

27 September 2011

STANDING ORDERS RELATING TO CONTRACTS AND PROCUREMENT POLICIES AND PROCEDURES

PURPOSE OF THE REPORT

1. The purpose of this report is to seek approval to and adoption of revised Standing Orders Relating to Contracts and Procurement Policy designed to harmonise the arrangements operating within forces and authorities in the Yorkshire and the Humber Region.

BACKGROUND

2. In January 2011, the Joint Police Authorities' Committee, JPAC endorsed a decision of the Regional Collaboration Board to an implementation plan for Regional Procurement and approved it for delivery (minute 37 refers). The Procurement business case involved proposals to create a Regional Procurement Unit.
3. During discussion of this project, members raised the issue of the need to address the fact that each force and authority had different standing orders relating to contracts and it was agreed that individual police authorities should look to standardise their rules and procedures.
4. This matter was taken up by the Regional Treasurers and Force Finance Directors who compared the provisions within each authority's existing standing orders relating to contracts and identified the essential components of an effective system for dealing with contract matters. They also reached broad agreement on delegation limits.
5. A small working group comprising John Bates (Humberside), Geoff Berrett (South Yorkshire), Len Matthews (North Yorkshire) and Chris Mottershaw (West Yorkshire), who is also the Project Manager, was established with a brief to come forward with proposals for a single set of standing orders relating to contracts that could be adopted by all four authorities within the Yorkshire and Humberside Region. The arrangement was endorsed at a meeting of the Regional Chief Executives on 4 May 2011.

6. Given the disparity within the existing standing orders and particularly inconsistencies in what is covered in them and procurement and finance manuals, the Working Group agreed that a key principle would be that the Standing Orders Relating to Contracts (SORC) should cover the essential components agreed by the Finance Officers and that much of the detail should be consigned to a complementary Procurement Policy document.
7. Chris Mottershaw produced an initial draft of the SORC for a meeting of the Working Group on 17 May 2011 and this was shared with the other procurement leads within the Region. The draft included a comprehensive cross-referencing exercise identifying elements of each individual authority's existing working arrangements to ensure that all aspects of work in relation to contracts and procurement were covered and reflected either in the SORC, Policy or dealt with via other force/authority procedures. The Working Group agreed an updated version of the SORC which was presented to the Regional Chief Executives on 9 June 2011. JPAC was provided with an update on progress on 26 May 2011.
8. At their meeting, the Regional Chief Executives reviewed the draft SORC and also considered amendments suggested by Maureen Oades, South Yorkshire Police Authority's Deputy Chief Executive and Monitoring Officer. They also debated the levels of delegated authority proposed, contract signature thresholds and the arrangements for dealing with exceptions to normal procedures/single tender action. The draft SORC was updated to reflect these discussions and the Chief Executives agreed that it should be taken to meetings of police authorities, subject to the Procurement Policy document being completed and it being acceptable to them.
9. In parallel with this work on the SORC, Chris Mottershaw, procurement leads and policy officers in the Region drafted the Procurement Policy document. This has been reviewed by John Bates and Maureen Oades, with amendments being made to take account of their observations. This was submitted to and approved by the Regional Chief Executives at their meeting on 13 September 2011.

INFORMATION

10. Details of the draft Standing Orders Relating to Contracts are attached at Appendix 1.
11. The draft Yorkshire and the Humber Regional Police Authorities Procurement Policy document is attached at Appendix 2.

REGIONAL PROCUREMENT UNIT

12. The Regional Procurement Unit is currently in the process of being established and Chris Mottershaw has been appointed as the Director of Regional Procurement. She is now working with support from Human Resources colleagues on filling posts within the Unit structure. As this will take some time to complete, it will be necessary, if the SORC and Policy document are approved, to agree a date upon which they will become effective as this must be synchronised with the Regional Procurement Unit becoming fully operational.
13. Procurement staff within the Region are already working together closely to ensure that there is mutual support during the period of transition and as the number of staff within the Regional Procurement Unit increases their level of influence over the day to day activity within each individual authority will grow.

OPTIONS, RISK AND OPPORTUNITIES

14. There is a requirement for each Authority to ensure that its corporate governance framework remains fit for purpose. The framework must strike an appropriate balance between maintaining arrangements which allow it to enforce a level of control over the activities of the Force and the Authority to enable it to discharge its statutory duties whilst enabling officers to undertake their duties efficiently and effectively.
15. It is essential that the Standing Orders and Financial Regulations are kept under regular review to ensure that the Governance Framework remains effective whilst being capable of responding to different circumstances generated by innovations in working practices. The creation of the Regional Procurement Unit provides an opportunity to consolidate the four existing procurement functions to provide procurement services for all four Forces including customer relationship management, strategic supplier relationship management and contract management. This will allow the overall cost of the procurement function to be reduced as well as enabling substantial contract savings to be made through the consolidation and rationalisation of existing contracts, avoidance of spend, and improved contract and supplier management.
16. Agreeing a single set of Standing Orders Relating to Contracts and the alignment of processes, policies, strategies and working practices, relevant to Procurement were identified as key principles in enabling the benefits of the Procurement business case to be realised. Consequently failure to agree a single set of Contract Standing Orders has been identified as a key risk.

17. There is a risk that the Regional Procurement Unit will not be established and operational to support authorities and forces when the SORC and Policy become effective. The report suggests that this can be mitigated by ensuring that the date on which the revised arrangements become effective is subject to confirmation that the Unit has the capacity to do so.

POLICING PLAN AND PERFORMANCE

18. The proposals detailed in this report support the Authority's strategic aim of delivering improved performance through the best use of resources focusing on regional collaboration.

IMPACTS ON OR LINKS TO COLLABORATION

19. The approval of standardised Standing Orders Relating to Contracts and unified procurement policy and practice are key to delivering the business and financial benefits identified within the business case for the creation of a Regional Procurement Unit.

