivering locally the National Strategy for Local Government Procurement. The strategy asks local authorities to adopt a Small and medium sized enterprise (SME) friendly procurement concordat and to encourage a mixed range of suppliers in order to help develop and stimulate a varied and competitive marketplace. The concordat sets out the actions that local authorities will take to make their contracts more accessible to SMEs.

Although the principles should relate to all SMEs, the concordat is particularly focused on small businesses of less than 50 employees. We recognise the important contribution that small businesses can make to the delivery of public services and the vital role these businesses play in the national and local economy. We are committed to making the most of the benefits offered by them.

Underlying Principles

Contracts are awarded in order to support the Best Value delivery of local government services. We will deliver value for money and take into account the whole life costs in contract decisions; this means considering quality, longer term cost and benefits as well as initial price.

We will make appropriate use of our legal powers including the power to promote the economic, social and environmental well being of our community. All tender processes and contract awards will comply with EU Public Procurement Directives and the principles of non-discrimination, equal treatment and transparency and our duties under UK law.

Local Authority Commitments

Procurement strategy

We will publish a procurement strategy. The strategy will include a commitment to:

- The role procurement plays in delivering the Council’s objectives and its Contribution to the community plan, workforce issues, diversity and equality and sustainability.
- How we will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
• A commitment to ensure that our approach to individual contracts, including large contracts and framework agreements etc, is supported by a sound business case and options appraisal.
• A commitment that where we decide that the best value option is to aggregate supply or let a longer term contract or framework agreement we will invite bidders to demonstrate their track record in achieving value for money through effective use of their supply chain, where appropriate.
• A commitment to consider the role of SME specialist suppliers in delivering elements of larger contracts and framework agreements.

Access to contract opportunities

• We will publish on our website;
  o Guidance for suppliers on how to do business with the council,
  o details of forthcoming bidding opportunities, and
  o contact details for each contract,
  o details of our key suppliers.
• We will advertise contracts. We will use a range of publications and other means in order to encourage greater diversity and competition.
• We will give potential suppliers an opportunity to discuss the procurement in order to understand our requirements and assess their own suitability. Nothing will be done, however, which would give a particular business or provider an unfair advantage in competing for a specific contract.
• We will work with prime contractors – both at tender stage and during the life of a contract - to establish the contribution that small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers can play in the supply chain.

Fair tender processes

• We will apply our own rules and policies fairly.
• At pre-tender stage and during the tender process we will ensure that all tenderers have equal access to relevant information.
• We will keep the tender process as simple as possible in order to help minimise the costs to suppliers.
• If a pre-qualification stage is used we will use a Council-wide prequalification questionnaire containing common core questions with limited bespoke additions for each contract. We will work with regional and national partners to ensure a consistent approach to pre-qualification.
• We will assess potential suppliers against published pre-qualification and tender evaluation criteria. These criteria will be proportionate to the risks of the individual contract process. In particular the criteria relating to financial standing will not to be set to unreasonably exclude newer or small businesses.

Feedback

• We will offer meaningful feedback to suppliers following the procurement process in order that suppliers can improve for future tenders.
• We will seek feedback from suppliers, and their respective trade associations, on our tender processes and address where we can any problems that are brought to our attention.

Contract management

• We will treat suppliers openly and fairly. Suppliers will:
  - Be paid on time. No more than 30 days from receipt of an undisputed invoice.
  - Receive honest and constructive feedback on the supplier’s performance of the contract.
- Be given notice of any performance problems and an opportunity, if appropriate, to put matters right.
  • All contracts will require our suppliers to pay their sub-contractors, throughout the supply chain, within 30 days from receipt of an undisputed invoice.
  • All contracts will clearly set out what is required of all parties.

**Supplier commitments**
As customers we will make clear to our suppliers, and those wishing to do business with us, what is expected of them.
Thank you for your support.
# Rugby Borough Council
## Procurement Toolkit

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**Section 3: Quotation procedures**

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<td>Standard award and rejection letter</td>
<td>78</td>
</tr>
<tr>
<td>Letter of intent</td>
<td>80</td>
</tr>
<tr>
<td>Preparation of contract</td>
<td>81</td>
</tr>
<tr>
<td>Signing of contract</td>
<td>81</td>
</tr>
<tr>
<td>Working of the contract</td>
<td>81</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commissioning</th>
<th>83</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary and community organisations</td>
<td>84</td>
</tr>
<tr>
<td>Commissioning checklist</td>
<td>85</td>
</tr>
</tbody>
</table>

Additional documentation:

- Rugby Borough Council terms and conditions: conditions of contract
- Rugby Borough Council terms and conditions: consultancy
Please refer to this diagram when reading this document and considering the procurement process.

If you have any questions regarding the procurement process please contact:

**Scott Ashwood**
*Procurement Officer*
*Rugby Borough Council*
Scott.Ashwood@Rugby.gov.uk
(01788) 533732
Section 1

Pre-procurement exercises
Establishing Your Requirement

Before any procurement process is commenced the following should be carried out:

1. Find out if a supply contract already exists?
   Or is there an approved or recommended supplier, or supplier list for the Goods, Services or Works?

2. An estimate of the value of the Goods, Services or Works requires to be sought which is an accurate reflection of current market conditions.

3. All required approvals are correctly obtained.

1. Existing Contracts

If there is an existing supply contract for the required goods, services or works, it must be used in the first instance.

If it is decided not to use a corporate contract, Procurement must be consulted at the outset.

Where an approved supplier has been appointed they should be used. The manager, who has control of the relevant approved list should be informed that the supplier is being used, to ensure spend levels are correctly monitored with that supplier. For further advice and information please contact the Procurement Team (page 4).

If an approved list has been put together, which is relevant to your requirement, it should be used where applicable. Using an approved list will save you time and effort, as the suppliers or contractors, will have already been qualified to some degree. A good place to start is the NBBC approved supplier list provided by BiP Solutions (Please contact the Procurement Team for the username and password needed).

» Please also see Appendix A - Approved Suppliers

2. Estimates

When the requirement for the Goods, Services or Works has been established, an estimate of the probable cost of acquiring the Goods, Services or Works needs to be obtained.

The following should be considered:

• Total costs, including whole life costs (See Aggregation)
• Installation costs
• Compatibility with existing Goods, Services or Works
• Consultancy elements
• Discounts
• Delivery charges
• Cancellation charges
• Travel expenses
• Warranties, Maintenance agreements and any other ongoing costs
• Training
• Licences

The procurement route adopted will depend on the value of the estimate. If it is not possible to value the procurement precisely, a reasonable estimate should be compiled which looks at the highest possible spend levels.

Where the estimated value of your procurement falls over £50,000 it is strongly advisable to read sections Section Three and to contact the Procurement team.

3. Tender approvals

Any capital scheme must have prior approval from the relevant Board, and must appear in the approved capital programme for the relevant year in which the expenditure is to be incurred. Any revenue expenditure must have relevant budget provision for that expenditure, and (if the person raising the expenditure is not the budget holder), the approval of that budget holder.

We aim to have an increasing number of corporate contracts or approved lists of suppliers/tenderers to cover the more commonly procured goods and services.

Please check with the Procurement Team before procuring any goods or services to see if there is a corporate contract or approved list. If there is, you MUST use that source of supply unless you have prior approval from your Assistant Director or Director in line with Contract Procedure Rules (CPR).

4. Aggregation

All Supplies from the same supplier or for the same goods, services or works should be regarded as aggregated.

A contract may be considered to be aggregated, which is one of a series of contracts with similar characteristics, or for Goods, Services or Works of the same type.

You MUST NOT sub divide Goods, Services or Works intentionally to make the cost of the procurement fall below a threshold, if when aggregated together the cost of the procurement would fall above a threshold.
You must consider the duration of the requirement and must not award a contract or raise an order for a duration shorter than required, to avoid procedures.

You **MUST** ask: will the Goods, Services or Works be required again within the next 12 months? If yes, the cost of the Goods, Services or Works should be aggregated for the period of the known requirement.

It must also be established if the goods, services or works are used by another division or section, or if the same supplier is being used within these areas. Advice and assistance can be obtained from the Procurement Team to assist with this.

A contract should be awarded for a minimum three year duration unless market conditions or any other reasonable explanation means that this is not possible, or in the best interest of the Council.

Where you do not know the duration of your requirement it is recommended to aggregate this over a three year duration, to establish the contract value.

**Pre-procurement checklist**

- Put together estimate of procurement?
- Consider aggregation issues
- Check for other contracts and/or approved suppliers
- Obtain required approvals
Section 2

Procurement Procedures
Section 2

Tender Approvals

At this point you are in a position to establish what cost threshold level your requirement falls under. Each threshold level has different requirements and processes which you must follow.

Cost thresholds

Please see below a summary of the different threshold levels and the processes you must follow for each.

<table>
<thead>
<tr>
<th>Estimated Value</th>
<th>Minimum Number of Quotations or Tenders</th>
<th>Method of Inviting Quotations or Tenders</th>
<th>Basis of selecting Suppliers or Contractors</th>
<th>Records Required</th>
<th>Form of Contract Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £5,000</td>
<td>No minimum numbers but must demonstrate Best Value.</td>
<td>Verbal Written Email Or Fax</td>
<td>Purchasing knowledge (Check if a corporate contract or approved list of suppliers is in place or desirable)</td>
<td>Written note of source, name and amount for each quotation obtained</td>
<td>Purchase Order and /or Invoice</td>
</tr>
<tr>
<td>£5,000 - £24,999</td>
<td>3 quotations (4 if an internal quotation is included)</td>
<td>Written Email or Fax</td>
<td>Purchasing knowledge and /Approved List/ Corporate Contract</td>
<td>Quotations obtained written note of source, name and amount for each quotation obtained</td>
<td>Quotation schedule purchase order and invoice</td>
</tr>
<tr>
<td>£25,000 - £49,999</td>
<td>3 Quotations (4 if an internal quotation is included)</td>
<td>Formal sealed written quotations</td>
<td>Purchasing knowledge and /or approved list/ Corporate Contract</td>
<td>Quotations obtained, written note of source, name, amount for each quotation obtained</td>
<td>Quotation Schedule Purchase Order and invoice</td>
</tr>
<tr>
<td>£50,000 and over Value over EU threshold subject to EU rules</td>
<td>3 tenders (4 if an internal tender is included)</td>
<td>Sealed Tenders</td>
<td>Approved List/ Corp Contract/ Advertisement/ Open Competitive or Restrictive Tendering</td>
<td>Tender schedule and tenders received</td>
<td>Formal Sealed Contract</td>
</tr>
</tbody>
</table>
Any of the guidance may be applied to purchases at a lesser value. For example, a Manager may wish to invite tenders at a value less than £50,000. He/she should then follow similar procedures to those outlined in the Tender Procedures section (page 42).

» If the Procurement is BELOW £139,893 (Goods/Services) or £3,497,313 (Works) please refer to the Tender Procedures on page 42

» If the Procurement is ABOVE these thresholds please refer to the EU Procurement Toolkit - available from the Procurement team

**Useful documents**

An estimated timetable for carrying out your procurement can be found at:

- **Appendix F1 - Quotation Timetable** page 25
- **Appendix F2 - Tender Timetable Under EU Threshold** page 27
- **Appendix F3 - Over EU Threshold, Open Procedure** page 29
- **Appendix F4 - Tender Timetable Over EU Threshold - Restricted Procedure** page 31
Section 3

Quotation Procedures
This section details all procedures which must be followed when carrying out a quotation exercise. At different spend levels differing quotation processes must be followed and each of these are listed under the relevant quotation threshold paragraphs within this section. In any case, the section below, ‘Instructions for all Quotation Exercises’, must be followed for all Quotation exercises at ALL quotation threshold levels.

