

# Bury Council Procurement Guide

Advice & guidance to support Bury Council Contract Procedure  
Rules

V1.0 September 2022

# Overview

- What is Procurement?
- What are the procurement rules?
- The importance of procurement
- Procurement Checklist
- The Chest
- Calculating value of procurement and thresholds
- Routes to market & procurement journeys
- Procurement processes
- Exemptions, modification and extensions
- Social Value
- Roles & Responsibilities
- Real life example

# What is Procurement?

- Procurement is essentially purchasing, buying and commissioning
- All companies procure, not just public sector
- Public procurement should be fair, transparent and proportionate
- What Local Authorities buy is very wide ranging
- Processes are put in place to ensure equality and to protect you



**It is your responsibility to comply**

# What are the procurement rules?

- **Contract Procedure Rules** set out our rules and is part of the Council constitution
- **Procurement Guide** sets out our processes, guidance and advice
- **Procurement Strategy** provides the strategic overview and directions for procurement at Bury Council
- **Public Contract Regulations** set out the rules for above Threshold procurements
- Additional guidance/rules through **Procurement Policy Notes, Case Law**, other **Regulations** and best practice

# What is the Procurement Guide?

This Procurement Guide is for navigating your way through the procurement rules and processes. It will help you procure in a compliant and efficient way that demonstrates value for money and generates social value for your communities.

This Procurement Guide contains guidance, tools, and advice to assist you through each procurement route and process. It does not replace the Contract Procedure Rules or any other constitutional rule or policy.

# What is Excluded from CPR's?

- Contracts of employment for the appointment of individual members of staff.
- Grant funding agreements – for grant agreements the appropriate guidance must be followed
- Contracts where the Council is the supplier of Works, Goods and/or Services to third party organisations
- Contracts procured through frameworks let by other Contracting Authorities in compliance with Public Procurement legislation.
- Public to public contracts e.g. between Bury Council and another local authority
- The procurement of certain items that are not subject to the requirements Works, Supplies and Services procured from in-house companies which meet the criteria for the Teckal exemption e.g. Six Town Housing, Persona
- Contracts relating solely to the disposal or acquisition of securities;
- Contracts for the acquisition of an interest in land and property;
- Contracts for the appointment of Counsel or the appointment of experts for the purpose of legal, or potential legal proceedings by the SRO for Legal Services; and
- Any contracts specifically excluded by relevant legislation

# Why is Procurement important?

Ensures that we deliver best value and value for money (External Audit implications)

Improves the delivery and cost effectiveness of quality of public services to citizens

Can find new models for service delivery

Savings can be channelled back into priority services

Deliver additional added value benefits to residents

Prevent financial loss to the Council

Support our reputation

Encourages more business to bid for our work

Part of the Council's constitution and you have an obligation to comply



**Good procurement helps to protect you from allegations of fraud and corruption!**

# When procurement goes wrong...

- Legal Challenge
- Costs
- Time and resources
- Reputational
- Corruption
- Government Review
- Disciplinary
- Suppliers won't engage
- Professional indemnity insurance
- External audit



# Before you start procurement



Before you start any Procurement, remember, good procurement is not just about buying well but is often about buying less or, indeed, **not buying at all**.

Always consider the following before starting a Procurement:

- **Have you considered alternatives?** There might be alternative solutions to what you want. Make sure you have considered what might be able to be delivered internally first.
- **Do you need to buy?** Consider whether there is a real need for what you want. You should procure only if necessary and not just because a budget is available.
- **Do you have the budget?** Consider whether you have the budget to buy what you want.
- **Do you have the Authority?** Check your Scheme of Delegation
- **Is there an existing arrangement in place already?** Check if your requirements can be met under an existing arrangement before you think about running a new procurement exercise. Using an existing arrangement saves you time and money.

# 'Starting a Procurement' Form

**This is your starting point for all procurement**

Template in place

Only asks for information that is needed

## **Why do we need this?**

- Capture requirements
- Authority to procure
- Check key aspects of the procurement
- Auditable
- Details for the Contracts Register
- Transparency and FoI
- Ensure we all deliver what is agreed



**Completion of Starting a Procurement' form is mandatory for all procurement above £10k**

# E-Procurement System

The Chest is Bury's e-procurement system [www.the-chest.org.uk](http://www.the-chest.org.uk)

You must use The Chest for all Request for Quotes and Tenders over £10k, including:

- Issue Request for Quote & Tender documents
- Issue clarifications
- All correspondence with Bidders
- Issue Contract Notices
- Tender Opening

**TheChest**

Training, advice and setting up of access to The Chest is available from Strategic Procurement

