

Audit and Governance Committee

Monday, 29 June 2020 at 6.30pm (Online meeting)

Due to Covid-19, this meeting will be held remotely and will be livestreamed here: https://www.youtube.com/channel/UCdfb6ZRbYnZ1-rRliLmjUwg (Copy and paste the link in your browser)

Committee Members: The Chair (Councillor Hull) and Councillors Barrett, Handley, Harbron, Lis, Mercer, Noland, Place and Wheeler.

Independent Person: Mr G Robinson

AGENDA

- 1. **Apologies for absence** To receive any apologies for absence.
- 2. Minutes To approve the minutes of the meeting held on 28 January 2020.
- Public Participation In the event that any questions/statements are received or members of the public attend, the public participation session will proceed for a period of up to fifteen minutes.
- **4. Declarations of Interest** All Members are invited to declare at this point any interests they have in items appearing on this agenda, including the nature of those interests.

(Note: Declarations should be in the form of:

a *"disclosable pecuniary interest"* under Appendix A to the Council's Code of Conduct, or *"other interests"* under Appendix B or under Paragraph 15 where a matter arises at the meeting which relates to a financial interest of a friend, relative or close associate.

A Member of Council who has a disclosable pecuniary interest must leave the room and not take part in the discussion or vote. When declaring interests under Appendix B or Paragraph 15 of the Code, Members must move to the public seating area, not vote, and speak only if members of the public are also allowed to speak at the meeting.)

5. External Audit: 2019/20 Audit Strategy Memorandum – Report of the External Auditor.

Purpose of report – To present the 2019/20 Audit Strategy Memorandum.

6. Exemptions granted under Contract Procedure Rules – Report of the Chief Finance Officer (s151 Officer)

Purpose of report – To present the exemptions granted from the Council's Contract Procedure Rules from 2 January 2020 to 18 June 2020.

7. Review of Procurement Policies and Procedures – Report of the Chief Finance Officer (s151 Officer)

Purpose of report – To present the outcome of a review of the Council's Procurement Policies and Procedures.

Agenda Contact Officer:

Hannah Scales, Democratic Services and Scrutiny Officer Tel: (01756) 706235 E-mail: <u>hscales@cravendc.gov.uk</u>

AUDIT AND GOVERNANCE COMMITTEE

28 January 2020

Present – The Chairman (Councillor Hull) and Councillors Barrett, Handley, Noland, Place and Wheeler.

Officers – Chief Finance Officer (s151 Officer), Solicitor to the Council and Monitoring Officer, External Audit Manager, External Auditor and Democratic Services and Scrutiny Officer.

Apologies for absence were received from Councillors Lis, Mercer and Harbron and Independent Person Greg Robinson.

Start: 6.30pm

Finish: 8.10pm

Resolved – That the minutes of the meeting held on 21 October 2019 were approved as a correct record and signed by the Chairman.

Minutes for Report

AC.367 EXTERNAL AUDIT: 2018/19 ANNUAL AUDIT LETTER

The External Audit Manager submitted a report which summarised the work undertaken for the year ended 31st March 2019.

The External Audit Manager confirmed the final fees for the 2018/19 financial year. There was an additional fee of £13,336 due to extra work required following indication of material errors in the Council's financial statements.

The Chief Finance Officer (s151) addressed Members comments regarding audit planning work. Members were informed that planning had commenced and a number of steps had already been taken to make improvements to the upcoming year's final accounts.

Resolved – (1) That, the Annual Audit Letter is received and noted.

AC.368 EXTERNAL AUDIT: 2019/2020 AUDIT PROGRESS REPORT

The External Audit Manager submitted a report which updated Members on progress made since the last report to Committee.

Members were informed of the ongoing planning and the staff currently on-site carrying out detailed work in relation to the Council's property valuation. The work was set to be completed in advance of the final accounts period in June/July with a view to rectify any possible issues prior to the draft accounts being prepared.

Members were updated on the results of work carried out in relation to the Council's housing benefit subsidy claim which was reviewed towards the end of last year. The review was slightly different in that there was a set procedure to follow produced by the DWP, as there was no materiality all errors including very minor errors had to be reported. One identified error was related to the calculation of earned income for private tenants. Upon finding the

error a further 40 cases were reviewed and then extrapolated which gave an overall error of ± 1240 out of a total claim of ± 7.1 m.

