



GRENDON UNDERWOOD PARISH COUNCIL

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PROCUREMENT POLICY

CP19.01

Authorisation & last review as shown in the Policy Review Record CD08A

| CHANGE LOG | |
|--------------|--|
| v.1 May 2025 | <p>Consolidation of relevant sections of:</p> <p>Standing Orders CP24, 18 – Financial Controls & Procurement;</p> <p>Code of Conduct CP03, 6 – Registration of Interests;</p> <p>Risk Assessment Policy CP22, 5. Commissioning the Provision of Goods & Services</p> <p>Risk Management Policy CP23, 1. 1. – Use of Insurance to Manage Risk</p> <p>Financial Regulations CP11, 4 - Budgetary Control & Authority to Spend</p> <p>& 5 - Banking Arrangements & Authorisation of Payments</p> <p>& 6 - Instructions for the Making of Payments</p> <p>& 8 - Loans & Investments</p> <p>& 10 - Orders for Work, Goods & Services</p> <p>& 11 - Contracts</p> <p>& 12 - Payments under Contracts for Building or other Construction Works</p> <p>& 14 - Insurance</p> <p>& 15 - Risk Management</p> <p>The Procurement Act 2023 and the Procurement Regulations 2024 came into force on 24 February 2025. Schedule 1 of the 2023 Act contains the thresholds for contracts for the supply of goods, services and the provision of works. The new legislation replaces previous legislation, such as the Public Contracts Regulations 2015</p> |
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I PURPOSE

Council recognises that the efficient management of procuring goods and services from Suppliers & Contractors with public money is subject to several legal and regulatory obligations and due diligence.

This Policy consolidates those relevant sections of Council Policies, Statutes and NALC guidance into a readily accessible framework for ease of reference such as to ensure the effective & timely management of administrative affairs in relation to due diligence for the disbursement of public money, to minimise fraud and to maximise transparency, accountability, fairness, equality and value for money to the benefit of local residents.

It encompasses those requirements of the relevant legislation such as to ensure the timely and efficient compliance with statutory obligations and to deliver its duties in regard to the expectations of the residents of the Parish.

It is also intended to act as guidance for Suppliers & Contractors and for any external grant awarding body contributing to a project as to the requirements on Council for the commissioning and payment of Suppliers.

Council has made every effort to ensure all relevant statutory requirements to which a council is subject are encompassed in this Policy but confirm that, in any event, those requirements apply whether or not they are incorporated herein.

This Policy has been drawn up within the context of the Parish Council's Freedom of Information Policy and its Data Protection Policy and every effort has been made to ensure this Policy is consistent with other Council Policies where relevant.

NOTES:

- NALC stands for the National Association of Local Councils.
- RFO is the Responsible Finance Officer
- Where the word "councillor" is used, unless the context suggests otherwise, the meaning is intended to include non-councillors, with or without voting rights, and council employees.
- A 'co-opted member' is a person who is not an elected member of the Council but who has been co-opted onto the Council, or a committee or sub-committee properly constituted by Council, by a majority of elected Councillors at a properly constituted meeting of Council and who is entitled to vote on any question that falls to be decided at any meeting of Council or that committee or sub-committee.
- A 'meeting' is a properly constituted meeting of the Council, any of its committees, sub-committees, joint committees or joint sub-committees.
- Unless otherwise expressed, a reference to a Member of the Council includes a co-opted member of the Council.
- Where gender specific wording is used, meaning is intended to be gender neutral.

II SCOPE

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This policy will be initiated for any proposal requiring council expenditure, raised by a Member, and which has been considered and approved by resolution of full Council having taken due regard to this Policy and the policies and statutes from which it is has been derived.

III POLICY

Summary

1. Authorisation.
2. Supplier Selection.
3. Financial Review.
4. Initiate Procurement.
5. Monitoring Progress.
6. Hand over
7. Review / learning points.

1. **Authorisation**

Any member of council may submit a proposal to incur council expenditure and/or liability at any properly constituted meeting of council.

The council will consider the proposal for progress to the next stage.

2. **Supplier Selection**

If it is agreed to progress the proposal, the minutes of the agreement meeting will be posted to the council website and the Clerk will be authorised to raise an invitation to tender and to publish it on the council website and obtain two or three estimates/ quotes/ tenders from suppliers that conform to the council approved supplier criteria.

