



PROCUREMENT AND TENDERING PROCEDURES POLICY 2018

1. Purpose of Document

This document has been produced to help define and explain each individual's responsibilities in relation to Weymouth BID's procurement and tendering procedures. It should be viewed as a framework document. Further systems and procedures may be introduced from time-to-time as the need arises.

This document is particularly relevant to directors, managers, budget holders and finance staff, although all staff should be aware of its contents and managers should ensure that the sharing of this information and the understanding of its implications, are part of effective staff induction.

Once this policy has been approved all suggestions for amendments or additions should in the first instance be directed to the Chief Operations Officer. Minor amendments/updates will be agreed by the Weymouth BID Board e.g. changes in policy thresholds or changes in the tendering procedures process.

2. Objectives of the Procedures

- To ensure that the procurement of and tendering for goods and services are properly authorised, recorded and monitored.
- To ensure that the purchased goods and services are a satisfactory quality and offer value for money.
- To minimise the chances of misappropriation and protect Weymouth BID and its staff in such an event.

3. Procurement of Supplies and Services

All staff need to be aware that expenditure is committed when an order is placed on behalf of Weymouth BID, not when payment is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

3.1 Purchase Order / Invoice Thresholds:

Value or Cost (£)	PO Required?	Authorisation Required
0-499	No	COO
500 and over	Yes	Board

The budget holder gives approval to place orders for goods or services within their

budget areas, subject to the availability of funds.

All orders of £500 or more must be authorised by the BID Board. For orders under £500, the COO may delegate ordering as he/she deems appropriate.

3.2 Orders for Goods and Services < £500

A Purchase Order is required for goods and services of £500 gross or less (i.e. £500 including VAT).

A Purchase Order is an internally generated document that details the following:

- The supplier to be used.
- A description of the goods required/service to be performed.
- The monetary value of the order.
- The contract/project code.
- Coding of the expense

If a one off contract for the purchase of goods or services is expected to exceed £500 gross (i.e. £500 including VAT) competitive tenders should be invited: at least three written tenders should normally be sought before a Purchase Order is raised.

Purchase Orders must be raised and authorised **before** an order is placed.

- Finance will generate a Purchase Order on which records Weymouth BID's financial commitment. A hard copy of the Purchase Order is signed by Weymouth BID's COO and Director
- The Purchase Order will have a Unique Reference Number (URN) which should be quoted to the supplier when the order is placed. The supplier should then put this URN on their invoice so when it arrives it can be matched with the correct Purchase Order at Weymouth BID
- When the invoice arrives at Weymouth BID, It will be matched with the Purchase Order and send it to the Budget holder for authorisation for payment

4. Invoice Processing

All invoices must be authorised for payment by the budget holder, although the actual checking of details may be delegated.

The authorising member of staff is responsible for checking invoices for:

- Accuracy in terms of figures and conformity with the order placed.
- That the services or goods have been received and of the expected quality.
- Following up any problems. Should an invoice be incorrect the budget holder should contact the Finance Department.

The COO is responsible for arranging payments to suppliers for goods and services

received by Weymouth BID and maintaining a central record of those people authorised to approve invoices and other payments such as expenses and credit card claim forms.

Once authorized, suppliers will be paid within our standard terms of 30 days. If payment terms need to be negotiated this must have prior written approval from the Financial Controller.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedures with the appropriate expenditure amount being the total committed expenditure over the period of the contract.

5. Sourcing Suppliers

5.1 Preferred Suppliers

Weymouth BID operates a list of preferred suppliers. Suppliers are automatically entered onto the list if they have undertaken more than three pieces of work which have met with Weymouth BID's requirements in terms of delivering products and services of a suitable quality, price and within the timescale agreed.

Suppliers may also apply to become a preferred supplier by application.

Preferred suppliers should be limited to recurring supplies such as stationery, hotel accommodation, travel and consultancy.