The External Audit Manager brought Members attention to the Local Government Financial Resilience index by CIPFA. The index was an online data tool which measured other local authorities against a range of indicators to assess levels of resilience against financial shocks and to support financial decision making.

Resolved – (1) That, the Audit Progress Report is noted.

AC.369 INTERNAL AUDIT: PROGRESS REPORT

The Internal Audit Manager submitted a report which updated Members on the progress made against the 2019/20 Internal Audit plan up to the 15th January 2020.

The current position as at 15th January 2020 was broken down and Members were informed of the outstanding audit from 2018/19 which was currently with the Chief Executive for comment. The Internal Audit Manager went through each audit report in brief and informed Members that all assurance levels to date were good or significant.

The Internal Audit Manager set out the progress against the 2019/20 operational plan. Members concerns were addressed regarding the significant difference between the total approved days and the days spent as at 15th January 2020. Members were assured that this was not unusual, the figure allowed for contingency and management days.

Members were pleased to note that all audits would be completed in line with the agreed audit plan.

Resolved – (1) That, the content of the report and the attached appendix is noted.

AC.370 INTERNAL AUDIT: GEOGRAPHIC INFORMATION SYSTEM (GIS) 2019/20

The Internal Audit Manager submitted a report which sought to determine compliance with key control objectives 1-5 detailed in the report.

Members were informed of the street naming and numbering statutory council function. Craven District Council maintained an address database namely the Local Land and Property Gazetteer which was rated gold standard by GeoPlace. The Council had been achieving gold standard each month for the last 7 months.

Audit Services had given a significant level of assurance on the Internal Control Framework within the function in line with the public sector Internal Audit standards. Three Priority 2 recommendations had been proposed by Internal Audit and accepted by relevant officers.

Resolved – (1) That, the content of the report is noted.

AC.371 INTERNAL AUDIT: COMPLIANCE WITH APPRENTICESHIP SCHEME

The Internal Audit Manager submitted a report which provided assurance that the Council was compliant with the rules of the Apprenticeship Scheme and that the benefits of the Scheme were being maximised.

The Internal Audit Manager informed Members that as at August 2019 Craven District Council had employed 58 apprentices, 41 of which since 2013. Members were pleased to note that 60% of the apprentices had secured further employment with Craven District Council after completing their course. It was noted that during 2019 the Council had won or been runner up in 3 Apprentice awards.

The Apprenticeship Scheme Audit was awarded a significant level of assurance, four recommendations were given in total, three Priority 3 and one Priority 2 detailed in the report.

Resolved – (1) That, the content of the report is noted.

AC.372 INTERNAL AUDIT: TREASURY MANAGEMENT

The Internal Audit Manager submitted a report which assured Members on the adequacy and effectiveness of internal controls.

The Committee was reminded that Treasury Management was audited on a rolling basis, the previous audit undertaken was in 2015/16. The Internal Audit Manager informed Members of the principle roles of Treasury Management which were to manage the Council's cash flows, invest surplus money on the money markets to maximise the return on cash balances and ensure that the Council's financial needs are met through long-term borrowing. The actions of the section are governed by the Treasury Management Strategy, approved by Members annually.

The Treasury Management Audit was awarded a good level of assurance. Two Priority 2 and one Priority 3 recommendations were suggested, detailed in the report.

Resolved – (1) That, the contents of the report are noted.

(2) That, the annual Treasury Management Strategy Statement is presented yearly to this Committee for an overview.

AC.373 INTERNAL AUDIT: FINANCIAL MANAGEMENT SYSTEM

The Internal Audit Manager submitted a report which was undertaken as part of the annual audit plan 2019/20 and assured the adequacy and effectiveness of internal controls.

Members were informed of the Agresso accounting system in place at Craven District Council. The system consisted of Agresso Back Officer and Agresso Web which were where all transactions took place.

One Member expressed concern in relation to the raising of official orders. Members agreed that as only 20% of payments had supporting Purchase Orders this was unacceptable. It was requested that relevant officers (managers of procurement) were notified of the Committee's dissatisfaction with the low percentage. The Chief Finance Officer suggested that Members received an update on Purchase Orders at the next meeting with the latest figures with a view to give Members assurance.

