

Procurement update**SUMMARY**

This report provides an update on changes to the Authority's procurement rules.

RECOMMENDATION(S) The Authority is asked to:

- 1) Agree the Authorisation Tables for the procurement of Supplies/ services and the procurement of Works which will form part of the updated WLWA Procurement Rules.

1. Introduction

At the Authority meeting in March 2020 the WLWA Procurement Report provided a summary of the main proposed changes to the WLWA procurement rules. These included:

- The development of a Procurement Review Board which comprise the Managing Director, Senior Management Team and Contracts Manager.
- Business cases for procurements will be put forward by WLWA managers to the Procurement Review Board as part of the procurement planning process. Each case will be discussed to assess the difficulties and benefits of each procurement, including all market research and pre-market engagement work that has been undertaken to understand the market complexity. The Procurement Review Board will carry out a rigorous assessment of each procurement project and will make a collective decision regarding each recommended procurement route.

Annexe AA contains the authorisation tables for approval. These authorisation tables set out the proposed value bands, governance process and contract approval level for each procurement threshold. There are two separate authorisation tables one covering the procurement of works and the other covering the procurement of supplies and services.

Once the authorisation tables have been approved the Contract and Procurement Rules document will be updated and brought to the September 2020 Authority Meeting for approval.

2. Health and Safety - None**3. Financial Implications -** These procurement rules provide a framework to help ensure that all works and services are procured in a way that delivers best value for money for the Authority**4. Staffing Implications - None.****5. Legal Implications –** The requirements of the Public Contracts Regulations are incorporated within the procurement rules.**6. Joint Waste Management Strategy Implication -** The draft procurement rules are designed to help deliver the Authority's Joint Waste Management Strategy policies, particularly 'Effective and efficient operations focused on where we want to be in the future'.

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Annexe A Authorisation tables

Table 1 - Contracts and Procurement Authorisation Table for the Procurement of Supplies and Services

	Total Aggregate Contract Value ¹	How many quotes are required?	How should WLWA approach the market?	Who leads the procurement?	Should the Contracts be formally advertised?	Documentation Required	Governance Process	Who must approve contract award? ²
1.	Less than £5,000	Obtain and retain a minimum of one quote.	Though not required, evidence of exploring solutions is strongly advised.	Responsible Officer	No	Quotation(s) and any evidence of premarket engagement to be kept in the central file.	None NO WAIVER REQUIRED	Project / Budget Manager
2.	£5,000 to £50,000	<p>Advertised through Dynamic Purchasing System (DPS).</p> <p>OR</p> <p>Supplier selected through Borough Framework or local/national Frameworks where permitted. Terms of Framework Agreement to be followed noting that mini-competitions may be required.</p> <p>OR</p> <p>Minimum of three solutions with quotations required.</p>	Obtain a minimum of three solutions with quotes.	Responsible Officer	<p>If over £25,000 consider advertising on, e.g. Contracts Finder or DPS.</p>	<p>Notify the Contracts and Procurement Manager at the outset of procurement.</p> <p>Minimum of 3 solutions with quotations obtained.</p> <p>All documentation and evidence of any premarket engagement to be kept in the central file.</p> <p>Circumstances where only one suitable provider exists need to be notified to the Contracts and Procurement Manager for consideration.</p>	<p>Contracts and Procurement Manager to log evidence.</p> <p>NO WAIVER REQUIRED</p>	Budget holder

¹ Contracts should not be artificially underestimated or disaggregated into two or more separate Contracts where the intent is to avoid the application of the Contract Procedure Rules or Public Procurement Regulations.

² Decision to award must be made by a separate individual to the Responsible Officer that is making the recommendation to award.

	Total Aggregate Contract Value ¹	How many quotes are required?	How should WLWA approach the market?	Who leads the procurement?	Should the Contracts be formally advertised?	Documentation Required	Governance Process	Who must approve contract award? ²
3.	Supplies & Services Contracts £50,000 to EU Threshold for Supplies and Services (£189,330)	Same as item 2.	Approach to be determined by PRB	Manager / Responsible Officer.	Same as item 2.	A contract must be put in place which will depend upon the value and complexity of the procurement. Business case proposals developed as appropriate for project size/complexity. All documentation and evidence of any premarket engagement to be kept in the central file. Circumstances where only one suitable provider exists will be discussed by the Procurement Review Board as part of the Strategic Procurement meetings.	Business Case to be approved by the Procurement Review Board prior to procurement commencement.	Procurement Review Board Contracts to be signed by members of the Senior Management Team
4.	Supplies & Services Contracts Over EU Threshold for Supplies and Services (£189,330)	Advertised through DPS OR Borough Framework or local/national Frameworks where permitted. Terms of Framework Agreement to be followed noting that mini-competitions may be required. OR Formal OJEU tender process required tendered in accordance with PCR.	Most economically advantageous tender must be selected, achieving Best Value and Value for Money for the Authority to be determined by PRB	Manager / Responsible Officer	Yes Formal OJEU tender process required. Use of E-Procurement portal is mandatory. Procurement <u>must</u> also be advertised on Contracts Finder.	Formal tender documents to be prepared pursuant to the PCR. ITT/ITPD documents will include: terms & conditions of the contract, service specification, method statement questions, pricing document, and information to tenderers, including evaluation criteria. The financial status of the bidder to be considered as part of tender evaluation. Requirement for a bond or guarantee to be considered. OJEU and contracts finder contact notice and Contract Award Notice.	Business Case to be approved by the Procurement Review Board prior to procurement commencement	Procurement award report to Members is required. Chief Officers and Members to approve contract award if contract value over 1 million All Contracts over 1 million to be Sealed