**Instructions for all Quotation Exercises**

The contractor or supplier who submitted lowest quotation, following a quotation exercise, must normally be selected, provided that it represents value for money. The lowest quotation can be accepted by the appropriate Senior Officer.

If there are circumstances which mean that it is in the Council’s best interests to accept a tender other than the lowest, then the matter must be reported to the appropriate Assistant Director or the Procurement Unit for acceptance of the quotation.

Records should be maintained for audit purposes. All estimates and quotations should be kept on file, with any other relevant documentation, for the duration of the requirement plus one year, or until the expiry of any warranties or guarantees.

Where the initial estimate for the Goods, Services or Works falls into the quotation threshold but additional requirements bring the new estimated spend level into the tender threshold, the procedures relating to the tender threshold shall apply.

In the ‘Establishing Your Requirement’ section you put together an estimated cost of your requirement, please click on the corresponding threshold for your procurement requirement, in the bar on the left.

» if you have not completed an estimate and you require guidance, please refer back to Putting together an estimate for your procurement on page 6.
Section 3

Under £5,000

For quotations under £5,000 you should proceed in a manner most expedient for the efficient management of the service.

For example, estimates for £100 supply may come from telephone contact with companies advertising in the local newspaper, trade journal or yellow pages.

At the higher end of the range, written prices based on a written specification may be more appropriate.

The standard form of contract may also be considered.

» Always support a written Request for Quote or Order with the Council’s Terms and Conditions see Appendix E - Use of Terms and Conditions (page 24)

» Go to Quotation Documentation section (page 33), if you are towards the higher value and want to use standard quotation documents.

£5,000 to £24,999

The process here should be for the Manager to invite at least 3 written quotations (4 if including an internal quotation). The standard form of contract must be used.

» At this level you should consider the following Appendices in conjunction with the above advice provided in Financial Regulations:

   Appendix D - To Compile a Tender Specification (page 22)
   Appendix E - Use of Terms and Conditions (page 24)

» Go to Quotation Documentation section (page 33) to use standard quotation documents.

£25,000 to £49,999

The Manager must invite at least 3 written quotations (4 if an internal Quote is to be included). Formal sealed written Quotations must be requested.

The standard form of contract is particularly recommended in situations where protection against a poorly performing supplier is important, and you should seek advice from the legal section as to whether a formal contract is appropriate.

» At this level you should consider the following Appendices in conjunction with the above advice provided in Financial Regulations:
Appendix A - Approved Suppliers (page 18)
Appendix B - Advertising Your Requirement (page 20)
Appendix C - Qualification of Suppliers (page 21)
Appendix D - To Compile a Tender Specification (page 22)
Appendix E - Use of Terms and Conditions (page 24)

» Please also refer to the Quotation Documentation section on page 33

Over £50,000

The Manager must invite at least 3 written Tenders (4 if an internal Tender is to be included). Formal sealed written Tenders must be requested.

The standard template tender and contract must be used as a basis for this value of contract, you should seek advice from the legal section and procurement if changes to standard are required.

A formal sealed contract must be formed.

» At this level you should consider the following Appendices in conjunction with the above advice provided in Financial Regulations:
   Appendix A - Approved Suppliers (page 18)
   Appendix B - Advertising Your Requirement (page 20)
   Appendix C - Qualification of Suppliers (page 21)
   Appendix D - To Compile a Tender Specification (page 22)
   Standard Tender Document - Services/Goods (page 46)
Section 3

Post Quotation Submission

References

On selecting the winning tender, the Council must for quotations over £25,000 (and consider for quotations below that figure), obtain two written references, from organisations who they have provided similar goods, services or works to in the last three years. A standard reference form should be sent with a covering letter.

Quotation Award

Once the evaluation process has been satisfied a contract award letter, where required, shall be issued to the winning organisation. Further to this, rejection letters should be issued to the unsuccessful organisation.

Preparation of Contracts and Signing of Contracts

On acceptance of a Quotation the Manager must advise tenderers of the outcome of the process and must finalise a contract. This might involve simple acceptance of a standard form of contract, minor amendment agreed via correspondence, or it might require meetings with the successful tenderer.

Where Council Terms and Conditions are used (see Appendix E), a Form of Agreement should be used to obtain relevant signatures.

Contracts below £50,000 are required to be signed by the relevant Manager. For all other spend levels please contact the Legal Section for advice in this area.
Appendix A

1. Approved suppliers

Where there are not enough suppliers on the Council approved list or additional suppliers are required, you may approach our partner council at Nuneaton and Bedworth or other Warwickshire authorities, to see if suitable suppliers are on their approved lists.

When using an approved list put together by another organisation, you must ensure the approval criteria, is sufficiently comparable to the criteria used by Rugby Borough Council. Where required seek advice from Procurement.

Also organisations such as ESPO: http://www.espodealingdirect.org/ and the OGC: http://www.ogcbuyingsolutions.gov.uk/ have set up framework contracts for use by the Council. These contracts have been negotiated in full compliance with EU procedures. If you wish to use them seek advice from the Procurement Team.

Alternatively you can advertise your requirement or use other known suppliers or contractors, and either approve the interested parties prior to tender, or as part of the tender procedure, which will ensure adequate quality levels are held by the suppliers and contractors.

For all procurement exercises which fall over £100,000, the selected contractor or supplier must be approved to quality levels reasonable to the spend of the procurement. Therefore if an approved list is not available or not suitable, some form of quality evaluation must be carried out by you, in accordance with Qualification of Suppliers Appendix.

» Please also see Appendix C - Qualification of Suppliers (page 21)
Appendix A

2. West Midlands Regional Improvement & Efficiency Partnership

The West Midlands Regional Improvement and Efficiency Partnership (RIEP) Procurement Hub. This Hub is designed to provide you with a wide range of public sector related information and support in one place. The Hub acts as a pool of resources to assist Councils and Public Bodies across the West Midlands region. Due to the sensitivity of some of the data, the Procurement Forum and Contracts Database will be password protected.

There may be work streams undertaken by member Councils which Rugby Borough Council can take advantage of through framework contracts. These will be listed on the Hub.

E Tender facilities also exist on the Hub and can be accessed through the WMCOF – e Bravo solutions section – please see the Procurement Team for details.

Please note if you are following EU procedures you must place your notice in the Official Journal of the European Communities before placing the notice on the Portal.

For more information visit the West Midlands Regional Improvement and Efficiency Partnership website at: http://hub.westmidlandsiep.gov.uk/
Appendices

Appendix B

Advertising Your Requirement

Where the procurement spend falls over £10,000 and there is no approved list which is suitable, or the number of suppliers or contractors listed on that list is insufficient it is recommended that an Invitation to Tender Advert is placed to invite potential contractors or suppliers to register their interest in tendering for the relevant requirement.

The advert should contain details of the principal elements of the procurement requirement in order that it primarily attracts those contractors who are in a position to satisfy these requirements.

It should therefore contain as a minimum:

• Sufficient detail of the type of Goods, Services or Works required
• Date of commencement of the contract and possible duration
• Technical and financial information
• Closing date for registration of interest
• A standard advert is contained within this Appendix.

If you want contractors or suppliers who are on an approved list to be included in the procurement process, you must ask them to respond specifically to the advert, if one is being placed.
Appendix C

1. **Qualification of Suppliers**

All suppliers and contractors who are asked to submit either Quotations or Tenders, where the procurement falls over £10,000, require to be approved suppliers.

Depending on the level of spend involved and the complexity and risk involved in the contract, will determine to what extent a supplier or contractor is qualified.

The questionnaire should be used as a mechanism of identifying those suppliers and contractors, who can best demonstrate their ability to provide the particular Goods, Services or Works.

2. **When should a questionnaire be used?**

A questionnaire should be used in the following instances:

- As part of a quotation exercise, the questionnaire can be issued to the contractors or suppliers where there is a requirement to qualify the organisations, and there is no approved list or suitable list which can be used.
- Prior to issuing a tender where there is no approved list which is suitable, and a high number of expressions of interest are anticipated from contractors or suppliers from a tender advertisement.
- If the value of the procurement is high or of strategic importance, and it is necessary to ensure organisations have met a minimum quality standard before tender issue.
- As part of a tender exercise where there is no approved list and it is deemed not necessary to pre-qualify organisations before tender.

A pre-determined set of evaluation criteria must be set before the questionnaires are issued. This should, as a minimum, include the following:

- Two references which are relevant to the Supplies or Works
- Financial appraisal of the supplier or contractor by Accountancy
- Relevant experience of the supplier or contractor
- Relevant quality, environmental or industry standards
- Health and Safety policy
- Environmental Policy
- Membership to a relevant trade or professional association
- Use of sub-contractors

An example questionnaire with evaluation matrix and guidance notes can be found in the Tender Documentation section on page 46. Questions can be added or omitted, and evaluation criteria can be amended to meet the specific requirements of your procurement.

It should be noted that evaluation criteria used in a pre-qualification exercise should not be used again as part of the tender evaluation criteria.
Appendix D

Compile a Tender Specification

The specification can be used as part of a quotation exercise and should always be used in a tender exercise. It is a document which details your requirements and enables the supplier or contractor to bid accurately against those requirements.

The specification should be compiled before the commencement of the procurement exercise, including any pre qualification exercises which are carried out. It must state clearly what it is you want, in terms of function, application and performance. If required, you can define the physical dimensions, materials and technical information, depending on your technical knowledge. However, you must not over specify your requirement so that suppliers only have to perform to the letter of the description, and do not have to ensure the Goods or Services actually perform the intended functions that are required at the outset. An over specified Specification will reduce the contractors or suppliers’ scope for innovation, and can restrict the suppliers and contractors’ interest, which will not ensure you achieve best value for the Council.

Care must also be taken to ensure the Specification is not anti-competitive, and does not discriminate in favour of a single supplier or contractor.

The following should be considered when compiling the tender specification:

• Legal requirements in respect of fair and open competition
• Nature and quantity of the goods, services and works required
• Delivery date or start date of the contract and any possible options to extend
• Installation and commissioning, where applicable
• Training requirements
• Associated costs, such as maintenance, warranties or licences.
• Care should also be taken to keep the specification document, which details the specific requirements of what the contractor should do, and the terms and conditions document, which contains the legal terms that bind the contract, as two separate documents.
• It must be stated clearly what the duration of the requirement is and if there are any options to extend.

You must not leave any element of the specification document to be decided upon award of contract. All requirements must be defined as part of the tender document, to ensure all costs are fully identified.

Trade names or proprietary articles should not be used in the Specification Document. This is known as nominating suppliers, which can potentially have a big liability impact on the Council. A nominated supplier is not treated as the contractor’s own domestic sub-contractor, meaning a nominated supplier or contractor has a direct contractual relationship with the Council, not the contractor.

If the nominated supplier fails to perform to the contract specification and this has consequent delays to the main contractor or supplier, it is the Council who is liable to the main contractor or supplier.
It is also important that the Specification is not discriminatory against suppliers or contractors by specifying particular suppliers, contractors or goods. Where a contractor or supplier or goods must be inserted into the specification, the Procurement Team MUST be consulted.

