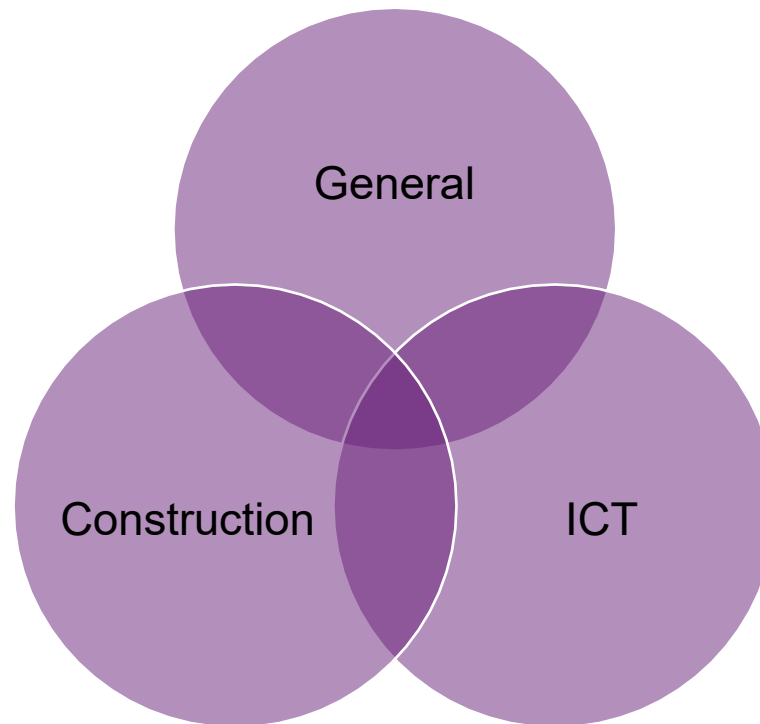


Scrutiny Review of Procurement & Tendering Processes

SBC Procurement

Who does what

The Hybrid Model



Who does what

Category	Commissioning Stage	Specifying	Procurement Process	Legal/ Finance Process	Contract Management	Social Value
Construction/ Highways (mainly capital)	- Services - Highways Mgt - Regeneration	- Highways, Transport & Design Services - Town Team	- Highways, Transport & Design Services - Town Team	- Legal – T&Cs - Finance - budget	- Highways, Transport & Design Services - Town Team	Procurement Services
ICT	- Services (Systems) - Xentrall (Infrastructure)	- Services (Systems) - Xentrall (Infrastructure)	- Procurement Services - Xentrall	- Legal – T&Cs - Finance - budget	- Procurement Services - Xentrall	Procurement Services
General	Services	Services	Procurement Services	- Legal – T&Cs - Finance - budget	- Services - Procurement Services	Procurement Services

Procurement Processes

Defined in the Procurement Act 2023 and Contract Procedure Rules

- **Value for Money** – satisfy yourself you are getting value for money
- **Quotes** – select a minimum of 4 suppliers to quote, one of which must be local (needs updating to reflect PA2023)
- **Tenders (above threshold)** – Contract advertised on [Central Digital Platform](#) portal
- **Further Competition from a Framework Agreement** – pre-tendered framework agreement with one or more suppliers
- **Direct Award from a Framework Agreement** – no competition
- **Exception to Contract Procedure Rules** – direct award of contract under defined circumstances eg urgency

Framework Agreements

- A framework agreement is a procurement arrangement that pre-selects one or more suppliers and sets the terms for future call-off contracts during the life of the framework.
- Terms can include pricing, service requirements, specification, contract terms, process for awarding call-off contracts
- Must be tendered following Procurement Act 2023 requirement.
- Call-off can include:
 - to supplier (single supplier framework)
 - to supplier following a ranked list (multi-supplier framework)
 - to supplier after a further competition (multi-supplier framework)
 - to supplier without competition (multi-supplier framework)

Exception to Contract Procedure Rules

Used for direct award of a contract.