The Council will seek to support local small / medium businesses wherever possible subject to there being minimal risk to successful / cost effective outcomes.

Suitability criteria will include

- Previous experience of satisfactory service or being on the council approved supplier list.
- National awards and accreditations,
- Experience of previous local authority work,
- Recommendations and testimonials,
- Having current liability insurance in place,
- Clear VAT invoicing where relevant,
- Acceptance of payment by BACS.

Supplier selection is subject to additional requirements in the financial regulations of the Council, reference CP11.08 (2025)

Section 10 – Orders for Work, Goods & Services - the tender/ supplier selection/ quote process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following:

A specification for the goods, materials, services or the execution of works shall be drawn up; an invitation to tender shall be drawn up to confirm

- (i) the Council's specification
- (ii) tenders are to be submitted in writing by email to the Proper Officer
- (iii) the time, date and email address for the submission of tenders
- (iv) the date the Council will provide a written response to the tender and
- (v) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;

All tenders shall be forwarded by the Proper Officer to all Councillors after the deadline for submission of tenders has passed.

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All tenders are to be considered at the next full meeting of the Council or a committee or sub-committee with delegated responsibility. Neither the Council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.

The supplier will be selected by resolution of full Council and the Clerk authorised to raise a Purchase Order in favour of the preferred supplier, using council document CD07, to reference the tender/quote upon which the selection was made and to confirm price, date of delivery and delivery address if applicable.

The Clerk will also notify those suppliers not successful this time.

The minutes of the council meeting(s) where consideration and approval of the project plan and selection of the chosen contractor will be published to the Council web site, on the village notice board and in any other manner that is appropriate.

3. Financial Review

On receipt of quotes within the deadline, the Clerk will submit these to the RFO & Chairman.

The RFO shall review the proposal and submit to council a detailed consideration of the financial viability and risk to Council core statutory duties, to include:

- Any ongoing commitment to the current or future councils as to budgeting requirement;
- The effect on reserves;
- The effect on precept and council tax;
- How to ensure VAT is reclaimable;
- Whether contracts with an estimated value below **£25,000**, due to special circumstances, are exempt from a tendering process or procurement exercise.

The Financial Review must take due regard of the council's Financial Regulations

Reference Financial regulation 4 - Budgetary Control & Authority to Spend

- 4.1 In line with the Council Policy on Risk Management, no one individual, member or employee, is authorised to incur expenditure on behalf of the Council unilaterally. Accordingly, any authority for the disbursement of public monies must be by resolution of full Council.
- 4.2 All such authorities must be evidenced by a minute.
- 4.5 Unless by prior resolution of full Council to specifically access General Reserves, no expenditure may be incurred that will exceed the amount provided in the revenue budget for such expenditure.
- 4.6
- 4.7
- 4.8
- 4.9
- 4.10
- 4.11
- 4.13 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.14 Note: For public contracts regulated under the Procurement Act 2023 and the Procurement Regulations 2024, (which came into force on 24 February 2025). Schedule 1 of the 2023 Act contains the thresholds for contracts for the supply of goods, services and the provision of works, which should be referred to as appropriate.

Financial Regulation 4.12 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.

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4. Initiate Procurement

At the next full meeting of council, the finalised proposal will be agendarised for the council to agree to initiate the procurement process or to reject the proposal.

The chairman will confirm no member wishing to vote on the proposal has any disclosable interest in the supplier selection - ref: Code of Conduct 6 - *Registration of Interests*

Should a member have a disclosable interest, the member shall not participate in a discussion or vote on the matter.

With all relevant information to hand, council will vote on the proposal and may decide to accept or reject, taking into consideration all relevant implications to the council reputation, financial probity, setting of a precedent and any implications for the residents of the community.

Should council decide to accept the proposal it will ratify its decision by way of a minuted resolution, identifying the proposer, the seconder and the vote.

Should council decide to reject the proposal, the decision will be recorded by minute and the item closed to further discussion.

Once ratified, the clerk will be authorised to notify both successful and failed suppliers of the outcome of their quotes.

5. Monitoring Progress

The 'lead' Member will maintain contact with the supplier and report progress back to Council including any changes in pricing, timing or specification of the deliverable.

On completion of the deliverable, Council will confirm by resolution its acceptance and sign off any final payment as agreed. On ratification, Council will appoint a 'lead' Member (LM) [and a deputy if necessary], acting under the Chairman, to drive progress throughout the project up to completion and sign off.