3. **Environmental issues**

You must be extremely careful when inserting clauses into the Specification Document that requires suppliers or contractors to have a particular approach to the environment in the conduct of their business. The criteria used to assess and evaluate suppliers and contractors must be relevant to the particular procurement. You must ensure when requesting green credentials from providers, that those credentials are necessary to measure the ability or technical capacity to meet the particular contract concerned.
Appendix E

1. Use of Terms and Conditions

There are a number of industry standard terms and conditions which are applicable to specific goods, services and works such as consultancy and CRB checks.

Terms and Conditions should, as a minimum, contain the following:

- Goods, services or works required
- Price to be paid, including whole life costs such as delivery, installation, training, warranties and maintenance
- Time or times, within which the contract is to be performed
- Insurance
- Performance bonds or parent guarantees, if required
- Liquidated damages
- Details concerning the cancellation of the contract in cases of default
- Assignment and sub-contracting of contracts
- Any restriction that may apply to the contract
- Extensions to the contract
- Termination of the contract
- Variations to the contract
- Software licences / third party licences.
- Sub-contracting of contracts

Each contract must state that the contractor or supplier is prohibited from sub-contracting all or part of the contract, without the prior written consent of the Council.

As part of each pre-qualification or tender where no pre-qualification is used, all tendering organisations will be asked if they intend to sub-contract any part of the works, who they will be sub-contracting to, what they will be sub-contracting and what percentage of the Works will be sub-contracted.

2. Termination of Contract

As part of all contract terms and conditions there must be a clause which provides the Council with powers to terminate and recover from the contractor or supplier, all costs consequential to this.

3. Contracts for Goods

Council standard terms and conditions are available as an appendix at the end of this document, where terms and conditions are required for goods, please contact the Procurement Unit for further advice.
Appendix F1

Quotation Timetable

Timescales
£25,000 - £49,999

Please note that these are approximate figures and that overall timescales are largely dependant on the complexity of the quotation.

Where you are omitting one of the below stages from your quotation exercise, please adjust the timetable accordingly.

<table>
<thead>
<tr>
<th>Stage One – Obtain an Estimate of your Procurement</th>
<th>1 week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage Two – Obtain Relevant Approvals</td>
<td>1 week</td>
</tr>
<tr>
<td>• Obtain approvals from budget holder</td>
<td></td>
</tr>
<tr>
<td>Stage Three – Prepare the Specification</td>
<td>2 weeks</td>
</tr>
<tr>
<td>This is largely dependent on the complexity of your requirement</td>
<td></td>
</tr>
<tr>
<td>Stage Four – Advertising your Requirement</td>
<td>1 day 2 weeks</td>
</tr>
<tr>
<td>• Prepare advert</td>
<td></td>
</tr>
<tr>
<td>• Put advert in trade journals and local press</td>
<td></td>
</tr>
<tr>
<td>• Place on Council Website / e Portal</td>
<td></td>
</tr>
</tbody>
</table>

*If decision is taken to pre-qualify the Organisations please go on to stage Five. If they are already qualified or are being qualified as part of the quotation go on to Stage Six.*

<table>
<thead>
<tr>
<th>Stage Five – Pre-Qualify Organisations e.g. financial appraisal, check technical qualifications etc.</th>
<th>2 days 2 days 2 weeks 2 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare Company Profile Questionnaire (CPQ)</td>
<td></td>
</tr>
<tr>
<td>• Compile CPQ Evaluation criteria</td>
<td></td>
</tr>
<tr>
<td>• Issue CPQ to Organisations</td>
<td></td>
</tr>
<tr>
<td>• Evaluate CPQ (duration taken to complete this is dependent on response)</td>
<td></td>
</tr>
</tbody>
</table>
## Appendices

<table>
<thead>
<tr>
<th>Stage Six – Compile Quotation Evaluation Criteria</th>
<th>2 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage Seven – Quotation Issue</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Prepare Quotation documents</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Issue Quotation (depending on the complexity of the Quotation)</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Evaluate Quotation (dependent on responses)</td>
<td></td>
</tr>
<tr>
<td>Stage Eight – Post Quotation Discussions</td>
<td>1 week</td>
</tr>
<tr>
<td>• Discussions with selected Quoting organisation requiring further information or clarification</td>
<td></td>
</tr>
<tr>
<td>Stage Nine – Obtain References</td>
<td>1 week</td>
</tr>
<tr>
<td>• Full references require to be obtained from stated referees</td>
<td></td>
</tr>
<tr>
<td>Stage Ten – Contract Award</td>
<td>1 day</td>
</tr>
<tr>
<td>• Issue Acceptance letter or Letter of Intent to successful organisation</td>
<td>1 day</td>
</tr>
<tr>
<td>• Issue Rejection letters</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Prepare Contract documents</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Signing of the Contracts</td>
<td></td>
</tr>
<tr>
<td>Total number of weeks</td>
<td>21 weeks</td>
</tr>
</tbody>
</table>

Please also note that the above timescales must be carried out in conjunction with other tasks being carried out at the time.
## Appendix F2

### Tender Timetable Under EU Threshold

Please note that these are approximate figures and that overall timescales are largely dependent on the complexity of the Tender.

Where you are omitting one of the below stages from your tender exercise, please adjust the timetable accordingly.

<table>
<thead>
<tr>
<th>Stage One – Obtain an Estimate of your procurement</th>
<th>1-2 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stage Two – Obtain Relevant Approvals</strong></td>
<td></td>
</tr>
<tr>
<td>• Obtain approvals from budget holder</td>
<td>Up to 4 weeks if Members Book required</td>
</tr>
<tr>
<td>• Obtain Members Book if procurement over £50,000</td>
<td></td>
</tr>
<tr>
<td><strong>Stage Three – Prepare the Specification</strong></td>
<td>4 weeks</td>
</tr>
<tr>
<td>This is largely dependent on the complexity of your requirement</td>
<td></td>
</tr>
<tr>
<td><strong>Stage Four - Advertising your requirement</strong></td>
<td></td>
</tr>
<tr>
<td>• Prepare advert</td>
<td>1 day 2 weeks</td>
</tr>
<tr>
<td>• Put Advert in trade journals and local press</td>
<td></td>
</tr>
<tr>
<td>• Place on Council Website / e Portal</td>
<td></td>
</tr>
</tbody>
</table>

*If decision is taken to pre-qualify the organisations please go on to stage Five. If they are already qualified or are being qualified as part of the tender go on to Stage Six.*

<table>
<thead>
<tr>
<th>Stage Five - Pre-Qualify Organisations e.g. financial appraisal, check technical qualifications etc</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prepare Company Profile Questionnaire (CPQ)</td>
<td>2 days</td>
</tr>
<tr>
<td>• Compile CPQ Evaluation criteria</td>
<td>2 days</td>
</tr>
<tr>
<td>• Issue CPQ to Organisations</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Evaluate CPQ (duration taken to complete this is dependent on response)</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Stage Six – Compile Tender Evaluation Criteria</td>
<td>2 days</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Stage Seven – Tender Issue</td>
<td></td>
</tr>
<tr>
<td>• Prepare Tender documents</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Issue Tender (depending on the complexity of the Tender)</td>
<td>4 weeks</td>
</tr>
<tr>
<td>• Evaluate Tender (dependent on responses)</td>
<td>3 weeks</td>
</tr>
<tr>
<td>Stage Eight – Post Tender Negotiation</td>
<td></td>
</tr>
<tr>
<td>Discussions with selected tenderers requiring further information or clarification</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Stage Nine – Obtain References</td>
<td></td>
</tr>
<tr>
<td>Full references require to be obtained from stated referees</td>
<td>1 week</td>
</tr>
<tr>
<td>Stage Ten – Contract Award</td>
<td></td>
</tr>
<tr>
<td>• Issue Acceptance letter or Letter of intent to successful organisation</td>
<td>1 day</td>
</tr>
<tr>
<td>• Issue Rejection letters</td>
<td>1 day</td>
</tr>
<tr>
<td>• Prepare Contract documents</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Signing of the Contracts</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Total number of weeks</td>
<td>33 weeks</td>
</tr>
</tbody>
</table>

Please also note that the above timescales must be carried out in conjunction with other tasks being carried out at the time.
# Appendix F3

## Tender Timetable

### Over EU Threshold

Open Procedure

Please note that these are approximate figures and that overall timescales are largely dependent on the complexity of the Tender. All timescales highlighted in red are stated by Europe and cannot be shortened unless the Urgency Procedures are used.

<table>
<thead>
<tr>
<th>Stage One – Obtain an estimate of your procurement</th>
<th>1-2 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stage Two – Obtain Relevant Approvals</strong></td>
<td></td>
</tr>
<tr>
<td>• Obtain approvals from budget holder</td>
<td>4 weeks</td>
</tr>
<tr>
<td>• Obtain Members Book</td>
<td></td>
</tr>
<tr>
<td><strong>Stage Three – Prepare the Specification</strong></td>
<td></td>
</tr>
<tr>
<td>This is largely dependent on the complexity of your requirement</td>
<td>4 weeks</td>
</tr>
<tr>
<td><strong>Stage Four – Compile Tender Evaluation Criteria</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 days</td>
</tr>
<tr>
<td><strong>Stage Five – Tender Preparation</strong></td>
<td></td>
</tr>
<tr>
<td>• Prepare Tender documents</td>
<td>2 weeks</td>
</tr>
<tr>
<td><strong>Stage Six – Advertising your Requirement</strong></td>
<td></td>
</tr>
<tr>
<td>• Prepare and place OJEU Notice</td>
<td>1 day</td>
</tr>
<tr>
<td>• Put Advert in trade journals and local press, where required. This advert must not contain anything in addition to the OJEU notice and must not be placed in the publication before the OJEU notice is published.</td>
<td></td>
</tr>
<tr>
<td>• Place on Council Website / e Portal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Placed in OJEU for a period of at least 52 days.*
###Appendices

####Stage Seven – Tender Issue
- Issue Tender (depending on the complexity of the Tender)
- Evaluate Tender (dependent on responses)

Tenders must be sent within 4 days of receipt of request. Tender closing date must be at least 52 days from OJEU Notice placement.

5 weeks

####Stage Eight – Post Tender Negotiation
Discussions with selected Tenderers requiring further information or clarification

2 weeks

####Stage Nine – Obtain References
- Full references require to be obtained from stated referees

1 week

####Stage Ten – Contract Award
- Issue Acceptance letter or Letter of Intent to successful organisation
- Issue Rejection letters
- Prepare Contract documents
- Signing of the Contracts (allowing min 10 days standstill between rejection notification and Contract signing – see Alcatel Judgement)

1 day
1 day
2 weeks
2 weeks

####Stage Eleven – Contract Award Notice
- Write Notice
- Place Notice

One day
Within 48 days of contract award

####Total number of weeks
40 Weeks

Please also note that the above timescales must be carried out in conjunction with other tasks being carried out at the time.
Appendix F4

Tender Timetable

Over EU Threshold
Restricted Procedure

Please note that these are approximate figures and that overall timescales are largely dependent on the complexity of the Tender. All timescales highlighted in red are stated by Europe and cannot be shortened unless the Urgency Procedures are used.