Seven Recommendations were made by Internal Audit which were accepted by relevant officers.

Resolved – (1) That, the contents of the report are noted.

(2) That, the Committee receives an update at the next meeting on Purchase Orders in relation to payments.

AC.374 INTERNAL AUDIT: MECHANICS WORKSHOP 2019/20

The Internal Audit Manager submitted a report which sought to determine compliance with key control objectives 1-6 detailed in the report.

Members noted that the main function of the workshop was to service and maintain the Council's fleet of vehicles according to expected standards. A fire risk assessment was carried out by an external company in September 2019 for which an action plan was produced to address issues detailed in the report. The Committee noted the recommendations that resulted from the assessment.

Audit Services had given the audit a good level of assurance despite findings such as broken locks on cabinets containing personal data, lack of specific records detailing associated training and outstanding roof repairs. This raised concern with Members. The Internal Audit manager clarified that the audits are graded on overall risk, not partial. The software used, MK Insight, generated a score taking into account all aspects of the audit, positive and negative.

Resolved – (1) That, the Mechanics Workshop audit is noted.

AC.375 INTERNAL AUDIT: FLEX TIME AND OVERTIME ARRANGEMENTS

The Internal Audit Manager submitted a report which was previously submitted to the last Committee Meeting. The report included the Managerial comments as requested by Members. Members noted the update and accepted the report.

Resolved – (1) That, the Flexi Time and Overtime Policy audit is noted.

AC.376 INTERNAL AUDIT: IMPLEMENTATION OF RECOMMENDATIONS

The Chief Finance Officer (s151) submitted a report which updated Members on Priority 1 Internal Audit recommendations outstanding, completions in the period and the number of recommendations not yet cleared.

Members noted the progression of outstanding recommendations which were scheduled to be completed by the end of the financial year. One Member enquired as to whether completed recommendations would be brought back to Committee to ensure continuity of the completion. The Chief Finance Officer confirmed that where appropriate recommendations may come back to Committee.

 Resolved – (1) That, the contents of Appendix A – Outstanding Priority One Internal Audit Recommendations are noted and responsible officers are invited to the next meeting where appropriate.
 (2) That, the contents of Appendix B – Audit Recommendations Completed in the Period are noted.
 (3) That, the contents of Appendix C - Summary of Outstanding Audit Recommendations are noted.

AC.377 EXEMPTIONS GRANTED UNDER CONTRACT PROCEDURE RULES

The Chief Finance Officer (s151) submitted a report which detailed the exemptions granted from the Council's Contract Procedure Rules from 15th June 2019 to 1st January 2020.

The Chief Finance Officer informed Members that under certain circumstances there were occasions when it's appropriate not to seek tenders or quotations provided that the alternative method of selection can demonstrate value for money. Under the Contract Procedure Rules there was one current named circumstance under which a responsible officer may seek exemption. Prior approval must be obtained from the Solicitor to the Council (Monitoring Officer) and the Chief Finance Officer. Members were reminded that exemptions granted are routinely presented to this Committee.

In the period of June 2019 and January 2020, 4 exemptions had been granted which were detailed in Appendix A of the report.

Resolved – (1) That, the exemptions granted are noted.

Minutes for Decision

There were no items for decision.

Chairman.

Audit Strategy Memorandum

Craven District Council Year ending 31 March 2020







CONTENTS

- 1. Engagement and responsibilities summary
- 2. Your audit engagement team
- 3. Audit scope, approach and timeline
- 4. Significant risks, key audit matters and other key judgement areas
- 5. Value for Money
- 6. Fees for audit and other services
- 7. Our commitment to independence
- 8. Materiality and misstatements

Appendix A – Key communication points

Appendix B - Forthcoming accounting and other issues

This document is to be regarded as confidential to Craven District Council. It has been prepared for the sole use of the Audit and Governance Committee as the appropriate sub-committee charged with governance. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.



Members of the Audit and Governance Committee 1 Belle Vue Square, Broughton Road, Skipton, North Yorkshire, BD23 1FJ

April 2020

Dear Sirs / Madams

Audit Strategy Memorandum – Year ending 31 March 2020

We are pleased to present our Audit Strategy Memorandum for Craven District Council for the year ending 31 March 2020.

