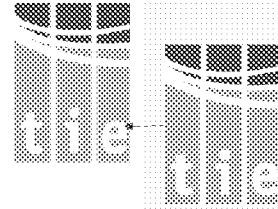


Procurement Policy



Executive Summary

tie limited employs approximately 55 staff and has budgeted expenditure in excess of £87 million for 2006/7. **tie** are responsible for the procurement, project management and delivery of approximately £1.3 billion of transport schemes including tram, heavy rail, parking, bus, ferry and ticketing related projects over the next 5-10 years.

As with other delivery organisations, our normal practice is to award business through competition which supports the key elements of **tie**'s procurement policy. **tie** aspires to be a market leader in the structuring and conduct of procurement activities.

tie's prime objective of procurement is to achieve value for money (VFM). **tie** seek the optimum combination of whole life costs and quality to meet the Project Sponsor's requirements through procurement of professional, contracting, supply and operational services.

tie will review the procurement options available to ensure that suitable delivery mechanisms are adopted that are fit for purpose and appropriate for the individual project needs. This policy is applied by the organisation through implementation of unique procurement strategies and plans for each scheme. **tie**'s procedures for the *Development of a Procurement Strategy*.

An important part of this approach has been the introduction of a procurement policy which was originally approved by **tie**'s Board on 25 October 2004. This policy updates procedures to reflect emerging best practice and was approved by **tie**'s Board on 28 August 2006.

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The Policy set out in this document provides explanatory notes on the following areas:-

- Procurement Director/Manager Checklist
- Procurement Strategy;
- Value for Money;
- Competition;
- Legal Obligations;
- Secondes and Individual Service Providers;
- Contract Management; and
- Sustainable Procurement.

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1. Introduction

1.1 **tie** limited employs approximately 30 staff and has budgeted expenditure in excess of £24 million for 2004/5. **tie** are responsible for the procurement, project management and delivery of approximately £1.4 billion of transport schemes including congestion charging, tram, heavy rail, parking, bus and ticketing related

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Procurement Policy



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	projects over the next 5-10 years.
1.2	As with other delivery organisations, our normal practice is to award business through competition which supports the key elements of tie's procurement Policy.
1.3	tie's prime objective of procurement is to elect the most economically advantageous tender and achieve value for money (VFM). tie seek the optimum combination of whole life costs and quality to meet the Project Sponsor's requirements through procurement of professional, contracting, supply and operational services.
1.4	tie will review the procurement options available to ensure that suitable delivery mechanisms are adopted that are fit for purpose and appropriate for the individual project needs. This Policy is supported by tie's procedures for the <i>Development of a Procurement Strategy</i> .
1.5	An important part of this approach has been the introduction of this Procurement Policy which was approved by tie's Board on 25 October 2004. This Policy is supported by procedures for the <i>Preparation of Tender Documentation</i> and <i>Evaluation of Pre-Qualifications and Tenders</i> for use on all schemes which provides detailed guidance on how procurement will be dealt with.
1.6	The Policy set out in this document covers the following areas:- <ul style="list-style-type: none"> • Procurement Strategy; • Value for Money; • Competition; • Legal Obligations; • Secondees; • Contract Management; and • Sustainable Procurement.

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tie Limited Procurement Policy Checklist