6. Tendering Procedures

6.1 Suppliers and Services

Value or Cost (£)	Requirement
0 – 499	None
499 and over	At least 3 written tenders

The procurement of goods and services should be carried out in an equitable and economic manner with regard to open competition and probity. In order to achieve this Weymouth BID operates a defined tendering process.

The tendering procedures are as follows:

If a one off contract for the purchase of goods or services is expected to exceed £500 in value (including VAT), competitive tenders should be invited: at least three written tenders should normally be sought. All continuing contracts for services or supplies which exceed £5000 per annum in value should normally be put out to tender and market tested at intervals of 3 years.

For contracts with a value of £500 or above an email should be sent to inform colleagues that the goods and services are being tendered for.

This has the advantage of:

- Allowing colleagues to offer their skills and experience and suggest potential

- suppliers to include/exclude from the process.
- Avoiding duplications of work by different contractors and Project/Contract Managers.
- Allowing colleagues to suggest existing contractors that could be approached who have the capacity to take on the additional work.

Trade publications & directories, professional institutes, Chambers of Commerce (Business Links), internet searches, advertisements in local, national or trade press may be other sources of useful information.

Suppliers who are successful in the tendering process will be required to become a voluntary BID levy payer and pay an annual levy contribution of £50 to Weymouth BID. This will be reviewed yearly in September.

6.2 Single Tenders

Single Tenders should be avoided wherever possible to ensure that value for money and the most appropriate services are being obtained.

If, exceptionally, it is proposed to invite a single tender for a particular project, reasons may include:

- The goods or services are only available through one supplier,
- A tender competition has been held in the previous six months and only one suitable supplier could be found.
- It is essential that the same supplier be used, as continuity of operations is vital.
- There is reason to believe that formal tendering would result in unsuitable materials or equipment.
- A particular supplier/contractor has already given recent evidence of good performance so economies of scale can be achieved through discount or building on previous work.
- Switching to an alternative supplier would result in excessive costs and disturbance.
- Where creative/subjective considerations are at the fore such as visual design.
- Where the need for the goods or services is so urgent that the time needed for tendering would be prejudicial to Weymouth BID's interests.

Under these circumstances the mitigating facts should be presented to a member of the Executive Team for approval to proceed before approaching the supplier/contractor in question.

Single Tender contracts should not exceed 12 months in duration for the following reasons:

- The supplier may become complacent leading to deterioration in the quality of the services or goods being provided.
- Alternative suppliers may now be able to provide the required goods or services not available at the time the single tender contract was put in place.
- Projects should be continually reviewed to ensure there is congruence between service delivery and Weymouth BID's needs.

Single Tender contracts cannot be extended on a single tender basis and must be renewed under the normal competitive means.

Single Tender contracts must not be fragmented or split to avoid breaching the authorisation thresholds in section 3.1 or the thresholds of EU Procurement legislation

6.3 Contract Variations

A contract variation that extends the scope of the original work must be treated as a Single Tender Action and therefore contracts cannot be extended on a single tender basis.

Where the supplier's costs have overrun but the scope of the work has remained unchanged, then Weymouth BID will not fund the overrun.

If the contract is running significantly behind schedule it may be necessary to extend the delivery time of the remaining milestones. Weymouth BID will not cover any additional inflationary costs under these circumstances. This does not need to be covered by a Single Tender Action.

6. 4 Tendering Documentation

The tender documentation must not state Weymouth BID's expectations of the cost or the budget allowed for the project to ensure that the prospective supplier is as competitive as possible and does not inflate costs to fit the criteria.

Should this information become available to the prospective supplier this will invalidate their application.

Care should be taken in establishing, detailing and recording the evaluation criteria as once the invitations to tender have been sent to prospective suppliers the criteria must not be amended.

Budget Holders must ensure they keep records of which suppliers have been invited to tender, when the invitations were sent and the replies received.

Budget Holders are able to communicate with the prospective suppliers on the content or specification of the tender. However they must ensure that they do not communicate any information that could be deemed to be providing an unfair advantage to the supplier as this may invalidate the supplier's application.

