



Dumfries & Galloway Constabulary

PROCUREMENT STRATEGY

STRATEGY

ACPOS established in 2000 the ACPOS Procurement Management Group reporting to the ACPOS Finance Management Business Area. The Procurement Management Strategy, prepared by the Group, was approved by ACPOS in November 2001. The statement is reproduced in full: -

PROCUREMENT STRATEGY

MEMBERSHIP

The Management group consists of Purchasing/Procurement Officers from the eight Scottish Police Forces and representatives from the Scottish Police College and Scottish Police Information Systems.

AIM

To enhance the ability of the Scottish Police Service to achieve best value through the establishment and common use of best practice in procurement.

METHOD

By sharing Best Value practices through consultation, benchmarking and continual evaluation, both internally and externally of the procurement processes. Ensuring that channels of communication are open at all times between members of the group, encouraging the exchange of ideas and the promotion of a better understanding of the requirements of each Force.

STRATEGY

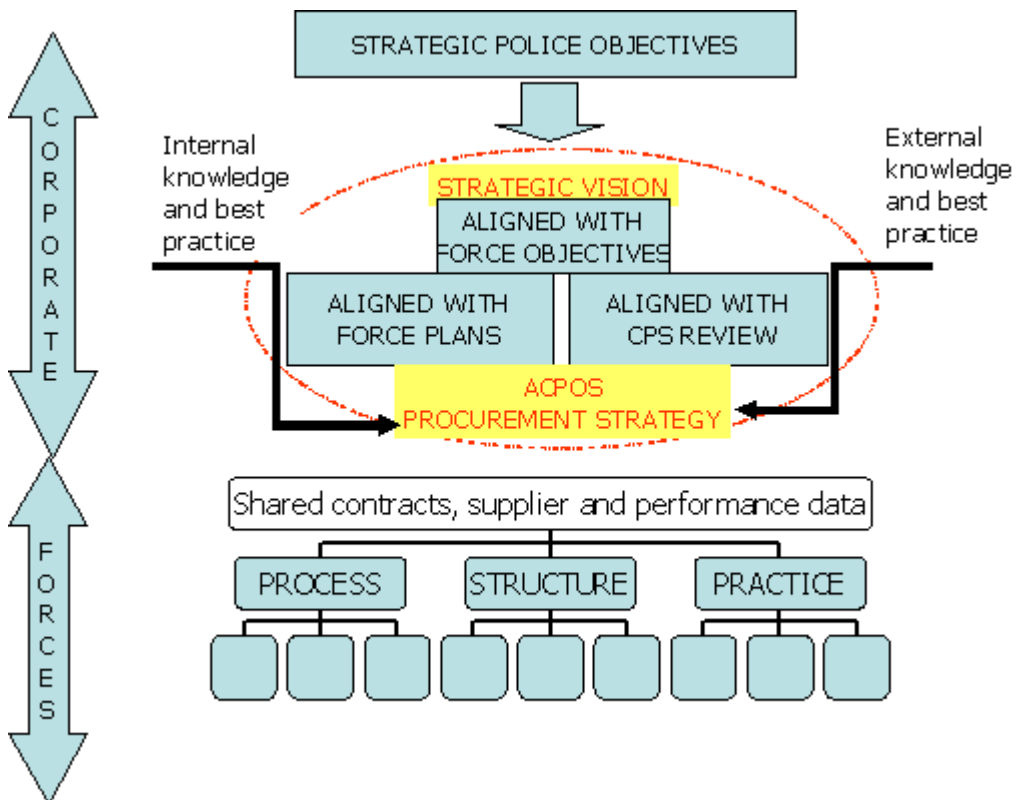
- (a) A planned approach to procurement initiatives delivered via the Procurement Management Group, achieved by consultation and the development of Commodity/Advisory panels, thus maximising the use of current resources.
- (b) Fostering and encouraging a partnership approach and taking ownership of the procurement process within the Scottish Police Service. Where appropriate, involving other agencies and UK wide forces.