Compliance Factors	Director	Manager
Procurement Strategy:		
Strategy developed with involvement of advisors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Strategy documented and accepted by Sponsors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk Allocation Matrix defined	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Form of Contract selected and staff training defined	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Market testing verified strategy and form of contract	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sensitivity of payment mechanism reviewed and accepted by Sponsors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Security and safety considerations incorporated	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Value for Money:		
Evaluation team briefed on objectives of procurement strategy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Evaluation team briefed on advantages/disadvantages of strategy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has a clear scope of work been defined	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have VFM tests been defined	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the VFM been reviewed on a quarterly to annual basis	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Competition:		
Has the Project Director and Finance Manager been informed	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are there internal conflicts of interest to manage	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has a non competitive action been approved	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Is a PIN necessary *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has written approval of the tender short-list been sought	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the evaluation methodology been defined	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have referees been checked	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have sealed bid procedures been adopted	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are the services to be procured using restricted procedures *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Was submission opening witnessed by two Executive Board members	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has electronic information been provided for secure intranet storage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have the services been acquired by competition	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has a single coherent procurement file and checklist been maintained	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the most economically advantageous tender been selected	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the appropriate approval authority been obtained	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have the unsuccessful bidders been debriefed and feedback sought	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the 'standstill' period been observed *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has a CAN been published *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal Obligations:		
Is tie acting as an agent or principal for the procurement *	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the OJEU threshold been verified and exceeded for the service *	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the award procedure been selected for procurement *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the service value breach the aggregation rules	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has legal compliance check been undertaken on tenders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Seconded & Individual Service Providers:		
Has the most economically advantageous route been adopted *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are regular assessments undertaken *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Have confidentiality agreements been obtained *	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Contract Management:		
Have the contract monitoring procedures been defined	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are roles and responsibilities understood	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have the points of control, leadership and authorities been defined	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has a completion review been carried out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sustainable Procurement:		
Has the service provider committed to environmental improvement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are criteria defined to account for environmental considerations	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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21. Procurement Strategy	
12.1	tie undertake to identify the most appropriate procurement strategy that transfers and shares design, development, supply, construction and operational risks with the Private Sector. tie plan to undertake this decision making process through involvement of Project Sponsors and by taking due account of supporting professional advice from legal, financial, technical and other advisors as necessary.
12.2	tie will select procurement strategies with clear understanding of risks retained by (and shared with) by the public sector and potential grounds for claim under the Contract. tie 's Project Managers (and those involved in the evaluation of tenders) should have a clear understanding of the objectives of each procurement and additionally have a clear understanding of the advantages and disadvantages of the preferred procurement route. This pPolicy is supported by industry guidance including OGC's Achieving Excellence in Construction: Procurement Guide to Procurement and Contract Strategies. tie 's procedures for the Development of a Procurement Strategy:
12.3	tie will consider the potential advantages for streamlining contracting processes and investigate the potential efficiencies of Framework Agreements in the development of procurement strategies in conjunction with advisors.
12.4	tie shall seek advice from legal, financial and technical advisors in order to select the most appropriate form of contract for each procurement. In order to maintain market attractiveness, tie will review the applicability of 'standard' forms of contract and investigate the potential need for 'amended standard' or 'bespoke' forms of contract and where appropriate undertake market testing. tie will review the effectiveness of each procurement plan during implementation.
12.53	tie aim to ensure that the preferred procurement strategy can deliver overall scheme quality, cost and programme objectives in the context of constraints, funding mechanisms and risk allocation. tie will have a full understanding of the inherent or incidental risk allocation of each proposed Contract.
12.64	tie will review the need for the inclusion of incentives for performance against clear targets and where appropriate penalties for poor performance. If considered necessary, tie 's Finance Director will conduct an assessment of the sensitivity of the proposed payment mechanism to ensure incentivisation for performance and investigate potential market risk pricing.
12.75	tie will consider the alternative fee arrangements to secure VFM in planned and additional services. tie will avoid uncapped scaleable fees linked to overall project capital costs where possible.
12.86	tie will engage advisors, suppliers, contractors and operators who are suitably experienced with the procurement method selected. tie will assess staff training needs to ensure staff awareness in emerging forms of procurement.
12.97	tie will review security and safety considerations, required to be included within each scheme, as an integral part of the procurement. tie 's Project Managers will seek early design freeze to obviate risks of loss of quality, cost creep and

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	programme slippage.
12.108	tie will assess the need for guarantees, collateral warranties, and performance bonds, retentions and damages in conjunction with Project Sponsors, at the outset of the development of the proposed payment terms, to protect the public purse. tie will engage with key stakeholders to agree the proposed procurement strategy and ensure funding is in place prior to award of each Contract.
23. Value for Money	
23.1	tie consider that an understanding of the Project Sponsor's requirements is fundamental. To ensure best VFM in procurement the relevant factor is whole life cost, not lowest short term price. Whole life cost takes into account all aspects of cost over time, including capital, maintenance, management and operating costs, whenever they fall.
23.2	All Project Managers, not only those directly procuring services, are responsible for ensuring that most economically advantageous tender is selected through the procurement process. This assurance should consider tie's costs for the procurement process itself.
23.3	tie's policy is that Project Managers should also use their commercial understanding and experience in designing any procurement process to maximise the opportunities for service providers to submit cost effective and competitive bids, e.g. by ensuring that the services which they buy, as far as possible, reflect the requirements (in terms of quality and price) of market conditions. tie's Project Managers should encourage innovation in specifications where possible.
23.4	Clear scope of works will be defined for all services within Contracts and clear VFM tests established prior to placement of Contracts by the Project Managers.
23.5	tie propose that Project Directors will seek verification of value for money for all fixed, call-off and timescale charged services, on a quarterly to annual basis.
23.6	tie are committed to ensuring that service providers should not be put to unnecessary cost through casual enquiries for bids.
34. Competition	
34.1	All services should be acquired by competition unless there are convincing reasons to the contrary. Competition avoids any suggestion of favouritism and the encouragement of monopoly; it also helps to promote efficiency and economy. The form of competition should be appropriate to the value and complexity of the services acquired.
34.2	It is tie's policy that procurement should be undertaken where appropriate through open and auditable and robust competition. Project Managers, in consultation with Project Sponsors, are responsible for identifying professional, contracting, supply and operational services most likely to offer the most economically advantageous bid and for encouraging them to tender. This Policy is supported by procedures for the <i>Preparation of Tender Documentation and Evaluation of Pre-Qualifications and Tenders</i> industry guidance including OGC's Government Procurement Code of Good Practice for Customers and Suppliers for use on all schemes which outlines how tie will commit to values of fairness, honesty and openness, efficiency and effectiveness and professionalism. provides detailed guidance on how procurement will be dealt with.
34.3	tie will continually review and investigate the potential for conflicts of interest