<table>
<thead>
<tr>
<th>Stage One – Obtain an Estimate of your procurement</th>
<th>1-2 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage Two – Obtain relevant Approvals</td>
<td></td>
</tr>
<tr>
<td>• Obtain approvals from budget holder</td>
<td>4 weeks</td>
</tr>
<tr>
<td>• Obtain Members Book</td>
<td></td>
</tr>
<tr>
<td>Stage Three – Prepare the Specification</td>
<td>4 weeks</td>
</tr>
<tr>
<td>This is largely dependent on the complexity of your requirement.</td>
<td></td>
</tr>
<tr>
<td>Stage Four – Advertising your Requirement</td>
<td></td>
</tr>
<tr>
<td>• Prepare and place OJEU Notice</td>
<td>1 day</td>
</tr>
<tr>
<td>• Put Advert in trade journals and local press, where required. This advert must not contain anything in addition to the OJEU notice and must not be placed in the publication before the OJEU notice is published.</td>
<td></td>
</tr>
<tr>
<td>• Place on Council Website / e Portal</td>
<td></td>
</tr>
<tr>
<td>Stage Five – Pre-Qualify Organisations e.g. financial appraisal, check technical qualifications etc</td>
<td></td>
</tr>
<tr>
<td>• Prepare Company Profile Questionnaire (CPQ)</td>
<td>1 week</td>
</tr>
<tr>
<td>• Compile CPQ Evaluation Criteria</td>
<td>2 days</td>
</tr>
<tr>
<td>• Issue CPQ to organisations who expressed an interest</td>
<td>2 weeks</td>
</tr>
<tr>
<td>• Evaluate CPQ (duration taken to complete this is dependent on response)</td>
<td></td>
</tr>
<tr>
<td>Stage Six – Compile Tender Evaluation Criteria</td>
<td>2 days</td>
</tr>
</tbody>
</table>
## Appendices

<table>
<thead>
<tr>
<th>Stage Seven – Tender Issue</th>
<th>2 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare Tender documents</td>
<td></td>
</tr>
<tr>
<td>Issue Tender</td>
<td></td>
</tr>
<tr>
<td>Evaluate Tender (dependent on responses)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stage Eight– Post Tender Negotiation</th>
<th>2 weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discussions with selected tenderers requiring further information or clarification</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stage Nine – Obtain References</th>
<th>1 week</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full references require to be obtained from stated referees</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stage Ten – Contract Award</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Acceptance letter or Letter of Intent to successful organisation</td>
<td></td>
</tr>
<tr>
<td>Issue Rejection letters</td>
<td>1 day</td>
</tr>
<tr>
<td>Prepare Contract documents</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Contracts Signing of the Contracts (allowing min 10 days standstill between rejection notification and Contract signing – see Alcatel Judgement)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Stage Eleven – Contract Award Notice</th>
<th>1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Write Notice</td>
<td>Within 48 days of contract award</td>
</tr>
<tr>
<td>Place Notice</td>
<td></td>
</tr>
</tbody>
</table>

| Total number of weeks                      | 48 Weeks |

Please also note that the above timescales must be carried out in conjunction with other tasks being carried out at the time.
**Quotation Documents**

Procurement recommend that the following documents be used when putting together a quotation where the spend falls over £10,000. Procurement also recommend that at the higher end of the threshold, £5,000 – £9,999, the following forms should be considered to be used:

- ITQ Letter - Goods and Services or ITQ Letter - Works, page 35 - 35
- Instructions to Quoting Organisations, page 40
- Appendix D - To Compile a Tender Specification, page 22
- Appendix E - Use of Terms and Conditions, page 24
- Schedules and Appendices Notes, page 54 - 72

All wording highlighted in blue on the following documents, means you must either:

- Delete wording which is not required e.g. where Goods/Services/Works is highlighted in blue and your procurement falls into Works, you must delete Goods and Services.
- Or it means there is a gap where you need to insert particular information, such as contract title.

When putting together an invitation to quote letter, there are two different letters and two sets of guidance notes, one for works contracts and one for supplies and services. Which invitation letter you should use depends on your requirement.

- Please note that these documents are read only, editable versions are available from the Procurement Unit.
SAMPLE LETTER

Name
Address

Date

Dear Name

Invitation to Quote
Provision of xxx Goods / Services

You are hereby invited to quote, subject to the Council’s Terms and Conditions of Contract, for the above supply of Goods/Services, as may be required by Rugby Borough Council.

Quotations are being sought from organisations that, are considered to be able to develop and supply the Services to the required standard.

Enclosed herewith are the following quotation documents:

1 Instructions to Quoting Organisations
2 Pro-forma Contract comprising:
   2.1 Rugby Borough Council Terms and Conditions of Contract for the provision of xxx
   2.2 Specification
3 Form of Tender
4 Company Profile Questionnaire

The requirements of this invitation are to be addressed accordingly as detailed in “Instructions to Quoting Organisations” (Section 2). The Council do not bind themselves to accept the lowest or any quote, and also reserve the right to divide the contract, and award the contract to more than one supplier.

Quotation Evaluation
The contract award shall be based on the most economically advantageous quote, with due regard to price, quality of service provided, commercial standards adhered to, and qualifications and experience of organisation.

Period of Contract
The contract period shall be 6 (six) months from the commencement date of the contract as agreed by the parties, with an option to extend for a further two periods of 6 (six) months each, subject to satisfactory performance, at the discretion of the Council.

Conditions of Contract
Rugby Borough Council Conditions of Contract for the Provision of xxx.

In certain circumstances the form used may vary but all forms of contract must be approved by RBC legal team first.
Quotation Submission
The completed quotation submission along with any supporting information, shall be sent, to arrive no later than 12.00 noon on xxx. At the following address:

xxx
Rugby Borough Council
PO Box 16
Town Hall
Rugby
CV21 2LA

The quotation return envelope must be sealed and must not bear the name of the quoting organisation.

Evidence of posting time cannot validate a quotation received by the addressee after the time stipulated.

Should you have any query relating to this quotation, please contact xxx on the above number.

Yours sincerely

Senders Name
Job Title
SAMPLE LETTER

Name
Address

Date

Dear Name

Invitation to Quote
Provision of xxx Works

You are hereby invited to quote, for Works at state site where Works will be carried out as listed in the specification required by Rugby Borough Council.

Enclosed herewith are the following quotation documents:
1 Instructions to Quoting Organisations
2 Pro-forma Contract comprising:
   2.1 Select a Form of Contract specific to the Works being quoted
   2.2 Specification
   2.3 Drawings
   2.4 Programme of Works
3 Quotation Schedules
4 Appendices
   Appendix One: Departures from Specification
   Appendix Two: Departures from Terms and Conditions of Contract
5 Company Profile Questionnaire

The requirements of this invitation are to be addressed accordingly as detailed in “Instructions to Quoting Organisations” (Section 2). The Council do not bind themselves to accept the lowest or any quote, and also reserve the right to divide the contract, and award the contract to more than one contractor.

Rates and Prices
Quoting organisations are to submit an all inclusive fixed price sum in accordance with the Quotation Schedules.

Quotation Evaluation
The contract award shall be based on the most economically advantageous quote, with due regard to price, adherence to specification, timescales submitted to complete the Works, quality of service provided, post Works service provided, supply chain involvement, commercial standards adhered to, qualification and experience of organisation.

Conditions of Contract
Rugby Borough Council Conditions of Contract for the Provision of xxx.
In certain circumstances the form used may vary but all forms of contract must be approved by RBC legal team first.

Quotation Submission
The completed quotation submission along with any supporting information, shall be sent, to arrive no later than 12.00 noon on XXX. At the following address:

xxx
Rugby Borough Council
PO Box 16
Town Hall
Rugby
CV21 2LA

The quotation return envelope must be sealed and must not bear the name of the quoting organisation.

Evidence of posting time cannot validate a quotation received by the addressee after the time stipulated.

Should you have any query relating to this quotation, please contact XXX on the above number.

Yours sincerely

Senders Name
Job Title
Invitation to Quote (Instructions to Quoting Organisations) Guidance Notes

These guidance notes are intended to explain the content of the instructions to quoting organisations. The Instructions to Quoting Organisations (page 32) document is very important as it states clearly the rules on which the organisations are quoting. The document ensures all procurement activities are carried out in compliance with Financial Regulations, Government requirements and relevant procurement guidance and best practice.

Section two of letter: Validity
The figure which requires to be inserted here will depend on the market from which you are procuring. 90 days is a period which is recommended as a general rule, to ensure that prices are held if problems in awarding the contract occur, which cause delays. However, in a more price volatile market, such as electricity, it would be impossible to have quotation prices fixed for a 90 day duration. The duration needs to be reasonable with the market place, from which you are procuring.

Section three of letter: Quotation Submission
The information relating to the quotation submission is highly important, and that is why it is stated at the letter stage and here again within the instructions stage. If the estimated value is sufficient for the Quote to be sealed (as per Standing Orders) it would be advisable for the Quotes to be directed to the Procurement Dept where a register can be kept.

Section four of letter: Enquiries
The phone number has been deliberately omitted within this section. It is strongly recommended that when dealing with the quoting organisations, throughout the quotation process, it is conducted in a written format. This ensures all actions are fully transparent and all quoting organisations are treated fairly and equally and are provided with the same information.

Section five of letter: Quotation
It is important to clearly state what documents should be included within the quotation return.
INSTRUCTIONS TO QUOTING ORGANISATION

Contract: Provision of xxx Goods/Services/Works

Rugby Borough Council is hereby seeking competitive quotations for the provision of the Supplies, Services, or Works detailed in this Invitation to Quote, as may be required.

Introduction
These instructions detail the requirements with which the quoting organisations shall comply in submitting a valid quote, quoting organisations, which do not comply with these requirements and format, may be excluded from further consideration. The quotation is to be prepared throughout in the English language.

Validity
Quotations are to remain open for acceptance for a minimum period of 90 days from the due date for return.

Quotation Submission
The quoting organisation shall submit one (1) original, signed by an authorised representative, and one (1) copy of the complete quotation submission. The original shall be clearly marked ORIGINAL.

The complete quotation and copy are to be submitted in a plain unmarked envelope.

The due date for return of quotations is 12:00 noon on xxx.

They should be addressed to: Add address (Quotes estimated to be over £25k should be addressed to the Procurement Dept)

Enquiries
All enquiries and communications regarding this quotation shall be directed by facsimile or e-mail to:
Name
Tel: 01788xxx
Fax: 01788xxx
E-mail: xxx-xxx@rugby.gov.uk

Any facsimile shall clearly show the company name and quotation service description.

If the response to any enquiry raised by the quoting organisation which affects the basis of the quotation, a quotation bulletin will be issued to all quoting organisations.
Quotation
Quotes shall consist of the following documents, together with any supporting details:
Form of Quote
Schedules xxx
Completed Company Profile Questionnaire

Consideration
The Council shall not provide any consideration for the construction and presentation of quotations, nor shall it be bound to accept any offer, whether showing the lowest prices or otherwise.

Quotations before acceptance shall be regarded by both parties as confidential.
Tender Procedures

If your procurement requirement falls over £100,000 then a tender procedure must be followed. If your requirement falls over £139,893 (Goods and Services), or £3,497,313 (Works), then you must follow the OJEU procedures in the EU section of this manual.

This section details what you must do when undertaking a tender exercise.

Compile Tender Specification

» Please see Appendix D - To Compile a Tender Specification, page 22, detailing how to compile a specification. All tender documents must contain a tender specification.

Compile Tender Evaluation Criteria

The tender must be awarded to the most economically advantageous tender. To adequately determine this, a quantifiable and qualitative tender evaluation criteria must be established, with relative price and quality weightings, which matches the tender specification, prior to the issuing of the tender documentation.