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- (c) Communicating to all potential users the benefits of providing a unique service and demonstrating the contribution that can be achieved by interfacing with a professional procurement unit.
- (d) Further developing positive links with policy makers, to ensure that the procurement function is included in all relevant areas of the planning process.
- (e) Encouraging the streamlining of procurement practise through the development and use of new technology.
- (f) Seek to rationalise systems, processes and procedures currently being utilised.
- (g) Continual assessment of performance by using various indicators and making best use of the Commodity/Advisory panels.
- (h) Adopting a collective, proactive approach to current procurement practices, by addressing environmental, social and ethical issues.
- (i) Demonstrate a professional, collaborative group providing an efficient, cost effective service to our customers.

Dated:- November 2001

To demonstrate the linkage between ACPOS and Forces in delivery of the Procurement Strategy the undernoted structural diagram illustrates the interaction that exists: -



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It is imperative that the strategy is reviewed to ensure continuing relevance and applicability. The strategy will also have to take account of any modifications to changes in structure that flow from the work of this review and that it aligns itself to the outcome of the review of Common Police Services.

Dumfries and Galloway Constabulary Document

FINANCIAL CODE No. 18 — TENDERS AND CONTRACTS

1. Introduction

- 1.1 This Financial Code shall apply, unless otherwise stated, to the making by the Constabulary or on its behalf of all contracts for the supply of goods or materials or for the execution of works or for the provision of services.

2. Exemptions

- 2.1 The Constabulary may exempt from the provisions of this Financial Code or any part of it, any contract when it is satisfied that the exemption is justified by special circumstances; or where it resolves that the works shall be carried out by a Direct Labour or Direct Service Organisation notwithstanding the value of these works.
- 2.2 There shall be exempted from the provisions of this code any contract of employment; and any contract of engagement of consultants (except for Section 17 hereof which shall operate as a condition of engagement).

3. EU Directives

- 3.1 This Financial Code shall be operated in such manner as will comply in all respects with any relevant directives of the Council or the Commission of the European Communities from time to time in force.
- 3.2 The Legal Services Practice Manager shall be responsible for the appraisal of provision of advice on and compliance with procurement legislation.

4. Estimates of Cost

- 4.1 No tender shall be invited for any contract for the supply of goods or materials or for the provision of services or for the execution of works unless the estimated expenditure thereon has been approved previously by the Chief Constable.

5. Selective Tendering

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- 5.1 As a general rule contracts for the execution of works or for the provision of goods or services shall be awarded on the basis of select competition. Selection for invitations to tender shall be made only from a list of contractors approved by the Chief Constable and invitations to tender shall be sent only to firms or persons whose names appear on a list included in any framework agreement and approved by the Chief Constable in respect of each contract.
- 5.2 No firm or individual shall be included in such lists unless he has given an assurance in writing to the Constabulary that he has complied to the best of his knowledge and belief, with the general conditions of the next paragraph hereof for at least three months immediately preceding his invitation to be listed; and he will comply with the appropriate conditions of contract laid down by the Constabulary; and his technical capability and financial standing have been satisfactorily investigated and a satisfactory bank reference has been obtained.
- 5.3 Except for contracts in respect of "*defined activities*" within the meaning of Section 1 of the Local Government Act 1988, the following conditions shall apply:-
- The contractor shall pay rates of wages and observe hours and the conditions of labour which are not less favourable than the general level of wages, hours and conditions observed by other employers whose general circumstances in the trade or industry in which the contractor is engaged are similar;
 - The contractor shall, in respect of all persons employed by him (whether in execution of the contract or otherwise) in every factory, workshop or place occupied or used by him for the execution of the contract, comply with the general conditions required by this Clause;
 - In the event of any question arising as to whether the requirements of this Clause are being observed, the question shall, if not otherwise disposed of, be referred by the Constabulary to an independent arbiter for decision;
 - The contractor shall recognise the freedom of his workpeople to be members of trade unions;
 - The contractor shall at all times during the continuance of a contract display, for the information of his workpeople, in every factory, workshop or place occupied or used by him for the execution of the contract a copy of this Clause; and
 - The contractor shall be responsible for the observance of this Clause by sub-contractors employed in the execution of the contract and shall, if required, notify the Chief Constable of the names and addresses of all such sub-contractors.
- 5.4 In compiling the list for any contract for the execution of works the Chief Constable shall, in normal course, invite at least six firms to indicate their preparedness to tender. In selecting the total number of invitations to be issued

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the Chief Constable shall have regard both to the structure of the appropriate industry within that area, and also to the climate within the industry from time to time, and may in exceptional circumstances issue invitations to not less than three firms.