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	and insulate the procurement process from any individual or companies who could be perceived to have a vested interest with a bidder.								
34.43	Within limited competitive markets, tie will give additional attention to VFM testing, including areas of specialist services.								
34.54	<p>tie's key aspects of tendering competition policy are as follows. In each case, the Project Manager will brief and seek written approval from the Project Director (or Finance Director) of short-listed bidders:-</p> <ul style="list-style-type: none"> • A minimum of 2-3 quotations are required for services below £20k; • A minimum of 4-5 quotations/tenders shall be invited under restricted procedures for all services above £20k (and maximum of 86); • A minimum of 3 quotations/tenders shall be invited under negotiated procedures for all services above £20k (and maximum of 6); • The following sources shall be used for selecting tenderers to ensure competitive tender (subject to the aggregation rules discussed below). <table border="1" data-bbox="311 973 1147 1474"> <thead> <tr> <th>Tender Value</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td><£20k</td> <td>Short-list of invitees identified by tie Project Manager.</td> </tr> <tr> <td>>£20k and < EU Threshold</td> <td> <p>Publish an OJEU notice (if considered necessary to comply with Scottish Regulations).</p> <p>Advertising in local press/national industry publications.</p> <p>Local and national pre-qualified construction and construction-related service registers e.g. Construction-Line.</p> <p>Short-list of invitees identified by tie Project Manager.</p> </td> </tr> <tr> <td>> EU Threshold</td> <td>EU procedures primarily through restricted procedure, competitive dialogue or negotiated procedure as appropriate.</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Sealed bid procedures must be used for all procurements with a value greater than £20k, and for any lower value for potentially contentious procurements; • Post-tender negotiations (PTN) should only be undertaken if appropriate to form of procurement, as outlined in [54.5] of this policy. Negotiated procurement routes may be adopted for more complex procurements. (Project Director level authority is required before PTN is used, and practitioners require to be suitably trained and experienced). The EC Procurement Directives do not permit post-tender negotiation and therefore PTN should usually be avoided; and • In the case of all prospective procurements of services, the Project Director and Finance Manager must be advised at the earliest opportunity. 	Tender Value	Sources	<£20k	Short-list of invitees identified by tie Project Manager.	>£20k and < EU Threshold	<p>Publish an OJEU notice (if considered necessary to comply with Scottish Regulations).</p> <p>Advertising in local press/national industry publications.</p> <p>Local and national pre-qualified construction and construction-related service registers e.g. Construction-Line.</p> <p>Short-list of invitees identified by tie Project Manager.</p>	> EU Threshold	EU procedures primarily through restricted procedure, competitive dialogue or negotiated procedure as appropriate.
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Procurement Policy