# Calculating Value of Contract

**Annual Value of Contract X Length of Contract (Years) = Value of Contract**

Includes any contract extensions

Excludes VAT for below threshold

Includes VAT for above threshold

Includes all lots if you are establishing a framework

Concessions is same but total income to the Council



**Purposefully breaking down a contract into smaller contracts is fraudulent**

# Thresholds

Value	Route to market	Advertising	Evaluation	Contract	Lead
Below £1k	One written quote Via price list or website	Bury suppliers, if possible	Lowest price	Purchasing card Purchase Order	Service
Below £10k	One written quote	Bury suppliers, if possible	Lowest price	Purchasing card Purchase Order	Service
£10-50k	Three written quotes	Bury suppliers, if possible If open advert then through The Chest and Contracts Finder	Lowest price or most advantageous	Purchase Order and: <ul style="list-style-type: none"> <li>- Council standard contract</li> <li>- Framework contract</li> <li>- Bespoke contract drafted by Legal Services</li> </ul>	Service



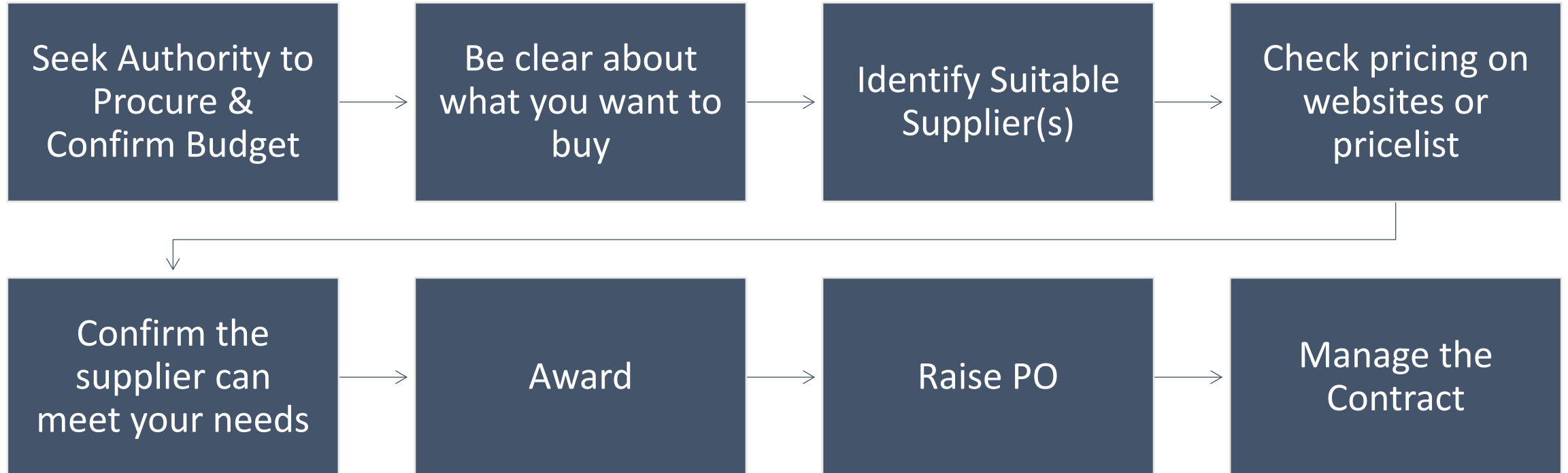
# Thresholds

Value	Route to market	Advertising	Evaluation	Contract	Lead
£50k-Threshold	3 tenders	Bury suppliers, if possible If open advert then through The Chest and Contracts Finder	Most economically advantageous based on criteria published	Purchase Order and: <ul style="list-style-type: none"> <li>• Council standard contract</li> <li>• Framework contract</li> <li>• Bespoke contract drafted by Legal Services</li> </ul>	Strategic Procurement
Above Threshold	In line with Regulations	<ul style="list-style-type: none"> <li>• Council's e-tendering system</li> <li>• Contracts Finder Website</li> <li>• Find a Tender Service</li> </ul>	Most economically advantageous based on criteria published	Purchase Order and: <ul style="list-style-type: none"> <li>• Council standard contract</li> <li>• Framework contract</li> <li>• Bespoke contract drafted by Legal Services</li> </ul>	Strategic Procurement