The invitation to tender document should state:

- Comprehensive and clearly written specifications.
- Delivery timescales.
- Deliverables by which performance will be measured.
- Criteria for awarding the contract.
- The closing date beyond which tenders will not be accepted, the format and number of copies required.
- The name and contact details of the budget holder dealing with the tender.

- Any special conditions e.g. Health and Safety, Equal Opportunities, Disability Rights, Environmental Issues.

Invitations to tender should be accompanied by:

- An A4 sized envelope bearing only the address of the Weymouth BID office and the words 'Confidential – Tender for (name of project or item) Not to be opened until (the closing date)'.

When tenders are received they should not be opened but should be:

1. Signed and dated by the recipient
2. Stored in a safe place until the closing date.

Tenders received by any other method other than in the envelope provided e.g. fax or e-mail should not be accepted.

All tenders received after the closing date should be returned unopened to the contractor/supplier with an explanatory note.

The prices quoted in the tender should be recorded at the point of opening the tender. On completion of this process those present should sign and date the record.

The contract should normally be awarded to the tenderer submitting the best service and value. This does not necessarily mean the lowest tender. In evaluating a tender other than on the basis lowest price, the following may be used as a means of evaluation:

- Delivery or completion date
- Cost effectiveness
- Quality
- Aesthetic and functional characteristics
- Technical merit
- Service and technical assistance during and after the contract period
- Security of supply
- Running costs and maintenance issues
- Fitness for purpose
- Track record of previous goods/service supplied
- Financial viability of the prospective supplier
- Can a suitable working relationship be developed?
- Environmental considerations
- Diversity
- Any other relevant agreed criteria

All those invited to tender should be notified immediately as follows:

1. Where a tender is received after the closing date it should be returned with an explanatory note.
2. Where no tender is received from a person or firm invited to tender the person or firm should be informed that the contract has been awarded and that no tender was received from them.
3. Unsuccessful tenderers should be notified of the outcome.

4. The successful tenderer should be notified accordingly.
5. Raise Purchase Order to successful supplier.

Copies of all tenders received, together with all correspondence with those invited to tender should be retained on file.

In some cases Weymouth BID must also adhere to the tendering requirements specified in contracts with third parties. It is the responsibility of the budget holder to ensure that all relevant members of staff are aware of specific requirements.

The above tendering requirements do not apply to grants made by Weymouth BID that are the subject of open application against published criteria. Every grant funding scheme managed by Weymouth BID has a separate procedures manual containing full application and assessment guidelines.

6.5 Contract Documentation Filing

All signed original contracts should be filed centrally, though budget holders should retain a copy for their own reference.

Folders should be created on the shared drive where all electronic information e.g. emails and supporting documentation can be filed.

Managers should ensure they keep a hard documentation file providing a clear audit trail supporting the contracting process.

Suppliers should not commence work until the contract is signed ensuring that the scope of work and price has been properly agreed.

All suppliers must agree to permit their costs and payments to be made public when Weymouth BID deems it is necessary. This is to ensure transparency to all levy payers.

6.6 Post Contract Evaluation

Once a contract subject to the tendering process has been completed a post contract evaluation should be carried out within one month of the project's completion.

The objectives for this:

- To determine the validity and suitability of the project criteria as established by Weymouth BID.
- To ascertain if the supplier met the required project criteria and provided value for money.
- Establish if the supplier is suitable to be used again.

Report and record knowledge gained, lessons learned and any problems encountered.

7. Hiring Consultants / Project Management

In addition to the procurement and tendering procedures when hiring Consultants the

following should be adhered to:

- If Weymouth BID is hiring a Consultant for the first time, the Budget Holder should consider taking references from clients for whom the Consultants have previously worked.
- The Consultant should be provided with a single contact name within Weymouth BID. This should be the Budget Holder with sign off authority.
- The Weymouth BID Budget Holder should ensure both they and the Consultant are clear on the key stages within the production process.
- Where possible there should be consistency between the personnel commissioning the project and those subsequently overseeing it.
- The Budget Holder should ensure they are fully aware from the start of any changes that can be made to the project within the agreed budget and what changes if required would be chargeable.