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	<ul style="list-style-type: none"> tie's procedures for the <i>Development of a Procurement Strategy</i> includes a summary of the steps of procurement: 														
34.6	tie will consider the timetable and consultative advantages of publishing a Prior Information Notice (PIN) to accelerate and inform planned contract arrangements. tie seek to apply best practice of a single point of contact for dealing with pre-qualifications, tender queries and communications during procurement.														
34.7	Tenders should be returned by a defined time, addressed for the attention of the Senior Executive Officer for all bids in excess of £5m, and Project Director for all bids less than this amount. All sealed tenders should be opened no earlier than 1-hour after the tender return time and witnessed by two tie employees. In the case for bids in excess of [£2m] the presence of at least two Executive Board members is required. All tender documentation must be stored in a safe and secure location. tie Project Managers will provide the IT Manager with electronic copies of all bid documentation to allow information to be uploaded to a secure intranet for back-up purposes.														
34.85	tie will conduct the evaluation of all tenders received in an orderly manner, adopting a consistent approach and document the conduct of the competition. The protocol for evaluation of prequalifications and tenders will be documented and agreed prior to opening of submissions. tie recognize that the outcome of each competition may be subject to FoI(S)A requests and will seek to identify with bidders any information that may be considered exempt including commercial information. Legal advisor support should be considered throughout procurements and in particular for compliance reviews.														
34.96	tie will seek an understanding of bidders' previous experience, including any public sector contracts they have been awarded during the relevant period and seek details from a referee for such contracts prior to short-listing. The use of bidder presentations, interviews and office visits will be considered to support the quality evaluation.														
34.10	A single coherent filing system shall document the conduct of procurement with checklist incorporating the project appraisal, OJEU Notice, prequalification and tender evaluations, tender return forms and receipts, letters of acceptance/rejection, executive summary, record of approval at appropriate level and appointment document.														
34.117	A decision to award a Contract will only be taken with a clear understanding of obligations and after all remaining elements have been clarified. Approvals to proceed with a contractual commitments with a contractual commitment for award of or amendment of project and non-project services are subject to the limits shown below.														
	<table border="1"> <thead> <tr> <th colspan="2">Earl/Tram Commitment - Tender Value</th> <th rowspan="2">Approval</th> </tr> <tr> <th>Fixed Price</th> <th>Reimbursable</th> </tr> </thead> <tbody> <tr> <td><£1020k</td> <td><£10k</td> <td>Project Manager Project Director</td> </tr> <tr> <td>>£100k and <£10m</td> <td>>£10k and <£250k</td> <td>Project Director</td> </tr> <tr> <td>>£20k and < 50% EU</td> <td>>£250k and <£1.5m</td> <td>Project Director &</td> </tr> </tbody> </table>	Earl/Tram Commitment - Tender Value		Approval	Fixed Price	Reimbursable	<£1020k	<£10k	Project Manager Project Director	>£100k and <£10m	>£10k and <£250k	Project Director	>£20k and < 50% EU	>£250k and <£1.5m	Project Director &
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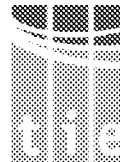
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	<table border="1"> <tr> <td>Threshold >£10m and <£20m</td> <td></td> <td>SEO Project Board</td> </tr> <tr> <td>> 50% EU Threshold £20m</td> <td>>£1.5m</td> <td>Board</td> </tr> </table>	Threshold >£10m and <£20m		SEO Project Board	> 50% EU Threshold £20m	>£1.5m	Board				
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<£5k	Finance Manager										
>£5k and <£10k	Project Director										
>£10k and <£10050k	CEO/Executive Board Member										
>£1050k	tie Board										
	<p>These limits and additional governance contractual and financial arrangements are defined in tie's Delegated Authority Rules (DAR's), as approved by tie's Board on 22 March 2004. Compliance with the <i>DAR's</i> is mandatory for all tie employees.</p>										
34.12	<p>tie will apply the requirements of the mandatory 10-day 'standstill provision' upon selection of 'preferred bidder', to allow open review prior to contract conclusion. This will give unsuccessful bidders time to consider their options and bring a legal challenge before the Contract is signed. tie will have caveats lodged at Court of Session and Sheriff Court to allow early notification. A Contract Award Notice (CAN) will be published to inform market of the successful conclusion of the competition.</p>										
34.138	<p>Where the minimum competition requirements cannot be met a Non-Competitive Action (NCA) may be required. All NCA are subject to the approval of the Projects Director and Finance Manager.</p>										
34.149	<p>Under both EU procurement law and good industry practice, unsuccessful tenderers will be given the opportunity for a debriefing by tie's Project Managers. tie will also seek feedback on the competition from bidders on their views of the conduct of the procurement.</p>										
45. Legal Obligations											
45.1	<p>Within the European Union a series of Procurement Directives (known as EC Procurement Directives) apply to promote fair and open competition. These require public organizations to publish details of Contracts above specified thresholds which they intend to place, and to follow other specified procurement</p>										

