

# Black Sluice Internal Drainage Board

## Policy No: 4

### Procurement Policy

Review Dates:

|                |                               |
|----------------|-------------------------------|
| A&R Reviewed   | 24 <sup>th</sup> October 2023 |
| Board Approved | 22 November 2023              |

## 1 INTRODUCTION

The Board approve an annual budget in February for all expenditure by the Board. Items of expenditure are discussed and approved by the Executive Committee, the Works Committees and the Board.

There has been a culture of the Board approving major items of expenditure which brings with it value for money.

## 2 THE PROCUREMENT PROCESS

Whatever the cost of an item or service that the Board purchases the following process is followed through to payment of that item: -

- 2.1 A Board order form must always be completed for any purchase made by the Board, except for purchases made using the internet or for items purchased by the Woldmarsh Group.
- 2.2 The following people are authorised to be issued with order books:
  - (a) Chief Executive
  - (b) Projects Director
  - (c) Maintenance Director
  - (d) Finance & Admin Director
  - (e) Pump Engineer
  - (f) Works Supervisor
  - (g) Fitter
  - (h) Unimog Driver
  - (i) Admin Office (under supervision of Finance & Admin Director)
- 2.3 The order form should be filled out at the time of order and signed by the person who is organising the order and countersigned as required.
- 2.4 The Management Team is the Chief Executive, Projects Director, Maintenance Director and Finance and Admin Director.
- 2.5 The order is given to the supplier with, where possible, the agreed price of the item or service.
- 2.6 The green copy of the order form is given to the Finance Assistant. If additional quotations for the goods have been obtained, then these should be noted on this copy.

- 2.7 When a delivery note is obtained this should be given to the Finance Assistant.
- 2.8 When the Finance Assistant receives an invoice for the goods they are to attach the order and the delivery note to this.
- 2.9 The invoice is approved by the Finance & Admin Director before payment is made.
- 2.10 A report is made to every Board Meeting of the invoices paid by the Board.

### **3 BASIS OF PROCUREMENT POLICY**

3.1 The policy sets out guidelines for procurement for four bands of expenditure:-

- Greater than £20,000
- Between £2,000 and £20,000
- Between £500 and £2,000
- Below £500

3.2 The Policy for Delegation of Authority gives the following authorities:

- (a) Executive Committee to approve any item of expenditure up to a value of £40,000.
- (b) The Chief Executive or Projects Director to approve expenditure up to a value of £20,000 which is included in annual estimates and regular budgeted expenditure (e.g. electricity) in excess of £10,000.

### **4 PROCUREMENT POLICY**

4.1 **Items with a value greater than £20,000**

These items will typically be:

- Large items of plant
  - Machinery and electrical equipment for pumping stations
  - Substantial repair contracts
  - Large contracts
  - Insurance policies
  - Large amounts of pipes, steel piles and other materials for stock
- (a) These items will be included in the annual budgeted expenditure and through this method the expenditure will be approved by the Board.
- (b) Three quotations should be obtained and the lowest bona fide quotation should be accepted, should less than three quotations be obtained or other than the lowest is to be accepted, then the matter should be referred to the Executive Committee, by email in the first instance and later confirmed in a meeting of the committee.
- (c) In the case of an emergency where it is not possible to obtain alternative quotations the Chairperson or the Vice Chairperson of the Board shall authorise the purchase.

## 4.2 Items between £2,000 and £20,000

These items will typically be:

- Items of new plant
  - Large repairs to plant
  - Repairs to equipment at pumping stations
  - Purchase of pipes, steel sheet piles and other construction equipment for stock.
  - Items of office equipment
  - Consultancy services
  - Contracts for maintenance works
  - Monthly payments to electricity companies.
- (a) Quotations will be obtained for items of new plant, office equipment, consultancy services and contracts for maintenance works. These will be approved by the Executive Committee before procurement, unless these have been approved within the annual budgets when the Chief Executive or Projects Director will approve the expenditure.
- (b) Repairs of plant and pumping station equipment need to be progressed without delay and will normally be carried out by contractors or suppliers who regularly carry out work for the Board. The Chief Executive or Projects Director shall approve this expenditure and this will be reported to the Executive Committee as part of the monthly Accounts Analysis sent to members by Email.
- (c) Regular purchases of equipment, materials and services agreed in a scheme of work or for maintenance operations will be approved by the Projects Director, Maintenance Director or Finance and Admin Director, within the constraints of the budgets set and agreed by the Board/Executive Committee. Where possible, three quotations are to be obtained and the best value will be chosen.
- (d) Some monthly utility payments, particularly electricity bills, will be included in this category. These payments will be approved by the Chief Executive or Projects Director. Best value for money is achieved by using a broker to negotiate annual, 2 year or 3 year contracts with the electricity supply companies.

