

**POLICY and PROCEDURE: Procurement of (Goods &) Services**

**PURPOSE:** To set out the factors to be considered when making procurement decisions. To ensure contractors are selected and managed such that the work they carry out is performed safely, effectively and offers good value for money

**SCOPE:** Good and Services Contracts entered into by Melbourn Parish Council

**DEFINITION:** A contractor is anyone Melbourn Parish Council asks to do work for them that is not an employee. This definition includes service providers.

Melbourn Parish Council and the contractor both have responsibilities under the Health and Safety Act 1974. The Council and the contractor must take the right precautions to reduce the risks of workplace dangers to employees and the public. This is a joint responsibility. **See notes for guidance under Appendix A.**

**REFERENCE DOCUMENTATION:** This policy is written to clarify and enhance the principles already set out in (a) Melbourn Parish Council Standing Orders (Doc. No. 2.0, Section 18) and (b) Melbourn Parish Council Financial Regulations (Doc. No. 4.17, Sections 10, 11 and 12)

**POLICY:****1. Principles**

- 1.1 Melbourn Parish Council will award contracts for goods & services based on a transparent process that allows a clear comparison to be made between the options available.
- 1.2 Contract price will not be the overriding factor in choosing a contractor for goods or services. Other factors such as competence, reliability, safety record, clarity of method, quality of supervision, management, staff training, financial stability and best value will also be taken into consideration.
- 1.3 All jobs to be carried out by contractors will require the Clerk to supply a job specification, detailing the work to be carried out, so that both parties are clear of expectations. The format and level of detail included in the specification will vary as appropriate to the size, complexity and scope of the work to be carried out.
- 1.4 All contracts for goods will require the Clerk to supply a written goods specification, detailing the goods to be supplied, so that both parties understand requirements. The format and level of detail included in the specification will vary as appropriate to the value, complexity and quantity of the goods to be supplied.
- 1.5 Every effort will be made to obtain three quotations for each contract for goods or services in accordance with the Financial Regulations. If this is not possible the Clerk will obtain as many quotes as possible and bring the issue to the Maintenance Committee and/or Full Council for consideration and resolution.

- 1.6 Risk Assessments must be carried out for contracted work. This will be done by the contractor with input from the Clerk as necessary. The Clerk will check that a risk assessment has been carried out.
- 1.7 The Clerk will monitor contractors work and, in the case of formal contracts, report to the Council at least annually as part of the Governance process.
- 1.8 Contracts will comply with all Financial Regulations and Standing Orders
- 1.9 Melbourn Parish Council operates an equal opportunities policy in awarding and management of contracts
- 2.0 Melbourn Parish Council's Modern Slavery Statement applies to the appointment and management of contractors.

**PROCEDURE:**

**Services**

**1 STEPS TO BE TAKEN**

- 2.1 ***Identify the job and work requirements*** – (Note: Before embarking on a new contract the Clerk will verify that approved funds are available to meet the likely costs). For services, the Clerk will: -
- **Create a Job Specification (for services)** that clearly identifies all aspects of the work wanted from the contractor:
    - For small jobs that are not required to be put out to formal tender, a clear specification shall be provided to the contractor in writing. Where the job is routine and/or has been carried out before, verbal instructions may be sufficient.
    - For higher value more complex work or where the value of the work exceeds £3,000, written specifications shall be provided clearly setting out the scope of the works and expectations regarding competency and timescales.
    - For jobs required to be put out to tender or advertised via the Contractors Finder website, a clear written specification must be provided and contractors will also be required to supply information on health & safety compliance, risk assessments, staff training and competency, insurance and other information required to satisfy the Council's own financial risk management. A Contractor Quotation Competency Form will be part of the tender documentation (**attached**)

as Appendix 1 – include correct version or delete).

- **Seek out potential contract partners** – the Clerk will provide potential contractors with the appropriate Job Specification, and information package where applicable, and make sure that they know and understand the service expected of them. Jobs going out to formal tender will be advertised on the Parish Councils website and on the Contract Finder Website (if applicable). Job specifications may be issued by email, post or verbally, depending on the service being commissioned. Where a contract value is likely to exceed £3,000, the Clerk will use best endeavours to obtain quotes from **three** contractors for each job (see 1.4 above). Where the contract value is likely to fall below this figure the Clerk should strive to obtain three quotations. In circumstances where three quotations prove impossible, the Clerk will bring the issue to Full Council for resolution and/or approval.
- **Determine the selection criteria** - The Clerk will determine the evaluation criteria needed for a successful tender.

2.2 **Select a suitable contractor** – Melbourn Parish Council will satisfy themselves that the contractor they choose can do the job safely, without risks to health and at an acceptable cost. The Clerk will enquire and evaluate on the Council's behalf the competency of each contractor and their combination of skills and knowledge.

