

## **SOUTH LENCHES COMMUNITY LEGACY GRANT CONTRACTING AND PROCUREMENT PROCEDURES**

### **A. Introduction**

In this document, any words in *italics* are explained in the Definitions Appendix. References to “the Council” includes the South Lenches Parish Council (SLPC) and any other Committee or persons acting in accordance with delegated authority on behalf of the Council, as set out in the Council’s Standing Orders and Financial Regulations.

These Contract Procedure Rules exist to ensure that the Council or its delegated partner, The Lenches Sports and Recreation Club (LSRC) lets contracts in relation to the Lenches Open Air Theatre which is the subject of Community Legacy Grant from Wychavon DC (“the project”) in a fair, consistent, honest, legal and transparent manner. There is a statutory basis for the rules which promote good purchasing practice and public accountability. Following the rules is also the best defence against potential allegations that a purchase has been made incorrectly or fraudulently.

All Council and LSRC representatives with financial responsibilities, especially for purchasing, must comply with these Contract Procedure Rules in relation to the project. This includes purchasing on behalf of other organisations and purchasing using external funding. e.g. grants. Exemptions are only to be used in exceptional circumstances as detailed in Section 3. Failure to comply with these Contract Procedure Rules could result in withdrawal of The Legacy Grant.

### **B. Summary of Essential Requirements**

- Identify a *Contract Manager* (on both sides) with responsibility for ensuring the project and any associated contracts deliver as intended.
- Follow the rules if you have a delegated responsibility to purchase goods or services or order building work.
- Declare any personal interest in a contract and withdraw from taking part in it. Corruption and/or Bribery is a criminal offence.
- Conduct an appraisal of the purchasing need and the requirement to obtain best value for money.
- Allow at least four weeks (or such shorter period as may be approved by the SLPC Contract Manager) for submission of bids for high value contracts.
- Keep bids confidential.
- Complete a written contract before the supply or works begin.
- Keep records of all dealings with suppliers.
- Assess each contract afterwards to see how well it met the purchasing need and value for money requirements.
- The *Council Contract Manager* will keep a record of all financial transactions relating to the project and report on progress to the *Council* at least monthly during the term of the project.
- Wychavon District Council terms and conditions for the grant to be referred to. **Please see attached document.**

**C. Summary of values and thresholds determining competition requirements as per SLPC Financial Regulations.**

<b>Total value</b>	<b>Award procedure</b>
<b>Value: £100 to £3,000</b>	Must seek 3 estimates (to be confirmed in writing) The Contractor can be selected on price alone; or criteria used must be explained to support decision if contract awarded other than on price alone
<b>Value: £3,001 or above</b>	Must obtain 3 written quotations Evaluation criteria used must be explained to support decision if contract awarded other than on price alone.

See Section E for further information.

Values exclude VAT.

**D. Basic principles of public sector purchasing and contracting**

D.1. All purchasing and contracting procedures must:

- achieve **best value** for public money spent;
- be consistent with the highest standards of integrity;
- ensure fairness in allocating public contracts;
- comply with all legal requirements;
- ensure that where non-commercial considerations are discussed in every contracting decision and that these are linked to and support the Council's 'social value' aims. No other non-commercial considerations should influence any contracting decision. Reference in this and the following paragraph to the Council includes Wychavon District Council.
- support the Council's corporate vision, aims, values and policies.

**D.2. Exemptions**

D.2.1 Exemptions In exceptional circumstances - these Contract Procedure Rules will not apply if the appropriate *Contract Managers*, in consultation with the Council are satisfied:

- that there is no genuine competition, for example where:
  - a) the goods or materials are proprietary articles or are sold only at a fixed price and no satisfactory alternative is available;
  - b) the price of goods, materials or services are wholly controlled by trade organisations or government order;
  - c) the goods, materials or services are required for repairing or servicing existing specialist plant or equipment;
  - d) the work is required to be carried out by public service providers.

Where there is no genuine competition, the LSRC *Contract Manager*, will obtain written quotations from the contractor, and where appropriate, will negotiate to obtain best value for money for the Council prior to awarding any contract;

- i. the proposed contract for the execution of work forms part of a serial programme, the terms having been negotiated with the contractor on the basis of the rates and prices contained in an initial contract awarded competitively following an invitation to provide a written quotation or tender;

- ii. that to maintain service continuity and minimise disruption, considers it desirable in the best interests of the Council that a tender be invited for the execution of work from a contractor selected by it, or negotiated with a contractor already engaged by the Council;
- iii. the goods, materials or services are required due to an emergency involving immediate risk to persons, property or serious disruption to Council services;
- iv. that significant financial loss may be incurred if the letting of the contract is delayed;
- v. that external/partner funding arrangements require other procedures to be followed;
- vi. that services are being supplied by professionals or other volunteers free of charge.