The purpose of this document is to summarise our audit approach, highlight significant audit risks and areas of key judgements and provide you with the details of our audit team. As it is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, Section 7 of this document also summarises our considerations and conclusions on our independence as auditors.

We consider two-way communication with you to be key to a successful audit and important in:

- · reaching a mutual understanding of the scope of the audit and the responsibilities of each of us;
- · sharing information to assist each of us to fulfil our respective responsibilities;
- · providing you with constructive observations arising from the audit process; and
- ensuring that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external
 operational, financial, compliance and other risks facing Craven District Council which may affect the audit, including the
 likelihood of those risks materialising and how they are monitored and managed.

This document, which has been prepared following our initial planning discussions with management, is the basis for discussion of our audit approach, and any questions or input you may have on our approach or role as auditor.

This document also contains specific appendices that outline our key communications with you during the course of the audit, and forthcoming accounting issues and other issues that may be of interest.

Client service is extremely important to us and we strive to continuously provide technical excellence with the highest level of service quality, together with continuous improvement to exceed your expectations so, if you have any concerns or comments about this document or audit approach, please contact me on 0113 394 5316.

Yours faithfully

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Mark Dalton Mazars LLP

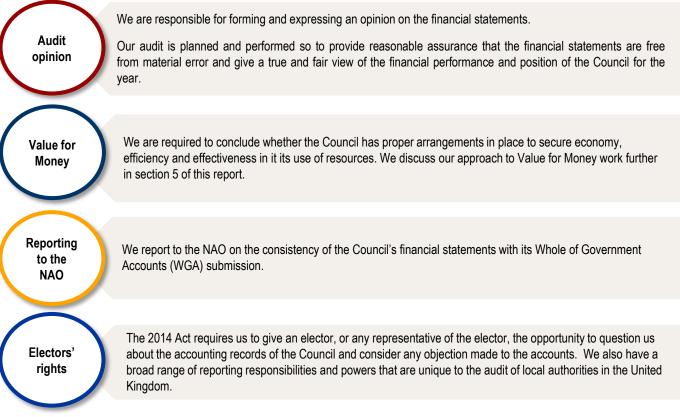


Overview of engagement

We are appointed to perform the external audit of Craven District Council (the Council) for the year to 31 March 2020. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: <u>https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/</u>

Our responsibilities

Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.



Our audit does not relieve management, as those charged with governance, of their responsibilities. The responsibility for safeguarding assets and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with both those charged with governance and management. In accordance with International Standards on Auditing (UK), we plan and perform our audit so as to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. However our audit should not be relied upon to identify all such misstatements.

As part of our audit procedures in relation to fraud we are required to enquire of those charged with governance as to their knowledge of instances of fraud, the risk of fraud and their views on management controls that mitigate the fraud risks.

The Council is required to prepare its financial statements on a going concern basis by the Code of Practice on Local Authority Accounting. As auditors, we are required to consider the appropriateness of the use of the going concern assumption in the preparation of the financial statements and the adequacy of disclosures made.

For the purpose of our audit, we have identified the Audit and Governance Committee as those charged with governance.





2. YOUR AUDIT ENGAGEMENT TEAM







Audit scope

Our audit approach is designed to provide an audit that complies with all professional requirements.

Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit approach and in accordance with the terms of our engagement. Our work is focused on those aspects of your business which we consider to have a higher risk of material misstatement, such as those affected by management judgement and estimation, application of new accounting standards, changes of accounting policy, changes to operations or areas which have been found to contain material errors in the past.

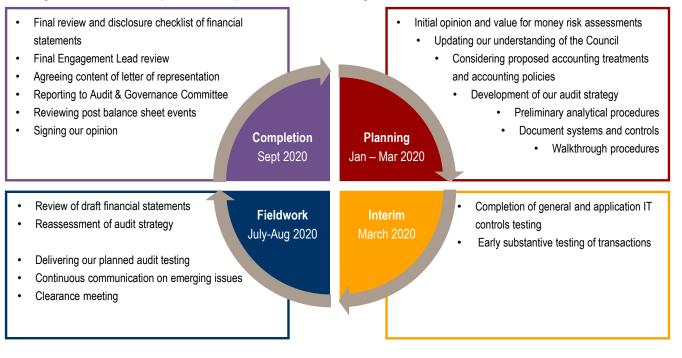
Audit approach

Our audit approach is a risk-based approach primarily driven by the risks we consider to result in a higher risk of material misstatement of the financial statements. Once we have completed our risk assessment, we develop our audit strategy and design audit procedures in response to this assessment.