- 5.5 The Chief Constable shall retain under periodic review the selection of firms from which the tender lists are compiled and shall, annually, submit such selection list to the Chief Constable for approval.

6. Alternative Tendering

- 6.1 In such circumstances as it might deem expedient, it shall be open to the Constabulary to suspend the foregoing in order to permit, in respect of a particular contract, an alternative form of tendering procedure.

- 6.2 Such alternative procedure might be by way of

- Open Competition; and
- Negotiation in terms of Section 14 hereof
- Purchase by means of approved framework agreements

- 6.3 In the event that an alternative procedure is adopted the firm or firms selected to tender shall be required to comply with the provisions of Clause 5.2 hereof.

- 6.4 Where the selected alternative procedure calls for public advertisement of the Constabulary's intention, at least fourteen days shall be allowed for response to the advertisement.

7. Submission of Tenders

- 7.1 Every set of tender documents shall state the nature and purpose of the contract for which tenders are invited, specify the last date and time (in all cases being 12 o'clock noon when tenders will be received and to where tenders are to be sent and state also that the tenders shall remain open for acceptance for a period specified in the tender documents and that the Chief Constable reserves the right to accept a tender other than the lowest or to accept no tender at all.

- 7.2 Where, in pursuance of Standing Orders, invitation to tender is required, every notice of such invitation shall state that each tender should be delivered in a plain sealed envelope which shall bear the words "*Tender for*" followed by the subject to which it relates but no indication of the sender and such envelopes shall remain in the custody of the Solicitor or Chief Officer until the time appointed for their opening.

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8. Late Tenders

- 8.1 Tenders received after the closing date and time for submission shall be returned under notice.

9. Opening Of Tenders

- 9.1 Tenders with an anticipated value in excess of £50,000 shall be opened by the Group Solicitor in the presence of his witness. A representative of the Chief constable may also be present by prior arrangement.
- 9.2 Tenders with an anticipated value not exceeding £50,000 shall be opened by the Chief Constable or nominated person in the presence of his witness.

10. Checking of Tenders

- 10.1 The three lowest tenders shall be subject to checking by the Chief Constable or nominated person who shall thereupon prepare and submit a written report in respect of all the tenders received in a form suitable for approval and containing a specific recommendation as to the acceptance or otherwise of each tender and the reasons therefore. The Chief Constable may in his sole discretion, require additional tenders to be checked.
- 10.2 Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, the Chief Constable or nominated person may instruct members of staff or consultants to contact a tenderer in respect of any contract in cases where such contract may be necessary to validate or clarify the terms of the tender or to effect any necessary adjustments but not otherwise for any reason. A full record shall be kept of all such contacts and shall be retained with the original tender.

11. Acceptance of Tenders

- 11.1 Except as hereinafter provided, the lowest tender shall be accepted.
- 11.2 Tenders shall be accepted by the Chief Constable on the authority of the Constabulary, except for the arrangements provided for in Section 13 hereof (Nomination of Sub-contractor).
- 11.3 No tender shall be accepted unless the Chief Constable and the Head of Financial Services, are satisfied respectively as to the technical capability and the financial standing of the tenderer; and the estimate of cost, including any revisions, has received approval.

12. Register of Tenders

- 12.1 The Solicitor or Chief Constable shall keep and maintain a register of all tenders received in respect of each contract and shall include therein the name

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and address of each tenderer, the value or amount of the tender and a statement as to the acceptance or otherwise of the tender. The register shall be subscribed by the person opening the tenders and their witness.