D.2.2. In cases (iv) and (v) above the appropriate LSRC *Contract Manager* may obtain verbal estimates/quotations, provided they are subsequently confirmed in writing.

D.2.3. Where an exemption is necessary because of an unforeseeable emergency the *Contract Managers* in conjunction with the *Council* may jointly approve the exemption but they must prepare a report to support the action taken.

D.2.4 All exemptions, and the reasons for them, must be recorded and a copy sent to the *Council*.

D.2.5 Where the Council carries out work using a recognised standard form of contract from a professional institution, procedural requirements may differ slightly to those laid down in these Contract Procedure Rules.

D.2.6 *Contract Managers* will monitor the use of all exemptions.

D.2.7 These Contract Procedure Rules do not apply to any contract all payments under which contract are funded exclusively from the LSRC's own resources and will not be reimbursed by SLPC under the Community Legacy Grant or otherwise.

### **D.3. Relevant Contracts**

D.3.1 All relevant contracts must comply with these contract procedure rules. A relevant contract is any arrangement made by, or on behalf of the Council or the LSRC for the carrying out of works, or for the supply (or disposal) of goods and materials or the carrying out of services, in each case in relation to the project. These include arrangements for:

- the supply or disposal of goods;
- delivery of services, including (but not limited to) those related to: -
  - the recruitment of staff;
  - land and property transactions;
  - financial and consultancy services.

D.3.2 Relevant contracts do not include:

- contracts of employment which make an individual a direct employee of the authority, or;

- agreements regarding the acquisition, disposal or transfer of land (for which Financial Regulations shall apply).

## **E. Conducting Purchasing**

### Approval Requirements:

- LSRC must seek approval from the SLPC *Contract Manager* for all purchases with a value greater than £99. Approval will be granted if all conditions outlined in this document have been met.
- For any purchase of less than £100 a written record must be made by LSRC and a receipt obtained from the supplier.

### Competition Requirements:

- The LSRC *Contract Manager* must calculate the total value of any proposed purchase or disposal. The following procedures apply where there are no other procedures which take precedence.
- Where the total value for a purchase is within the values in the first column below, the award procedure in the second column must be followed.

<b>Total value</b>	<b>Award procedure</b>
<b>Value: £100 to £3,000</b>	<ul style="list-style-type: none"> <li>• Must seek 3 estimates (to be confirmed in writing)</li> <li>• The Contractor can be selected on price alone; or criteria used must be explained to support decision if contract awarded other than on price alone</li> </ul>
<b>Value: £3,001 or above</b>	<ul style="list-style-type: none"> <li>• Must obtain 3 written quotations</li> <li>• Evaluation criteria used must be explained to support decision if contract awarded other than on price alone.</li> </ul>

**Values exclude VAT.**

## **APPENDIX**

### **Definitions:**

#### **Agent**

A person or organisation acting on behalf of the Council, or on behalf of another organisation.

#### **Contract Manager**

The named Councillor or LSRC Officer who is responsible for sponsoring a contract from inception to completion.

#### **Council**

South Lenches Parish Council

#### **Statutory Basis**

The Local Government Act 1972 (section 135) requires Local Authorities to introduce and implement standing orders (procedure rules) for contracts made “by them or on their behalf for the supply of goods and materials or for the execution of works”.

The Local Government Act 1988 (Part II) lays down general rules as to contracting practice. All contracts let by the Council will comply with these rules.

The Local Government Act 1999 and associated guidance requires local authorities to make arrangements to secure best value and continuous improvement in exercising current functions and also when considering procurement options for future service delivery.

### **Total Value**

The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows:

- where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period;
- where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months;
- where the contract is for an uncertain duration, by multiplying the monthly payment by 48;
- for feasibility studies, the value of the scheme or contracts which may be awarded as a result;
- for nominated suppliers and sub-contractors, the total value shall be the value of that part of the main contract to be fulfilled by the nominated supplier or sub-contractor.

### **VAT**

All approved purchases will be paid for by LSRC using funds supplied from the Legacy Grant. These funds do not include any provision for the payment of VAT. It will therefore be the responsibility of LSRC to pay VAT on all goods and services and to subsequently claim back VAT from HMRC. The LSRC Contract Manager must ensure that the organisation holds sufficient funds to finance VAT payments.