

Meath County Council Procurement Policy



February 2016

Meath County Council

Procurement Policy

1 Introduction

The purpose of this policy is to ensure that procurement throughout Meath County Council is consistent with European and National legislation, policy and guidance. There is an onus on public bodies to ensure that the public procurement function is discharged honestly, fairly and in a manner that secures best value for money.

Procurement in Meath County Council is largely a devolved function, where individual departments are responsible for ensuring their sourcing requirements are met while operating to best procurement practice and compliance with relevant legislative, regulatory and policy requirements.

The Procurement Section is based in the Finance Department and the role of the Section under the guidance of the Procurement Officer is to provide co-ordination, support and oversight in respect of procurement activities across the organisation.

All staff engaged in any part of the procurement process should ensure that they adhere to this Policy

2 Definitions

Procurement- “the acquisition, whether under formal contract or not, of works, supplies and services. It ranges from the purchase of routine supplies or services to formal tendering and the placing of contracts for large infrastructural projects”.

Public Contract – “a contract, in writing, between economic operators and contracting authorities, having as their objective the execution of works, the supply of products or the provision of services within the meaning of the EU Directives”

Supply – “purchase, lease or rental of a good or product” (e.g. vehicles, IT, stationery)

Service – “provision of services” (e.g. financial, legal, management consultancy)

Work – “building / civil engineering design and execution”

Framework Agreement – “an agreement between one or more contracting authorities and one or more suppliers which establishes some or all of the terms on which contracts for supplies, works or services can be entered into during the period of the agreement without further advertisement”

RFQ – Request for Quotations

RFT – Request for Tenders

Mini-Competition - a competitive procurement process conducted under the terms of a framework agreement.

3 Purpose & Scope

The purpose of this document is to set out the policy for the procurement of Supplies, Services and Works by Meath County Council and its subsidiaries. It also applies to framework agreements.

The policy sets out the governing principles of best practice in public procurement and the regulatory framework under which public procurement activities must operate. This policy applies to all Meath County Council employees as well as contractors or consultants working for and/or on behalf of Meath County Council.

4 Public Procurement Principles

The Treaty of Rome on the functioning of the EU applies to all procurement activity regardless of value. The procurement of supplies, services or works in the public sector must comply with the Treaty’s fundamental procurement principles:

Transparency: All procurement activities are open and transparent with necessary information provided to all. Procurement intentions and decisions should be advertised publicly.

Equal treatment and Non Discrimination: The same rules apply to all with equal rights of access. Decisions are to be based on objectivity and fairness.

Proportionality: All measures used must be both necessary and appropriate in relation to the objective i.e. the award of contract. No excessive or disproportionate conditions, criteria, or rules are to be applied.

Mutual Recognition: Equal validity is to be given to qualifications / standards applicable in other Member States.

5 Regulatory Framework

Meath County Council's Procurement policies and procedures are governed by:

- EU Directives
- National Legislation and Public Procurement Policy / Guidance
- Case law
- All Departmental Circulars in relation to Procurement
 - DPER Circular 10/14: Initiatives to assist SME's in Public Procurement

6 Purchasing Authority

Chief Executive Order RV CEO 015/2016 dated 24th February 2016 sets out the approval levels and associated staff grade and authorisation thresholds. Table 1 - Goods/Supplies & Services Contracts and Table 2 – Works & Related Services Contracts set out the relevant requirements and procedures to be followed under this Policy. (Appendix 1)

All Council employees are required to obtain appropriate approval in accordance with the provisions of Chief Executive Order RV15/2016 prior to making any formal or informal commitments to suppliers.

Responsibility for compliance with EU Directives, National legislation / guidance and internal policies / procedures rests with all Council staff who are involved in the procurement process.

Employees should be satisfied when approving the acceptance of quotations or tenders for the purchase of goods, services or works that multiple lower value contracts are not being awarded to circumvent more appropriate approval limits and prescribed procurement threshold values.

Employees are required to ensure that there is appropriate segregation of duties in respect of the requisitioning and approval of purchase orders to suppliers.

7 Business Engagement

Meath County Council is committed to helping prospective suppliers to understand the Council's procurement and purchasing processes. In this respect, guidance by DPER Cir 10/14 in its procurement activities must be consulted prior to undertaking procurement activities. The Circular is aimed at structuring competitive processes for public contracts in a manner that facilitates increased participation by SMEs (small and medium enterprises), while continuing to ensure that public sector purchasing is carried out in a manner that is legal, transparent, and secures optimal value for money.