# Low Value Procurement Journey (Below £1k)

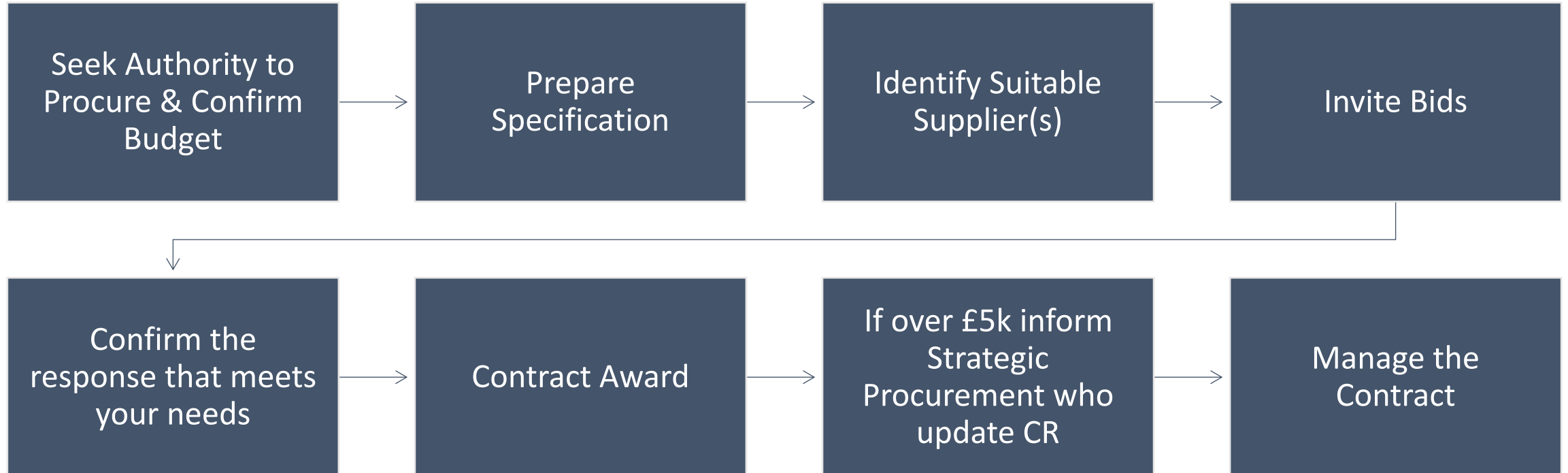
Typically take 1 day



**Keep evidence of the process you have followed**

# Low Value Procurement Journey (Below £1-10k)

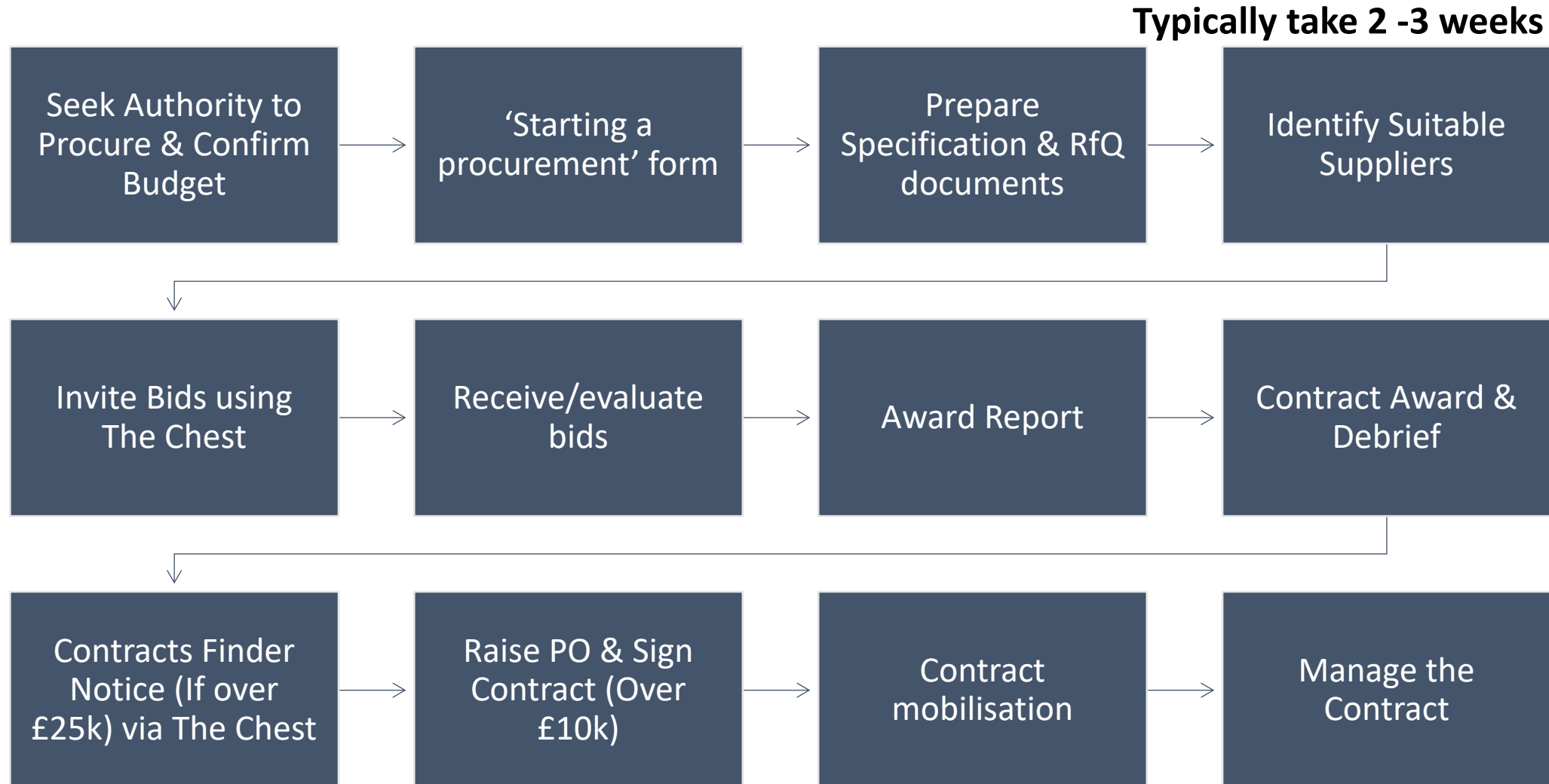
Typically take 2 -5 days



**Keep evidence of the process you have followed**

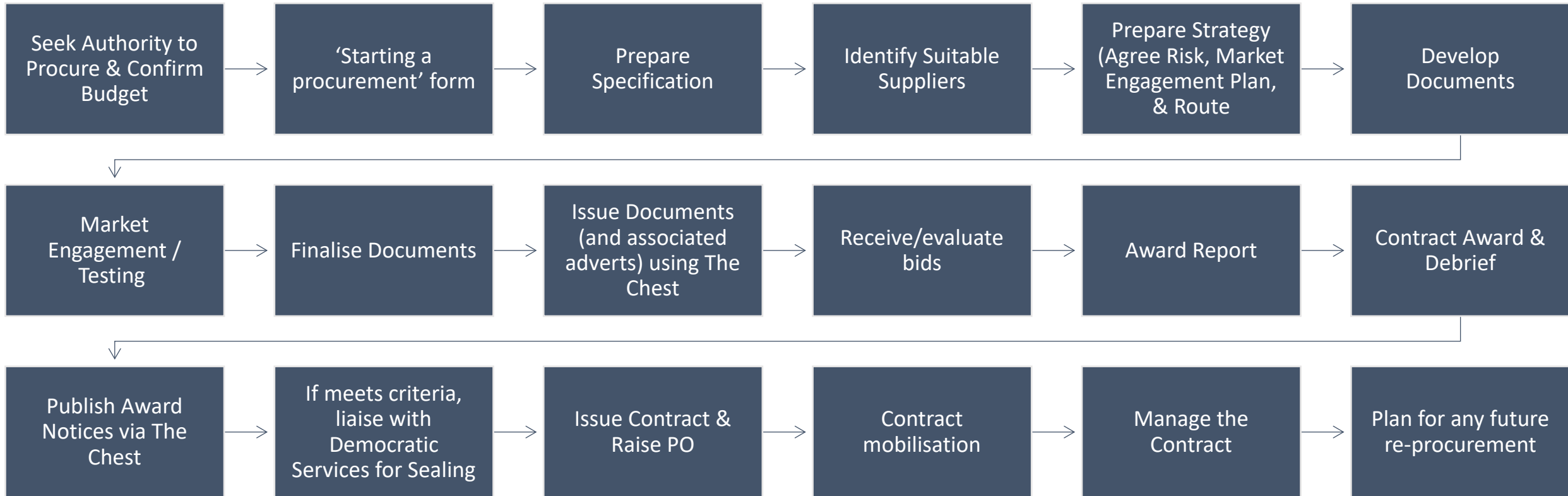


# Low Value Procurement Journey (£10-50k, 3 quotes)



# Sub-Threshold Procurement Journey (Over £50k – Threshold)

Typically take 3 weeks – 3 months, depending on level of risk



# Route to Market: Above Threshold

- Above threshold – currently (inc VAT):
  - Supplies & Services £213,477
  - Works £5,336,937
  - Light Touch Regime £663,540
- Strategic Procurement must be involved and work with you to agree the process and route to market
- Very specific rules and processes to follow
- New Regulations are due Autumn 2022
- Can take 3-12 months depending on complexity and route to market



**No further information provided as above threshold procurement should only be done in conjunction with Strategic Procurement and must be compliant with Regulations**

# Route to Market: Frameworks



The 'Starting a procurement' form to be completed for your call-off to ensure compliance & transparency



Strategic Procurement will work with you to check the framework is compliant



Must follow the rules of the Framework when you call-off from it including evaluation weightings, process and award



You can Call off Frameworks multiple times and is a very quick process.