The degree of competence required will depend on the work and complexity of the job. In the case of formal tender exercises, the Clerk will review and evaluate the additional information provided in the Contractor Quotation Competency Form (attached as Appendix 1). . The Clerk will use the evaluation criteria from 2.1 above to compare contractors and make recommendations

**Note:** It is very important that questions answered or clarifications offered with respect individual contractors during the tendering stage are formally recorded. Where such matters result in a material change they must be shared with all competing contractors.

regarding awarding contracts accordingly. Contracts will be approved and awarded according to the Councils Financial Regulations and Standing Orders.

**Some other factors that should be considered: -**

- *For contractors offered repeat work of a similar kind, or where the contract lasts over a protracted period, the need for a Contractor Competency Form may be waived with the Clerk's agreement*
- *For large contracts the Parish Council needs to be aware of the Construction Design and Management Regulations (CDM), although preparation of this is the responsibility of the contractor*
- *As appropriate, the Job Specification should require the contractors guarantee, warrantee and test certificates (for example with the electrical installations)*

**.2.3 Review and if needed re-assess the risks of the work** – following appointment, both the Council and the Contractor will consider the risks involved in the planned work and how any risks can be controlled:.

Where the contracted works may present a potential risk to Council staff, the contractor, the public or to property a risk assessment must be done. Both the Council and the contractor will be party to this. The contractor must assess the risks for the contracted work. The Clerk (on behalf of the Council) and the contractor will agree the risk assessment for the contracted work and the preventative and proactive steps that will apply when the work is in progress. If subcontractors are involved the contractor must ensure that they are part of the discussion and agreement. All measures needed to control the risk will be agreed between the Clerk and contractor before any work starts.

*Note: For contractors with repeat work of a similar kind, or where the contract lasts over a protracted period, the need for a separate Risk Assessment for each job may be waived with the Clerk's agreement*

**2.4 Provide information, instruction and training** - The Council shall make it clear to contractors and subcontractors that they must provide their employees with information, instruction and training on matters that may affect their health and safety. The Clerk\*, contractors and subcontractors will agree what information will be passed between them and appropriate ways to communicate with each other throughout the process. The Clerk (on behalf of the Council) shall make it clear that contractors must provide their subcontractors and employees with information on:

- Health and safety risks they may face

- Measures in place to deal with those risks
- The Council's emergency procedures if relevant.

2.5 **Cooperate and coordinate with the contractor** – the Clerk\* will work together with the contractors and subcontractors to coordinate all activities, to make sure that the work can be done safely and without risks to health. Depending on the size of contract the Clerk will regularly meet with the contractor throughout the length of the contract. The level of cooperation and coordination required will be agreed before work starts and will depend upon:

- The job to be done
- The number of contractors and/or subcontractors involved
- The risks involved.

2.6 **Consult the workforce** - Melbourn Parish Council will consult its employees on contracted task content and related health and safety matters if necessary. This will help the Council to make better decisions on the actual risks and the measures to control them. Employees will be consulted on:

- How the contractors work will affect the Council employees' health and safety;
- Information and training
- Making sure they know how to raise any concerns they may have about the contractors and their work
- Ensuring contracted work is done without conflict with the job roles and job descriptions of council employees

The need to consult with employees will be at the discretion of the Clerk and will depend on the nature of the contracted work being undertaken.

2.7 **Manage and supervise the work** – the Clerk\* will make regular checks on contractors, the work being completed, whether the contractors are working in a safe way and complying with the control measures put in place. The frequency and degree of checks will reflect the length of experience with a particular contractor and the nature of the work, for example if such work is highly repetitive or considered high risk.

The Clerk\* will have agreed with the contractor through risk assessment and declared methods of working how the work will be done and the precautions

that will be taken.

In the case of mishaps, accidents, ill health etc. the Clerk will investigate with the contractor what went wrong, reporting to the council when appropriate.

[Query: cross ref policy no 5.10 Health, Safety, Accessibility and Wellbeing??]

2.8 **Review** – On an annual basis the Clerk will review the contractor management process and consider ways to improve future performance. An annual report will be given to the Maintenance Committee as part of governance monitoring. It is recommended that the Clerk, supported if necessary by other council employees or councilors, periodically observe the performance of contractors in the fulfillment of contracts awarded. Elements that could be monitored (not exclusively) are:

- Adherence to Method Statement, number of operators and time spent
- Adherence to safety commitments and Risk Assessment recommendations, use of safety equipment,
- Provision of supervision, where appropriate
- Safe and effective use of equipment and vehicles

The Clerk should make arrangements to formally record the observations made during the monitoring of contractor work.

**2.9 Use of a Project Manager\*** – where a project manager has been appointed by the Council to oversee the contracted works then the Project Manager will undertake the tasks assigned to the Clerk in 2.4, 2.5 and 2.7 above, liaising with and updating the Clerk regularly.

### **Procurement Of Goods**

### **3 Managing risk**

Reducing commercial risk through:

- **Aggregation** – where possible combining the sourcing of supply to obtain best

prices through volume purchased.