FINANCIAL IMPLICATIONS

20. There are no direct financial implications arising from the report however the harmonisation of arrangements in relation to contracts together with revised policies and procedures designed to facilitate the operation of the newly created Regional Procurement Unit are essential if it is to deliver significant savings and business benefits anticipated.

LEGAL IMPLICATIONS

21. The Authority has a duty to ensure that proper procedures are in place for the management of its financial affairs. The arrangements proposed reflect best practice in respect of procurement policies and procedures which will ensure compliance with legal requirements.

EQUALITY AND DIVERSITY AND HUMAN RIGHTS

22. The proposed arrangements in relation to contracts include provisions to ensure that the Authority complies with its obligations in connection Equality and Diversity and Human Rights.

CONCLUSIONS

23. JPAC identified the need to establish consistent arrangements in terms of Standing Orders Relating to Contracts across all four police authorities as well as standardising policy and procedures for dealing with contracts as pre-requisites to enable the creation of the Regional Procurement Unit to be successful and for the financial and business benefits of the Procurement business case to be realised.

24. This report details the work that has been undertaken to develop proposals for consideration and approval by each of the four police authorities.
25. The proposals have been thoroughly scrutinised and have been endorsed by the Regional Chief Executives and all of the other Authorities within the Region are being/have been asked to agree identical proposals at their meetings in September/October.
26. Clearly, there is a need to ensure that, if approved, the effective date for the new Standing Orders Relating to Contracts and Policy is coordinated with the implementation plan for the development of the Regional Procurement Unit.

RECOMMENDATIONS

27. It is recommended that the revised Standing Orders Relating to Contracts and the Regional Procurement Policy be approved for implementation on 1 January 2012 subject to confirmation that the Regional Procurement Unit is operational by that date.

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Background Papers: JB/JPAC/SORC/2011 - Final

YORKSHIRE & THE HUMBER REGIONAL POLICE AUTHORITIES CONTRACT STANDING ORDERS

1. INTRODUCTION AND COMPLIANCE

1.1. All orders and contracts for works, goods or services made by or on behalf of the Yorkshire and the Humber Regional Police Authorities (the Authorities) shall be made in accordance with these Contract Standing Orders (Standing Orders).

1.2. All contracts shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the European Community, and relevant Government Guidance.

1.3. The Authorities require all procurement activity to be undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability. All procurement undertaken on behalf of the Authorities will operate under robust principles and procedures to ensure best value. Detailed procedures will be published in Procurement Policy and Procedures.

1.4. No exceptions shall be made to these Standing Orders otherwise than reasons stated in Section 5.

1.5. Every Officer in any of the YatH Regional Police Forces and every Member or employee of the Authorities shall comply with these Standing Orders; any failure to do so may result in disciplinary action.

1.6. Any dispute regarding the interpretation of these Contract Standing Orders will be referred to the Joint Police Authorities' Committee and its decision will be final.

2. GLOSSARY OF TERMS

These terms will have the following meanings in the Standing Orders;

YatH	The Yorkshire and the Humber Region
YatH Authorities	The Yorkshire and the Humber region's Police Authorities, i.e. Humberside Police Authority, North Yorkshire Police Authority, South Yorkshire Police Authority and West Yorkshire Police Authority
Chief Executives	The Chief Executives of the YatH Authorities
YatH Forces	The Humberside Police, North Yorkshire Police, South Yorkshire Police and West Yorkshire Police
Chief Constables	The Chief Constables of the YatH Forces
Assistant Chief Officers responsible for Finance	The Assistant Chief Officers responsible for Finance within each of the YatH Forces
YatH Regional Procurement Department	The Regional Procurement Department operating on behalf of the YatH forces

Regional Procurement Director	The Officer responsible for the Regional Procurement Department.
Chief Officers	Officers who are members of the Command Team in each of the YatH Forces
Divisional/Departmental Head	The most senior officer in any Division, Department or Branch in the YatH forces.
Officers	All Police officers and Police staff of the YatH Forces and the Authorities
Members	All members of the YatH Authorities
Single Tender Action (STA)	The selection of a supplier to provide works, goods or services without competition.
Regional Procurement Policy and Procedures	All Procurement Policy, Procedures and Procedures published by the Regional Procurement Department.
Collaborative Contract	A contract for the provision of works, goods or services to more than one police force or public entity
Framework Agreement	A contract set up by a public sector organisation for some or any public sector organisations to use. The Agreement sets out terms and conditions under which specific purchases can be made throughout the term of the Agreement. The Agreement will typically have been awarded under the EU Procurement rules.

3. COMPETITIVE PROCUREMENT

3.1. The use of central contracts that have been set up by the YatH Regional Procurement Department or individual YatH forces for certain works, goods and services is mandatory.

3.2. For works, goods or services not available from an existing contract, the acceptance of quotations and bids will be based on the principle of best overall value for money, i.e. the most economically advantageous offer. Criteria for the award of contracts shall be recorded in advance of the invitation and strictly observed by officer's evaluating the bids. The criteria may include cost and qualitative elements and shall take into account whole life costs. The evaluation process must be objective, systematic, thorough and fair.

3.3. Evaluation models shall generally be weighted such that the overall percentage score allocated to cost is not less than 50%. In exceptional circumstances the Regional Procurement Director or his/her deputy may agree a different cost/quality ratio.

3.4. The table below describes the procedure and authority levels dependent on the estimated value of the procurement.

3.5. Estimated value is deemed to be the aggregate cost, in any Force or the Region that is reasonably anticipated over the lifetime of the provision. If the lifetime is

unknown, then the aggregate cost should be based on 48 months.

3.6. Requirements must not be disaggregated in force or in the region in order to avoid competitive procurement under any circumstances.