Must still prove that it is value for money when making a call off from a framework.  
There are sometimes more than one framework option available,



Commonly used frameworks:

Crown Commercial Services  
YPO  
ESPO  
Bloom Consultancy  
Construction Hub



If you want to set up a Framework Agreement then discuss with Strategic Procurement



**When using external frameworks, the procurement risk sits with the Council, not the framework provider**

# Process: Why Do Market Engagement?

- Find out what the market thinks about our ideas, services choices, and approaches
- Identify if there is a more attractive way of packaging and scoping a future opportunity
- Gives us an idea of how suppliers / providers might approach the delivery of the service in question, or how they might address particular local circumstances that may impact on the services or proposals more generally.
- An early insight into the likely level of interest and potentially innovative, more cost effective, and new ways of doing things.
- We do not have to follow up the ideas we talk about. It is not a call to competition or part of the procurement, but can help us determine what we go out to the market with and when
- 2 way conversation – provide information but also ask for feedback

# Process: Market Engagement Methods

## Methods

- Use Expressions of Interest (EOI) document
- Research your market on the internet
- Meet the Buyer or market Engagement event
- Drop-in sessions
- Promote via The Chest, phonecalls, letters

## How

- Set the scene with suppliers
- Provide your initial thoughts and ideas
- Be clear about what feedback you want
- Ask about barriers, potential issues
- Training and advice for suppliers
- Be fair and equitable to all



**If unsure about what you should and shouldn't do when engaging with the market, then ask for advice from Strategic Procurement**

# Process: Specification

Means the outputs, outcomes, and the scope and nature of what you want to buy

It should be appropriate to what you are buying & capture all your requirements

You will need to write this as you are the subject matter expert for what you are buying

Suggest includes:

- Introduction
- Scope
- Background
- Requirements – overall, functional, technical, security, training etc
- Timescales and milestones
- Contract requirements including KPI's
- Skills and expertise

# Process: Contract Drafting

- All Contracts below £10,000 may be awarded by a Council issued Purchase Order
- There are standard terms and conditions which should be used
- Where a framework is being used, the agreed framework terms and conditions should be used
- If bespoke terms and conditions are needed, then you must liaise with Legal Services prior to issuing the tender/quote.
- Check whether the contract will need sealing and build this into your timescales



# Process: Evaluation Weightings

- Appropriate and proportionate
- Demonstrate value for money – Most Advantageous tender (MAT)
- Should not be 100% quality, unless agreed with Strategic Procurement
- Recommended Social Value weighting of at least 10% in all procurement activity of £50,000 or over.
- For frameworks, must follow framework guidance on evaluation weightings and processes

# Process: Clarifications & Tender Opening

- All pre- and post-tender clarifications must be conducted in writing
- All clarifications and the written record of any meetings must be stored on The Chest.
- Where a meeting is required, there should be a minimum of two Officers of the Council in attendance
- Tender clarifications should be issued via The Chest
- Fair and transparent to all
- No paper tenders, must be done through The Chest
- Tender opening is electronic – via Strategic Procurement

# Evaluation

Once bids have been received, it is important that a robust evaluation is carried out so that we can demonstrate:

- Which bid / solution offers the best value for our money
- That we make our decision in a way that isn't biased
- That the decision we make is fair, open and accountable
- The offer is meeting everything we need for the contract

The evaluation process can vary significantly in how long it takes to complete depending on the complexity of the requirements and responses, how many solutions were returned, how big the evaluation panel is.

 **To ensure a transparent evaluation process is undertaken, you must publish the evaluation criteria in the quotation / tender documents**

# Evaluation

## Selection

Selection Criteria are a mix of the minimum acceptable criteria and standards you require.

They must be backwards looking at an organisation or its personnel's competency, capability, capacity, and past experience and performance on similar types of requirements.

They are pass / fail criteria and bidders are judged to either meet the criteria or not.

## Award

Award Criteria includes both Quality and Price, and attribute a weighting to each.

Both quality and price should be used in evaluations to determine the Most Advantageous Tender (MAT) – i.e. the solution that offers the best quality at the best price.

- **Quality** - These must be forwards looking at the organisations solution and how they intend to deliver your requirements.
- **Price** - Price at a basic level can include just the price to be paid for the delivery of your requirements. Price could also include evaluation on a whole life cycle costing model, which takes into account the costs attributable to you for the acquisition, use (including energy consumption, costs of greenhouse gas emissions), maintenance, and end of life costs (such as disposal, reuse, or recycling).

# Evaluation: Methodology

To ensure a transparent evaluation process is undertaken, we publish the scoring methodologies in the quotation / tender documents.

- Scoring methodologies are explanations as to how you will score each question or criteria. It sets out what you are looking for in a response to award a certain score.
- Best practice is to score out of 4, with a methodology published for each score of 0 – 4.
- No half marks are allowed to be awarded.

New criteria or scoring methodologies **should never** be introduced once the deadline for submissions has passed. If you need to make changes, then you either need to communicate the changes to the bidders during the quotation/tender period and increase the submission deadline date by an appropriate period.

During the evaluation process it may become necessary to seek clarifications from bidders on their solution. Clarification of information submitted is acceptable, however, changes to submitted bids, or even changing your requirements is not allowed at this stage. The clarification process is purely to further understand any ambiguities or contradictions in a bidders solution.

