

## **REQUIREMENT TO OBTAIN TENDERS**

### **1. Contracts Requiring Tendering**

- 1.1 Where the estimated value of a Contract is the amount shown in Annex 1 or more, at least five tenders shall be invited.

### **2. Tendering Following Public Advertisement**

- 2.1 For all Contracts, other than EC contracts, requiring public advertisement, notice shall be placed in at least one newspaper circulating in the locality and one appropriate trade journal. The notice shall specify details of the Contract and how tender documents may be obtained.
- 2.2 For EC contracts, notice shall be placed in the OJEC, a newspaper circulating in the locality and one appropriate trade journal. The notice shall comprise such information as is required by the appropriate regulations.
- 2.3 The Parish Administrator shall send all Contractors requesting tender documents a financial and technical questionnaire form to establish the standing of tenders.

### **3. Selection Of Tenders**

- 3.1 A Contractor shall not be invited to tender if:
- (a) it is bankrupt, or is being wound up, or is having its affairs administered by a court, or has entered into an arrangement with creditors, or has suspended its business activities, or is subject to court proceedings regarding any of these matters;
  - (b) it or any of its current directors have been convicted of an offence concerning professional conduct or have been guilty of grave professional misconduct;
  - (c) it has not fulfilled obligations relating to the payment of taxes or social security contributions; or
  - (d) it has seriously misrepresented information supplied to the Council;
  - (e) it is not registered in the professional or trade register of the State in which it is established.
- 3.2 Contractors to be invited to tender shall be selected by applying criteria of financial and economic standing and of technical ability.

### **4. Tender Invitation**

- 4.1 Every invitation to tender shall
- (a) state that a tender will only be considered if it is received at a specified place and by a specified time and date in the envelope provided with the word "Tender", and
  - (b) state that the appearance of the sender's name or any other identifying mark on the envelope will invalidate the tender, and

- (c) include such other information or instructions to tenders as the Parish Administrator may advise.
- 4.2 Tenders shall deliver tenders to the Parish Administrator, Haling Dene Centre, Cannock Road, Penkridge, Staffordshire ST19 5DT such name and address to be printed on the envelope provided for the return of tenders.
- 4.3 The Parish Administrator shall arrange for all tender envelopes
- (a) to be endorsed on receipt with a number, the time and date of receipt and
  - (b) to be kept unopened in a secure place until the time specified for tender opening.
- 4.4 Any tender received after the specified time and date shall not be considered for evaluation and shall be returned promptly to the tender. A late tender may be opened to ascertain the name and address of the tender but no details of the tender shall be disclosed.

## **5. Tender Opening**

- 5.1 All Tenders in respect of a Contract shall be opened at the same time and place after the closing date and time for receipt stated in the tender documents.
- 5.2 Tenders shall be opened in the presence of two councillors who shall sign each tender and initial each page of a Bill of Quantities or Schedule of Rates.
- 5.3 The following details of each tender shall be recorded:
- (a) the last date and time for the receipt of tenders;
  - (b) the name of each tender and, except where the form of tender does not provide for totalling a Bill of Quantities or Schedule of Rates, the amount of each tender;
  - (c) the date the tenders were opened

and such record shall be signed by the two councillors present at the tender opening.

- 5.4 A tender shall be disqualified if, on initial examination, it is clear that the tender has not complied with instructions to tenders in respect of the completion of the tender documents.

## **6. Tender Evaluation**

- 6.1 Where a Contract is to be awarded on the basis of the most economically advantageous tender, the criteria shall be stated in the tender documents, where possible in descending order of importance, and tenders shall be evaluated in accordance with them.
- 6.2 The criteria shall include such of the following as are appropriate, price, period for completion or delivery, cost effectiveness, quality, aesthetic and functional characteristics, after sales service, running costs, profitability, technical assistance and technical merit.

6.3 Where examination of tenders reveals errors that would affect the tender figure in an otherwise successful tender, the tender shall be given details of such errors and an opportunity of confirming or withdrawing its tender.

## 7. **Contract Award**

7.1 No Contract may be awarded unless the expenditure involved has been included in approved revenue or capital budgets of the Council. The Parish Administrator shall ensure that evidence of authority to spend and the expenditure code to be used is recorded on the Contract File.

7.2 Contracts may be awarded:

- (a) on the basis of the tender which offers the lowest price;
- (b) on the basis of the tender which is the most advantageous, but only if it differs by no more than 10% from the lowest tender after having considered a report from the Parish Administrator which includes legal and financial implications;
- (c) by the Chairman of the Council in any other case.

## **CONTRACT NEGOTIATION**

### **8. Negotiations with Tenders**

8.1 The Parish Administrator may negotiate the Contract but only after all Tenders have been opened, recorded and examined in accordance with these Standing Orders and provided the terms of the Contract remain substantially unaltered :

- (a) where tendering produced inappropriate Tenders, for example where the tender figure in an otherwise successful Tender exceeds approved or budgeted expenditure, or where the sum has changed since Tenders were invited
- (b) where tendering was discontinued because of irregular Tenders, for example because Tenders fail to meet the requirements specified in the contract documents, or offer a variation on them, or the works supplies or goods fail to meet the technical specification
- (c) where the tender rates set out in the lowest Tender are considered by the councillors to be significantly in excess of the market rates.