The evaluation criteria should consider a minimum of the following:

- Technical specification
- Price, including whole life costs, cost effectiveness, attributable costs and benefits
- Ability of the contractors to supply the Goods or Services or to execute Works within the required time period for the contract
- Experience of the contractor (Selection Criteria Only*)
- Service levels
- Quality
- Technical maintenance and administrative support.

*Experience and capability can be used for Selection but not Award criteria

You must not use factors which are discriminatory or distort competition. You must also ensure that all evaluation processes are transparent.

It is important to note that if tenderers have been qualified prior to tender, the criteria used to assess the supplier and contractors at pre-qualification stage must not be used again at tender stage.

Tender evaluation criteria must be provided to all tendering organisations within the tender documentation.

All parties to the evaluation panel must agree the criteria prior to the tender issue. The criteria
Documentation should be documented in an evaluation matrix, which includes the relevant weightings. This must include any sub-criteria used. Merely providing suppliers with high-level or summary criteria and weightings is not sufficient if a more detailed distinction will be used in the evaluation. This should be documented in such a way as to demonstrate that the criteria were decided prior to tender issue.

A record of all personnel who were involved in the evaluation process should be kept in the Tender file.

In the Evaluation Matrix sample (page 36), quality is considered to be more important than obtaining the lowest price, consequently a higher weighting is attached to quality. In contract areas where quality and price are equally as important then they should be given the same weighting. Therefore no one matrix will be the same, as they will vary in accordance with each requirement.

Once the factors for inclusion have been determined a threshold of acceptability should also be set, e.g. if “quantity” has a weighting of 50%, suppliers will only be considered if their weighting percentage is above 35%. An overall threshold can also be set, that any supplier must be above an overall percentage of e.g. 80%, to ensure that quality, price and compliance are all of a high standard.
## Evaluation Matrix example

### Contract: Supply and Maintenance of Photocopiers

<table>
<thead>
<tr>
<th>Evaluation subject</th>
<th>weight</th>
<th>mark (out of 10)</th>
<th>weighted score</th>
<th>convert to %</th>
<th>mark x weighing %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quality of compliance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>specification (duplex, copies per minute)</td>
<td></td>
<td>10</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>contract guarantee</td>
<td>10</td>
<td>10</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>call out time</td>
<td>5</td>
<td>8</td>
<td>40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>dedicated service team</td>
<td>2</td>
<td>5</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>environmental policy</td>
<td>3</td>
<td>8</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>health &amp; safety</td>
<td>10</td>
<td>9</td>
<td>45</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>539/700</td>
<td>82.7%</td>
<td>57.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Price

<table>
<thead>
<tr>
<th></th>
<th>weight</th>
<th>mark (out of 10)</th>
<th>weighted score</th>
<th>convert to %</th>
<th>mark x weighing %</th>
</tr>
</thead>
<tbody>
<tr>
<td>within budget</td>
<td>5</td>
<td>10</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>lowest price</td>
<td>20</td>
<td>5</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>fixed price</td>
<td>3</td>
<td>10</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>cost transparency/flexibility</td>
<td>2</td>
<td>8</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>196/300</td>
<td>65.3%</td>
<td>19.6%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total** 77.5%

### Tender Commencement Checklist

At least three suitable organisations have been selected to tender, who have been approved (or will be approved as part of the tender process)

A compliant specification document, which states all of your requirements

A completed qualitative evaluation criteria, with relevant weightings attached to quantify the quality criteria.

If all the above has been satisfied you may now commence the tender process.
**Tender Documents**

It is recommended that the following forms be used when putting together a Tender. The Tender documents include all vital tender information, which ensures compliance with procurement legislation, best practice and Council Financial Regulations.

» ITT Instructions to Quoting Organisations - Notes, page 50
» ITT Form of Tender - Notes, page 51
» ITT Schedules and Appendices Notes, page 54 - 72
» Officers Conduct , page 73

All wording highlighted in **blue** on the following documents, means you must either:

- Delete wording which is not required e.g. where Goods/Services/Works is highlighted in blue and your procurement falls into Works, you must delete Goods and Services.
- Or it means there is a gap where you need to insert particular information, such as contract title.

When putting together an Invitation to Tender letter, there are two different formats (and two sets of guidance notes), one for Works contracts and one for Supplies and Services. The letter you use will depend on your requirement.

» Please note that these documents are read only, editable versions are available from the Procurement Unit.
Goods and Services

This guidance note provides advice on the Invitation Letter (Goods and Services) where you have to insert information. Therefore this guidance must be read in conjunction with the following:

**Paragraph One of the letter**

- Insert the Goods and Services which are being tendered
- Insert the Terms and Conditions of contract which are being used

**Paragraph Three of the letter**

Lists all documentation which should be included within the Invitation to Tender document. Other documents which are relevant, can also be included to form part of the tender documentation. The Company Profile Questionnaire can be taken out of the tender documentation if it is not relevant. The following information relating to the tender ITT Schedules and Appendices Notes should be used. Information relating to Terms and Conditions can be found at paragraph eight below.

**Paragraph Five of the letter**

Lists the tender evaluation criteria. The evaluation criteria is usually in accordance with the Most Economically Advantageous Tender. More specific details of the evaluation criteria must also be stated. Please see example list of criteria in example letter, which were used in a previous tender exercise.

**Paragraph Seven of the letter**

The contract period shall be stated with any possible options to extend. If there is any possibility that the contract might be extended then provision must be made for this within the contract. You cannot extend a contract which has no provision to extend within the contract.

**Paragraph Eight of the letter**

The Conditions of Contract must be clearly stated and information on this can be found in Appendix E - Use of Terms and Conditions, page 24

**Paragraph Nine - Fourteen of the letter**

The following statements must be included in all Invitation to Tender letters:

Tenders must be returned to the Council in one of the following ways:

EITHER

(a) By sending the tender, by post, to the Chief Executive in a plain envelope with the special address label provided,
OR

(b) By taking the tender in a plain envelope with the special address label provided and handing it to a member of staff at the Customer Services Centre Desk which is on the ground floor of the Town Hall, Evreux Way, Rugby, Warwickshire, CV21 2RR

Please note that tenders must arrive before 12 NOON on (the specified date) and that tenders left or sent otherwise than in accordance with the above requirements will be disregarded.

The plain envelope with label provided for the return of tenders must be sealed. This envelope must not have been opened and re-sealed and it must not bear the name or mark of the sender. Any tender submitted which does not comply with this requirement will not be considered, and any tender not forwarded in the special envelope will be disregarded.

Electronic Tenders may be used, details of which will be available from the Procurement Team. The Council does not bind itself to accept the lowest or any tender.”
Invitation to Tender (Letter) Guidance Notes

Works

This guidance note provides advice on the Invitation Letter (Works) and guidance on the areas where you have to insert information. Therefore this must be read in conjunction with the following:

Paragraph One of the invitation letter
- Insert the Works which are being tendered
- Insert the site where the Works will be carried out

Paragraph Two of the invitation letter
Lists all documentation which should be included within the Invitation to Tender document. Drawings and Programme of Works may be included as part of your contract depending on your requirement, these can be omitted if not relevant. Other documents which are relevant can also be included to form part of the tender documentation. The Company Profile Questionnaire can be taken out of the Tender Documentation if it is not relevant.

» Refer to ITT Schedules and Appendices Notes (page 54 - 72) for advice on which should be used. Information relating to Terms and Conditions can be found at paragraph seven below.

Paragraph Four of the invitation letter
State that the tenderers must submit a ‘fixed’ price, in accordance with the Form of Tender. Please omit ‘Fixed’ if this is not what you are requesting.

Paragraph Five of the invitation letter
List the tender evaluation criteria. The evaluation criteria is usually in accordance with the most economically advantageous tender. More specific details of the evaluation criteria must also be stated.

Paragraph Seven of the invitation letter
The Conditions of Contract, which are applicable to the contract, which is being tendered for, must be clearly stated. For Works contracts, a standard form of contract specific to the Works being tendered must be selected. If guidance is required on this please contact the Procurement Unit. For further information on selecting Terms and Conditions, please see the Appendix E - Use of Terms and Conditions, page 24.
Paragraph Eight of the invitation letter

Technical queries may go to a different contact source than administrative queries. Please state clearly who should be contacted for all technical queries. The technical contact must follow the tendering rules detailed in this guidance, and all correspondence must be documented and issued in line with these procedures. The technical contact must state fully to the person administering the tender, all correspondence that has occurred in connection with the tender.

The following statements must be included in all Invitation to Tender letters:

Tenders must be returned to the Council in one of the following ways:

EITHER

(a) By sending the tender, by post, to the Chief Executive in a plain envelope with the special address label provided,

OR

(b) By taking the tender in a plain envelope with the special address label provided and handing it to a member of staff at the Customer Services Centre Desk which is on the ground floor of the Town Hall, Evreux Way, Rugby, Warwickshire, CV21 2RR

Please note that tenders must arrive before 12 NOON on (the specified date) and that tenders left or sent otherwise than in accordance with the above requirements will be disregarded.

The plain envelope with label provided for the return of tenders must be sealed. This envelope must not have been opened and re-sealed and it must not bear the name or mark of the sender. Any tender submitted which does not comply with this requirement will not be considered, and any tender not forwarded in the special envelope will be disregarded.

Electronic Tenders may be used, details of which will be available from the Procurement Team.

The Council does not bind itself to accept the lowest or any tender'.
Instructions to Tendering Organisations

Guidance Notes

These guidance notes are intended to explain the content of the Instructions to Tenderers document which is very important as it states clearly the rules on which the organisations are tendering. The document ensures all procurement activities are carried out in compliance with Financial Regulations, Government requirements and relevant procurement guidance and best practice.

Tender Invitation Acknowledgement

This form must be included in the package to Tenderers for them to complete and return in advance of tendering.

Section 3 Validity

The figure which requires to be inserted here will depend on the market from which you are procuring. 90 days is a period which is recommended as a general rule, to ensure that prices are held if problems in awarding the contract occur, which cause delays. However in a more price volatile market, such as electricity, it would be impossible to have tender prices fixed for a 90 day duration. The duration needs to be reasonable with the market place from which you are procuring.

Section 4 Tender Submission

The information relating to the tender submission is highly important, and that is why it is stated at the letter stage and here again within the instructions stage. There is also a Tender Return Envelopment Slip which must be included in the package to Tenderers.

Section 5 Enquiries

The phone number has been deliberately omitted within this section. It is strongly recommended that when dealing with the tendering organisations, throughout the tender process, it is conducted in a written format. This ensures all actions are fully transparent and all tendering organisations are treated fairly and equally and are provided with the same information.

» Please note the directions provided for issuing Tender Bulletins
» Please also see Tender Bulletin information within Officers Conduct section on page 73. It is vital that all guidance on issuing tender bulletins is accurately followed.

Section 6 Tender

It is important to clearly state what documents should be included within the tender return. The example documents, in the attached Instructions to Tender, can be amended as required, however the Form of Tender must always be returned.
Form of Tender
Guidance Notes

The Form of Tender document requires the tendering organisations to submit, as part of their tender return, a signed undertaking that all rules and procedures have been followed, and all prices submitted in the tender document are correct and accurate. It also states that upon written acceptance, the tender document will form a legally binding agreement, until a formal contract agreement is put in place.

Within this procurement manual there are two different copies of the Form of Tender, the first is a Fixed Price form of tender (page 44), and should be used if you require a fixed price sum to carry out the contract.

