

Extract from Procurement Procedure Rules

8 Financial Categories/Bands

- (a) These are the minimum requirements to be followed when purchasing goods, services, or works for the Council. Above where the procurement is high profile or represents a significant risk to the Council or customers then a more extensive procedure relating to one of the higher values should be followed. Officers should seek further advice from the **Head of Procurement and Support Services** in case of doubt.

8.1 Transactions up to £5,000

- (a) For contracts under £5,000 the Responsible Officer must take reasonable steps to demonstrate that s/he is obtaining value for money from the procurement. It is preferred practice to get any verbal offer(s) confirmed in writing including a clear description of the goods/services being procured to ensure absolute clarity of what is being purchased. This avoids any misunderstanding and to provides a good audit trail.

8.2. Transactions £5,001 to £25,000

- (a) The Responsible Officer shall obtain, wherever practical, a minimum of three written quotations. Where it is considered that it is not practical to obtain the minimum s/he shall record, in writing, her/his reasons for not doing so in a format approved by the **Head of Procurement and Support Services**.
- (b) A written quotation must be obtained from the chosen contractor before a formal purchase order is issued or a contract concluded. The relevant goods, services, or works must be specified in sufficient detail (see below on 'Specifying the Contract') and the agreed contract conditions (see below on 'Contract Conditions') included e.g. price and terms of payment, timescales, performance standards. A faxed (or email quote) is acceptable in these cases.

8.3. Transactions £25,001 to £50,000

- (a) A simple but more detailed specification must be prepared identifying the Council's requirements for the goods, the services or the works to be provided (see below on 'Specifying the Contract').
- (b) At least three written quotations must be invited before a formal purchase order is issued or a contract concluded. The order/contract should include all key terms and conditions of contract e.g. the prices to be paid (including any discounts), the terms of payment, any default/termination provisions to be applied (see below on 'Contract Conditions' for more details). Faxed or emailed quotations are acceptable in these cases.

- (c) If less than three quotations are received then the Responsible Officer can accept the quote which best meets the award criteria chosen (see 'Evaluation of Tenders' below), however, a written record must be kept on file outlining the circumstances and why this tender represented value for money.

8.4 Transactions £50,001 – European Directive Threshold (see '5'(c))

- (a) A more detailed specification must be provided identifying the Council's requirements for the goods, the services or the works in question (see below on 'Specifying the Contract');
- (b) All relevant contract conditions (see below on 'Contract Conditions') must be included and an appropriate framework for monitoring and reporting performance put in place to ensure compliance with the contract.
- (c) Responsible Officers should follow the Rules and guidance set out in Section 9 concerning the tendering process unless the special types of processes outlined in section 10 are to be followed. Advice on these special procurement options is available from the **Head of Procurement and Support Services**.