

**Great Hucklow, Grindlow, Windmill, Little Hucklow and Coplowdale  
Parish Council**

**Procurement Policy**

**Contents**

Procurement Policy Statement

Procurement Policy

**Great Hucklow, Grindlow, Windmill, Little Hucklow and Coplowdale Parish Council  
Procurement Policy Statement**

The Parish Council spends money each year on a range of goods and services. Proper control of this expenditure will make a positive impact on the delivery of service to our parishoners.

Parish Councillors and the Parish Clerk need to commit to a structured approach.

These guidelines are to be used as a standard for all Parish Council procurement activity. Its requirements are to be adhered to by all those authorised to make commitments on behalf of the Parish Council.

This policy statement outlines the Parish Council's approach to procurement, acknowledges the importance of our suppliers and describes the role of procurement in achieving the Parish Council's objectives.

## **Great Hucklow, Grindlow, Windmill, Little Hucklow and Coplowdale Parish Council Procurement Policy**

### **Introduction**

It is the Parish Council's policy to achieve maximum value on all purchases made. "Value" is the mix of price, quality, reliability, delivery, performance and after sales service and all must be taken into consideration before placing an order or appointing a contractor.

The maintenance of sound business relationships with suppliers and contractors is essential to our wellbeing and we will establish, develop and preserve profitable and stable relationships. We value the benefit of long-term business relationships, seeing them as partnerships from which both sides benefit.

## **1 Code of Ethics**

The Parish Council respects the confidentiality of technical and commercial information given by suppliers. All suppliers and potential suppliers are expected to reciprocate in respect of commercially sensitive information given to them by the Parish Council and to sign non-disclosure forms where appropriate.

The honesty and impartiality of all the Parish Council's personnel should be above suspicion.

Any personal interest that may affect, or be seen to affect, impartiality or judgement in relation to any procurement activity must immediately be declared and documented accordingly. Examples include owning a significant shareholding in a supplier or close family members being employed by a supplier.

## **2 Confidentiality and Transparency**

### **2.1 Supplier Information**

Suppliers' confidential information must not be disclosed to any third part or used in any way without the consent of the supplier. In particular, it must not be shared with other suppliers. No relevant information should be deliberately withheld by either party nor should any misleading information be given.

The purchasing and supply management process should be as transparent as possible, within commercial and legal constraints. Everyone must understand the elements of the process, that is, the procedures, timescales, expectations, requirements, and criteria for selection.

### **2.2 The Parish Council "Brand"**

Suppliers will not use the Parish Council name as an official endorsement for their products or services without prior written consent of the Parish Council.

## **3 Record Keeping**

The method of supplier selection must be documented to allow full and open review of the decision making process at any time. This will include the selection process used and the selection criteria (financial status, price, expertise, uniqueness, time critical, service etc.). This record should be kept on file.

In addition in order to comply with legal requirements, purchase orders, contracts and all associated documents must be retained as a minimum for the duration of any agreement.

## **4 Selection of Suppliers**

The Parish Council's preference is to deal with suppliers/contractors that have demonstrated the ability to provide quality products or services. For ongoing contractual commitments a Due Diligence process will be undertaken to request information via a supplier questionnaire and financial and client references during the course of any procurement exercise to establish confidence in the ability to perform in all respects.

#### 4.1 Competitive Selection

Competitive selection is a process that begins with an accurate specification of the goods/service required and culminates with either an award of a contract or placing of a purchase order.

To ensure the Parish Council maximises the benefits from using such a process it is essential that the product or service is precisely specified.

The process and management of competitive selection is the responsibility of the Parish Clerk. The Clerk will issue enquiries/tenders and obtain supplier responses and will seek approval from Parish Councillors prior to an order being placed or a awarding a contract.

It is recommended that purchases in excess of £500.00 (excluding VAT) and contracts with an annual value of £500.00 are subject to competitive selection. Good practice dictates that a minimum of 3 suppliers should be included.

#### 4.2 Competitive Tendering

When issuing an Invitation to Tender the Parish Clerk will issue a comprehensive tender pack to each potential supplier which consists of the following documents: -

- Instructions to Tenderers
- Service or Products Specification (including commencement date and term of agreement)
- Supplier Questionnaire

Offers are received by the Parish Clerk from potential suppliers by a specific deadline and date. They will be reviewed and an overview of the contents recorded.

Following the receipt of the bids, an analysis will be undertaken by the Parish Clerk, bids will be evaluated in consultation with the Parish Councillors based on service, price, contract terms etc. and shortlisted companies may be invited to present their bids.

