

Contract Regulations

3.3 Procurement Processes

For quotations below £25,000 there is a requirement to use a local supplier where this gives value for money.

Low Value Procurement (Below £105,000)

For these purchases direct approach to a single supplier is acceptable, competitive quotations are not required. The purchasing officer should be satisfied that the costs are reasonable. It is expected that ESPO will be considered for the majority of this type of purchase.

A local supplier should be used where appropriate. Where a local supplier is not used the reason must be recorded in writing.

Medium Value Procurement (£105,000 to £245,000)

For contracts or orders of medium value at least three written quotations should be sought based on a Request For Quotations document with appropriate terms and conditions. Where applicable, quotations should be sought from contractors on the Council's Approved List of Contractors. If an approved list is not available appropriate suppliers should be selected in line with the guidance provided by the Commercial team. Where it is not possible to obtain three competitive quotes the officer must keep a record of the reasons for this.

At least one of the quotations must be from a local supplier and a local supplier should be used where they provide the most economically advantageous offer. Where a local supplier is not used the reason must be recorded in writing.

High Medium Value Procurement (£2545,001 to the EU threshold for Services)

Where EU Treaty principles require advertisement (in accordance with the "EU Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives") the contract must be advertised in Source Lincolnshire and Contracts Finder.

Otherwise unless a Chief Officer or his or her representative determines that such advertisement is appropriate to achieve value for money, high medium value contracts will be awarded without advertisement.

Instead, at least four written quotations should be sought based on a Request For Quotations document with appropriate terms and conditions.

At least two of the quotations must be from local suppliers.

Where applicable, quotations should be sought from contractors on the Council's Approved List of Contractors. Where it is not possible to obtain four competitive quotes the officer must keep a record of the reasons for this.

High Value Procurement (Above the OJEU Threshold for Services)

Contracts for services and supplies of a high value must be procured in accordance with EU procurement law as such contracts will be covered by the procurement regime.

For works contracts of a high value but below the EU threshold for works at least five tenders should be invited. Invitation may be by direct invitation from a select list if the EU Treaty principles do not require advertisement.

If EU Treaty principles require advertisement tenders shall be sought by

- open competitive tendering via public advertisement (Contracts Finder and Source Lincolnshire) supplemented by advertisement in newspapers and journals if appropriate; or
- a Framework let in accordance with EU legal requirements.

Where it is not possible to obtain five competitive tenders the officer must keep a record of the reasons for this.

High Value Procurement subject to European Regulations

The EU Regulations shall be followed for all procurements subject to them. This may include the use of a Framework let in accordance with EU legal requirements. Contract and Procurement Procedure Rules provide further guidance.

3.5 Exceptions to Normal Routes

In exceptional cases where a Chief Officer believes an alternative route to the four normal routes is required, (subject to the miscellaneous provisions in this document), the Chief Officer should comply with the requirements of this clause. For contracts with an estimated value above the Health and Social Care Services Contracts EU Threshold as varied from time to time (currently of £250,000 615,278) and above, the proposal should be taken to the Executive for approval prior to the contract being entered into. For contracts with a value of between £75,001 and £250,000 and the Health and Social Care Services Contracts EU Threshold as varied from time to time (currently £615,278) the proposal should be taken to the relevant Executive Councillor for formal approval prior to the contract being entered into. For contracts with a value between £10,001 and £75,000 249,999 approval in writing can be given by the Chief Officer subject to the Chief Officer consulting with the relevant Executive Councillor on all exceptions where the contract value exceeds £75,000. The Chief Officer shall keep a register of contracts that they have approved as exceptions and the reasons why.

If public procurement (EU thresholds) rules apply this shall limit the ability to let contracts other than through competition. In this case advice should be sought from the Commercial team or Legal Services. Regardless of whether EU Regulations permit the use of direct negotiation, exception must be sought to the normal rules set out in these Contract Regulations in accordance with this section.