

Prices, Quotations and Tenders Procedure

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Related Policy:		F02 Procurement	
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Approved by P&PRG:		October 2020	
Owner:	Stuart Green	Job Title:	Head of Finance
To be issued to:		Board of Management ARK Management All Staff	
Method of Delivery:		Email Procedure	

Version Control

Date	Owner	Version	Reason for Change
August 2020	Stuart Green	4.0	Transfer to new format, rename, and procedure due for renewal

Summary of Changes

Section	Change
Entire Policy	Transfer to new format and rename (procedure previously know as [F17])
2.1	Reference to new financial limits as set out in the Procurement [F02] policy, and the different number of quotations/tenders required.
2.1.3 to 2.1.5	Wholesale change in how we procure – procedure directs users towards ‘Procurement Journey’ and ‘Public Contracts Scotland’ websites for all procurement activity over £10,000. Removal of all references to old paper based system of issuing quotations and tenders, and staff being present when opening tender documentation, which are no longer compliant with the Procurement Act.

3.0	Reference to changes in procurement legislation after Brexit transition arrangements end.
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Prices, Quotations and Tenders Procedure

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1.0 Introduction

The purpose of this procedure, and the policy which supports it, Procurement [F02] is to set out our arrangements for the obtaining of prices and to the issue, receipt, and acceptance, of quotations and tenders by all departments and services throughout Ark.

This procedure should be read in conjunction with the following:

- Standing Orders [G03], in particular the delegated levels of authority;
- Incurring and Authorising Expenditure procedure [F02b];
- Procurement policy [F02]; and
- Recruitment and Selection procedure [HR01].

Where another form of procurement is to be used, e.g. partnering, these procedures will not apply. See 'Partnering' policy [M03] for examples of where other forms of procurement may apply.

To ensure fair competition, value for money, and financial probity, these procedures will be followed each time prices, formal quotations, or tenders are required for the supply of goods or services.

To ensure that we provide a high standard of service at all times, the Board of Management, Chief Executive, Directors, and any Managers involved, will take the following factors into account during the decision-making process - from the initial invitations to the formal acceptance of a quote or tender:

- Value for money
- References (where appropriate)
- Performance standards/track record (where appropriate)
- Previous working relationships (where appropriate)

The term 'manager' in this procedure refers to the person authorised to issue quotations or tenders, i.e. authorised to incur expenditure, as detailed in the procedure entitled 'Incurring and Authorising Expenditure' [F02b]. Normally this will be the relevant budget holder.

2.0 Prices, Quotations and Tenders Procedures

All financial limits referred to below exclude VAT.

2.1 Financial Limits for Seeking Prices, Quotes or Tenders

The Procurement Flow Chart, as documented in section 7.1 of the 'Procurement' policy [F02], sets out the contract value thresholds at which we require quotes or tenders on goods and services we intend to purchase.

The following sections sets out the process to follow depending on the contract value identified. Note, if the purchase is likely to be repeated, the aggregated potential spend should be considered when calculating the contract value.

2.1.1 Items Costing up to £1,000

Where there is no existing, or suitable, contract in place, items costing up to £1,000 may be purchased from an appropriate supplier without the need to obtain formal quotations or tenders.

At all times the staff member incurring the expenditure should aim to achieve best value for money and demonstrate the fair and equal treatment of suppliers.

The staff member may choose to obtain a number of formal quotations and if they do so, will follow the procedures at 2.1.2 below.

2.1.2 Items Costing between £1,000 - £10,000

For goods or services costing between £1,000 - £10,000, a minimum of two written quotations will be obtained.

Where there are Approved Lists of suppliers of goods or services, those invited to quote will be selected from the appropriate list.

2.1.3 Procurement Journey Route 1 - Items Costing between £10,000 - £50,000

The Scottish Government's Procurement Journey provides guidance for public and third sector organisations who procure goods and services. Additional information can be found at <https://www.procurementjourney.scot/>

If the following criteria apply, Route 1 of the Scottish Government's Procurement Journey is to be followed:

- The expected spend is less than the 'regulated' threshold (i.e. between £10,000-50,000 over the duration of the contract, including any extension options);
- The purchase is considered to be Low Risk; and
- The purchase is non-repetitive.

[**CLICK HERE FOR PROCUREMENT JOURNEY ROUTE 1**](#)

Additional Information can be found at Appendix 1.

2.1.4 Procurement Journey Route 2 - Items Costing between £50,000 – EU Threshold

For all procurement between £50,000 and the EU Threshold, Route 2 of the Scottish Government's Procurement Journey is to be followed.