- **Competition** – seek best prices and service by obtaining multiple quotes from different suppliers

**4 Value for money** – a clear specification of the good(s) required to enable consideration of comparative quotes.

**5 *Clear specification of goods required*** *The goods should be clearly identified to:*

*5.1 ensure that they meet requirements and will be fit for purpose;*

*5.2 allow for more than one quote to be obtained for cost comparison purposes where the cost of the good(s) is likely to exceed £200;*

**6 Identifying suppliers.**

**6.1** Melbourn Parish Council, through the Clerk will seek to identify suitable suppliers for the good(s). As noted in 5.2 above, where the cost of the goods is likely to be less than £200, the Clerk should strive to obtain two quotes. For procurement of goods likely to cost in excess of £200, the Clerk shall use best endeavours to obtain quotes from three suppliers. The Parish Council's Financial Regulations (Doc 4.17, Section 11.1) sets out the thresholds with regard to Budgetary Control and Authority to Spend.

**6.2** Where a particular item is bespoke or it is not possible to obtain comparative quotes, the Clerk shall bring this to the attention of the Maintenance Committee and/or full Council for discussion and resolution.

**7 Identifying suppliers and placing orders**

The decision as to which supplier to use will be based on suitability, availability and quality of the good, reputation of supplier and value for money. The lowest cost is not necessarily the primary factor in choosing a supplier for goods.

Where possible, a written specification should be available with clear details of the good(s) required.

**8 Monitoring**

**8.1** Where possible, goods will be inspected prior to purchase to ensure suitability and assess quality. If that is not possible, Goods will be inspected upon receipt. If the goods are considered to be unsuitable, defective or of poor quality, the Clerk shall contact the supplier as soon as possible to discuss how this can be rectified and/or the goods replaced.

**8.2** Goods found to be defective and/or not fit for purpose shall be reported or returned to the supplier. The Clerk shall be responsible for seeking refunds or replacements in respect of the faulty item(s). Good(s) shall be monitored for suitability and/or reliability as a matter of course. Responsibility for this shall fall to the user(s) of the good or, in the event that the good/item cannot be routinely monitored in the course of its use, then it shall be periodically inspected and any concerns reported to the Clerk.

**Appendix 1 INVITATION TO QUOTE - COMPETENCY FORM (EXAMPLE)**

<b>Company Name:</b>		
<b>Address:</b>		
<b>Tel. No. /Mobile No.</b>		
<b>Email</b>		
<b>Name of person completing form:</b>		<b>Contract Reference/ Contract Title</b>
<b>Details of experience with this type of work. For example previous contracts, customers etc.</b>		
<b>Liability Insurance (Please attach copy)</b>		
<b>Risk Assessment (Please attach copy)</b>		
<b>Health &amp; Safety Policy (Please attach copy)</b>		
<b>Details of recent (last 2 years) safety performance, in terms of accidents, ill health or HSE action or</b>		

involvement	
Reference details of previous similar work carried out in the last year	
Describe safety or other training given to workers involved on this contract	
Equality Policy: confirmation that this is in place	

**Method Statement – Example Content**

**A detailed description of the method(s) to be used if offered this contract:**

- **How many operators will be used?**
- **How will the job be supervised?**
- **What equipment and vehicles will be used?**
- **Estimated time and person hours for job completion:**
- **Detailed description of the work process:**
  
- **For seasonal work, how is effort applied across the year:**
- **Special safety precautions/Working site safeguarding arrangements:**
- **Are PPE proposals in place and are there any COSHH requirements:**

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**Contractor Manager**

**Name**

**Signature**

**Reviewed (Parish Clerk)**

**Name**

**Signature**

APPENDIX A

**Notes to assist council employees in the understanding of their contractor responsibilities**

- ❖ The Health and Safety at Work etc. Act 1974 requires employers and others in control of buildings or public places to ensure the safety of employees and others who work or visit there. The Management of Health and Safety at Work Regulations 1999 also require those in control of land and buildings to co-operate with contractors or self-employed persons to ensure that they are not exposed to unacceptable health and safety risks.
- ❖ Although the responsibility to work safely rests principally with the contractor, Melbourn Parish Council also have a duty to do all that is within its control to make sure that this happens.
- ❖ This means that Melbourn Parish Council have a duty to ensure that a contractor is competent to perform the task safely and without unacceptable risk to other employees, members of the public and any others on the site.
- ❖ Where accidents occur on site through the incompetence or negligence of a contractor, Melbourn Parish Council could also be held liable if steps had not taken to appraise the contractor or carry out management checks to ensure that agreed standards of operation were actually being carried out correctly.
- ❖ Contractors should only be allowed to carry out work on the agreed site if they have been vetted and approved by Melbourn Parish Council. Even if the same contractors have been used for the past 10 years you still need to regularly assess them in order to ensure you are adhering to your legal obligations.
- ❖ Use this Policy and Procedure document to assist in compliance with these standards and, at the same time, ensure that contractors deliver value for money.

Document Approval:



**(Chair to Melbourn Parish Council)**

**Date of Parish Council Meeting: 26 February 2018**

*Review Policy: Annual*