Value must not exceed Procurement Act 2023 thresholds for advertising.

- Urgency
- Technical/ artistic or protection of exclusive rights
- Mandatory works by statutory undertakings
- Pilot projects
- Civil emergency/ disaster

Exceptions can be abused!!

Thresholds

Category	Contract Value	Process
Supplies and Services	<£15,000	Value for money or call off from an existing framework agreement
	£15,001 to £179,087	Quotation or call off from an existing framework agreement
	>£179,087 (above threshold)	Tender or call off from an existing framework agreement
Works (Construction)	<£15,000	Value for money or call off from an existing framework agreement
	£15,001 to £1,000,000	Quotation or call off from an existing framework agreement
	£1,000,001 to £4,477,174	Tender or call off from an existing framework agreement
	>£4,477,174 (above threshold)	Tender or call off from an existing framework agreement

Decision Making

Restrictions on Delegations to all Officers (Page 47 of the Constitution)

2.155 No officer is authorised by this scheme of Delegation to take any decision in respect of any matter (or related matters) which will result in the Council incurring expenditure which exceeds the limits set out below

Limit in respect of revenue expenditure	Limit in respect of capital expenditure
£500,000 EXCEPT the purchasing of a package of health and social care for an individual to meet a statutorily assessed need provided the expenditure is within the commissioning budget approved by the Council	No limit where Council has approved the scheme in the budget and the Cabinet has agreed to progress the scheme

Decision Making

<£500,000 – automatically delegated to officers

>£500,000 – approved by Cabinet as a key decision and then delegated to officers

Departmental Schemes of Delegation

- Acceptance of quote/ tender/ exception usually by the relevant Director or in some circumstances Assistant Directors.
- Must be done after consultation with Procurement Services and Finance.
- Must be recorded on a Delegated Decision Record (accountability and transparency).
- Supposed to be uploaded to ModernGov.

Social care

Usually agreed at panels by AD or Director

Contract Register

- Comprehensive listing of all contracts.
- Held on the regional e-tendering platform [Contracts Register - Open | Developed by Nepo](#)
- Includes approximate values, start and end dates etc.

Contract Management

- Proportionate levels of contract management based on risk/ value

Level	Number	Contract Management
1	66	Full contract management – KPIs, activity, risk, expenditure, cost monitoring, admin, service improvement etc
2	150	Light Touch – admin, extensions, problems etc
3	17	Social Value monitoring only
0	55	Construction/ one off purchases
ICT	189	Admin, extensions, problems etc
N1	31	NEPO contracts with input to regional working groups
N2	33	NEPO contracts light touch
Grant	9	Collate basic info
TOTAL	551	

Contract Extensions

- Many 'term' contracts have optional extensions
 - Must be included in the original tender/ quote
 - Flexibility
 - Changes in circumstances eg funding regimes/ saving targets
 - Opportunity to negotiate changes eg price/ social value/ scope
- Extension decision must be recorded on a DDR approved by Director after consultation with Procurement Services and Finance

Contract Variations

- Changes to contracts may be needed
 - Changes to scope/ price/ term/ outputs etc
 - General rule of thumb – the value of the variation should not exceed 50% of the contract value. If it does, should trigger a new tender process
- Variation decision must be recorded on a DDR approved by Director after consultation with Procurement Services, Finance and Legal Services

Notices

- Required for various tenders/ contract performance/ variations etc.
- Published on the [Central Digital Platform](#).
- Aims to improve transparency in public procurement and to improve access to public contracts.

UK1 pipeline notice	UK2 preliminary market engagement notice
UK3 planned procurement notice	UK4 tender notice
UK5 transparency notice	UK6 contract award notice
UK7 contract details notice	UK9 contract performance notice
UK10 contract change notice	UK11 contract termination notice
UK12 procurement termination notice	UK13 dynamic market intention notice
UK14 dynamic market establishment notice	UK15 dynamic market modification notice
UK16 dynamic market cessation notice	UK17 payments compliance notice