3.7. The authority levels shall apply to variations to contract, i.e. any additional costs resulting from the variation must be aggregated with the original contract value for the purposes of authorisation.

3.8. PROCUREMENT COMPETITION PROCEDURES AND AUTHORITY LEVELS

Estimated Value £	Quotation / Tender Requirements	Levels of Delegated Authority and Contract Signature Thresholds
< 10,000	Three quotations shall be obtained, preferably in writing or obtained from catalogues or price lists. Evidence of competition shall be retained locally.	Purchase orders and contracts to be approved locally by Officers with relevant authority in accordance with financial instructions.
10,000 – 50,000	At least three formal written quotations or references to three supplier catalogues shall be obtained.	Purchase orders, requisitions and contracts to be approved locally by Officers with relevant authority in accordance with financial instructions.
> 50,000	All procurement to be managed by the Regional Procurement Department. At least three Tenders shall be obtained, where the aggregated value of the contract is in excess of EU thresholds, tender procedures will be in accordance with EU Procurement Directives.	Contracts will be signed locally by officers with relevant authority. Collaborative Contracts will be signed as follows; £50,000 - £75,000 Category Manager/Contract Manager £75,000 - £500,000 Head of Procurement/Head of Contract Management £500,000 - £1,000,000 Director of Procurement £1,000,000 - £5,000,000 Assistant Chief Officer, relevant Yath Force > £5,000,000 relevant Police Authority/ JPAC

3.9. The Officer with delegated authority to authorise orders or contracts committing the expenditure does so on behalf of the Authority/Authorities.

3.10. Whilst mandatory involvement of the Regional Procurement department is required for contracts valued over £50,000, the Department will provide advice and guidance on all procurement matters and contracts under £50,000.

4. FINANCIAL AND CONTRACTUAL DELEGATION

4.1. The Assistant Chief Officer responsible for Finance in each Force or Chief Executive will be responsible for determining authorised signatories within each

Authority. Those authorised signatories and sub delegation rules will be described and documented in each Force/Authority's Financial Instructions.

4.2. Authorised signatories will ensure that the purchase is compliant with all financial instructions, and ensure that sufficient resources are available within the revenue budget or capital programme.

5. EXCEPTIONS TO NORMAL PROCEDURES/SINGLE TENDER ACTION

5.1. Exceptions

5.1.1 All exceptions to normal procedures must be approved in accordance with the arrangements set out in the Police and Procedures for local and collaborative contracts.

5.2. Single Tender Action (STA)

5.2.1. STA should only be used in very exceptional circumstances. The Chief Constables and Chief Executives or their delegated authorities will consider requests for exceptions to normal procedures under the following circumstances;

(a) Where it can be evidenced that only one supplier is able to carry out the work or service or to supply goods for technical reasons or because of exclusive rights;

(b) Extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience;

(c) The contract has been classified as secret by a Chief Officer making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain;

(d) The contract is required so urgently that competition is impracticable. For example a genuine unforeseeable operational need arises. However failure to take action within appropriate timescales does not constitute grounds for an urgency exception.

5.2.2. Any STA up to £50,000 shall be authorised by the Divisional/Departmental Head and shall be reported to the Regional Procurement Director.

5.2.3. Any STA over £50,000 shall be requested via the Regional Procurement Director and the appropriate Chief Officer/s. The formal procedure shall be described in the Regional Procurement Policy or Procedures.

6. COMPETITIVE PROCUREMENT USING TENDERS

6.1. The Regional Procurement Director will have responsibility to ensure appropriate Procurement Policy and Procedures are in place covering matters such as;

6.1.1. The procedures to be applied in respect of the whole tendering process i.e. initial tender, specifications and standards, and evaluation and appointment of contractors and consultants.

6.1.2. Processes regarding the use of sub contractors.

6.1.3. Processes regarding variations to contract.

6.1.4. The process to be undertaken in relation to declarations of interest in a contract.

6.1.5. The procedures to be followed in relation to Collaborative Contracts.

6.1.6. The adoption of Framework Agreements.

6.1.7. The Procedures to be followed in applying for an exception to Standing Orders, including:

- The formal procedure to be adopted to evidence alternative provision is not available;
- The formal justification of emergency provision.

6.1.8 The achievement of Value for Money, and the minimisation of risks to Forces and Authorities.

6.2. The Procurement Policy and Procedures will set out arrangements for the recording and retention of information in relation to procurement activity.

6.3 The Procurement Policy and Procedures will also detail the arrangements for reporting procurement activity to meet the requirements of the Joint Police Authority Committee and of individual Authorities together with addressing the need to publish information in accordance with Government requirements.

6.4 The Assistant Chief Officers responsible for Finance will ensure appropriate Financial Instructions are provided for use by staff within their respective forces.

7. TENDER CUSTODY AND OPENING

ElectronicTendering

7.1. The Authorities support the use of electronic means for the invitation and receipt of tenders through the selected e-tendering system in line with the system requirements.

Tender custody and opening if non electronic means are utilised

7.2. In the event of operating non electronic procedure, tenders shall be stored in a secure and confidential manner as required by sealed bid procedure.

7.3. The opening of these tenders and recording of details shall be subject to the following regulations:-

- They shall not be opened before the appointed time;
- They shall be opened at one time by not less than two persons approved by the Regional Procurement Director for the purpose.

- The appropriate tender details shall be recorded on the Tender Opening Certificate which shall be ruled off (to prevent the addition of further entries) and then signed by each member of the tender opening panel.

7.4. Once the tenders have been opened they must be circulated only to those directly involved in tender evaluation and contract letting activities prior to awarding the contract.

8. FORM OF CONTRACT

8.1. All contracts shall be in writing. If appropriate, legal advice should be sought in relation to contracts through the Regional Procurement Department. The form of contract shall be in line with the ACPO Procurement Portfolio guidance and other best practice.