Following these presentations post-tender negotiations may be undertaken to seek improvement on terms, both in terms of price and contract conditions.

Where there is an on-going supply of goods or services a contract will be negotiated. Contracts will be agreed and signed off by Parish Councillors. The initial life of a contract should not normally exceed 3 years.

Where the purchase is for an outright purchase a purchase order will be raised by the Parish Clerk following approval by the Parish Councillors.

#### 4.3 Oral and/or Written Quotations

A competitive tendering approach will not always be appropriate and it may be more efficient to obtain oral or written quotations to ensure proper competitive evaluation of alternatives.

#### 4.4 Supplier Mistakes

A mistake is a non-deliberate error; the Parish Clerk should search for anything that looks odd or unusual in a supplier's offer and seek clarification prior to contract award.

Mistakes identified post contract award should be investigated impartially and ethically with a view to generating options for resolution.

#### 4.5 Supplier Debriefing

Where suppliers submit tenders and are unsuccessful they should be debriefed with as much transparency about the procurement process as can be provided e.g. on the weaker aspects of their tender and reasons why they were unsuccessful. This is crucial for future supplier development.

### 5 Purchase Orders

#### 5.1 Purchase Request

A request to spend money on specified products and services against an agreed budget should be approved prior to raising any purchase order.

#### 5.2 Purchase Orders

This is the stage at which buyer and seller formalise their agreement. A Purchase Order is an official document, which creates a legal obligation, and can be the subject of legal action for breach of contract.

The Purchase Order, when issued, should clearly state:

- Order number
- The Parish Council's contact, name and telephone number
- The name and address of the Supplier
- Details of the goods or services required. Vague descriptions such as 'goods' are to be avoided.
- Unit value, total value and whether VAT is to be charged.
- Special payment terms
- Delivery address
- Delivery date

The Parish Council should retain a copy of the purchase order documentation on file.

5.2.1 Capital purchases should be discussed prior to placing the order so that consideration can be given to the total cost of ownership including future servicing and maintenance needs.

#### 5.3 Order Amendments

Changes, which occur over the life of the order, should be documented. Typically this may involve changes to price, delivery, address and specification of requirements. In all instances there should be a clear audit trail and records maintained.

#### 5.4 Order Cancellations

The Council runs the risk of being in breach of contract if insufficient attention has been given to the purchasing process. The reason for cancelling an order needs to be clear and precise and preferably have the supplier's agreement. Where we are cancelling due to the supplier's non-performance, it is imperative that we follow any procedures laid down in the contract terms and all communications are confirmed in writing and records maintained as a record of its cancellation.

## 6 Authorisation

### 6.1 Authority Levels and Authorised Signatories for Purchase Orders and Invoices

Purchase Orders – documented approval must be obtained from the Parish Councillors prior to any Purchase Order being raised by the Parish Clerk.

Purchase Invoices – must be approved and signed off by two Parish Councillors prior to being processed for payment by the Parish Clerk. Signatories to invoices must differ from those on purchase orders.

## 7 Terms and Conditions – Purchase Orders or Contracts

### 7.1 General

All purchase orders and contracts must be governed by and construed in accordance with the laws of England & Wales.

All contracts and orders (including those given verbally) create a contract between buyer and seller and it is important to ensure that the terms of the arrangement are unambiguous and clearly understood. Suppliers often seek to impose their own standard terms and conditions on a transaction with a purchaser. Where this occurs care must be taken to ensure that these terms (which often seek to reduce if not eliminate the supplier's obligations) are acceptable to the Parish Council. The Parish Council's interests must be safeguarded at all times and contracts should be thoroughly reviewed by Parish Councillors prior to being signed.

Care must be taken during in any negotiation that the council is not unintentionally committed by verbal, fax or emailed instructions that may be construed as a contract.

### 7.2 Payment Terms

Although it is recognised that staged payments are sometimes a necessary commercial practice, such payments will be minimised and be of such a level as to cover only work already performed and for which the Parish Council obtains ownership/title. This will minimise the council's exposure in the event of supplier failure.

## **8 Receipt of Goods and Services**

When the products are delivered or services provided a delivery note or work completed document will be presented by the supplier, the delivery note or work completed document will be signed off by the Parish Clerk and filed for future reference and filing with the invoice.

## **9 Payment and Invoicing**

It is a requirement that suppliers submit invoices to the Parish Council in a timely manner. The Parish Council will endeavour to process and pay the supplier within 30 days of receipt of invoice.

## **10 Authorisation for Payment**

Invoice variations should be referred back to the supplier. Following successful matching, invoices should be authorised and forward