8.2 The purpose of any negotiation under Standing Order 19.1 is to secure a reduction in the cost to the Council of the submitted Tender based on agreed changes to the specifications or quantities of work so as to enable the councillors to award a Contract on the basis of the lowest price or most economically advantageous Tender, as appropriate, which falls within the approved budget.

8.3 Following written confirmation and acknowledgement of the outcome of the negotiations, the councillors may accept the Tender as varied by the outcome of the negotiations.

8.4 A report on the conduct and outcome of any negotiations shall be made by the Parish Administrator to the Finance and Resource Committee as soon as is practicable

## **9. Negotiations In Other Cases**

9.1 Subject to notifying the Chairman of the Council, the Parish Administrator may conduct negotiations with any person, company or body to award a Contract in the following circumstances :

- (a) where no Tenders have been received following invitations to tender in accordance with these Standing Orders
- (b) where only one Contractor is able to carry out the work or service or to supply the goods for technical or artistic reasons or because of exclusive rights
- (c) where a Contract has already been awarded to a Contractor and the Council requires the Contractor to carry out additional work or provide additional goods or services which, through unforeseen circumstances, (in the case of EC contracts, not attributable to the Council,) were not included in the original Contract and
  - (i) such works, goods or services are strictly necessary for the completion of the Contract, or
  - (ii) such work, goods or services, for technical or economic reasons, cannot be carried out or provided separately without great inconvenience

provided that the aggregate value of such additional work, goods or services shall not exceed 10% of the value of the original Contract.

- (d) where goods are required as a partial replacement for or addition to existing goods or installations and obtaining them from another Contractor would result in incompatibility or disproportionate technical difficulties in operation or maintenance
- (e) where new works or services are required which are a repetition of works or services carried out under the original Contract provided they are required within 12 months of the award of the original Contract (and, in the case of EC contracts, the Contract notice stated that a new Contract might be awarded by negotiation)
- (f) where the rules of a design contest require the Contract to be awarded to one of the successful candidates
- (g) where, exceptionally and in respect of an EC contract subject to the Services Contracts Regulations only, the nature of the services to be provided, in particular in the case of intellectual services, are such as not to permit
  - (i) prior overall pricing and/or
  - (ii) the drawing up of a specification with sufficient precision

to enable the Contract to be awarded using open or restricted tendering procedures.

- 9.2 The purpose of any negotiations is to enable the Parish Administrator, in the circumstances referred to, to award a Contract on the lowest or most economically advantageous terms and so as to provide best value for money for the Council
- 9.3 A report on the conduct and outcome of the negotiations shall be made by the relevant Parish Administrator to the Finance and Resources as soon as practicable

## **FORM OF CONTRACT**

### **10. Contracts In Writing**

- 10.1 Every Contract shall be in writing and under seal.
- 10.2 Every other Contract shall be in writing and be signed by or on behalf of the Parish Administrator.
- 10.3 Every Contract shall state that the Council may cancel the Contract and recover any loss if the Contractor, its employees, agents and sub-contractors offer any reward which influenced the award or operation of the Contract or commit any offence under the Prevention from Corruption Acts 1889 to 1916.

## **OPERATION OF CONTRACT**

### **11. Contract Performance**

- 11.1 The Parish Administrator shall monitor the performance of the Contractor for which s/he has responsibility and shall keep a record of such performance.

### **12. Contract Variation**

- 12.1 No variation may be made until approved by the Finance and Resources Committee if that variation would:
- (a) add more than 20% to the estimated value of the Contract; or
  - (b) mean the works, services or goods to be added to the Contract are substantially different in scope.
- 12.2 The value of a variation shall be calculated by taking the aggregate value of all variations made to the Contract.
- 12.3 No variation shall be made until funding has been identified in accordance with the Council's Financial Regulations or any other similar requirement.
- 12.4 Standing Orders shall not apply in cases of urgency, where a variation may be approved by the Chairman.

### **13. Nominating Products/Contractors/Suppliers**

- 13.1 These Standing Orders apply to the nomination of a sub-contractor or supplier for carrying out works or services or supplying goods or materials. Sub-contractors or suppliers shall send with the Tender an undertaking to work for the main Contractor and indemnify them for the sub-contracted works or materials.

APPENDIX 1

<u>Item</u>	<u>Value</u>
Threshold below which items may be purchased from the Council's approved purchasing organisation's catalogue with no further requirement for obtaining quotes.	£500
Threshold below which items may be purchased other than from the Council's approved purchasing organisation's catalogue with no further requirement for obtaining quotes or tenders.	£100
Threshold above which 3 quotations must be obtained in consultation with the Parish Administrator.	£500
Thresholds above which tenders must be obtained for the purchase of goods or services.	£20,000