8.2. The Procurement Department will advise on the appropriate use of Performance Guarantee Bonds or the provision of liquidated damages where necessary.

9. COLLABORATIVE CONTRACTS AND FRAMEWORK AGREEMENTS

9.1. Where tenders are invited on behalf of the region or include other police forces or public sector organisations, they will be invited on a Lead Authority basis and comply with these Contract Standing Orders.

10. REVIEW

10.1 These Contract Standing Orders will be reviewed on an annual basis by the Chief Executives.

Yorkshire & the Humber Regional Police Authorities

Procurement

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Part one - Business Code of Conduct for procurers of goods and services

Introduction

This is the Business Code of Conduct for Procurers of goods and services (this Code) that will be applied within Yorkshire and the Humber (YatH) Region as the YatH Police Authorities and the Regional Chief Constables are jointly responsible for ensuring that the supply of goods, services and works are procured in accordance with relevant legislation and in the most cost effective manner.

The day to day activity of procuring goods, services and works is delegated to authorised officers throughout the YatH forces and must be conducted in accordance with this Code and other regional procurement policy and procedures.

YatH officers and staff undertake to work to exceed the expectation of the following Code and should regard it as the basis of best conduct.

Staff should raise any matter of concern of an ethical nature with their line manager, another senior colleague or the Professional Standards Unit irrespective of whether it is addressed in the Code.

Staff should ensure that they comply with the Gifts, Gratuities and Hospitality policies of the YatH forces.

The purpose of this document is to advise the minimum standards expected of staff in their procurement activity and also to ensure fairness and consistency of approach in line with sound commercial practice.

Any matters arising which are outside the bounds of this Code should be referred immediately to line management.

Principles

Staff shall always seek to uphold and enhance the reputation of the organisation and always act professionally by:

- maintaining the highest possible standard of probity in all your commercial relationships, inside and outside the organisation;
- rejecting any business practice which might reasonably be deemed improper and never using your authority for personal gain;
- enhancing the proficiency and stature of the organisation by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour;
- ensuring the highest possible standards of professional competence, including technical and commercial knowledge both personally and amongst those for whom you are responsible; and
- optimising the use of resources which you influence and for which you are responsible to provide the maximum benefit to the organisation.

Complying both with the letter and the spirit of:

- the law and all legislation governing their procurement activity;
- guidance on professional advice; and
- contractual obligations.

Staff must never allow themselves to be deflected from these principles.

Applying the principles

In applying these principles, you must follow the guidance set out below:

Principle	Guidance
Declaration of Interest	any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared.
Confidentiality and Accuracy of Information	the confidentiality of information received in the course of your duty must be respected and must never be used for personal gain. Information given in the course of duty should be honest and clear.
Competition	the nature and length of contracts and business relationships with suppliers can vary according to circumstances. These should always be constructed to ensure deliverables and benefits. Arrangements which might in the long term prevent the effective operation of fair competition should be avoided.
Business gifts	gifts other than items of small or no intrinsic value, such as business diaries or calendars, should not be accepted but should be declined courteously.
Hospitality	the recipient should not allow themselves to be influenced, or be perceived by others to have been influenced, in making a business decision as a consequence of hospitality. The frequency and scale of hospitality accepted should be managed openly and with care and should not be greater than the organisation is able or willing to reciprocate.

Part two - Policy

Aim The aim of this policy is to ensure all procurement activity is undertaken in a transparent, fair and consistent manner, ensuring the highest standards of probity and accountability.

All procurement undertaken on behalf of the YatH Authorities will operate under robust principles and procedures to ensure best value.

All staff involved in procurement activities must familiarise themselves with the code of **Business Conduct for Procurers of Goods and Services** and consideration must be given to circumstances where members of staff would need to be excluded where their position as detailed in the Code may be compromised.

All staff should adhere to the policy and procedures and seek to achieve acceptance and operation of it among your colleagues and stakeholders.

Scope This policy applies to every officer in any of the YatH Regional Police Forces and every member or employee of the YatH Authorities engaged in buying goods, services or works.

The procedures described in this document apply to all YatH expenditure, including that which is funded, or part funded, from an external source.

Compliance All procurement activity shall comply with statutory requirements including, but not limited to, UK legislation, Directives of the European Community and relevant Government guidance.

All procurement activity will also comply with:

- Regional Contract Standing Orders;
- Code of Business Conduct for Procurers of Goods and Services;
- Financial Instructions; and
- YatH policy and procedures.

Purpose The purpose of this policy and procedures is to define the minimum processes and procedures expected of staff engaged in the procurement of goods, services and works on behalf of the YatH Authorities.

Should the policy and procedures not appear to provide the appropriate mechanisms at any stage of the procurement process, advice must be sought from line management or the Regional Procurement department before proceeding further.

Information contained within the policy and procedures refers to both procurement activity involving the tender process and to all Yath Authority contracts regardless of how they were entered into.

Procedure and authority levels

The table below details specific procurement action dependant on estimated aggregated cost over four years.

Note: Consideration should be given to aggregation as a region, rather than locally. If in doubt please contact the Regional Procurement Department for advice.