The second form is a Rates Request form of tender (page 45), and should be used if you have requested rates to carry out the contract, but there is no total cost and/or the usage levels have not been defined.

» Please note that these documents are read only, editable versions are available from the Procurement Unit.
FORM OF TENDER

Tender for the Provision of \textit{xxx Supplies/Services/Works} and Associated Supplies/Services/Works

I / We the undersigned do hereby contract and agree on the acceptance of this tender or any part thereof to supply to the Council such goods or carry out such Services as the Council may order in strict accordance with the Conditions of Contract and for the sum of:

\textbf{\textit{£..........................................................................................................................................................}}

I (or we) (further) undertake, and it shall be a condition of any contract, that the amount of my (or our) tender has not been calculated by agreement or arrangement with any person other than the Council and will not be communicated to any person until the closing date for the submission of tenders.

Signed \textit{.................................................................} \hspace{1cm} Date \textit{.................................................................}

Name \textit{.................................................................................................................................................}

In the capacity of \textit{.................................................................................................................................}

duly authorised to sign Tenders for and on behalf of (BLOCK CAPITALS)

\textit{.................................................................................................................................................................}

Whose Registered Office is at \textit{...................................................................................................................}

\textit{.................................................................................................................................................................}

\textit{.................................................................................................................................................................}

Telephone No \textit{......................................................} \hspace{1cm} Fax No \textit{.................................................................}

Email \textit{.................................................................................................................................................................}

Unless and until a formal agreement is prepared and executed this tender together with the Council’s written acceptance under the hand of a duly authorised Officer shall constitute a binding contract between the tenderer and the Council.

Tender Bulletin numbers applicable to this Tender Invitation (if none state ‘none’)

\textit{.................................................................................................................................................................}
FORM OF TENDER

Tender for the Provision of xxx Supplies/Services/Works and Associated Supplies/Services/Works

I / We the undersigned do hereby contract and agree on the acceptance of this tender or any part thereof to supply to the Council such goods or carry out such Services as the Council may order in strict accordance with the Conditions of Contract.

I / We further undertake, and it shall be a condition of any Contract, that the amount of our tender has not been calculated by agreement or arrangement with any person other than the Council, and will not be communicated to any person until the closing date for the submission of Tenders.

Signed ............................................................................ Date .............................................................................

Name .................................................................................................................................

In the capacity of ..................................................................................................................
duly authorised to sign Tenders for and on behalf of (BLOCK CAPITALS)
..................................................................................................................................................

Whose Registered Office is at ..........................................................................................
..................................................................................................................................................
..................................................................................................................................................

Telephone No ............................................ Fax No ..............................................................

Email ........................................................................................................................................

Unless and until a formal agreement is prepared and executed this tender together with the Council’s written acceptance under the hand of a duly authorised Officer shall constitute a binding contract between the tenderer and the Council.

Tender Bulletin numbers applicable to this Tender Invitation (if none state ‘none)
..................................................................................................................................................
As part of all Invitation to Tender documents you must include Tender Schedules. The Schedules will request the Tendering organisations to insert information relating to:

- How the contract will be carried out
- What specific Goods, Services or Works the Council will receive under this contract
- The costs associated to the contract
- Any other information which needs to be included as part of the tender evaluation

The Schedules will ensure that you get a complete picture of the Services that will be provided, the costs associated to that, and also to ensure that all tendering organisations are being compared on a like for like basis.

The price schedule should be clear and allow for easy recognition of what the tenderers are quoting for, and in what format they need to quote. A tabulated form for suppliers and contractors to insert their prices (e.g. sample The Pricing Schedule, page XX) would satisfy this requirement, thus ensuring an easier evaluation process and fairer comparisons between tenders.

The price schedule should also enquire whether there is a minimum order fee, minimum call out fee, or a carriage charge that applies with regard to delivery. The Schedules shall state the period the contractor or supplier must fix their rates or prices for, and what the annual % uplift will be if the contract is for a duration longer than one year, this can either be stated at the outset by the Council representative or the contractor or supplier can state this in their Tender Return.

When evaluating the rates and prices within the Tender Returns, all annual uplifts shall be incorporated into the tender evaluation. You must not enter into an agreement where there is no confirmation that the prices or rates will be fixed for a specified duration, or the % uplift value or how it will be calculated is not stated. Where this occurs please contact the Legal section for further advice.

Tender Schedules are contract specific, and it is impossible to provide a standard example of what they should contain and how they should be presented. However, please find some example Tender Schedules, which were used for previous tenders.

- Schedule One - Pricing Schedule, page 56
- Schedule Two - Recruitment and Selection, page 57
- Schedule Three - Timescales and Processes, page 58
- Schedule One - Fuel Provision Information, page 59
- Schedule Two - Discount Structures, page 60
- Schedule Three - Average Costs, page 61
- Schedule Four - LPG Fuel, page 62
If you are not sure how to put these together, please speak to the Procurement Team.
Pricing Schedule

Tender for the Provision of Temporary Agency Personnel

The following breakdown of prices is required for our tender evaluation.

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Hourly Rate (range for post)</th>
<th>Hourly Rate (based on JD)</th>
<th>% of hourly rate paid to staff</th>
<th>Number of staff available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Assistant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerical Assistant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Assistant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cashier</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gardener</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driver / Street Cleanser</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Craft Operative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Electrical Craft Operative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Rates valid until ___________________________ Estimated annual increase _____ %

I/We accept that Rugby Borough Council reserves the right to accept the tender in whole or part.
I/We accept that the Council does not bind itself to accept the lowest or any tender.
I/We accept that Rugby Borough Council will not pay for any costs resulting from this tender.
I/We agree that the tendered prices must be inclusive of all costs e.g. delivery, administration, packaging etc. Prices are to remain fixed for the duration of the contract, unless otherwise agreed in writing. Where deemed necessary requests may be made for a breakdown of pricing to assist the Council in its evaluation.
I/We agree that any contract resulting from this tender will be subject to Rugby Borough Council’s conditions of contract and that in the performance of this contract we will satisfy the requirements of the Council as identified in this tender.

Signature___________________________________ Date__________________________________

Name__________________________________ Designation______________________________

Company______________________________________________________________
Recruitment and Selection

Tender for the provision of Temporary Agency Personnel

Please detail below how your Company’s Recruitment and Selection Policy fits into the Services you will provide under this contract.

Signature_________________________________ Date____________________

Name____________________ Designation____________________

Company__________________________________________________________
Timescales and Processes

Tender for the provision of Temporary Agency Personnel

Please detail below the timescales involved and the processes followed from receipt of an order from Rugby Borough Council through to the start date of the Agency worker.

Signature ____________________________ Date ____________________________

Name ____________________________ Designation ____________________________

Company ____________________________
Please find below the Contract Schedules used in the Fuel Card tender

Fuel Provision Information

Tender for the provision of Fuel Card Services and Associated Services

Please list below the address of all sites in Rugby, where fuel can be purchased using your fuel card, with the discount rebate applicable and the fuel type available. Please also state the distance, in kilometres, of the fuel site from the Council Depot. Please note the discount stated shall be based on the usage levels stated in the specification.

<table>
<thead>
<tr>
<th>Fuel Site Address</th>
<th>Discount Applicable</th>
<th>Fuel Type(s) Available</th>
<th>Distance from Council Depot</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature_________________________________________ Date ______________________

Name____________________________________________ Designation____________________

Company__________________________________________
Tender for the provision of Fuel Card Services and Associated Services

Please detail the discount structures which will apply to the Rugby Borough Council contract. The usage stated in the contract specification may change as vehicle usage changes with the Councils changing policies. Please state what spend level has to be attained before the discount level, stated in Schedule 1, can be increased. It is a potential option that, for the purchase of fuel, Rugby Borough Council may create a consortium group with other local Councils, who will then call off this contract. If this does occur then the spend level could potentially increase significantly. Please also state if a minimum annual usage is applicable to the contract prices you specify in this tender submission.

Please confirm that the discount levels, stated in Schedules One and Two, will be fixed for the duration of the contract period.

Signature_________________________ Date____________________

Name_________________________ Designation____________________

Company ____________________________
Tender for the provision of Fuel Card Services and Associated Services

Please state the average Pence Per Litre (PPL) for each fuel type, sold at stations which are listed in Schedule One. The average PPL shall be based on the PPL charged at each stated forecourt from April to December 200#.

<table>
<thead>
<tr>
<th>Fuel Station Location</th>
<th>Fuel Type</th>
<th>Average PPL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature_________________________________________ Date____________________

Name_________________________________________ Designation____________________

Company______________________________________________________________
LPG Fuel

Tender for the provision of Fuel Card Services and Associated Services

Please state sites within Rugby where LPG can be purchased, using your fuel card. Please state the average PPL for LPG fuel from April to December 2009.

Please also state your organisation’s policy on implementing LPG fuel within Rugby.

Will your organisation be able to assist Rugby Borough Council with improving our fuel environmental policy? If you can, please state how.

Signature_________________________________________ Date___________________________________

Name_________________________________________ Designation_________________________________

Company_________________________________________________________________________________
Payment Methods

Tender for the provision of Fuel Card Services and Associated Services

Please state the payment methods which are available to Rugby Borough Council under this contract. Please also state if there are any discounts applicable, in addition to those described in Schedule Two, if any of these payment methods are used by the Council.

Signature_________________________________________ Date___________________

Name_________________________ Designation_____________________

Company________________________________________________________
Price Guarantee

Tender for the provision of Fuel Card Services and Associated Services

The Contractor shall give an undertaking to ensure that the fuel prices within Rugby are monitored and reviewed on at least a daily basis to ensure that the PPL is consistent with the lowest fuel charges identified in the Rugby area.

Please state how your Organisation will do this.

If lower fuel costs are identified at other locations within the Rugby Borough, will you rebate the difference in price between the price paid at your fuel station and the price which would have been paid if the lower rates had been applicable? This shall apply to each fuel transaction made at the higher rate.

What fuel locations will this price guarantee apply to?

Please note none of the above fuel cost guarantees shall apply to motorway service stations.

Signature __________________________ Date ____________________

Name ___________________________ Designation ____________________

Company ________________________________
Additional Costs

Tender for the provision of Fuel Card Services and Associated Services

Please state any costs other than for the purchase of fuel, which shall be payable by Rugby Borough Council for the Services you provide. This shall include a monthly fee to provide the Management Reports or for use of the fuel card, cost for additional cards or replacement cards, or any other fee which will be applicable. If no fee is stated here, then no costs in addition to the fuel charges shall be payable by Rugby Borough Council for any of the Services outlined in the specification.

Signature_________________________________________Date___________________

Name_________________________________Designation_____________________

Company________________________________________________________________
Tender for the provision of Fuel Card Services and Associated Services

Please state any other Services associated to this tender (in addition to what is stated in the specification) which may be required by the Council from time to time, that your organisation can provide. Please state both the Services and any costs which are associated to them.