- 12.2 In the case of tenders invited under Sections 5 and 6 hereof, the register shall also include a statement of the names and addresses of persons to whom the tender documents were issued but who declined or failed to submit a tender.
- 12.3 Where the nature of the tender precludes the identification of the value or amount of the tender a certified copy of the priced pages shall also be required to be supplied, for retention by the Solicitor or Chief Constable with the register.

13. Nomination of Sub-Contractor

- 13.1 Where a contract provides for the nomination by the Chief Constable of a sub-contractor or supplier for the execution of works or supply of goods or materials or for the provision of services, the following provisions shall apply.
- 13.2 Tenders shall be invited by the Chief Constable from not less than three persons whom he considers competent for the purpose unless he considers that less than three persons are so competent.
- 13.3 Every invitation to tender shall state that no tender will be received except in a plain sealed envelope which shall be addressed to the Chief Constable and shall bear the words "*Tender for*" followed by the subject to which it relates but no name or other indication of the sender. Tenders shall be opened at one time by the appropriate Chief Constable or his nominee and witness. No tenders received after the closing date and time for submission shall be considered.
- 13.4 The Chief Constable shall keep and maintain a register of all tenders received in respect of each Sub-Contract and shall include therein the name and address of each tenderer, the value or amount of the tender (or attach thereto a certified copy of the priced pages) and a statement as to the acceptance or otherwise of the tender, and shall be subscribed by the persons opening the tenders.
- 13.5 The lowest tenderer shall be nominated as sub-contractor or supplier by the Chief Constable unless written consent shall have been obtained to the acceptance for some good and sufficient reason of a tender other than the lowest.

14. Serial, Two Stage and Negotiated Tenders and Extensions of Existing Contracts

- 14.1 Where the Chief Constable considers that tenders should be obtained for a series of projects or in two stages for any proposed works, he shall first obtain the approval of the appropriate Committee to that course both in respect of the execution of works and the tendering procedure.

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- 14.2 Where the Chief Constable considers that a tender should be negotiated with one person, he shall, before entering into negotiations, obtain the approval of the appropriate Committee both in respect of the negotiation and of the person with whom the tender is to be negotiated.
- 14.3 Where the Chief Constable considers that an existing contract should be extended and that a tender should be negotiated with the existing contractor, he shall, before entering into negotiations, obtain the approval of the appropriate Committee both in respect of the extension which shall not exceed, in monetary terms, ten per cent of the original contract and of the negotiation with the existing contractor.

15. Periodic Supplies

- 15.1 Where a contract is for the supply of goods or materials which will require to be delivered from time to time during a specified period and not for immediate delivery, the requirements of Sections 5 to 10 hereof shall be carried out only once prior to the commencement of such period.

16. Exemptions for Proprietary, etc Articles

- 16.1 Nothing in this Financial Code shall require Tenders to be invited if:-
- 16.1.1 In the case of contracts for the supply of goods or materials, the goods or materials are proprietary articles or are sold at a fixed price and no reasonable satisfactory alternative is available, or the prices of the goods or materials are wholly controlled by trade organisations or Government Order, and no reasonable satisfactory alternative is available; or
- 16.1.2 The work to be executed, or the goods or materials to be supplied, constitute an extension of an existing contract which is less than ten per cent of the original contract in monetary terms (such extension to be approved of by, or reported to, the appropriate Committee); or
- 16.1.3 The contract is for the execution of work, or the supply of goods or materials, certified by the Chief Constable as being required so urgently as not to permit the invitation of Tenders, such certificate to be reported to the next meeting of the appropriate Committee; or
- 16.1.4 The work to be executed, or the goods or materials to be supplied, consists of repairs to, or the supply of parts of existing proprietary machinery or plant; or
- 16.1.5 Tenders shall have been invited by any consortium or similar body of which the Constabulary is a member, in accordance with any method adopted by such a body, provided that where Tenders are so invited, as aforesaid by the Chief Constable, the delivery, opening and acceptance of Tenders shall comply with the provisions of this Financial Code, save where those provisions are inconsistent with any method by which Tenders so obtained on its behalf are dealt with; or