It is important that only the documentation submitted by a bidder is used for the evaluation, whilst you may know about the company, and may be familiar with their products and solutions, you can only evaluate based on what they have submitted.

Every evaluation must be recorded at the time of evaluation. Such notes (this includes notes by individual evaluators and those from the moderation meeting) must include the score awarded and the reason why you awarded that score. Such reasons should reflect back to the criteria and scoring methodology.

# Evaluation: Panel members

- At least one officer involved in the evaluation must have a sound knowledge and understanding of the requirement / problem to be addressed (the technical expert).
- For **procurements below £50k** the evaluation may be undertaken by a single individual, however, it is best practice for at least 2 officers are involved in the evaluation process. For **Sub-Threshold Procurement**, the evaluation should be undertaken by a minimum of 2 officers, but may also be by a wider evaluation panel. For **Above Threshold Procurement**, the evaluation should be undertaken by an evaluation panel of no less than 3 officers.
- Additional members of the evaluation panel can include other experts (for e.g. finance, legal, H&S, HR) as required. It is possible to include evaluation panel members who are not Council staff.
- Where an evaluator believes there is a conflict of interest in their involvement in the process, they should not proceed with the evaluation. They should find an alternative evaluator to take their place
- All evaluators must complete a Declaration of Interest

# Process: Award of Contract

## **Award to the winning bidder**

- Complete the Award Report with winning bidder details
- Award of any openly advertised RfQ or ITT in excess of £25,000 shall be published on Contracts Finder
- All Bidders must be notified simultaneously and in writing via The Chest
- Bidders should be informed of the relative advantages of the winning quotation(s) or tender(s) in comparison to their own whilst retaining confidentiality
- If receive a complaint, challenge or request for further information then discuss with Strategic Procurement immediately

# Process: Contracts

Have you got the delegated Authority to sign the contract?

All Contracts below £10,000 may be awarded by a Council issued Purchase Order

Agreements equal to and exceeding £10,000 must be in writing

Standard terms and conditions should be used, or the agreed framework terms and conditions

If bespoke terms and conditions are needed, then you must liaise with democratic Services prior to issuing the tender/quote. The completed Procurement Checklist must also be provided.

All Agreements must be signed prior to commencement



# Process: Contracts for Sealing

Sealing is carried out by Legal Services

Will require a fully completed Award Report

Sealing must take place when:

- Contracts above the key decision value (£500k) – unless agreed otherwise by Legal Services;
- New framework agreements;
- Where there is no consideration (i.e. money or money's worth) by one party (e.g. grant agreements, where the council is paying a voluntary sum to an organisation but the organisation is not giving anything in return); and,
- Other high risk contracts (as advised by Legal Services) where a longer limitation period of 12 years is required.

# Process: Contract Management

All Contracts in excess of £5k must be published on the Council's Contracts Register

Procuring Officer is responsible for Contract Management, unless otherwise agreed

Document retention – make sure the contract is saved in shared folder!

You are responsible for reviewing, monitoring and evaluating the Agreement

If you don't proactively manage your contract then your contractor may not be delivering what has been agreed.

If there are issues with contractor performance and you haven't contract managed then taking action against the contractor is extremely difficult

# Process: Contract Management

Contract management includes:

- Performance (against agreed KPIs, where relevant, including Social Value commitments)
- Compliance with specification and contract
- Cost – make sure they invoice the contracted prices
- Any Best Value duties
- Continuous Improvement
- User satisfaction
- Risk management



You must pro-actively plan any re-procurement, renewals, modifications, extensions etc

# Lessons Learnt

The conclusion of any contract is the ideal time to review how well the contract performed. You should explore lessons learned: these can inform future contract terms or strategies. You should determine what worked well and any areas that could be improved.

All those involved with the bid and/or contract, both in your organisation and the bidder organisations, can be asked for feedback. This could include a variety of roles e.g. contract managers, procurement officers, logistics, estate managers, etc

Any lessons learnt throughout any stage of the procurement and contract management should be fed back to Strategic Procurement who can then review to see whether processes, procedures or advice needs updating.

This Procurement Handbook will be updated regularly

# Exemptions

Exemption used when Council Standing Orders have not or cannot be complied with

- Absolute Last Resort
- No Guarantee it will be accepted
- Can take time to get approvals
- May only exempt for a period to run a procurement process
- Require sign off from legal & finance
- Require review from procurement
- You must use the Exemption Form