Estimated value £	Quotation/tender requirements	Levels of delegated authority & contract signature thresholds
under 10,000	<p>three quotations shall be obtained, preferably in writing or obtained from catalogues or price lists.</p> <p>Evidence of competition shall be retained locally.</p>	<p>purchase orders and contracts to be approved locally by officers with relevant authority, in accordance with Financial Instructions.</p>
between 10,000 and 50,000	<p>at least three formal written quotations must be obtained.</p> <p>Evidence of competition must be retained locally.</p>	<p>purchase orders, requisitions and contracts to be approved locally by officers with relevant authority in accordance with Financial Instructions.</p>
over 50,000	<p>all procurement to be managed by the Regional Procurement Department.</p> <p>At least three tenders shall be obtained, where the aggregated value of the contract is in excess of EU thresholds, tender procedures will be in accordance with EU Procurement Directives.</p>	<p>contracts will be signed locally by officers with relevant authority.</p> <p>Collaborative contracts will be signed as follows:</p> <ul style="list-style-type: none"> • £50,000 - £75,000 Category Manager/Contract Manager; • £75,000 - £500,000 Head of Procurement/Head of Contract Management; • £500,000 - £1,000,000 Director of Procurement; • £1,000,000 - £5,000,000 Assistant Chief Officer, relevant Yath Force; and • over £5,000,000 relevant Police Authority/JPAC

Part three - Procedure information

Use of existing local or regional contracts

Introduction If the goods, services or works are available under an existing local or Yath contract then use of that contract is mandatory.

These contracts offer many benefits for the region such as:

- the contract is compliant with EU legislation and Regional Standing orders;
- they minimise the administrative costs associated with the use of multiple suppliers and many transactions and therefore overall they provide better value for money;
- the supplier has met numerous rigorous standards including financial stability, health & safety, insurance, ethical and environmental standards etc.; and
- they ensure robust contract terms are in place.

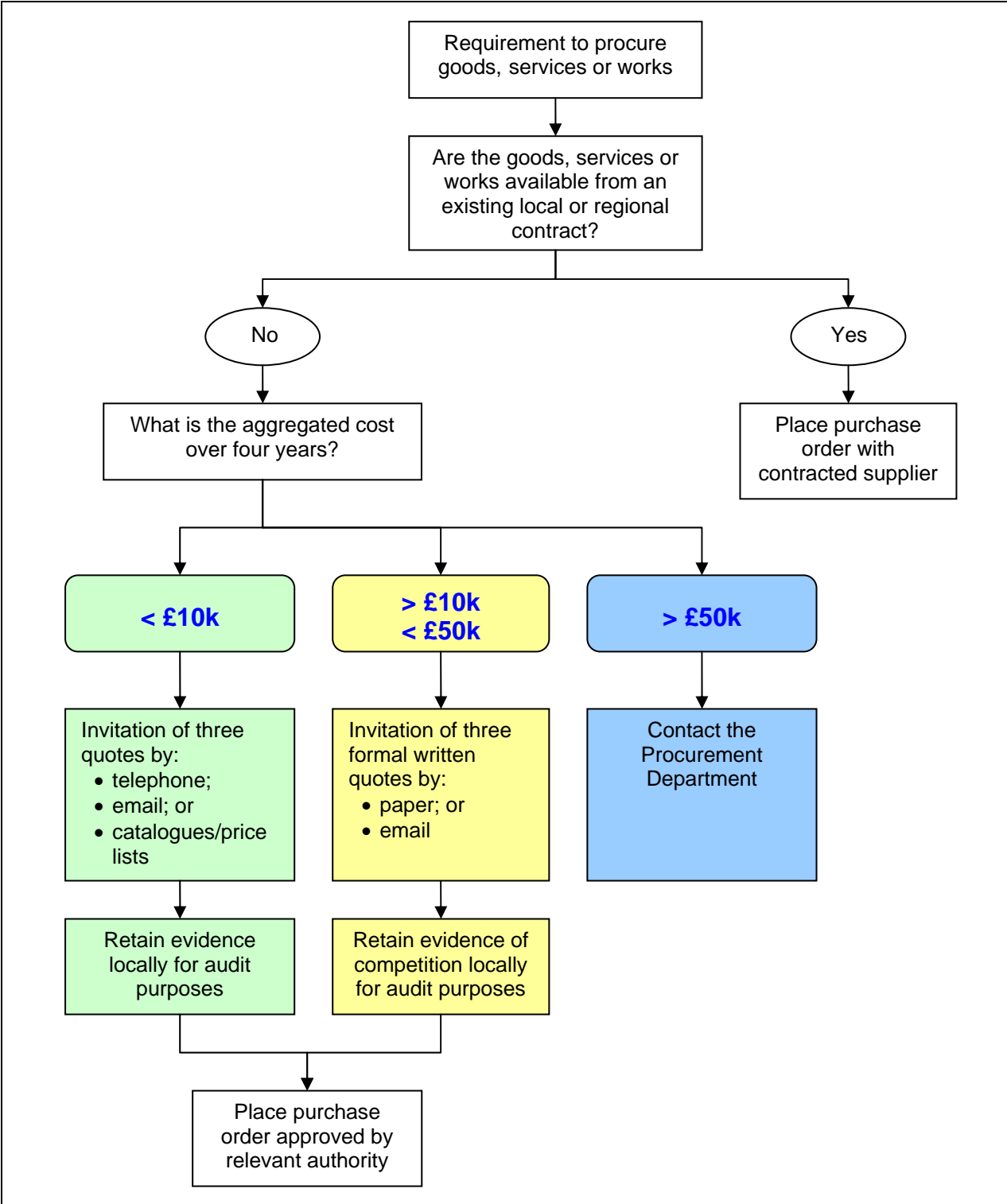
A purchase order must be placed with the contracted supplier, and approved by the relevant authorised officer in line with local force Financial Instructions.

Advice should be sought from the Regional Procurement Department if you are unsure whether local or regional contracts exist.

Where no existing contract is available, the following procedure should be followed locally to demonstrate competition. See **flowchart**.

Regional procurement procedure flowchart

The flowchart below outlines the procedure to procure goods, services or works:



Competitive procurement

Procurement - under £10,000

Invitation of three quotations

A minimum of three quotations must be obtained, by one of the following methods:

- telephone;
- email; or
- from catalogues or price lists.

Evidence of competition should be retained locally for audit purposes.