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16.1.6 The estimated expenditure is less than £25,000; or

16.1.7 It is not considered reasonably practicable in the Constabulary interest to do so.

17. Engagement of Consultants

17.1 It shall be a condition of the engagement of the services of any consultant (not being an officer of the Constabulary) who is to be responsible to the Constabulary for a contract on its behalf, that, in relation to that contract, he shall:-

17.1.1 Comply with these Standing Orders as though he were an Officer of the Constabulary;

17.2.2 At any time during the carrying out of the contract, produce, on request, to the appropriate Chief Constable, all records maintained by him in relation to the contract; and

17.3.3 On completion of the contract, transmit all such records to the Chief Constable.

18. Disposals

18.1 Notwithstanding the terms of Section 1 hereof, this Financial Code with the exception of Sections 5 and 6 hereof, shall apply to the making of contracts for the disposal by the Constabulary of surplus or scrap materials and equipment, provided that the appropriate Committee of the Chief Constable may authorise the adoption of any appropriate method of disposal recommended by the Chief Constable in special circumstances, notwithstanding that the method so adopted is contrary to the provisions of this Financial Code.

19. Form of Contract

19.1 Except where otherwise provided for, every contract shall be in writing, shall be signed by the Solicitor or other Officer designated by him for the purpose and shall be subject to the law of Scotland.

20. Specifications and Standards

20.1 All Tenders for the execution of works, or the supply of goods or materials, shall, except to the extent that the Constabulary in a particular case or specified categories of contract otherwise decides, be based on a definite specification. The specification of any works under Contract shall not be altered to any substantial extent without the consent of the Chief Constable except in the case of urgency or where the nature of the works under construction is such as to require deviation from the specification from time to time. All written contracts, where a specification issued by the British Standards Institution is current at the

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date of the Tender, and is applicable, shall require as a minimum that goods and materials used in their execution shall be in accordance with that specification.

21. Prevention of Collusion and Corrupt or Illegal Practices

21.1 Every contract shall contain a clause entitling the Constabulary to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative (whether with or without the knowledge of the contractor) shall have practiced collusion in tendering for the contract or any other contract with the Chief Constable or shall have employed any corrupt or illegal practices either in the obtaining or execution of the contract or any other contract with the Constabulary.

22. Liquidated Damages

22.1 Any contract for the execution of works, or for the supply of goods or materials by a particular date, or series of dates, shall provide for liquidated damages in respect of non-completion.

23. Performance Bonds

23.1 In any contract for the execution of works, or for the supply of goods or materials, by a particular date, or series of dates, the Chief Constable shall consider whether or not the Constabulary should require security for its due performance, and shall in consultation with the Directors or Heads of the appropriate Services, specify in the conditions of tender, the nature and the amount of the security to be given. Where the total amount of the contract exceeds £300,000 the Constabulary shall require and take a bond or other sufficient security for the due performance of the contract, which shall be not less than ten percent of the contract amount.

24. Insurance

24.1 All Tenders issued by, and all contracts made with, the Constabulary in connection with the execution of work shall provide that the Contractor shall be insured with an approved Insurance Company against:

liability to workpeople under Statute and Common Law;

liability to third parties

24.2 The relative policy, or policies, and premium renewal receipts shall be produced by the Contractor, whenever required for inspection by any Officer authorised by the Chief Constable for that purpose.

25. Assignment

25.1 In every written contract for the execution of work, or the supply of goods or materials, the following clause shall be inserted: *“The Contractor shall be prohibited from transferring or assigning, directly or indirectly, to any person*

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or persons whatever, any portion of his Contract, without the written consent of the Constabulary. Sub-letting of any part, or parts, of the work except to the extent permitted in writing by the Chief Constable shall be prohibited.”