Table 2 - Contracts and Procurement Authorisation Table for the Procurement of Works

	Total Aggregate Contract Value ³	How many quotes are required?	How should WLWA approach the market?	Who leads the procurement?	Should the Contracts be formally advertised?	Documentation Required	Governance Process	Who must approve contract award? ⁴
1.	Less than £5,000	Obtain and retain a minimum of one quote.	Though not required, evidence of exploring solutions is strongly advised.	Responsible Officer	No	Quotation(s) and any evidence of premarket engagement to be kept in the central file.	None NO WAIVER REQUIRED	Project / Budget Manager
2.	£5,000 to £50,000	<p>Advertised through Dynamic Purchasing System (DPS).</p> <p>OR</p> <p>Supplier selected through Borough Framework or local/national Frameworks where permitted. Terms of Framework Agreement to be followed noting that mini-competitions may be required.</p> <p>OR</p> <p>Minimum of three solutions with quotations required.</p>	Obtain a minimum of three solutions with quotes.	Responsible Officer	<p>If over £25,000 consider advertising on, e.g. Contracts Finder or DPS.</p>	<p>Notify the Contracts and Procurement Manager at the outset of procurement.</p> <p>Minimum of 3 solutions with quotations obtained.</p> <p>All documentation and evidence of any premarket engagement to be kept in the central file.</p> <p>Circumstances where only one suitable provider exists need to be notified to the Contracts and Procurement Manager for consideration.</p>	<p>Contracts and Procurement Manager to log evidence.</p> <p>NO WAIVER REQUIRED</p>	Budget holder

³ Contracts should not be artificially underestimated or disaggregated into two or more separate Contracts where the intent is to avoid the application of the Contract Procedure Rules or Public Procurement Regulations.

⁴ Decision to award must be made by a separate individual to the Responsible Officer that is making the recommendation to award.

	Total Aggregate Contract Value ³	How many quotes are required?	How should WLWA approach the market?	Who leads the procurement?	Should the Contracts be formally advertised?	Documentation Required	Governance Process	Who must approve contract award? ⁴
3.	Works Contracts £50,000 to £1million (Noting this is below EU Threshold for Works)	Same as item 2.	Approach to be determined by PRB	Manager / Responsible Officer.	Same as item 2.	A contract must be put in place which will depend upon the value and complexity of the procurement. Business case proposals developed as appropriate for project size/complexity. All documentation and evidence of any premarket engagement to be kept in the central file. Circumstances where only one suitable provider exists will be discussed by the Procurement Review Board as part of the Strategic Procurement meetings.	Business Case to be approved by the Procurement Review Board prior to procurement commencement.	Procurement Review Board Contracts to be signed by members of the Senior Management Team
4.	Works Contracts £1million to EU Threshold for Works (£4,733,252)	Same as item 3.	Same as item 3.	Responsible Officer Same as item 3.	Same as item 3.	A contract must be put in place which will depend upon the value and complexity of the procurement. Request for Quotation (RFQ) documents will include: terms & conditions, service specification, method statement questions, pricing document, information to tenderers including evaluation criteria. The financial status of the bidder to be considered as part of tender evaluation. Requirement for a bond or guarantee to be considered.	Business Case to be approved by the Procurement Review Board prior to procurement commencement	Procurement award report to Members is required Chief Officers and Members to approve contract award if contract value over 1 million All Contracts over 1 million to be Sealed.

	Total Aggregate Contract Value ³	How many quotes are required?	How should WLWA approach the market?	Who leads the procurement?	Should the Contracts be formally advertised?	Documentation Required	Governance Process	Who must approve contract award? ⁴
5.	Works Contracts Over EU Threshold for Works (£4,733,252)	<p>Advertised through DPS</p> <p>OR</p> <p>Borough Framework or local/national Frameworks where permitted. Terms of Framework Agreement to be followed noting that mini-competitions may be required.</p> <p>OR</p> <p>Formal OJEU tender process required tendered in accordance with PCR.</p>	Most economically advantageous tender must be selected, achieving Best Value and Value for Money for the Authority to be determined by PRB	Manager / Responsible Officer	<p>Yes</p> <p>Formal OJEU tender process required.</p> <p>Use of E-Procurement portal is mandatory.</p> <p>Procurement <u>must</u> also be advertised on Contracts Finder.</p>	<p>Formal tender documents to be prepared pursuant to the PCR. ITT/ITPD documents will include: terms & conditions of the contract, service specification, method statement questions, pricing document, and information to tenderers, including evaluation criteria.</p> <p>The financial status of the bidder to be considered as part of tender evaluation. Requirement for a bond or guarantee to be considered.</p> <p>OJEU and contracts finder contact notice and Contract Award Notice.</p>	Business Case to be approved by the Procurement Review Board prior to procurement commencement	<p>Procurement award report to Members is required.</p> <p>Chief Officers and Members to approve contract award if contract value over 1 million</p> <p>All Contracts to be Sealed</p>