## 4.3 Items between £500 and £2,000

These items will typically be:

- Purchase of small items of plant
  - Hire of plant and machinery
  - Repairs to plant and machinery
  - Purchase of spare parts for machinery
  - Material for construction materials.
  - Computers and office equipment
- (a) Where possible three quotations are to be obtained and authorisation to issue the order is to be sought from a member of the management team before signing an order for this level of procurement within the constraints of the budgets set and agreed by the Board/Executive Committee.

- (b) The Pump Engineer shall after obtaining three quotations, where possible, have the authorisation to sign an order for this level of procurement when associated with pumping station equipment within the constraints of the budgets set and agreed by the Board/Executive Committee.

#### **4.4 Items below £500**

These items or services are typically spare parts for machinery, office materials and other similar goods.

If possible, value for money will be achieved by obtaining at least one other quotation or by comparing the price with previous purchases of similar goods or services. It is accepted that unexpected purchases required to complete works on site or emergency repairs will be purchased from the most appropriate local supplier, and this is to be noted on the carbon copies of the order.

### **5 ITEMS PURCHASED BY CREDIT CARD**

- 5.1 Credit cards have been issued to the Chief Executive, Projects Director, Maintenance Director, and Finance and Admin Director for use in purchasing goods and services for the Board.
- 5.2 Payments made by credit card will be reviewed by the Chief Executive on a receipt of the card statements. Projects Director to review the Chief Executive's. Receipts for all payments are to be reconciled to the statements and no one officer should review their own expenditure.
- 5.3 These purchases will be subject to the same guidelines as normal purchases, whenever possible.

### **6 ITEMS PURCHASED BY WOLDMARSH GROUP**

- 6.1 The Board has become a member of the Woldmarsh Buying Group which works on behalf of its members to procure goods and services at preferential prices.
- 6.2 If goods or services are required a member of staff, authorised in para 2.2 above to be issued an order book, will contact Woldmarsh who will procure the items on behalf of the Board within the authorised limits for the individual. An official Board order form will be completed as above to include the agreed prices and the analysis for the accounts.
- 6.3 As soon as Woldmarsh have completed an order to the suppliers a confirmation of the order is sent to the Chief Executive, Projects Director, Maintenance Director and Finance and Admin Director for review and oversight.
- 6.4 Woldmarsh submit an invoice for payment once per month for all of the goods and services purchased for the Board, analysis of this invoice is to be reported to the Board at each meeting.

### **7 SCAPE ACCESS AGREEMENT FOR THE PUBLIC SECTOR**

- 7.1 The Board has signed up to a Scape Access Agreement. The Agreement sets out the rules which govern how the authority may use the framework and details the responsibilities undertaken by Scape and the authority.

Full details of an Access Agreement can be found at Appendix 1 (Scape Access Agreement for the Public Sector Compliance and Guidance Note).

## **8 SUMMARY**

- 8.1 The above policy is not exhaustive and is written as a guide to the appropriate level of authorisation for the level of procurement required.
- 8.2 Members of staff should always liaise with members of the management team to ensure that procurement of materials and services give satisfactory value for money.
- 8.3 Staff should look for every opportunity to make bulk purchases with other authorities to achieve additional value for money.
- 8.4 Consideration is always to be given in relation to maintaining expenditure within budgets. If budgets have been, or are likely to be, exceeded for a particular scheme or general maintenance then the authorisation of the Chief Executive Officer or the Projects Director to be sought before the order is placed.