26. Cancellation

- 26.1 In every written contract there shall be inserted a Clause to secure that the Constabulary shall be entitled to cancel the contract and to recover from the Contractor the amount of any loss resulting from such cancellation in the event that the Contractor shall have offered or given or agreed to give any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to obtaining the execution of the contract or for any other contract with the Constabulary or for showing favour or disfavour to any person in relation to the Contract or any other contract with the Constabulary, or if the like acts shall have been done by any person employed by him or acting on his behalf (whether with or without the knowledge of the Contractor); or if in relation to any contract with the Constabulary the Contractor or any person employed by him, or acting on his behalf shall have committed any offence under the Prevention of Corruption Acts, 1889 to 1916 or any amendment of them, or shall have given fee or reward, the receipt of which is an offence in terms of Section 117(2) of the Local Government (Scotland) Act 1973.

27. Determination and Placing of New Contracts

- 27.1 If, for any reason whatsoever, the contract has been put to an end by the Constabulary, no Head of Department shall authorise the placing of any new contract with such contractor except with the prior approval of the Chief Constable.

28. Contracts for Building, Constructional or Engineering Work

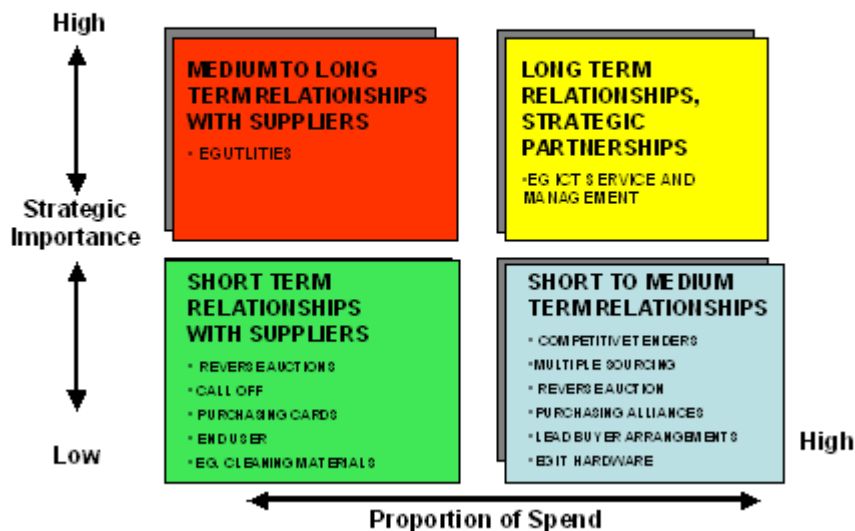
- 28.1 Where contracts provide for payment to be made by instalments, the Chief Constable shall arrange for the keeping of a contract register or registers to show the state of account on each contract between the Constabulary and the contractor, together with any other payments and the related professional fees.
- 28.2 Payments to contractors on account of contracts shall be made only on a certificate issued by the Chief Constable (or private architect, engineer or consultant where engaged by the Constabulary).
- 28.3 Subject to the provisions of the contract in each case every extra or variation shall, unless otherwise evidenced to his satisfaction, be authorised in writing by the Chief Constable (or private architect, engineer or consultant).
- 28.4 Any such extra variation, the estimated additional cost of which exceeds £2,000, shall be reported to the Chief Constable as soon as practicable.

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- 28.5 The final payments certificate of any contract shall not be issued until the Chief Constable (or private architect, engineer or consultant) has produced to the Head of Financial Services a detailed statement of account, and all relevant documents if required.
- 28.6 The Head of Financial Services shall, to the extent he considers necessary, examine such final accounts for contracts and he shall be entitled to make all such enquiries and receive such information and explanations as he may require in order to satisfy himself as to the accuracy of the accounts.
- 28.7 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Legal Services Practice Manager for consideration of the Chief Constable's legal liability and, where necessary, to the Head of Financial Services for financial consideration before a settlement is reached.
- 28.8 The total cost of any work carried out under a contract in excess of £XX, after agreement of the final account, may be submitted to the Chief Constable.

Strategic Procurement

(adapted from HM treasury and Cabinet Office 1998)



It is therefore suggested that the Procurement Management Group use the risk test to define the appropriate type of procurement option based on arrangements to minimise transaction, processing and purchasing costs and inefficiencies.