Signature_______________________________ Date___________________
Name__________________________ Designation_____________________
Company______________________________________________________
Tender for the Supply of Electricity

All prices should be quoted exclusive of VAT. Where the annual usage is not split between day/night etc., the current payments are based on one flat rate.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Supply Number</th>
<th>Annual Usage (estimated) kwh</th>
<th>Price (pence per kWh)</th>
<th>Standard Charge (per qtr)</th>
<th>Energy Charges (per qtr)</th>
<th>Availability Charge (per kva)</th>
<th>Mthly Demand Charge (where applicable)</th>
<th>Total Annual Cost</th>
<th>VAT Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR8103</td>
<td>S03</td>
<td>10578</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7613</td>
<td>S04</td>
<td>14886</td>
<td>72188</td>
<td>16698</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>HR7607(a)</td>
<td>S01</td>
<td>19192</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7607(b)</td>
<td>S01</td>
<td>6333</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR8104</td>
<td>S03</td>
<td>3236</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7601(a)</td>
<td>S02</td>
<td>2600</td>
<td>10255</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7609</td>
<td>S04</td>
<td>9925</td>
<td>26931</td>
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<tr>
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<td>S02</td>
<td>828</td>
<td>2137</td>
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<td></td>
<td></td>
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<tr>
<td>HR7604(a)</td>
<td>S01</td>
<td>5500</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>HR7605</td>
<td>S02</td>
<td>15506</td>
<td>14857</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR8106</td>
<td>S01</td>
<td>4243</td>
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<td></td>
</tr>
<tr>
<td>HR7606</td>
<td>S04</td>
<td>1095</td>
<td>6384</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7608</td>
<td>S04</td>
<td>13417</td>
<td>26794</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR8107</td>
<td>S01</td>
<td>2968</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7601(b)</td>
<td>S03</td>
<td>3476</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR8108</td>
<td>S03</td>
<td>3256</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR7603(a)</td>
<td>S04</td>
<td>10623</td>
<td>6779</td>
<td>12446</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signed: ________________________________  
Date: ________________________________
Appendices Guidance Notes

Appendices One and Two below should always be included within the Invitation to Tender document. Appendix Three below should be used where a Company Profile Questionnaire (CPQ) has not been used. All Appendices issued, should be requested to be returned as part of the tender submission.

Appendix One - Departures from Specification, (page 69)
This is used to ensure that any element of the specification, which is not going to be carried out by the tendering organisation, is made explicitly clear. If a tendering organisation is not going to undertake an important element of the specification, this may give cause to reject the organisation from further evaluation. If the organisation have submitted a lower cost, to all the other tendering organisations, due to them not carrying out an element of the specification, the tendering organisations are not being compared on a fair ‘like for like’ basis. Depending on your needs you must either: contact all the tendering organisations and request them to submit amended costs, omitting the relevant part of the Goods, Services or Works, or contact the organisation who made the omission and ask them to amend their costs, to include the omitted element, or reject them from further consideration.

Appendix Two – Departures from Terms and Conditions of Contract, (page 70)
This is used to ensure the tendering organisations do not want to change the Terms and Conditions put forward in the tender document. The Terms and Conditions put forward in the tender documents will be favourable to the Council, and many organisations will attempt to impose their own Terms and Conditions, which are favourable to them. If a departure from the Terms and Conditions is mentioned, which is significant, please contact the Legal section for further advice. However if no departure is stated, the tendering organisation cannot, after contract award, impose their own Terms and Conditions or amend the Terms and Conditions put forward in the tender document, without express approval from the Council.

Appendix Three – Use of Sub-Contractors, (page 71)
This is to be used where a CPQ has not been used, as within a CPQ the use of sub-contractors will be assessed. It is vital to assess the number and level of sub-contractors that will be used throughout the contract. Depending on your specific requirement will depend if you want sub-contractors to be used. If you do not want sub-contractors to be used and this is justified and not discriminatory, you can make this part of the evaluation criteria. However if you are prepared to have some usage of sub-contractors, but only to a specific % level, then this can also form part of your evaluation criteria.
Tender for the Provision of xxx Supplies/Services/Works and Associated Supplies/Services/Works

The tendering organisation is to list below, any requirements of the specification document with which the tender does not comply (if none please state none).
Departures from Terms and Conditions

Tender for the Provision of xxx Supplies/Services/Works and Associated Supplies/Services/Works

The tendering organisation is to list below, any requirement of the Rugby Borough Council Conditions of Contract with which the tender does not comply (if none please state none).

<table>
<thead>
<tr>
<th>Item No</th>
<th>Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Proposed Sub-contractors**

**Tender for the Provision of xxx Supplies/Services/Works and Associated Supplies/Services/Works**

The tenderer is to list below, any sub-contractors it proposes to use during the period of the contract.

<table>
<thead>
<tr>
<th>Name of sub-contractor</th>
<th>Sub-contracted Works</th>
<th>Sub contracted work as a % of the total</th>
</tr>
</thead>
</table>
Officer’s Conduct

During a Tender Procedure
While the tender return process is ongoing you should not visit or meet with tendering organisations. This prevents accusation of unfair treatment or corruption.
Do not disclose information relating to other tenderers.

Tender Clarification Notice
Throughout the tender period, tender clarifications and additional information may be required to be provided to the tendering organisations. This may come directly from the client or as a query from one or a number of the tendering organisations. This information should be provided as a tender bulletin, which should be in writing and addressed to all tendering organisations. Even if a question comes from only one organisation, the response should be addressed to all tendering organisations.
The tender bulletin must not contain anything which may materially affect the tender process or unduly affect open and fair competition. No fundamental changes to the tender documentation should be made by the information contained within the tender bulletin.

Amendments to Tender Documents (by the Authority)
Variation to any part of the tender documentation may be required during the tender period. Managers should consult with the Solicitor to the Council on such matters and all tenderers must be advised of all agreed amendments in writing at the same time. Written acknowledgement of receipt of the amendments should be sought on each occasion. The use of a facsimile message will be counted as written evidence for this purpose. A record should be kept of all correspondence with tenderers throughout the tender process.
Records should be maintained for audit purposes. All estimates, tender documents and correspondence should be kept on file, with any other relevant documentation, for a minimum period of 2 years from contract end date, or after the expiry of any guarantee or warranty.

Amendments to Tenders (by Contractors and Suppliers)
Any amendment a contractor or supplier wishes to make to a submitted tender must be received before the closing date for tender responses. It must be sent to Democratic Services or the Manager as appropriate in an envelope clearly marked with the following details:
• Tender amendment
• Contract title
• Date of Tender opening
Receipt and custody guidance must be applied as all amendment letters must be opened at the same time as the Tender.
Post Tender Procedures

Opening and Registration of Tenders
All Tenders shall be addressed to Democratic Services who will take delivery of all Tender documents. Prior to the Tender return date the client must contact Democratic Services Office and inform them of the Tender return date, the organisations who have been invited to tender and any organisations who have declined to tender. Democratic Services office will contact the client to arrange the opening of the Tenders after the return time.

The Tender Return Envelopes used by the tendering organisations must be kept in the Tender file, with the Tender documents.

Tender Receipt Register
Democratic Services and Managers receiving tenders should maintain a register of all tender submissions, recording:
- Contract name
- Date and time of receipt
- How received (e.g. post / hand delivery)
- Reference
- Signature (with date and time) of receiving officer
- Signature of the office responsible for opening

Tender Opening
All the tenders must be opened at the same time in the presence of the Leader of the Council or one of the Deputy Leaders or portfolio holder and the Chief Executive or his/her representative and a representative from Audit. The Chief Executive or his/her representative must record:
- (a) the type of goods or materials to be supplied or disposed of, or the work or services to be carried out
- (b) the name of each firm submitting a tender
- (c) the date and time of receipt of each tender as recorded on the envelope
- (d) the amount of each tender where appropriate
- (e) the date of the opening of a tender
- (f) the signatures of all persons present at the opening of each tender
- (g) the reasons for any disqualification of any tender
- (h) the name of each firm invited to tender but who did not submit a tender
- (i) where possible, the position by competitive order of value of tenders received

Ensure that each page of the tender document which contains prices is initialled by each person present.
Late and Marked Tenders

A Tender will be regarded as late if it arrives after the notified closing date and time for the receipt of tenders.

A Tender will be regarded as “marked” if there is an indication as to the identity of the tenderer, on the envelope.

Tender Evaluation

All Tenders must be evaluated in accordance with the pre-determined evaluation criteria. This is to ensure that the tenderer who submitted the most economically advantageous Tender bid, which matches the Tender specification over the whole life of the contract and which represents best value to the Council, is awarded the contract. No additional sub-criteria are permitted to be introduced at this stage.

A minimum of two suitably qualified and experienced personnel, which can include external consultants, should undertake the evaluation process which should be completed using the pre-determined evaluation matrix.

Full records must be maintained, within the Tender file, of each stage of the Tender evaluation process. All participants to the evaluation must be clearly stated within the file.

Where only one valid Tender is received, meeting all the relevant criteria and representing market value, the Tender should be awarded to that company.

The following sections go through the rules, procedures and guidance that must be followed or considered, depending on what the information states, at the evaluation stage of the procurement.

» Post Tender Presentations (page 75-76)
» Errors in Tenders (page 76)
» Post Tender Negotiation (page 76)
» References (page 77)

Tender Presentations

When the Tender return date has passed, tenderers can be invited to visit the relevant sites or to give presentations to the evaluation panel as part of the evaluation exercise. If the tendering organisation is invited to give a presentation, they must not be assessed on additional information, which is substantially different to what is included in the Tender Specification. Additional information can however be requested which is based on their Tender return and forms part of the original Tender Evaluation criteria.

You must not evaluate and score a tenderer twice for the same criteria. The assessment criteria for the presentation must be different to the assessment criteria for the Tender e.g. Public Liability levels can only be marked in either the pre-qualification evaluation, the Tender Evaluation or the presentation evaluation.

It must be stated within the Tender documents that the tenderers may be invited to give a presentation, if there is a possibility of this being a requirement of the evaluation. Where this
exercise is carried out, there should always be more than one Council Officer in attendance.

Standard questions should be compiled prior to the presentations, which should be asked to all tenderers giving a presentation. An evaluation matrix should also be compiled, which should not however, include anything different to that included in the pre-determined tender evaluation criteria.

All information and data obtained from the presentations should be fully minuted and documented in the Tender file.

**Errors in Tenders**

Contractors should be informed of any errors found during the evaluation of the Tender, and should be afforded the opportunity of clarifying the Tender without alteration or correction.

It is generally considered undesirable that a tenderer should be allowed to amend a Tender once submitted. However, where it is deemed to be a genuine error and it would be advantageous to the Council, the contractor is permitted to amend the Tender. Where correction of the error would be disadvantageous to the Council, the tenderer should either stand by his original tender or withdraw the tender. Exceptions to this procedure may be authorised by the relevant Board

Please contact the Legal section on any occasion where this occurs.

Where corrections have been permitted, the client shall notify the contractor in writing of the formal revised Tender, which shall include the date and nature of the amendment.

**Post Tender Negotiation**

After the Tenders have been returned and evaluated, further clarification from tenderers, in relation to the Tender bid may require to be sought. Clarification information can include the following:

- Price
- Specification
- Delivery date / start date
- Payment terms
- Software licences.

All Tender bids which fall within the EU Directives are subject to the more restrictive approach specified by the European Commission, which states all negotiations with tenderers on fundamental aspects of contracts, variations of which are likely to distort competition and in particular on price, shall be ruled out. However, discussions with tenderers may be held, only for the purpose of clarifying or supplementing the content of their Tenders or the requirements of the contracting authorities, and provided this does not involve discrimination. There must be no fundamental change to the contract specification or contract award criteria.

The spirit of the above EU interpretation on Post Tender negotiation should also be followed when undertaking negotiations for tenders under the EU threshold.

Where a Tender return is unclear or there are sections which have been omitted with no explanation included, it is recommended that the tendering organisation is contacted for clarification, this must be done in writing.