If we conclude that appropriately designed controls are in place then we may plan to test and rely upon these controls. If we decide controls are not appropriately designed, or we decide it would be more efficient to do so, we may take a wholly substantive approach to our audit testing. Substantive procedures are audit procedures designed to detect material misstatements at the assertion level and comprise tests of details (of classes of transactions, account balances, and disclosures) and substantive analytical procedures. Irrespective of the assessed risks of material misstatement, which take into account our evaluation of the operating effectiveness of controls, we are required to design and perform substantive procedures for each material class of transactions, account balance, and disclosure.

Our audit will be planned and performed so as to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. The concept of materiality and how we define a misstatement is explained in more detail in section 8.

The diagram below outlines the procedures we perform at the different stages of the audit.



 1. Engagement and responsibilities
 2. Your audit team
 3. Audit scope
 4. Significant risks and key judgements
 5. Value for Money
 6. Fees
 7. Independence
 8. Materiality and misstatements
 Appendices



Reliance on internal audit

Where possible we will seek to utilise the work performed by internal audit to modify the nature, extent and timing of our audit procedures. We will consider the work of internal audit to as part of our controls evaluation procedures.

Management's and our experts

Management makes use of experts in specific areas when preparing the Council's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Items of account	Management's expert	Our expert
Defined benefit liability	Aon Hewitt	PwC, consulting actuary, on behalf of National Audit Office.
Property, plant and equipment	Council's valuations team	We do not plan to engage our own expert in this area, however we plan to consider third party information to challenge and corroborate key assumptions and judgements used by the Council's valuer.
Financial instrument disclosures	Link Assets Services	We do not plan to engage an expert in this area, however we plan to complete procedures to gain assurance that the fair value disclosures of the Council's financial assets and liabilities are materially correct.





4. SIGNIFICANT RISKS, KEY AUDIT MATTERS AND OTHER JUDGEMENTS AND ENHANCED RISKS

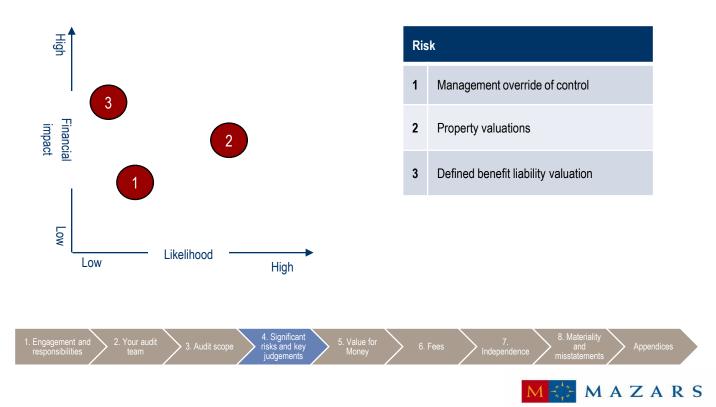
Following the risk assessment approach discussed in section 3 of this document, we have identified relevant risks to the audit of financial statements. The risks that we identify are categorised as significant, enhanced or standard, as defined below:

- **Significant risk** A significant risk is an identified and assessed risk of material misstatement that, in the auditor's judgment, requires special audit consideration. For any significant risk, the auditor shall obtain an understanding of the entity's controls, including control activities relevant to that risk.
- **Enhanced risk** An enhanced risk is an area of higher assessed risk of material misstatement at audit assertion level other than a significant risk. Enhanced risks incorporate but may not be limited to:
 - key areas of management judgement, including accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement; and
 - other audit assertion risks arising from significant events or transactions that occurred during the period.
- **Standard risk** This is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring.