The numbers of companies invited to submit quotes or otherwise offer to supply must be sufficient to demonstrate that genuine market forces are employed to maximise value for money.

Procurement - over £10,000 and under £50,000

Invitation of three formal written quotations

A minimum of three formal written quotations must be obtained, use of either of the following methods will be accepted:

- on paper; or
- by email.

The local process must demonstrate that:

Step	Action
1	bids exceeding £10,000 are not accepted by officers and staff acting in isolation;
2	evidence of competition is be retained locally for audit purposes;
3	the numbers of companies invited to submit quotes or otherwise offer to supply are sufficient to demonstrate that genuine market forces are employed to maximise value for money;
4	care has been taken to ensure all potential suppliers are treated fairly and each supplier is assessed using a pre determined evaluation model and criteria. The evaluation should assess the quality and whole life cost of the offer against the specification or requirements.

Advice and guidance

The Regional Procurement department can offer advice and guidance on specifying your requirements, Invitation to Quote documents and evaluation models and whole life costing if required.

Procurement - over £50,000 - Regional Procurement staff only

Invitation of tenders

Tenders may be invited in a number of ways including:

- open;
 - restricted;
 - select;
 - “mini competition”; or
 - Negotiated procedure or Competitive Dialogue (specific to EU process).
-

Open invitation

An advertisement is placed in appropriate publications agreed between the procurement adviser and customer and expressions of interest are invited from companies who wish to receive tender documents.

All companies expressing an interest are sent a tender within the time scales set out. Such tenders shall include elements to assess their ability to meet financial requirements in addition to specific areas of technical ability.

It is possible that many requests for tender documents will be received and the use of this arrangement shall be tempered by the knowledge that it may generate a lot of tenders which in turn need to be fairly and equally considered.

Restricted tenders

Restricted tenders require that expressions of interest are invited from the market through advertisement in appropriate publications, again, jointly agreed between the procurement adviser and customer.

On receipt of expressions of interest a “pre qualification” questionnaire will be forwarded to the interested companies and these, when completed, shall be assessed to determine the most appropriate companies from whom tenders shall be invited.

Tenders will be invited from the “best” companies, i.e. those who match, or best match, the profile of a company suited to meet our requirements. The selection process shall always be predetermined.

Select tenders

Select tender lists may sometimes be drawn up where it can be satisfactorily demonstrated that the pool from which realistic or competitive bids is limited.

Such lists will be agreed between you and the procurement advisor and customer. Limited numbers or repeated use of favoured companies must be avoided wherever possible. However, the need to comply with EU Legislation and Regional Contract Standing Orders regarding open competition must be duly regarded.

Having identified the companies from whom tenders would be considered, the companies shall be invited to express their desire to receive a tender by requiring them to respond to an appropriate brief. On receipt of a satisfactory number of such expressions, tenders may be invited.

Mini competition tenders

The use of 'mini competition' tenders may be adopted, where pre-tendered arrangements exist, such as:

- National or Regional Frameworks; or
- OGC; or
- Other consortia frameworks e.g. YPO.

This involves identifying companies that are able to meet the requirement from those who have been pre-tendered and pre-qualified. These companies will usually be invited to express an interest in our requirement prior to sending of tenders.

The tender documents and the time allowed can, due to the pre-qualification and pre-tendering aspects generally, be respectively less detailed and shorter than would be usual. Sometimes prices will be predetermined.

There must be a formal procedure regarding the adoption of contracts arranged by other organisations. The procedure should include a robust assessment of suitability for purpose and Value for Money, and the reasons for the decision should be documented.

Negotiated procedure or Competitive dialogue

EU Legislation permits these procedures within strict guidelines.

These procedures are suitable in exceptionally complex procurements, e.g. Private Finance Initiative (PFI).

The use of these procedures must be approved by a member of the Regional Procurement Senior Management team.

EU Directives

The EU Directives require that consideration is given to "aggregation of demand" and that this calculated as either the total annual expenditure multiplied by four or by the estimated value multiplied by the total number of years a contract would be in place for.

If the value derived is over the EU threshold for the goods, service or works, then an EU Tender must be conducted.

The Directives are clear that deliberate attempts to negate or avoid the aggregation values are a breach of the legislation.

EU Directive

The time scales for tendering under the EU Directives are prescriptive

time scales and may generally be longer than a non EU Tender. Procurement staff and customers must be aware that failure to leave sufficient time to complete the tendering process is legislatively not an acceptable reason for avoidance of the regulations.

Evaluation criteria and models All evaluation criteria must be agreed and signed off by both a procurement officer and the customer and included in the Invitation to Tender document.

Evaluation models, matrices and other tools will be determined and agreed with stakeholders prior to receipt of tenders and quotes. This must **not** take place after receipt of bids.

See '**evaluation of tenders**' for guidance on the evaluation process.

Specifications and standards

Introduction All specifications and standards adopted to describe the need, contained within tender documents will be agreed between the procurement adviser and the customer.

Regional procurement department advisers will provide as much assistance as possible to customers to enable them to identify and express their requirements so that the market can respond appropriately.

Although the customer is responsible for identifying their requirements, Regional Procurement department advisers will utilise their skills, knowledge of the market and the compilation of the specification documents, to aid identification and expression of the customer's requirements.

Identification of standards Standards adopted to identify minimum, maximum or other requirements shall be in accordance with all current legislation and will prompt equal and fair treatment for all prospective suppliers.

Receipt, custody and opening of tenders

Introduction Utilisation of an E-Tendering system will generally negate the need for exhaustive precautions and practices regarding the receipt and custody of tenders. Any E-Tender tool used must not allow tenders to be opened before the closing date and must not allow the original electronic version of the tender to be amended post the closing deadline. The system will record and allow audit of all transactions.