Where the lowest tender is more than 10% above the estimate prepared, the lowest tenderer or tenderers may be contacted for more favourable prices or terms on the basis of changes to the Bill of Quantities or Specification or any other means of reducing the tender price. Where
there is more than one tenderer involved in this exercise, there must be no disclosure as to which tenderer is currently the lowest or the margins involved, and revised prices must be submitted in accordance with tender submission procedures. Whenever this procedure is to be used, the Legal section must be approached for advice.

All tendering organisations must be treated fairly and equally in all circumstances.

A written record must be kept of any query on a Tender and any information supplied by the Company must be confirmed in writing (fax is sufficient provided it includes the Company logo and is signed).

Where it is necessary to meet tenderers to discuss their submission further, at least 2 Council employees should be present and Minutes taken. In all instances the Legal section must be consulted.

References
When the winning tenderer has been selected, the Council must then obtain at least two written references, from organisations to whom they have provided similar Goods, Services or Works in the last three years. A standard Reference Form should be sent with a covering letter.

Tender Acceptance
The lowest or most economically advantageous tender, provided that it represents value for money and does not exceed the estimate by more than 10% may be accepted by the Chief Executive (or representative), in consultation with the Leader of the Council or portfolio holder (see Contract Procedure Rules for applicable authorisation). In any other circumstances, the preferred tender must be reported to the relevant Board.

Tender Award
Once the evaluation process has been satisfied and approval given (where necessary), an intention to award contract letter shall be issued to the winning tenderer as soon as possible after the decision has been made. Followed up by the final award letter after the cooling off period of 11 days. For advice in this please contact the Legal Section.

Further to this, Tender rejection letters should be issued at the same time as the intention to award letter to the unsuccessful tendering candidates. Suppliers requesting a de-brief should not be informed of prices quoted by other suppliers.

» Please see Standardisation of Award and Rejection Letters
» Templates for Intention to Award, Award and rejection letters are available from the Procurement team.
Standardisation of Award and Rejection Letters

Background
As part of the work of the RCE Standards Group, a project was established to research and propose standard Contract Award and Rejection Letters, specifically in relation to the ‘Alcatel’ standstill period, and to produce guidance in respect of the latter. The work was carried out by the NWCE on behalf of all RCEs.

Deliverables
A suite of standard letters has been produced by the Group, offering authorities flexibility in determining the degree of detail that they wish to express in the Award and Rejection letters. This flexibility is in response to the different views of authorities with regard to the information that should be disclosed.

The Letters
The letters cover the following scenarios:

<table>
<thead>
<tr>
<th>Letter</th>
<th>Purpose</th>
</tr>
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<tbody>
<tr>
<td>1. Minimalist Intention to Award</td>
<td>To be sent to the successful tenderer at the start of the standstill period. It is not a formal award of contract but informs the tenderer of the requirements under Public Contract Regulations 2006.</td>
</tr>
<tr>
<td>2. Award Letter</td>
<td>To be sent to the successful tenderer after the standstill period has expired. This is the formal contract acceptance. The outline letter may be supplemented with further detail relative to the specific contract being awarded. The Award letter does not distinguish between the ‘minimalist’ and ‘detailed’ approach for this reason.</td>
</tr>
<tr>
<td>3. Minimalist Rejection Letter for Shortlisted Tenderers</td>
<td>To be sent to unsuccessful tenderers. The letter complies with legal requirements but does not disclose anything other than the minimum information required. Two optional paragraphs have been included for authorities that wish to issue minimal information but with supplementary explanation of the Regulations and process.</td>
</tr>
<tr>
<td>4. Minimalist Rejection Letter for companies who were not shortlisted</td>
<td>To be sent to companies that were rejected at PQQ stage. This will be the second letter that such companies have received but it is a requirement under the Regulations that they are informed of the tender award. The letter complies with legal requirements but does not disclose anything other than the minimum information required. An optional paragraph has been included for authorities that wish to issue minimal information but with supplementary explanation of the Regulations.</td>
</tr>
</tbody>
</table>
5. **Detailed Intention to Award**  
(Alternative to Letter 1)  
To be sent to the successful tenderer at the start of the standstill period. It is not a formal award of contract but informs the tenderer of the requirements under Public Contract Regulations 2006. It provides more detail with regard to the requirements of the standstill period than the minimalist equivalent.

6. **Detailed Rejection Letter for Shortlisted Tenderers**  
(Alternative to Letter 3)  
(To be sent to unsuccessful tenderers. The letter provides more detail as to the standstill period. However, it does not give full details of the rights of the tenderer under the ‘Alcatel’ requirements, thus stopping short of providing information which may invite a challenge.

7. **Detailed Rejection Letter for companies who were not shortlisted**  
(Alternative to Letter 4)  
To be sent to companies that were rejected at PQQ stage. This will be the second letter that such companies have received but it is a requirement under the Regulations that they are informed of the tender award. The letter provides more detail as to the standstill period. However, it does not give full details of the rights of the tenderer under the ‘Alcatel’ requirements, thus stopping short of providing information which may invite a challenge.

**Guidance**

Guidance for Local Authorities on application of the Public Contract Regulations 2006 in respect of the ‘Alcatel’ standstill period.

For further information please contact:

North West Centre of Excellence  
**www.nwce.gov.uk**  
0161 342 4080
Letters of Intent

Where necessary to reserve plant, materials or operatives etc, prior to contract award, a letter of intent can be issued to eliminate possible delays and ensure contract completion within the required time scales.

The standard Letter of Intent can only be signed by those with relevant authority.

Example letter of intent format:

RBC Letterheaded Paper in name of appropriate Service Head

Name
Address

Date

Subject to Contract

Dear xxx

Tender for xxx

It is the intention of Rugby Borough Council to award a contract to xxx for xxx, in accordance with your tender submission dated xxx, and all subsequent correspondence between the parties.

A formal contract shall be issued to you in due course. Until a formal agreement is prepared and executed, the tender submission dated xxx and all subsequent correspondence between the parties, shall constitute a binding contract between the Council and Company Name. Upon the execution of the formal agreement, this interim contract shall be terminated.

Please acknowledge receipt of this letter, and your acceptance of the Council’s intention, to the undersigned.

Yours sincerely

Sender’s Name
Job Title


**Preparation of Contract**

Having decided to accept a Tender/Quotation the Manager must advise tenderers of the outcome of the process (see Tender Award) and must finalise a contract. This might involve simple acceptance of a standard form of contract, minor amendment agreed via correspondence, or it might require meetings with the successful tenderer.

**Signing of Contracts**

Contracts below £99,999 are required to be signed by the relevant Manager. For all other spend levels please contact the Legal Section for advice in this area.

Once the contract has been signed you will need to continually monitor the contract, and review how it is working.

**Working of the Contract**

**Quality Assurance**

The Client is required to monitor the performance of the contract and shall, as a minimum, monitor the following:

- Contractor or supplier performance against the specification
- Conduct and professionalism of the contractor or supplier
- Complaints and problems

**Variations to Contracts**

There may be occasions when it is necessary to make a variation to a contract arising from unforeseen circumstances, disclosed during the period of the contract. For example:

- Errors in Terms and Conditions of contract
- Change in legislation
- Negotiated extensions to contract

Any variations which incur additional costs to the contract, shall firstly be priced by the contractor or supplier, and these costs shall be in accordance with the prices already specified within the contract. For all variations it is important to demonstrate that the Council is still achieving best value, and where required, price comparisons from the market place shall be obtained.

All amendments to the Contract shall be evidenced in writing. A register of all variations should be maintained by the client, detailing Contract cost amendments and service amendments.

**Extensions to the Contract**

Before a Contract can be extended the client must demonstrate that the Contract costs are still achieving best value for the Council, and the extended Contract is still economically advantageous to the Council.

A register of any Contract extensions should be maintained by the client, detailing the duration of the extension and the additional cost involved.
Where additional expenditure is incurred to the Council, the budget holder shall provide written approval to extend the Contract.

There must be provision within the Contract to extend. A Contract cannot be extended for longer than is provided for within the contract.

Additional costs of both variations and extensions shall be monitored and where the costs are close to or have breached the threshold under which the Contract was awarded, immediate advice shall be sought from the Legal Section.
Commissioning
Commissioning

voluntary and community organisations

The Government is committed to extending the role of the voluntary sector in delivery of public service contracts. For Councils considering moving from grant funding to competitive tendering to engage voluntary organisations there is Commissioning Guidance available on the Warwickshire County Council website: www.warwickshire.gov.uk and summarised in this Toolkit.

It is strongly advised that any officer looking to engage voluntary organisations (and indeed subcontractors) reads the Commissioning Guidance available and uses the Checkpoint at the end of this section before moving into the Procurement Process.

Commissioning is defined as:

“the cycle of assessing the needs of the people in an area, designing and then securing appropriate service”

Commission Guidance is good practice and does not replace the duty of Councils to achieve value for money and comply with EU and UK procurement law.

There are four stages to the commissioning process:

Analysis
- Understanding and evidencing the needs of service users
- Identify unmet needs
- Mapping who delivers the service
- Identify gaps in service and how to address
- Clearly define outcomes to be delivered

Planning
- Consideration of how to fund the service and development of the approach required to achieve outcomes (Options Appraisal)*

Sourcing
- Securing the most appropriate provider (Procurement Process)

Monitoring and Review
- Assess performance against objectives (SLA)*
- Capture feedbacks
- Formal reviews of performance with provider

* An Options Appraisal and SLA template is available from the Procurement team.
### Commissioning checklist

<table>
<thead>
<tr>
<th>Task</th>
<th>Tick</th>
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<tbody>
<tr>
<td>Read and understand the Warwickshire Compact</td>
<td></td>
</tr>
<tr>
<td>Record supplier/ stakeholder consultations</td>
<td></td>
</tr>
<tr>
<td>Defined Outcomes</td>
<td></td>
</tr>
<tr>
<td>Completed an Options Appraisal</td>
<td></td>
</tr>
<tr>
<td>Establish appropriate evaluation criteria for VCO’s</td>
<td></td>
</tr>
<tr>
<td>Established Service Level Agreement</td>
<td></td>
</tr>
</tbody>
</table>
ONE PAGE STRATEGY FOR OVERVIEW AND SCRUTINY REVIEW OF PROCUREMENT

What is the broad topic area?
Procurement

What is the specific topic area?
Achieving savings; implementation of revised contracts standing orders; improving compliance

What is the ‘unreasonable’ ambition of the review?
Achieving the Government target of 10% savings
Total compliance with contracts standing orders, procurement policies and legislation

How well do we perform at the moment?
The procurement strategy is being implemented, and the target savings of 3% per year are being achieved. The procurement toolkit defines processes and standard documents. The review should seek to make improvements in governance and legality and to resolve issues of sustainability (environmental and local economic).

Who shall we consult about the current service and about how we can improve it?
Internal customers: main purchasing heads of service and Works Services General Manager.

What other help do we need?
Procurement officers; Legal Services Unit officer; Corporate Assurance officer
The Regional Improvement and Efficiency Partnership
Benchmarking evidence from other councils: all Warwickshire councils, Coventry, Solihull, Worcestershire districts

How long should it take?
Up to six months

What will be the outcome?
Contracts standard orders will be reviewed and adopted.
The procurement toolkit will be amended and include new or revised standardised documents.

[The longer-term outcome will be the making of savings but it will not be possible to quantify these during the life of the review].