



# **PROCUREMENT POLICY**

## **PHC PROCUREMENT AND TENDERING POLICY**

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### **Principles**

1. The following principles should be adhered to in the procurement of materials and services:

(a) Fair Competition

PHC will treat all bidders with fairness and ensure that they are given the same level of information when preparing quotations or tenders.

(b) Conflict of Interest

Situations of conflict of interest should be declared.

(c) Cost-effectiveness

Quotations and tenders should be evaluated not only on competitiveness in pricing but also factors such as the quality of the products/services and track records of the bidders.

(d) Transparency

To ensure transparency, tender documents should provide all the necessary information to facilitate submission of appropriate and competitive tenders.

### **Types of Procurement**

2. The following types of procedures should be adopted according to the amounts and nature of the procurement of goods or services:

(a) Open Tendering (applicable to procurements of value exceeding £500,000 or procurements covered by the European Procurement Regulations) in which notice of tender invitations should be advertised in the press or the appropriate European Journal for free response by all interested suppliers or contractors.

(b) Restricted or Single Tendering (applicable to all types of procurement)

This type of tendering is applicable to procurements of goods or services that can only be provided by a limited number of suppliers or suppliers who are sole agents or patented distributors. In this case one or more suppliers or contractors will be invited to submit written tenders. Sufficient justification should be made to the CEO (or authorised officer) before proceeding with the tendering exercise.



## **PROCUREMENT POLICY**

### (c) General Procurement

#### (i) Written Quotation

After obtaining approval from the CEO (or authorised officer) written quotations should be sought from at least three (3) suppliers whose goods or services meet the requirements, including the successful tenderer in the last procurement exercise.

#### (ii) Verbal Quotation

To enhance administrative efficiency, verbal quotations from not less than two (2) suppliers or contractors may be used for procurement of miscellaneous item or service costing £1,000 or below. The responsible officer must make a record of the verbal quotations for review and verification. The lowest quotation meeting the requirements should be accepted, unless there are extenuating circumstances.

#### (iii) Exemptions

All procurements must follow and comply with the above procedures. Only in acceptable circumstances should exemption from the above procedures be granted, with special approval from the CEO. Certain projects will inevitably be split into components which will be procured separately.

#### (iv) Expense Reduction Analysis

Since 2010 Poole Harbour Commissioners have engaged Expense Reduction Analysis to ensure that the organisation benefits from competitive pricing. Expense Reduction Analysis handle certain procurement contracts and check and report regularly regarding the on-going competitiveness of PHC suppliers.

### **Tender Procedure**

#### 3. Invitation to Tender

- All invitations to tender on competitive basis will state that no tender will be considered for acceptance unless submitted in a plain sealed package bearing the word "Tender" followed by the subject to which it relates and the stipulated closing date.
- Every tender will be in the form recommended by the appropriate Institution (eg ICE) relevant to the tender.
- Every tenderer must have given an assurance in writing not to engage in collusive tendering or any other restrictive practice.

#### 4. Receipt and Record of Tenders

- All tenders in excess of £50,000 will be addressed to the CEO.
- For tenders of less than £50,000 as far as possible, the officer responsible for receiving quotations from the suppliers/contractors should not be the approving officer for the acceptance of the quotations in the same procurement exercise.
- The date and time of receipt will be written on the unopened package.
- The CEO will, if unavailable, designate an officer not from the originating department to be responsible for receiving tenders and for safe custody until opening.



## **PROCUREMENT POLICY**

5. Opening of Tenders
  - As soon as practicable after the date and time stated for the receipt of the tender, they will be opened in the presence of two officers approved by the CEO.
  - Each tender will be marked with the date and time of opening and initialled by the officers present.
  - A record will be maintained of each tender showing;
    - a) The firms invited to tender
    - b) The name of the firm tendering
    - c) Total price tendered
    - d) Closing date and time
    - e) Date and time of opening
    - f) The persons present at the opening
  - A record must be kept of any price that appears to have been amended on a tender.
  
6. Admission and Acceptance of Tenders
  - If the number of tenders received is deemed insufficient to provide adequate competition they will be referred to the CEO who will decide the process to follow.
  - In deciding to accept any tender the officers will have regard to whether value for money will be received by the organisation
  - Any tender received after the due time may only be considered when the CEO or other nominated officer believes that there are exceptional circumstances (for example significant financial, technical or delivery issues) and there is no reason to doubt the reason for the delay.
  - Technically late tenders (ie those despatched in good time but not delivered) may be regarded by the CEO as having arrived in time.
  - Incomplete tenders (ie those where information needed for adjudication is missing) will be dealt with under the procedure for late tenders, as above.
  - Where examination of tenders reveals errors which would affect the tender figure the tenderer will be given the opportunity of confirming or withdrawing.
  - While any discussions over late or incomplete tenders are being completed all tenders will be kept securely by the CEO or nominee.
  - Any tender other than the lowest will not be accepted unless the CEO decides otherwise
  
7. Limits for Acceptance of Tenders
  - Any contract for an amount up to £10,000 and which has been included in the annual budget may be dealt with under delegated powers by the executive for the department concerned. At least two quotations/tenders should be received.
  - For contracts between £10,001 and £50,000 which have been included in the annual budget the decision of the CEO is sufficient.
  - Any contract over £50,001 and any contract for an amount not included in the annual budget must be approved by the Board.
  - During the process of the contract any price variance over 10% of the contract price must be reported to the CEO who will determine the process, and if deemed appropriate, report back to the board.



## **PROCUREMENT POLICY**

8. Amendment
  - Any amendment to the above arrangements and limits must be agreed by the Board.
9. Procedure of Handling Complaints
  - PHC are committed to maintaining a fair and open procurement system. Tenderers who consider themselves to have been treated unfairly may lodge a complaint with the CEO.