Failure of E-Tendering system Receipt of tenders shall always be through the E-Tender mechanism unless a failure of the system prohibits its' use in which case the following mechanisms shall be adopted:

Step	Action
1	companies who are still expected to submit bids or those who have already expressed difficulties in using the electronic system should be notified in writing that an alternative system is available to them. They should be reminded that failure to comply with their instructions may invalidate their tender.
2	they shall be instructed to return their bids in packages marked, "Tender for name of scheme/tender, file name. Not to be opened prior to date/time of tender opening."
3	companies shall be instructed to address tender packages to the office of the procurement officer that has issued the invitation.

Security and storage of tender On receipt of "hard copy" tenders, these shall be appropriately marked and securely stored in a locked cabinet or room until the allotted opening date and time.

Opening hard copy tenders A minimum of two persons shall be required to open tenders. Each package will be opened in turn and the following information shall be recorded on a document to be retained in the tender file and be known as the Tender Opening Record Form:

Part	Function
1	the names and signatures of the two staff responsible for opening the tenders;
2	the time, date and place of tender opening;
3	the name and address of the company who submitted the tender;
4	the total value of the tender submission;

5	in the event that this value cannot be identified (perhaps due to the complexity of the tender or because a range of options have been offered) the term “as per attached copy schedules” shall be entered;
6	both officers responsible for opening the tenders shall sign and date all original sheets which bear a price and copies of these shall be appended to the Tender Opening Record Form;
7	against each supplier record and prices, each member of staff responsible for opening the tender shall append their signature; and
8	following completion the form shall be ruled off to prevent further additional entries being made.
9	The completed form shall be retained in the file.

Late tenders

Introduction Tenders which have been received following the closing time and date may only be considered under the following circumstances, where it can be proven beyond any reasonable doubt that, if received:

- electronically, the tender was uploaded before the closing date and time and that due to technical difficulties was unavailable; or
- physically, the tender had been submitted and received by the Authority before the closing date and time.

Alteration to tenders No alteration to tenders may be made after the closing deadline unless evidence has been provided that the amendment is to:

- provide completeness; or
- correct an arithmetical error.

Any such amendment or change must be signed off by at least two members of procurement staff.

Any changes which alter the final costs must be supported by documentation confirming the change from the company who submitted the bid.

Nominated suppliers and sub contractors

Introduction The use of nominated suppliers and subcontractors should be avoided wherever possible as the use of such arrangements tends to minimise, or negate, competitive forces such as expertise and innovation in addition to creating reliance on companies or systems from which it is often difficult to recover.

Where it can be demonstrated that the use of such arrangements are

not detrimental, and in fact, are positive to the interests of the Authority, either may be used.

The use of either option by companies already engaged by the Authority shall always be subject to terms and conditions, providing approval has been granted by the Authority.

Collaborative contracts

Introduction Where tenders are invited by any regional Chief Constable the invitation, delivery, opening and acceptance of those tenders shall comply with the provisions of Regional Contract Standing Orders unless these provisions are inconsistent with the method by which tenders are dealt with by the consortium, collaboration or other body concerned.

Procurement of professional services

Introduction The engagement of consultants is subject to the same procurement practices as any other form of procurement.

For the purposes of this document these services are treated as any other service and must be met from the options established in **Competitive procurement**.

Evaluation of tenders and quotations

Introduction All tenders and quotations will be evaluated on the basis of which provides the Most Economic Advantageous Tender (MEAT), unless the goods or service has been identified in a highly prescriptive form and the only deciding factor can be cost or price. Where price is a factor, it must be afforded at least 50% of the available score. In exceptional circumstances the Regional Procurement Director or their deputy may agree in writing a different cost/quality ratio.

MEAT will usually involve the evaluation of tenders in a range of whole life factors. Some examples of factors are:

- price;
- delivery time;
- training;
- documentation provision;
- support and maintenance;
- methodology, experience; and
- skill.

Each of these may be further sub divided. Approved procurement officers shall approve criteria and weighting prior to their use.

Evaluation team

Wherever possible, an evaluation team shall be convened which encompasses appropriate stakeholders with skills to consider bids meaningfully.

Evaluation teams will generally consist of at least the following representative:

- procurement;
- technical; and/or
- specialist(s).

All members of the evaluation panel should attend all evaluation meetings except where an expert adviser is only required to evaluate a particular part of the bids.

Panel members should familiarise themselves with the Code of Conduct for procurers of Goods and Services, in particular declarations of interest.

Considerations by evaluation team

Consideration must be given to enlisting assistance from appropriate departments, e.g.:

- complex financial bids may require an accountant;
- specialist IT solutions may require a specialist IT staff member (as opposed to a business manager from IT);
- diversity experts where Equality Impact Assessments have identified a high risk; and
- Health & Safety advisers.

Careful consideration must be given to the makeup of any particular tender with special attention to ensuring sufficient numbers of appropriately skilled and influential people are selected, ensuring buy in from all other users.

Clarifications affecting tenders received

Introduction

Following receipt of tenders, the negotiations must be constructed so that they establish an understanding of the bid received. This process will be referred to as clarification.

They must never seek to change or alter the prices of the bid unless there is evidence to suggest that figures are incorrect, that the mechanisms or methodology of providing the goods or service is optional, or similar.

Clarifications with tender bidders

After clear purposes and objectives have been established, any resulting outcomes must be clearly recorded and signed off and retained in the contact file.

All negotiations will be conducted in a manner which is conducive to fairness and openness and provides equal opportunities for all bidders.

At no point during the whole tender process shall any indication of the level of interest in the tender be conveyed to any particular supplier(s). Any communications issued to inform or assist any particular supplier must also be sent to all other participating suppliers.

Cancellations, variations, extensions or determination of contracts

Introduction

Other than at the expiry of an agreed term, no contracts shall be determined or cancelled without considering whether such action is in accordance with contractual terms and conditions.