# ACCESS AGREEMENT

FOR THE PUBLIC SECTOR

COMPLIANCE AND GUIDANCE NOTE



## INTRODUCTION

**Public sector bodies (such as local authorities, central government departments, NHS trusts, schools and other educational establishments which are majority public funded) must comply with public procurement rules when they enter into contracts for supplies, works or services. The overall rules post Brexit for England, Wales and Northern Ireland are currently set out in the Public Contracts Regulations 2015; in Scotland, the Public Contracts (Scotland) Regulations 2015.**

The rules mean that to discharge their transparency obligations, public sector bodies (contracting authorities) must advertise on the UK Government's "Find a Tender Service" (FTS) when they want to contract with a provider for works, goods or services and the value of that contract is above a specified value. There are strict procedures with which contracting authorities must comply when choosing a provider.

However, the rules do allow for a contracting authority to go through a procurement process to choose one or more providers to provide supplies, works or services on a framework. In other words, the procurement process is not to choose a provider for a specific project: It is to choose providers with the required levels of experience, quality and financial standards and who provide the best value (in terms of how they meet the specifications that will be required for projects under the framework and price).

When the contracting authority needs a provider for a specific project of a type covered by the framework, it can choose a provider on that framework for the project without having to carry out a full procurement process. It can call off the works/services required under the Framework Agreement.

The rules also provide that a contracting authority can act as a central purchasing body by entering into Framework Agreements which can be used by other contracting authorities.

Scape has procured and entered into a number of Framework Agreements. Contracting authorities are able, in principle, to use Scape's Framework Agreements to call off works/services from the framework providers.

Each Framework Agreement (which is entered into by Scape and the framework provider) sets out the rules for operating the relevant framework, as between Scape and the framework provider.

The framework provider enters into an individual project agreement with each contracting authority which wants to engage that provider to carry out works/services on a specific project. There is a "model" format of the delivery agreement set out in each Framework Agreement.

## WHAT IS AN ACCESS AGREEMENT?

An Access Agreement is entered into by Scape and each contracting authority wanting to use a Scape framework. The Agreement sets out the rules which govern how the authority may use the framework and details the responsibilities undertaken by Scape and the authority.

## WHAT DOES THE ACCESS AGREEMENT INVOLVE?

In summary, the Access Agreement sets out:

- The procedure the client must use if it wants to call off services under a Framework Agreement;
- What information Scape will provide to the client;
- The reporting information the client must provide to Scape if it calls off services under a Framework Agreement;
- How the Scape fee charged to the framework provider works;
- Warranties from each party;
- Limits on each party's liability;
- Confidentiality obligations;
- The term of the Access Agreement and how it can be terminated by either party;
- Various standard provisions (e.g. the governing law of the agreement, the way in which the parties communicate with each other).



## WHY DO YOU NEED TO SIGN AN ACCESS AGREEMENT?

Once signed, the Access Agreement enables access to any of Scape's frameworks and you will receive detailed information about the frameworks and how to use them. The Access Agreement only needs to be signed once on behalf of an organisation and it carries no cost.

There is no commitment or obligation to use Scape's Frameworks once an Access Agreement has been signed. Signing an Access Agreement does not prohibit you from procuring a contract through any other route.

## WHAT HAPPENS NEXT?

A representative from Scape, or the delivery partner (framework provider) you have selected, will contact you to discuss your requirements. They will provide you with information regarding the framework and processes, Project Request Form, Project Order Form and Delivery Agreement, together with supporting information about the NEC contracts, which are incorporated into Delivery Agreements.

[For the public sector | Access Agreement guidance note](#)



## FREQUENTLY ASKED QUESTIONS

### WHO DELIVERS SCAPE FRAMEWORKS?

Frameworks are available in all areas of England, Scotland, Wales and Northern Ireland. They are all delivered by our delivery partner(s) who are experts in their field and have been awarded their Framework Agreement following a competitive tender. Our delivery partner(s) form strong regional teams to focus on local delivery from within the community.

Learn more about our frameworks: [www.scape.co.uk/for-the-public-sector](http://www.scape.co.uk/for-the-public-sector) **WHO**

### DO WE WORK FOR?

Frameworks are available to every kind of public body. If you are a local authority, school, academy, college, university, blue light service, NHS organisation, armed force or substantially funded by the public purse, you can benefit with Scape.

### WHY USE SCAPE?

For over a decade, we have developed and managed highly successful frameworks. By bringing together the strongest delivery teams, Scape achieves measurable time, cost, quality and community benefits on every project. We have shaped an environment of collaboration and innovation, directly supporting our clients' need to achieve the highest possible standards.



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