# A.3 APPENDIX M

## PROCUREMENT PROCEDURE RULES

### SECTION 4 – QUOTATIONS AND TENDERS

### 4.1 General Requirements

(a) Disaggregation of any procurement, in order to apply a lower level to each of the parts is not permitted.

(b) Where any procurement spans a number of periods, or years, the total estimated cost will be the cumulative total of all periods, or years covered.

(c) The use of electronic "portals" or other electronic means must be used to widely advertise goods, works or services required by the Council where appropriate, to ensure equal opportunity between local and non local suppliers.

(d) Procurement **up to £50,000** (excluding VAT) – **Quotation Rules Apply (Section 4.2).**

(e) Procurement **over £50,000** (excluding VAT) – **Tender Rules Apply (Section 4.3).**

### 4.2 QUOTATIONS (Procurement up to £50,000 excluding VAT)
*After the appropriate procurement route has been identified by following the framework set out in 3.1 above and if appropriate:*

### 4.2.1 Procurement up to £10,000 (excluding VAT)
Where procurement is less than £2,500 then value for money should be demonstrated by obtaining two prices where possible.

Where procurement is in excess of £2,500, the seeking of two prices would be expected, with evidence retained by the department.

### 4.2.2 Procurement over £10,000, but not expected to exceed £50,000 (excluding VAT)

A minimum of three quotations should be sought by the department in addition to the production of a documented specification to include:

(i) Identification of the procurement of goods, works or services required.

(ii)     Identification of any periods over which the goods, works or services are to be provided.  In appropriate cases, provide for the payment of liquidated damages by a contractor where there is a failure to complete the contract within the period(s) specified.

(iii)    Provision for the retention of stated sums/percentages and the retention period to be applied where appropriate.

(iv)    Provision for the contractor to provide a performance bond, or parent company guarantee where appropriate.

(v)     Unless an exemption is obtained from the Head of Finance, Revenues and Benefits or the Head of Governance and Legal Services, the Council Standard Contract for Services must be used when seeking quotations **for £25,000 and above.**  When seeking an exemption, the relevant department will identify why any additional or replacement terms and conditions are necessary for the service being sought.

(vi)    All contractors or suppliers asked to provide a quotation must be advised that the quotation must be sent to a specified e-mail address, and that quotations e-mailed to any other Council e-mail address will be disqualified.

**4.2.3   All quotations shall be sought electronically:**

The responsible Deputy Chief Executive/Corporate Director/Head of Department shall arrange for a secure e-mail address to be set up on the Council's e-mail system.  Access to this e-mail address must not be available until the time of quotation opening.  Access to the secure e-mail address shall be controlled by an independent senior member of staff not involved with the project or tender process or a member of the Procurement Service.

Where the lowest quotation received exceeds £50,000 (excluding VAT), Tender Rules shall be followed from that stage as if tenders had been sought.

If the value of the lowest quotation received exceeds the limit of the quotation category applied, then the Deputy Chief Executive/Corporate Director/Head of

Department must seek sufficient further quotations applicable to the level of the value of that lowest quotation.

**4.2.4**   The Deputy Chief Executive/Corporate Director/Head of Department is under no obligation to accept any of the quotations.  However where they are prepared to accept a quotation, the most financially advantageous quotation should be accepted unless other factors such as quality, local supply, performance and deliverability are also considered as part of the selection process.   Evidence  is  expected  to  be retained to support such decisions where procurement exceeds £10,000.