**Lack of time or poor planning is generally not a valid reason for an exemption**

# Modifications

Changes to the contract

- Require sign off from legal & finance
- Require review from procurement

Allows for transparency

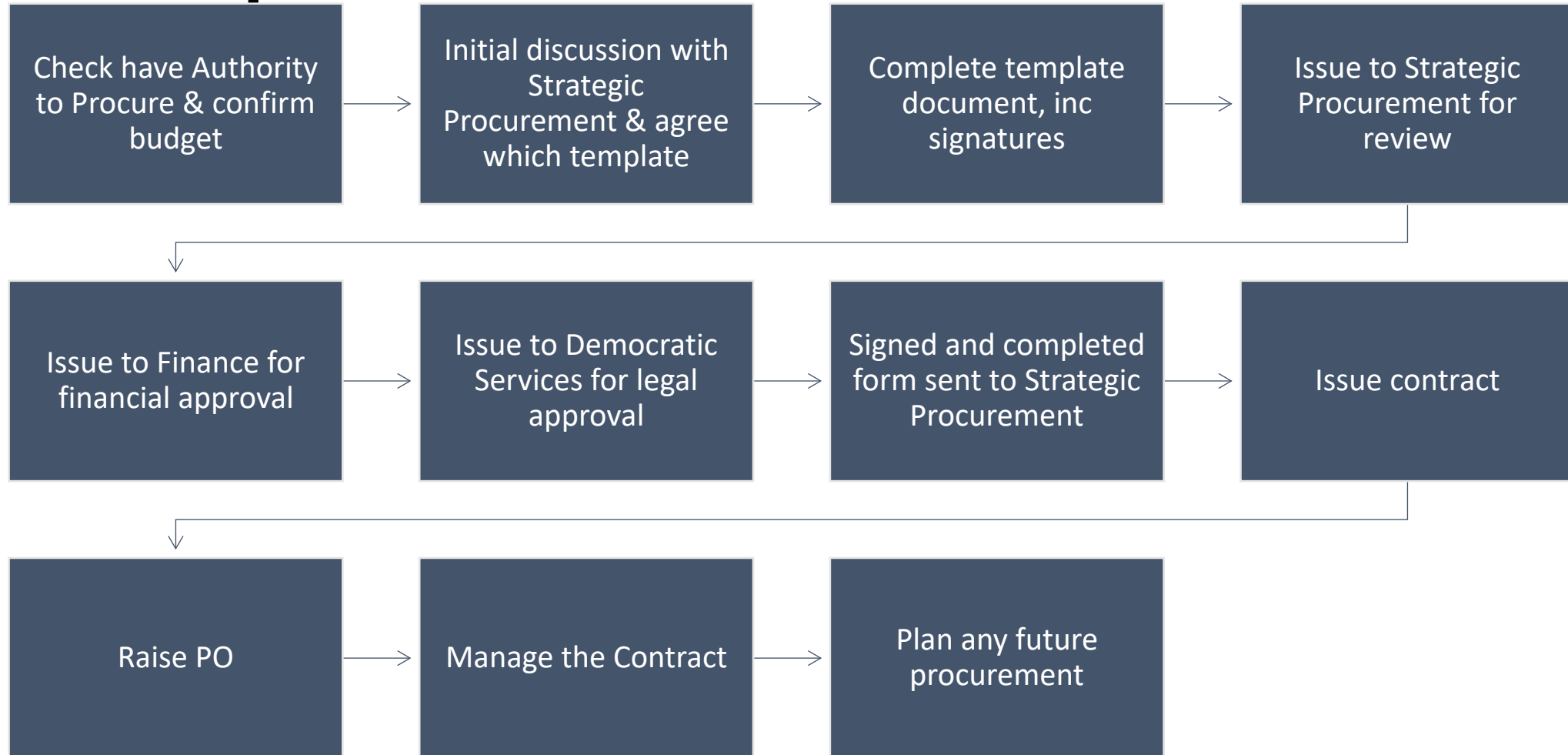
Must update the contract

Includes reductions in scope as well as increases

Use the Modification Form

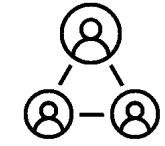
Inform Strategic Procurement so CR can be updated

# Exemption & Extension Journey



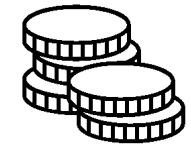
# Social Value

Social Value weighting of at least 10% in all procurement activity over £50k



Social

'Social Value is considered as the **wider benefit** gained by the **local community, businesses and the environment** through the **better spending of public money.**'