It is important that the Head of Finance is notified of any procurement activity within this value range. The Head of Finance will:

- Give advice and guidance in relation to the process;
- Provide relevant documentation and templates as required;
- Ensure that relevant information is captured and reported; and
- Once awarded, ensure the contract is included in Ark's Contract Register.

[CLICK HERE FOR PROCUREMENT JOURNEY ROUTE 2](#)

Additional Information, including the value of the EU threshold, can be found at Appendix 2.

2.1.5 Procurement Journey Route 3 - Items Costing above the EU Threshold

For all procurement above the EU threshold, Route 3 of the Scottish Government's Procurement Journey is to be followed. The Head of Finance is to lead, from a procurement point of view, on all activity above this threshold. The only exceptions to this would be where there is not capacity within the organisation; or where there is a requirement for more specialist expertise. In such cases, use of external consultants will be considered, this must be approved by the Executive Team and services procured in line with the requirements of the Procurement policy [F02].

The Head of Finance will:

- Co-ordinate the Procurement Process;
- Establish a Working Group/Evaluation Panel;
- Publish all contract notices and documentation;
- Collate scoring information from Evaluation Panel;
- Carry out cost analysis;
- Issue all Intention to Award, Contract Award and Regret Letters;
- Ensure that relevant information is captured and reported; and
- Once awarded, ensure the contract is included in Ark's Contract Register.

[CLICK HERE FOR PROCUREMENT JOURNEY ROUTE 3](#)

Additional Information can be found at Appendix 3.

2.2 Specialist Suppliers or Contractors

The only exception to the items above will be where there are only one or two specialised suppliers or contractors available.

Where there are at least two, we will seek to obtain two quotes or tenders. Where there is only one, we will seek to negotiate a price that can be justified as 'best value'.

The reasons for any deviation from normal procedures will be fully recorded and retained, to provide an audit trail if required. Quotes or tenders from specialist suppliers or contracts will follow the usual approval limits, as noted in Ark's 'Procurement' [F02] policy.

3.0 Post Brexit Legislation

As the UK has now left the EU, new rules are expected to come into force at the end of the transition period, on 1st January 2021. Information on new Procurement legislation, and arrangements, can be found here:

<https://www.gov.uk/guidance/public-sector-procurement-after-a-no-deal-brexit>

4.0 Implementation and Review

4.1 Implementation

The Head of Finance will ensure that this procedure is followed by all Board Members and members of staff involved in the process for price, quotations, and tenders.

4.2 Review

The Head of Finance will ensure that this procedure is reviewed at least every three years.

Appendix 1 – Procurement Journey Route 1: Quick Quote

The Scottish Government's Procurement Journey provides guidance for public and third sector organisations who procure goods and services. Additional information can be found at <https://www.procurementjourney.scot/>

Use of Quick Quote

The Procurement Journey indicates that use of Quick Quote is optional; however it is Ark's policy that this must be used for all purchases between £10,000 - £50,000.

A step by step 'quick quote' guide can be found on the Procurement Journey website. Any user not currently on Public Contracts Scotland (PCS) should register. Ark's administrators will then set the necessary permissions.

Evaluation/Scoring

In the Procurement Journey there are some example scoring methodologies provided, for evaluating supplier/contractor bids.

Templates

The Procurement Journey contains a number of templates. To ensure Ark maintains compliance with all relevant legislation, staff should use the templates available, if applicable, at each stage of the Procurement process.

Property Specific Requirements

All contractors awarded a property-related contract will have additional documentation to complete as set out in Ark's 'Approved List of Contractors' [M22] procedure.

Appendix 2 – Procurement Journey Route 2 and 3: Tender Procedure

Use of Public Contracts Scotland

The Procurement Journey indicates that use of Public Contracts Scotland (PCS) is optional. However, it is Ark's policy that this must be used. Any user not currently on PCS should register. Ark's administrators will then set the necessary permissions.

Route 3 only - The Head of Finance will be responsible for the publication of all notices on PCS, for above EU threshold procurement.

Evaluation/Scoring

In the Procurement Journey there are some example scoring methodologies provided, for evaluating supplier/contractor bids.

Templates

The Procurement Journey contains a number of templates. To ensure Ark maintains compliance with all relevant legislation, staff should use the templates available, if applicable, at each stage of the Procurement process.

Property Specific Requirements

All contractors awarded a property-related contract will have additional documentation to complete as set out in Ark's 'Approved List of Contractors' [M22] procedure.

EU Threshold

EU threshold values, which affect procurement exercises which are subject to the procurement regulations, are revalued every two years.

The most recent threshold values can be found here:

<https://www.gov.scot/publications/new-eu-procurement-thresholds-from-1-january-2020/>