8 eTenders

The eTenders procurement website (www.eTenders.gov.ie) has been developed as part of the Irish Government's Strategy for the Implementation of eProcurement in the Irish Public Sector. The site is designed to be a central repository for all public sector contracting authorities to advertise procurement opportunities and award notices. The website also provides functionality during the different stages of the procurement process.

Meath County Council will comply with legislation by publishing tender notices on the eTenders website, thereby meeting national advertising requirements. The website has the functionality to allow the publication of EU threshold notices which will then be sent to the OJEU automatically. The website offers the opportunity to widen the net of potential suppliers. There is no further obligation to supplement eTenders advertising with advertising in other media.

9 Collaborative Procurement

Meath County Council employees are expected to consider and use collaborative opportunities during the procurement process whenever available. It is recognised that collaborative procurement can yield financial savings, improved compliance and reduced administration. Meath County Council will work with the Office of Government Procurement (OGP), the Local Government Sector and other public bodies to achieve the benefits of collaborative procurement in accordance with national policy.

Collaborative Procurement agreements which Meath County Council is eligible to use must be activated by way of Executive Order approved by the Head of Finance.

10 Corporate Procurement Plan

The Meath County Council's Corporate Procurement Plan 2016 – 2018 includes a number of strategic, organisational and operational objectives, which are necessary in achieving a more focused value for money approach to procurement. The Plan will be reviewed annually and updated on a continuous basis.

11 Procurement Ethics & Related Party Disclosures

All employees involved in procurement activity must act in accordance with the ethical framework contained in the Local Government Act 2001 and the Code of Conduct for Employees. Members of a tender evaluation team should sign a Declaration of Confidentiality and a Conflict of Interest form prior to the tender evaluation process commencing. Employees must disclose any beneficial interest that they or a connected person has in relation to procurement decisions conducted by the employee on behalf of the Council.

12 Freedom of Information

FOI applies to Meath County Council. Information may be requested on records relating to a tendering procedure under the Freedom of Information Act 2014. Some records may be exempt under the provisions of the Act on grounds of confidentiality or commercial sensitivity. The Freedom of Information Officer should be consulted where any issue arises.

13 National Frameworks/Contracts

Frameworks/Contracts have been established at national level by the Office of Government Procurement (OGP) for the procurement of certain items. These include Energy, Advertising, PPE, Stationery, Janitorial Supplies, Travel, Fleet, ICT Consumables etc. It is Government policy that public bodies, where possible, should make use of all such central arrangements, DPER Circular 16/13.

When internal procurement contracts are under consideration for renewal, national contracts / frameworks will be required to be examined accordingly, the use and compliance with the frameworks is mandatory unless there is a compliant, value for money reason, why not using them can be demonstrated.

Full lists of the Frameworks are available on the OGP Webpage: www.procurement.ie

14 European Threshold Values

Thresholds (exclusive of VAT) above which advertising of contracts in the Official Journal of the EU is obligatory. Applicable from **01 January 2016**

Works		
Contract Notice	€5,225,000	Threshold applies to Government Departments and Offices, Local and Regional Authorities and other public bodies.
Supplies and Services		
Contract Notice	€135,000	Threshold applies to Government Departments and Offices
Contract Notice	€209,000	Threshold applies to Local and Regional Authorities and public bodies outside the Utilities sector.
Utilities		
Works Contracts / Prior Indicative Notice	€5,225,000	For entities in Utilities sectors covered by GPA (Government Procurement Agreement)
Supplies and Services	€418,000	For entities in Utilities sectors covered by GPA

15 Whole Life Cycle Costs- Awarding Tenders using MEAT Criteria

The EU public procurement directives offer the possibility to award contracts either on the basis of the lowest price or on the basis of the most economically advantageous tender (**MEAT**) criteria. Where the award of contract is based on MEAT, the buyer, where appropriate, should take into account not just the current but the whole life-cycle costs. This allows buyers to take account of various elements relating to the subject-matter of the contract, including, for example quality, technical merit, functional characteristics, running costs, energy efficiency costs, cost effectiveness, after-sales service and technical assistance, maintenance costs, etc. Where appropriate buyers should seek whole life-cycle costing solutions in their tender documents.