The LM may draw on external project management, legal or other expertise as necessary subject to full approval by Council.

The LM will submit a fully costed & timed project schedule, up to realisation, to Council prior to any financial commitment.

The LM will submit progress reports to subsequent council meetings occurring throughout the duration of the project such as to identify any slippages and changes to plan from either the supplier or the council with any impact on cost accruing.

The LM will arrange meetings/ discussions with the supplier as they deem necessary. Under no circumstance will the LM or any other Member act or commit the council unilaterally before obtaining specific authority from council.

All discussions with the supplier and between individual Members must be recorded by email and forwarded to all Members by email as soon as possible after the event.

6. Completion / Handover

7. Review / Learning Points

FINANCIAL REGULATIONS

Finregs 4. Budgetary Control & Authority to Spend

- 4.1 In line with the Council Policy on Risk Management, no one individual, member or employee, is authorised to incur expenditure on behalf of the Council unilaterally. Accordingly, any authority for the disbursement of public monies must be by resolution of full Council.
- 4.2 Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget.

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- 4.3 All such authorities must be evidenced by a minute.
- 4.4 Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.5 Unless by prior resolution of full Council to specifically access General Reserves, no expenditure may be incurred that will exceed the amount provided in the revenue budget for that class of expenditure.
- 4.6 During the budget year and with the approval of council, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate.
- 4.7 At each General Meeting of Council, the RFO shall provide the Council with a statement of expenditure & receipts for the period from the last meeting to date.
- 4.8 At the General Meeting nearest to and after the end of each financial quarter – end June, end September, end December, end March - the RFO will table a statement highlighting any discrepancies in actual expenditure in the quarter against that planned as shown in the budget.
- 4.9 In the un-lightly event of extreme risk to the delivery of council services or statutory duties or in the event of an expenditure being necessary to carry out any repair, replacement or other work being of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, the Member identifying the need will initiate the Council Rapid Response Policy and the Clerk shall formally report the action & outcomes to the Council as soon as practicable thereafter.
- 4.10 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the council.
- 4.11 The salary budgets are to be reviewed at least annually at the May financial review for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.12 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 4.13 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 4.14 For each capital works project, the RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of [£100] or [15%] of the budget.
- 4.15 Changes in earmarked reserves shall be approved by council as part of the budgetary control process.

5. Banking Arrangements & Authorisation of Payments

- 5.1 The Council's banking arrangements, including the Bank Mandate, shall be made & managed by the Chair of Council with the approval of the Council. Banking arrangements may not be delegated to a committee or any other single individual or officer of Council. The Council shall regularly review them for safety & efficiency.
- 5.2 A schedule of the payments invoiced in the period between General Meetings of Council shall be prepared by the RFO and, together with the relevant invoices, to be presented to Council. The Council shall review the invoices so presented for compliance against any Purchase Order or resolution in force and, having satisfied itself, shall authorised payment by a resolution of the Council. The approved payments shall be ruled off & the invoices initialled by the Chairman of the Meeting & one other member. A detailed list of all payments made in the period since the last meeting shall be disclosed within or as an attachment to the minutes of the meeting at which payments were authorised [unless not in the public interest so to do]. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.
- 5.3. All invoices submitted for payment shall be examined, verified and certified by the RFO to confirm that the work, goods or services to which the invoice relates has been pre-approved by Purchase Order or some other resolution of Council and has been received, carried out, examined and deemed acceptable.

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- 5.4 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading.
- 5.5 In the event of a discrepancy being identified, the RFO will initiate enquiries with the supplier for clarification prior to submission to the Council.
- 5.6 The RFO shall submit for payment all invoices which are in order at the next available meeting of Council.
- 5.7. In line with Council's Risk Management Policy, at least two Members of Council, one of which must be the Chairman, are required to authorise the raising of Direct Debits & Standing Orders, the payment of invoices, expense claims, the release of duly authorised grant award funding & any other items of expenditure including in the following circumstances:
- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the Council is not aware of any dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council;
 - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting of council; or
 - c) fund transfers within the councils banking arrangements provided that a list of such payments shall be submitted to the next appropriate meeting of council.
- 5.8. For each financial year the Clerk/RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like for which council may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of council.
- 5.9. A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.10. In respect of grants, Council shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. All Revenue or Capital Grants shall, before payment, be subject to ratification by resolution of the council.
- 5.11. Members are subject to the Code of Conduct that has been adopted by the council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.
- 5.12. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.13. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