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	procedural rules.								
45.2	Failure to comply with this legislation carries risk of penalties and imports the risk of potential legal challenge by unsuccessful bidders. Audit Scotland and the European Commission may also review tie 's procurement processes. Failing to comply with the relevant rules may result in any ERDF funding being withdrawn.								
45.3	<p>The EC Procurement Rules apply to tie and set out detailed procedures for the award of Contracts whose value equals or exceeds specific thresholds. The thresholds differ depending upon whether the Contract is for:-</p> <ul style="list-style-type: none"> • Works (i.e. general building or civil engineering work, construction of buildings etc); • Services (i.e. designing bespoke software, maintenance and repair services, management services etc); or • Supplies (i.e. the purchase or hire of goods) <p>The current thresholds (which will be replaced in Jan 2006) are:-</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Type of Contract</th> <th>Threshold</th> </tr> </thead> <tbody> <tr> <td>Works</td> <td>£3,834,411</td> </tr> <tr> <td>Services</td> <td>£153,376</td> </tr> <tr> <td>Supplies</td> <td>£153,376</td> </tr> </tbody> </table>	Type of Contract	Threshold	Works	£3,834,411	Services	£153,376	Supplies	£153,376
Type of Contract	Threshold								
Works	£3,834,411								
Services	£153,376								
Supplies	£153,376								
45.4	<p>Certain types of services Contracts (known as Part B services or non-priority services) do not have to comply with all aspects of the procurement rules. In certain circumstances, there may be particular there is no requirement to advertise such Contracts in the OJEU, although there is always need to publish a contact award notice. The Part B services include:-</p> <ul style="list-style-type: none"> • Transport by rail; • Transport by water; • Supporting and auxiliary transport services; • Legal services; • Personnel placement and supply services; and • Investigation and security services. 								
45.5	<p>tie in conjunction with legal advisors will review the characteristics of each procurement and select one of the following three award procedures.</p> <ul style="list-style-type: none"> • Open – no prequalification stage resulting in large number of bidders and generally applicable to 'simple' Contracts. (In general tie will not use this procedure as it is very inefficient in tendering and evaluation); • Restricted – allows selection of number of bidders with no scope available for meaningful negotiation as limited to issues of clarification; and • Competitive Dialogue – allows selection of a number of bidders with ability to meaningfully discuss all issues (pricing, risk transfer, 								

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	<p>specification etc) with a view to identifying each bidder's optimal solution before tenders are submitted. Thereafter discussions are limited to issues of clarification; and</p> <ul style="list-style-type: none"> Negotiated – allows selection of number of bidders with ability to negotiate with bidders and may be applicable to more complex and in particular PPP/PFI Contracts.
45.6	On complex procurements tie will seek independent legal advice regarding structuring, drafting and negotiating to ensure legal compliance and advice at every stage of the process.
45.76	<p>tie's Project Managers should seek legal advice to verify currency and applicability of thresholds and the requirements of UK Public Procurement Legislation. In particular they should verify whether in the context of the particular project:-</p> <ul style="list-style-type: none"> tie is obliged to comply with the Public Contracts Public Sector Directives covering for works, services or supplies or whether tie is in fact acting as a utility (which is subject to a higher set of thresholds); and Any services Contract involves a Part A service; or Whether tie is nonetheless obliged to advertise any contract to satisfy its wider EU law obligations.
45.87	<p>Where services fall below the EU threshold, tie will maintain compliance with tie's competition policy as outlined in [34.4]3 and [34.5]4 above. tie's Project Managers should consider and discuss the following with the Project Director who will approve the proposed route:-</p> <ul style="list-style-type: none"> Whether tie is nonetheless obliged to advertise any contract to satisfy its wider EU law obligations. Degree of promotion/advertising of Invitation to Tender (ITT) to ensure demonstrable VFM in competition e.g. advertising in local press/national industry publications. Selection of bidders from published industry short-lists e.g. Construction-Line (a register of local and national pre-qualified construction and construction-related services). Extent of bespoke pre-qualification and ITT stages for each service. Consider the use of call-off arrangements for services for the wider tie portfolio; Avoid extension to current agreements where VFM is ambiguous (without competition with other incumbent service providers) or could draw challenge from an unsuccessful bidder; and The application of the aggregation rules (discussed in [45.9]8 and [45.10]9 below).
4.98	tie's Projects Director Finance Manager or delegated representative will maintain and review a register of all contracts and estimate the aggregate value of all contracts of a similar type over its financial year on a bi-annual basis. This will summarise all OJEU and non-OJEU procurements including contracted parties,