Any cancellation or determination must be made formally in writing, even those indicating the expiry is due to the term having been reached. Wherever possible, it is good practice to convey the reasons for the cancellation or determination, but in the event that this may not be possible additional advice may be sought from an appropriate legal source.

Any requirement for a period of notice must be observed and acted on.

Consequences of cancelling

Where customers wish to cancel or determine contracts prior to their "natural" expiry, advice must be taken from the Regional Procurement department who in turn, may take appropriate legal advice.

Under no circumstances should employees verbally instruct suppliers, contractors or others engaged on behalf of contracted suppliers that their services or goods are no longer required.

Inappropriate cancellation or determination of contracts may result in legal action and subsequent costs being borne by the Authority. Consequently, all staff should be wary of any such action or inaction. All cancellations or determinations shall be made by a Procurement Adviser in writing.

Variations to contract

If a customer requests a variation to contract, the value of the variation must be considered in line with the contract value. If the aggregated

value exceeds the authority level of the original contract signatory, then appropriate authorisation should be sought prior to issue of the variation to contract.

All variations to contract must be made formally in writing by the Procurement Adviser and written agreement received from the contractor.

Contracts due for renewal

Wherever possible, customers will be informed that contracts for which they are responsible are due for renewal at an appropriate time and notice of the impending expiry of the current contract should be sent to the service or goods provider.

Terms which allow for the early termination of contracts, other than by way of breach, can be utilised. Use of such terms would generally make suppliers wary and cautious, and may result in the price being affected.

Extensions to contracts

A formal review must be conducted by the procurement adviser and the customer prior to the extension of any contract.

The review must consider the ongoing merits, or otherwise, of goods or service provision and be formally recorded. This can include:

- the minutes of a meeting where a contract extension is discussed and approved; or
- a series of email exchanges in which the pertinent factors are considered and debated.

Appropriate evidence must be retained on the contract file for audit purposes.

Where an extension to a contract is beyond the extension period allowed in the contract, the exceptions to normal procedures process must be followed, see below.

Exceptions to normal procedures/single tender action

Introduction

ALL exceptions must be granted prior to the procurement of goods, services or works. Purchases made for reasons outlined below, but without prior approval of the Chief Constables, will be treated as breaches of Contract Standing Orders, and reported to the relevant Authorities.

The Chief Constables or their delegated authorities will consider requests for exceptions to normal procedures under the following circumstances:

- where it can be evidenced that only one supplier is able to carry out

the work or service or supply goods for technical reasons or because of exclusive rights;

- extensions to existing contracts where there is a genuinely justifiable case to use an existing contractor/supplier to maintain continuity of supply or site experience. Extensions will not be considered where to do so would breach EU Procurement legislation;
- the contract has been classified as secret by a Chief Officer making the use of a particular contractor essential or a limited competition to a select list of contractors and the avoidance of advertising requirements in the public domain; or
- the contract is required so urgently that competition is impractical, for example a genuine unforeseeable operational need arises. NB. Failure to take action within appropriate timescales does not constitute grounds for an urgency exception.

Seeking an exception for contracts under £50,000

An exception may be made if written approval is granted by an appropriate member of the requesting department's management team, where:

- the estimated or anticipated aggregated cost of supplies, services or works falls with the quotation bracket, i.e. £10,000 - £50,000; and
- there are genuine reasons which may be evidenced for seeking an exception in accordance Contract Standing Orders.

The approval must be copied to the Regional Procurement Director and filed appropriately with evidence for the exception and retained in accordance with the retention policy.

Seeking an exception for contracts over £50,000

Budget holders should make requests by completing an Exception to Normal Procedure request and submitting it to the Regional Procurement Director or the Head of Procurement & Category Management, along with any supporting evidence.

The Regional Procurement Director or the Head of Procurement & Category Management will consider the request and forward to the relevant Chief Officer with their comments

The relevant Chief Officer's decision will be final.

Document retention and record keeping

Document retention

All documentation relating to contracts should be retained as follows:

Insert retention periods when agreed

Record

The Regional Procurement Department shall maintain a register of all

keeping contracts let on behalf of the YatH Authorities.

Reporting The Regional Procurement Department will provide reports, or access to information via the Internet/Intranet, to meet the needs of individual Authorities, Command Teams, the Regional Collaboration Board and the Joint Police Authority Committee.

The content and frequency of reports will be agreed with each Authority, some examples are:

- number and value of contracts awarded;
 - contracts awarded other than lowest cost;
 - contracts awarded as a Single Tender Action;
 - Breaches of Standing Orders; and
 - performance against procurement KPI's.
-

Freedom of Information

Freedom of Information (FOI) Information may be requested at any time on any process managed by the Regional Procurement department. Where information, for example, tender or quotation responses must be retained, they should be kept in a manner to ensure ease of use at a later date.

Generally the submission of a tender will be considered as “Commercial in Confidence”. Under FOI legislation this would be insufficient to ensure, that information the prospective supplier would rather have kept in confidence, may ultimately be released.

Appropriate steps should be adopted to enquire of prospective suppliers what, if any, information they feel should be exempt from FOI legislation, although the decision as to potential release rests with the Authority/Authorities.

If in doubt whether information should be released, advice should be sought from line management.

Policy database administration

Document information The table below lists the details relating to this document.

Item	Details
Document title	Procurement

Policy owner		
Policy author / reviewer	Chris Mottershaw	
Leading force	West Yorkshire Police	
Version control	1	
Date of last review	01/06/2011	
Date of next review	01/06/2012	
Equality Impact Assessment relevance test	Completed:	Enter: Yes / No
Full Equality Impact Assessment	Completed:	Enter: Yes / No / Not relevant
Compliant with Human Rights Act 1998	Enter: Yes / No	

Revision information

The table below details revision information relating to this document.

Topic Title	Date of last update