6. Instructions for the Making of Payments

- 6.1 The council will make safe and efficient arrangements for the making of its payments. No business will be transacted using personal information or data capable of identifying an individual.
- 6.2. Following authorisation under Financial Regulation 5 above, the council will ratify that a payment shall be made.
- 6.3. All payments shall be affected electronically against a duly approved instrument or instruction to the council's bankers, any exception being in accordance with a resolution of council.
- 6.4. Invoices or other approved orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two members of Council to indicate agreement of the details shown on the order for payment & in accordance with a resolution instructing that payment.
- 6.5 A Member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to any payment.

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- 6.6. Orders for payment shall not normally be presented for signature other than at a council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the council at the next convenient meeting.
- 6.7. If thought appropriate by the Council, certain payments (such as utilities, broadband, devolved services) may be made by variable Direct Debit or Standing Order provided that the instructions are signed by two members and any payments are reported to council as made. The approval of the use of a variable Direct Debit shall be renewed by resolution of the council at least every year.
- 6.8. In addition, if thought appropriate by Council, payments for certain items may be effected by BACS or CHAPS transfer methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained and any payments are reported to council as made. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every year.
- 6.9. Under certain circumstances a Member may be authorised by full Council to incur a specific expense for a specified purpose to make an on-line purchase to be reimbursed subsequently as an expense claim according to Council Policy on expenses. The amount of expenditure must be pre-authorised against a printed off & signed quote or expenditure request submission to council.
- 6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.
- 6.12. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.13. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.14. The council, and any members using computers for the council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.
- 6.15. Where internet banking arrangements are made with any bank, the Chairman shall be appointed as the Service Administrator. The bank mandate approved by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.
- 6.16. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for council banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by two members. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. The council will not maintain any form of cash float. In the event of cash being unavoidably received it must be banked intact as soon as practically possible. Any pre-authorised payments made in cash (for example for postage or minor stationery items) shall be refunded against receipt, the Council's Expenses Policy and on receipt of an approved Expenses Claim Form tabled at a general Meeting of Council.
- 6.19. In line with the Council Policy on Risk Management, the Council will not issue debit or credit cards or deal with cheques unless by extreme exception and with approval of the Chairman and one other councillor.
- 6.20. Regardless of payment method, or as well as submitted in paper copy, all supplier invoices are required to identify supplier bank details, to allow authorised electronic transfer, and to be forwarded as attachments to an email sent to the Council email address of the Clerk.

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- 6.21 Any personal payments made by a Member or council employee in the course of their duty (for example for postage or minor stationery items) shall be claimed separately as 'office expenses', as appropriate, against invoice & receipt of an approved Expenses Claim Form, to be claimed and refunded at the next General Meeting of Council following submission.
- 6.22 Any personal payments made by a Member or council employee for travel expenses or fuel used solely for Council business (such as attending training events) shall be claimed separately as 'travel expenses', against identification of the purpose of the expenditure, any travel warrants and subject to its prior authorisation by Council, to be claimed and refunded at the next General Meeting of Council following submission.
- 6.23 Any overtime carried out by a council employee in the course of their duty (for example for training) must be authorised by the Chair of Council before hand and shall be claimed separately as 'overtime', against identification of the purpose of the overtime and the Chair's authority, to be paid at the standard hourly rate monthly with salary.

8 Loans & Investments

- 8.1. All borrowings shall be affected in the name of the council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full council.
- 8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full council. In each case a report in writing shall be provided to council in respect of value for money for the proposed transaction.
- 8.3. The council will arrange with the council's banks and investment providers for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.
- 8.4. All loans and investments shall be negotiated in the name of the council and shall be for a set period in accordance with council policy.
- 8.5. The council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.
- 8.6. All investments of money under the control of the council shall be in the name of the council.
- 8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.8. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).

