

Procurement Policy

1. Overview

- 1.1 CPRE Rutland (The Charity) is the countryside charity for Rutland and was established provide a local branch of CPRE the national countryside charity. As a registered independent charity, it has a responsibility to manage its finances and assets effectively and transparently. It is governed by a board of Trustees.
- 1.2 The procedures laid out in this policy establish standards and guidelines for the procurement of supplies, equipment, construction and services, through open and competitive processes, and ensures that The Charity's contracts are managed using good administrative practices and sound business judgement. All practice must be compliant with The Charity's Financial Regulations.

2. Code of Conduct

- 2.1 The Charity's Code of Conduct governs the performance, behaviour and actions of The Charity including those of board members, employees, volunteers and agents who are engaged in any aspect of procurement including, but not limited to, the purchase of goods and services, the awarding of contracts, or the administration and supervision of contracts.
- 2.2 No board member, employee, volunteer or agent acting on behalf of The Charity shall participate in the selection, award, or administration of a bid or contract if there is a conflict of interest, real or apparent to a reasonable person. Conflicts of interest may arise when any board member, employee, volunteer or agent acting on behalf of The Charity has a financial, family or any other beneficial interest in a firm being considered or selected.
- 2.3 No board member, employee, volunteer or agent acting on behalf of The Charity shall do business with, award contracts to, or show favouritism toward a member of their immediate family, spouse's family, or to any company or concern that employs or has any relationship to a family member.
- 2.4 No board member, employee, volunteer and agent acting on behalf of The Charity shall solicit, accept gratuities, gifts, consulting fees, trips, or financial favours from a company, an employee or an individual seeking to do business with The Charity, or from members of their family or from any party with a sub-agreement or ancillary contract.
- 2.5 As permitted by law, The Charity shall pursue appropriate legal, administrative or disciplinary action against any board member, employee, volunteer or agent acting on behalf of The Charity who is alleged to have committed or has been convicted of a procurement related infraction.

3. Solicitation and Competition

- 3.1 All procurement transactions should be conducted to provided, as far as possible, free and open competition among suppliers.
- 3.2 The Charity must identify and clearly specify standards for the goods and services desired, and seek competitive offers to obtain the best possible quality at the best possible price.

- 3.3 If compliant with The Charity’s Financial Regulations, The Charity may commission support services or issue contracts to the value of £5,000 per annum without a formal tendering process provided that:
- The process is led by an unconflicted board member (lead board member)
 - There is a clear service specification and any bidding contractor can demonstrate their competence
 - The lead board member researches the market to ensure value for money
 - A report is provided to the board and the decision is made by unconflicted directors
 - Notes are made in procurement files covering the service specification, the report to board and the board decision
 - The lead board member monitors quality of service against service specifications
- 3.4 A cost or price analysis should be made and documented in the procurement files, in connection with every procurement. Price analysis can compare price quotations submitted with market prices, together with relevant discounts.
- 3.5 All work in excess of £5,000 shall go out to tender. Authorisation is required according to the expected values as laid out in the table below:

| Expected value | Authorisation | Tender requirements |
|-----------------------|--|---|
| Up to £500 | Treasurer, staff member or individual nominated by board | Verbal quotation. No minimum required |
| £501-£3,000 | Treasurer + one board member, two staff members or board | Three written quotations unless good reason, to be documented |
| £3,001-£5,000 | Board | As per Procurement Policy. Minimum of 3 quotations |
| Over £5,000 | Board | As per Procurement Policy. Implement tender process |

- 3.6 There may be other situations where quotations or a more formal tendering process is required for works of values below £5,000. Taking into account the balance between a tendering process and the size of contract, the tendering process for goods and services below this amount should not be onerous or complex.
- 3.7 Tenders should not be solely based on costs but take account of quality and service. The board should agree selection criteria in advance and these must be made explicit to prospective suppliers. Criteria may be absolute hurdles or as a weighting. The balance between cost and other criteria will be decided in advance. Examples of criteria other than cost include:
- Quality of customer service
 - Use of local labour or services
 - Sustainability and suitable environment policies
 - Equality and diversity
 - Affirmative efforts to utilise local companies and small businesses
 - Guarantees, collateral warranties and insurance cover
- 3.8 Selection will be through a sealed tender and pre-qualification questionnaire (PQQ). Clarification may be sought from prospective suppliers where a PQQ is incomplete, or a tender may be disregarded where the PQQ is substantially incomplete.

- 3.9 Procurement files should include:
- The basis for contractor selection
 - Justification for lack of competition when competitive bids or offers were not obtained
 - The basis of award cost or price

4. Selection

- 4.1 Price should be one of the factors in the evaluation of responses, but The Charity is not required to take the lowest price if other factors are important to the decision
- 4.2 There should be an objective method for selection, and factors for evaluation and selection should be listed in the procurement documents
- 4.3 Awards shall be made to the supplier whose bid is the most advantageous to The Charity, based on the selection criteria of price, quality and other relevant factors
- 4.4 A bid may be rejected when it is the interests of The Charity to do so.

5. Documentation

- 5.1 As a minimum, procurement records should show clearly how The Charity:
- Executed price sampling for small purchases
 - Selected the method of procurement and the type of contract to be used
 - Determined which bids or proposals were accepted and which rejected
 - Determined the basis for the contract cost and price

6. Rolling Contracts

- 6.1 Service providers should be selected using the procurement principles outlined. Each contract will be different, but the following recommendations are made:
- An ideal contract period for many services is three years. This allows partnership working to blossom and gives the contractor a level of security when tendering, particularly if the service has up-front costs
 - Costs may be fixed over the three years or may be varied annually, with an opt-out clause if costs increase by greater than inflation. The volatility of the financial markets and the sector in which the contractor works will usually dictate which approach is best
 - The contract should be reviewed bi-annually, and may be extended by three years each time, should both parties be in agreement
 - A formal tendering process should be used if a service provider has been used exclusively for more than five years.

7. Contract Administration

7.1 The Charity must have a system of contract administration to ensure the proper oversight and management of procurement activities. Procedures as to contracts are laid down as follows:

7.2 Every contract shall comply with The Charity's Financial Regulations, and no exceptions shall be made otherwise than in an emergency provided that this rule need 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, 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 Charity
- v. for additional audit work of any auditor up to an estimated value of £500 and
- vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.

7.3 The Charity is responsible for evaluating contractor performance and documenting, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This may include progress inspections, interim products, inspection of goods delivered, and any other methods, suitably documented, that provide assurance that the goods and services are being delivered within the scope of the contract.

7.4 The Charity contact administration system must ensure that:

- The method of procurement is documented and records maintained for five years after final payment is made
- All activities are carried out and costs are incurred in compliance with applicable requirements
- Before payment is made, services performed are adequate and consistent with the contract scope of such services.

7.5 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 Board.

7.6 Such invitation to tender shall state the general nature of the intended contract and the Board 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 Administrative Officer in the ordinary course of post. 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.

7.7 All sealed tenders shall be opened at the same time on the prescribed date by the Chair of the Charity (or his/her nominee) in the presence of at least one member of the Board.

7.8 Any invitation to tender issued shall be subject to The Charity's Rules and Financial Regulations.

7.9 When it is to enter into a contract of less than £5,000 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 in The Charity's Procurement Policy The Administrative Officer shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 The Administrative Officer shall strive to obtain 3 quotations.

7.10 Should it occur that The Charity does not accept any tender, quote or estimate, the work is not allocated and The Charity 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.