8. Petty Cash

Petty Cash is administered and distributed by the COO. It is intended purely for small sundry items which must be wholly, necessarily and exclusively required for Weymouth BID business. Petty cash must not be used for items specifically covered in the Weymouth BID Expense Policy. Staff should seek the guidance of the COO if they are unsure as to whether they should submit an expense claim/request petty cash.

9. Diversity and Equal Opportunities

Diversity consists of visible and non-visible differences. It is the harnessing of these differences, which results in a successful, creative and productive town. Weymouth BID is pro-active in promoting diversity and equality of opportunity within our own organization and in using our position to influence service providers and suppliers in supporting us in our diversity aims.

We have developed a Diversity and Equal Opportunities Policy to ensure that no Weymouth BID board member, stakeholder, job applicant, employee or advisor is discriminated against either directly or indirectly on the grounds of race, colour, nationality, ethnic or national origin, sex, marital status, gender reassignment, sexual orientation, religious belief, disability, HIV status or age.

Weymouth BID wishes to ensure that the purchase of all goods, services and facilities is undertaken in line with our equal opportunity and diversity commitments. We will not use agencies or companies who do not share our values on equality of opportunity and diversity. We wish to create an environment where businesses have an equal opportunity of competing for Weymouth BID contracts.

Where we deliver services ourselves we must ensure that these are provided in line with our equal opportunity and diversity commitments and we expect the same from service providers and suppliers.

In addition we are happy to provide support and information to assist service providers and suppliers to more fully to understand and address diversity issues when working with us or when supplying goods or services.

Whilst suppliers must not discriminate, they do not have a legal obligation to promote equality of opportunity. However, we would wish that suppliers respect and respond to our requirement to support diversity and equality of opportunity in their dealings with us.

Weymouth BID will, where possible, build equality considerations into its procurement process. These considerations may include, but not be limited to:

- Specifying equality requirements in draft specifications of contract documents.
- Considering whether specific contract conditions covering equality should be included.
- Checking the company has no known history of discrimination.
- Checking the company has the ability to promote race equality in employment and service delivery.
- Encouraging the supplier to take steps voluntarily to promote equality beyond that which is legally required after the contract award.
- While managing the contract checking the supplier's performance meets equality requirements.
- Requesting access to suppliers own equal opportunities or diversity policy (if applicable).

10. Environmental Issues

Weymouth BID takes environmental issues seriously and is committed to building environmental considerations into all aspects of its procurement process. All Weymouth BID staff should be familiar with Weymouth BID's environmental and sustainability strategy and that this strategy should directly affect decisions about procurement.

Weymouth BID's procurement should be based on value for money, with value for money being defined as "the optimum combination of whole life cost and quality (or fitness for purpose) to meet our requirement". This means all aspects of costs, not just the initial purchase cost, will be considered when making a decision to award a contract or to purchase goods or services. Environmental issues which may be taken into consideration could include, for example:

- The use of refurbished and recycled products e.g. toner cartridges and paper thereby reducing waste.
- Ensuring services and products if derived from wildlife such as timber are from sustainable sources.
- Avoiding the use of ozone depleting substances.
- Avoiding the use of excessive or non-recyclable packaging.

Buying green can cost less, however it should be noted that there will be instances where the costs are actually higher and will not be offset by savings in the long term. Therefore consideration will have to be given to determine if the extra premium cost is justified.

11. EU Procurement Legislation

Weymouth BID should comply with EU procurement legislation for goods and services over £144,571. For up to date information on the legislation and go to:

http://www.ogc.gov.uk/procurement_policy_and_application_of_eu_rules_eu_procurement_thresholds_.asp

The Directives set out the procedures to be followed by purchasers in the public and utilities sectors. Revised Regulations covering England, Wales and Northern Ireland were brought into effect on 31 January 2006.