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	services provided, contract bid value, predicted value and contract start and end dates.
45.109	tie 's Project Managers will consider the potential for an obligation to place an OJEU advertisement if the aggregated value of the relevant contracts of a similar type. tie 's Project Managers will also consider the potential for an obligation to place an OJEU advertisement for services that comprise many different skills relating to 'one distinct project' which when aggregated will exceed the threshold. tie 's Project Managers should seek legal advice on the application of procurement rules relating to aggregation and discuss this potential with tie 's Finance Manager.
45.110	tie 's Project Managers will establish clarity of each procurement with City of Edinburgh Council or for itself as principal and account for the agent/principal distinction in the drafting any OJEU notices.
56. Seconded & Individual Service Providers	
56.1	External consultancies may be approached to provide secondees or individuals for professional services on a part-time basis. Depending upon the nature and value of the services to be provided, such secondments or individual Agreements may be subject to the EC Procurement Directives. Project Directors should seek most economically advantageous solution and ensure that when employing secondees or 'self employed' individuals that monitoring procedures are implemented effectively.
56.2	Project Directors should set targets for individuals and undertake regular one-to-one assessments to ensure motivation and VFM.
56.3	Project Directors should review the need to seek confidentiality agreements with all individuals and secondees.
67. Contract Management	
67.1	tie recognise that Contract management is an essential part of the contracting process. Project Managers are responsible for defining the Contract monitoring procedures to ensure that the service providers meet the service levels set out in the Contract and to ensuring continuing value for money. Project Managers are responsible for regular review of quality, cost and time objectives through the project lifecycle.
67.2	tie undertake to define clear roles and responsibilities for all parties.
67.3	tie Board will ensure that points of control and leadership are defined and explicit authority and responsibility for Contract governance and appropriate support to the Project Director. This governance will be allied to tie Board's requirements and tie 's <i>Delegated Authority Rules</i> .
67.4	The project team will be encouraged to communicate issues and problems in achieving the delivery dates, budget or quality thresholds and a 'partnering' relationship fostered to ensure individuals feel free to express reservations. tie will review options to cap, fix and agree fees for professional services at the earliest opportunity.
67.5	tie will consider the use of Contract completion reviews and feedback the results into the process.
78. Sustainable Procurement	
78.1	tie is committed to playing a role in Scotland's sustainable development. When tie acquire services the aim is to do so in a way which minimises impact on the

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	<p>environment. tie expect that our service providers share our commitment to continuous environmental improvement.</p> <ul style="list-style-type: none"> • It is important that our service providers keep pace with environmental developments in their particular markets; • Those who fail to demonstrate an ability to comply with relevant environmental legislation may be excluded from that contract award process where environmental considerations have been specified as relevant criteria for assessment; and • Development of environmentally preferable goods and services and use of recycled/renewable materials is likely to offer a competitive advantage. <p>This policy is supported by industry guidance including OGC's Achieving Excellence in Construction: Procurement Guide to Sustainability. The assessment criteria must be set in a manner which enables bidder's statements/compliance to be objectively verified/measured. Consideration should also be given to whether particular expertise is needed to assess such criteria.</p>
78.2	Where environmentally preferable goods and services are viable on cost and quality grounds and are both affordable and readily available, they will usually be specified to the exclusion of others.
78.3	Where environmental considerations have been specified as relevant criteria for assessment bidders will be required to disclose details of any breaches of environmental legislation at pre-qualification stage. Those found to have an unsatisfactory track record in complying with environmental legislation may be excluded from bidding for that specific contract.
78.4	Where it is relevant to the product or service to be purchased and where environmental considerations have been specified as relevant criteria for assessment, tie will seek evidence that service providers have in place appropriate environmental management policies.
89. Conclusion	
89.1	tie is committed to ensuring robust procurement of all professional, contracting, supply and operational services that will present VFM and meet Project Sponsors requirements. tie 's procedures for this will be effective and organised and will rely on the principles contained within this document.
89.2	tie will continue to review its procedures and will ensure that this Policy document is reviewed annually to make sure it remains effective and compliant with the Public Procurement Regulations.

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Prepared by: **Mark Bourke**

Date: ~~25 30 5 October Julyne~~ 20064

Revision: ~~9-2 (tie Board Approved Draft for Legal Review)~~

File: ~~09.22.0910.18 Process Improvement Procurement~~

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