Economic

Should be relevant, proportionate, achievable, simple and measurable



Environmental

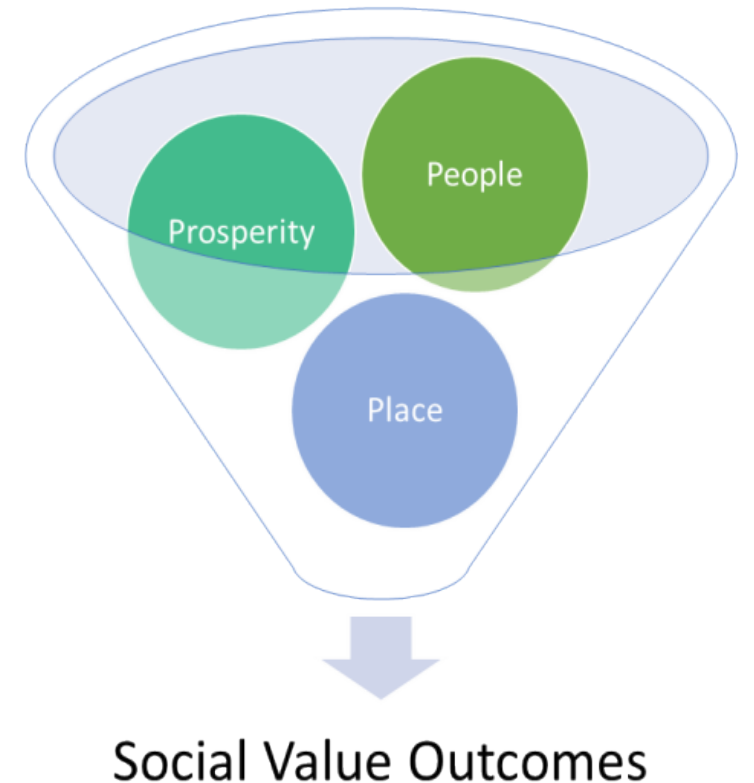


# Social Value

What Social Value does Bury want?

1. Links to Lets Do It
2. Service delivery plans

- What will the contractor deliver?
- How will they deliver it?
- Include in contract and as a KPI
- You must manage and monitor performance



# Social Value: Some Examples

Social	Economic	Environmental
<ul style="list-style-type: none"><li>• Initiatives to reduce crime</li><li>• Initiatives to reduce homelessness</li><li>• Donations to local community projects</li><li>• Volunteering hours to local community projects</li><li>• School visits</li><li>• Training</li><li>• Work placements</li></ul>	<ul style="list-style-type: none"><li>• Use of local supply chain</li><li>• Voluntary hours to support VCSE's</li><li>• Business advice</li><li>• Staff wellbeing</li><li>• Real Living Wage</li><li>• Payment of invoices within 30 days</li><li>• Local employment</li><li>• Apprenticeships</li></ul>	<ul style="list-style-type: none"><li>• De-carbonisation</li><li>• Programme to achieve net-zero</li><li>• Energy efficiency measures</li><li>• Use of renewables</li><li>• Recycling initiatives</li><li>• Re-forestation initiatives</li><li>• Waste management</li><li>• Water saving</li><li>• Zero emission vehicles</li><li>• Single use plastic reductions</li></ul>

# Real Living Wage

## New Contracts:

All Bury contracts with in-scope workers include payment of the RLW

**BURY**  
LET'S Do It!

- *Commitment:*
- *"We will ensure that the Real Living Wage is embedded within our procurement processes and commended to bidders through our ITTs."*

## In-scope:

- **ADD**
- Included in 'Starting a Procurement' form
- Questions added to the Supplier Questionnaire
- ITT and RFQ templates include clause (Section 3 3.5)

# Information Governance

To Update

# Audit

You need to ensure that all your documents are accessible in case of an internal or external audit. In summary:

Bury Council Files	The Chest
Starting a Procurement form	ITT/RfQ
Contract Register	Terms and conditions
Completed exemptions & modification forms	All bidder correspondence
Templates	Evaluation notes and matrices
Strategy, Handbook and CPR's	Contract award
Training materials	Contract notices
	Contract management information

# Roles & Responsibilities - You

Completion Starting a procurement form and Award Report

Completion of declaration of interest

Ensure fair, open, and transparent procedures are followed

Ensure all appropriate governance is in place and followed and obtaining approvals to procure

Provide the appropriate technical expertise for the required supplies, works, or services

Drafting a compliant specification and evaluation criteria

Considering Social Value requirements

Drafting responses to bidder queries

Evaluation and moderation in line with best practice

Drafting feedback to suppliers

Contract monitoring and management

Managing Exemption, Modification and Extension processes

Planning and preparing

Asking for help and advice when needed

Undertake relevant training

# Strategic Procurement Support

- Help and advice
- Manage the Contracts Register
- Keep Procurement Guide up to date
- Review exemptions and modifications
- Template documents
- Review of the Contract Procedure Rules
- Terms & Conditions templates
- Training
- The Chest maintenance
- Publication of notices

# Key Messages

- Read and understand the new Contract Procedure Rules
- Know what contracts you have in place and ensure they are on Contracts Register
- Plan ahead for your procurements
- Engage early with Strategic Procurement
- Fair, open and transparent
- Significant implications if it goes wrong
- Your obligation to comply
- Ask for help if unsure



# Contact/Further Info

If you are unsure about any aspects of the procurement process or procedures, then please contact Strategic Procurement

[CorporateProcurement@bury.gov.uk](mailto:CorporateProcurement@bury.gov.uk)