10 Orders for Work, Goods & Services

- 10.1 An official Purchase Order, ref council document CD17, attached to an email from the Council email address of the Clerk, shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained.
- 10.2 Purchase Orders shall be logged and electronic records maintained on Council owned IT equipment by the RFO.
- 10.3 All members and Officers are responsible for obtaining value for money at all times. When issuing an official order Council shall ensure, as far as reasonable and practicable, that the best available terms are obtained in respect of each transaction, usually by obtaining two or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11 (I) below.
- 10.4. No single individual, Member or council employee may issue an official order or make any contract on behalf of the council.
- 10.5 The RFO shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the Minutes can record the power being used.

11 Contracts

- 11.1 Procedures as to contracts are laid down as follows:

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- (a) Every contract shall comply with these financial regulations, and no exceptions shall be made otherwise than in an emergency provided that these regulations shall not apply to contracts which relate to items (i) to (vi) below:
- (i) for the supply of gas, electricity, water, sewerage and telephone services;
 - (ii) for specialist services such as are provided by solicitors acting in disputes, accountants, surveyors and planning consultants;
 - (iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - (iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
 - (v) for additional audit work of the external Auditor up to an estimated value of £500 (in excess of this sum the Clerk/RFO shall act after consultation with the Chairman and Vice Chairman of Council);
 - (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- b) Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations¹.
- c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)².
- d) When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council.
- e) Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk by attachment to an email. Alternatively, and in appropriate circumstances, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.
- f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- g) Any invitation to tender issued under this regulation shall be subject to the council’s relevant standing order and shall refer to the terms of the Bribery Act 2010.
- h) When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk/RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the Clerk/RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- i) The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j) Should it occur that the council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the council requires further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

12. Payments under Contracts for Building or other Construction Works

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).

¹ The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts

² Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£181,302)
- b) For public works contracts 5,225,000 Euros (£4,551,413)

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12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more a report shall be submitted to the Council.

12.3 Any variation to a contract or addition to or omission from a contract must be considered and approved or rejected by the Council and the Clerk instructed to advise the Contractor of their decision in writing. Any such decision by the Council being an informed decision as to the effect of the variation, especially in regard to any revised final cost being likely to exceed the financial provision.

14 Insurance

14.1 Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the council's insurers.

14.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.

14.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.

14.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.

14.5. All appropriate Members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the council.

15 Risk Management

15.1 The council is responsible for putting in place arrangements for the management of risk. The Clerk/RFO shall prepare, for approval by the Council, a Risk Management Policy and a full Risk Assessment in respect of all activities of the council. The Risk Policy and Assessment and consequential risk management arrangements shall be reviewed by the Council at least annually.

15.2 When considering any new activity authorised by Council, the Chairman will direct the Clerk/RFO to prepare a draft risk assessment including risk management proposals for consideration and adoption by the Council.

RISK ASSESSMENT**5. Commissioning the Provision of Goods & Services**

| Hazard/Risk | Likelihood | Impact | Risk Reduction/Control |
|---|------------|--------|---|
| 5.1 Continuity of Council operation is put at risk due to acquisition of unacceptable goods or services due to: | Medium | High | <ul style="list-style-type: none"> Ensure complete audit trail of the Council Supplier selection process from authorisation through contract to payment Ensure the selection process conforms to published Orders & procedures for transparency & independence |
| (a) Supplier selection | | | <ul style="list-style-type: none"> Selection & commissioning of the supplier to be executed formally adopted no later than the next General Meeting Use of previously approved suppliers where possible New suppliers to be selected according to published Orders & procedures, full audit trail; Check both new & current suppliers hold adequate insurance, carry out a risk assessment & understand the obligations of the relevant legislation; Obtain at least two quotes; Compare quoted prices against those obtained by the Council Ensure suppliers are independent of Councillors and employees Take up references where possible. |
| (b) Supplier monitoring | | | At least one Councillor to monitor the achievement of objectives and report to Council any concerns. |
| (c) Supplier defaults and/or low quality of work | | | <ul style="list-style-type: none"> Ensure Purchase Orders & contracts identify clear "deliverable" to include an agreed time frame; Ensure contracts identify redress action in the event of a claim |

PROCUREMENT POLICY

| | | | |
|--|-----|------|--|
| | | | deliverable; • Plan for contingency action/ funding to correct any sl |
| 5.2 Council is put at risk of claim due to accident or injury caused by a supplier | Low | High | • Carry out full risk assessment of each commission; • Ensure Council has a valid public liability insurance i • Request & take copy of any Supplier insurances & ri |

Authorised & Adopted: **GRENDON UNDERWOOD PARISH COUNCIL**

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