Appendix 1

Table 1 - Goods/Supplies & Services Contracts

	Less than €2.5K ^(Note1) (Award to lowest price)	€2.5K-€25K (Award to lowest price or MEAT)	€25K- €135K (Award using MEAT criteria)	€135K-€209K (Award using MEAT criteria)	Greater than €209K EU Level (Award using MEAT criteria)
Recommended Process	Establish need & prepare appropriate specification.	Establish need & prepare appropriate specification.	Inform procurement unit of tender.	DoS approval of tender proposal required.	DoS approval of tender proposal required.
		Define selection and award criteria	Define selection and award criteria	Consult procurement unit regarding tender.	Consult procurement Unit regarding tender.
		Determine if there is a local, sector or national framework in place for the goods or services	Determine if there is a local, sector or national framework in place for the goods or services	Establish need & prepare appropriate specification.	Establish need & prepare appropriate specification.
			Prepare tender documentation	Define selection and award criteria.	Define selection and award criteria.
			Determine if there is a local, sector or national framework in place for the goods or services	Prepare tender documentation	Prepare tender documentation
	Seek and obtain one written quote for specific requirement.	Consider publishing on Supply Gov.ie or the Quick Quotes facility on eTenders if better VFM can be attained.	Advertise on eTenders.	Determine if there is a local, sector or national framework in place for the goods or services	Determine if there is a local, sector or national framework in place for the goods or services
		Send doc/spec to at least three (3) suppliers & obtain written quotes.	Use open procedure.	Advertise on eTenders.	Advertise on eTenders & European Journal (OJEU).
	Evaluate quote objectively against specified requirements	Evaluate quotes objectively against specified requirements.	Assess & Evaluate tenders.	Choose tendering procedure; open or restrictive etc.	Choose tendering procedure; open or restrictive etc.
		Prepare tender report for approval.	Establish evaluation team. Assess & evaluate tenders.	Establish evaluation team. Assess & evaluate tenders.	
		Award tender.	Prepare tender report for approval.	Prepare tender report for approval.	
Raise purchase order or use LVPC.	Raise purchase order.	Publish award notice and Manage tender.	Award tender.	Award tender.	
			Publish award notice and Manage tender.	Publish award notice and Manage tender.	

Table 2 – Works & Related Services Contracts

	Less than €2.5K ^(Note1) (Award to lowest price)	€2.5K-€50K (Award to lowest price or MEAT criteria)	€50K- €250K (Award using MEAT criteria)	€250K-€5.225M (Award using MEAT criteria)	Greater than €5.225M EU Level (Award using MEAT criteria)
Recommended Process	Establish need & prepare appropriate specification.	Establish need & prepare appropriate specification.	Inform procurement unit of tender.	DoS approval of tender proposal required.	DoS approval of tender proposal required.
		Define selection and award criteria	Define selection and award criteria	Consult procurement unit regarding tender.	Consult procurement unit regarding tender.
			Establish need & prepare appropriate specification.	Establish need & prepare appropriate specification.	Establish need & prepare appropriate specification.
			Prepare tender documentation	Prepare tender documentation	Prepare tender documentation
		Determine if there is a local, sector or national framework in place for the Works or Services	Determine if there is a local, sector or national framework in place for the goods or services	Determine if there is a local, sector or national framework in place for the goods or services	Determine if there is a local, sector or national framework in place for the goods or services
	Seek and obtain one written quote for specific requirement.	Consider publishing on Supply Gov.ie or the Quick Quotes facility on eTenders if better VFM can be attained.	Advertise on eTenders.	Advertise on eTenders.	Advertise on eTenders & European Journal (OJEU).
		Send doc/spec to at least three (3) suppliers & obtain written quotes.	Use open procedure.	Choose tendering procedure; open or restrictive etc.	Choose tendering procedure; open or restrictive etc.
	Evaluate quote objectively against specified requirements.	Evaluate quotes objectively against specified requirements.	Establish evaluation team. Assess & evaluate tenders.	Establish evaluation team. Assess & evaluate tenders.	Establish evaluation team. Assess & evaluate tenders.
			Prepare tender report for approval.	Prepare tender report for approval.	Prepare tender report for approval.
			Award tender.	Award tender.	Award tender.
Raise purchase order or use LVPC.	Raise purchase order.	Publish eTenders award notice and Manage tender	Publish eTenders award notice and Manage tender.	Publish eTenders award notice and Manage tender	

(Note 1): The national guideline outlines that verbal quotes can be obtained from competitive suppliers for thresholds of less than €5,000. Meath County Council guidance is that one written quotation is required for items less than €2,500, provided the Authorised Officer is satisfied that the price is reasonable and that the Council is getting value for money.

A minimum of three written quotations are required for greater than €2,500.

Purchase Order Approval Limits

Approver Grades:	Approval Limit per order:
Staff Officer, Assistant Engineer & analogous	Up to €2,500
Senior Staff Officer, Executive Engineer & analogous	Up to €10,000
Administrative Officer, Senior Executive Engineer & analogous	Up to €50,000
Senior Executive Officer & Senior Engineer & analogous	Up to €75,000
Director of Services	Up to €250,000
Chief Executive	Above €250,000