Key audit matters

Key audit matters are defined as those matters that, in our professional judgment, are of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

It is important that you understand and have opportunity to discuss with us why something is being communicated as a key audit matter and the way this is described. The summary risk assessment, illustrated below, highlights those risks which we deem to be significant, key audit matters and other enhanced risks. Our audit response to each of these risks is outlined on the table on the following page.



4. SIGNIFICANT RISKS, KEY AUDIT MATTERS AND OTHER JUDGEMENTS AND ENHANCED RISKS (CONTINUED)

Specific identified audit risks and planned testing strategy

We provide more detail on the identified risks and our testing approach with respect to significant risks in the table below. An audit is a dynamic process, should we change our view of risk or approach to address the identified risks during the course of our audit, we will report this to the Audit and Governance Committee.

Significant risks

	Description of risk	Planned response
1	Management override of controls Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur there is a risk of material misstatement due to fraud on all audits.	We plan to address the management override of controls risk through performing audit work over accounting estimates, journal entries and significant transactions outside the normal course of business or otherwise unusual.
2	 Property valuations The CIPFA Code requires that where assets are subject to revaluation, their year end carrying value should reflect the fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued in a five year cycle. The valuation of Property, Plant & Equipment involves the use of a management expert (the valuer), and incorporates assumptions and estimates which impact materially on the reported value. There are risks relating to the valuation process. As a result of the rolling programme of revaluations, there is a risk that individual assets which have not been revalued are not valued at their materially correct fair value. In addition, as the valuations are undertaken through the year there is a risk that the fair value as the assets is materially different at the year end. The risk has increased as a result of any potential economic downturn arising from COVID-19. The Royal Institute of Chartered Surveyors (RICS) has also issued a Valuation Practice Alert (VPA), which highlights the use of material uncertainty declarations in their valuation reports. 	 We plan to: assess the scope of the valuer's work, including their qualifications, objectivity and independence; consider if the valuation methodology is in line with industry practice, the CIPFA Code and the Council's accounting policies; consider the annual cycle of valuations to ensure that assets have been valued as part of a five-year rolling programme as required by CIPFA; consider the adequacy of management's arrangements to ensure the accuracy of the valuer's work; challenge and corroborate the appropriateness of the underlying data and assumptions used by the valuer; consider market indices to determine whether there have been material movements in property values; and test accounting entries to ensure they have been correctly processed in the financial statements.

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4. SIGNIFICANT RISKS, KEY AUDIT MATTERS AND OTHER JUDGEMENTS AND ENHANCED RISKS (CONTINUED)

Description of risk

3 Defined benefit liability valuation

The net pension liability represents a material element of the Council's balance sheet. The Council is an admitted body of North Yorkshire Local Government Pension Fund, which had its last triennial valuation completed as at 31 March 2019.

The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.

There are financial assumptions and demographic assumptions used in the calculation of the Council's valuation, such as the discount rate, inflation rates and mortality rates. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.

There is a risk that the assumptions and methodology used in valuing the Council's pension obligation are not reasonable or appropriate to the Council's circumstances. This could have a material impact to the net pension liability in 2019/20.

The risk has increased as a result of the potential economic downturn arising from COVID-19.

Planned response

In relation to the valuation of the Council's defined benefit pension liability we will:

- assess the competency, objectivity and independence of the North Yorkshire Local Government Pension Fund's Actuary, Aon Hewitt;
- liaise with the auditors of the North Yorkshire Local Government Pension Fund to gain assurance that the controls in place at the Pension Fund are operating effectively. This will include the processes and controls in place to ensure data provided to the Actuary by the Pension Fund for the purposes of the IAS19 valuation is complete and accurate;
- review the appropriateness of the Pension Asset and Liability valuation methodologies applied by the Pension Fund Actuary, and the key assumptions included within the valuation. This will include comparing them to expected ranges, utilising information provided by PWC, consulting actuary engaged by the National Audit Office;
- agree the data in the IAS 19 valuation report provided by the Fund Actuary for accounting purposes to the pension accounting entries and disclosures in the Council's financial statements;
- consider your treatment of GMP/McCloud in regard to the 2019/20 liability; and
- if applicable review the accounting treatment of any advance payment of employer contributions and the effect of this on the net defined liability and pension reserve.

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4. SIGNIFICANT RISKS, KEY AUDIT MATTERS AND OTHER JUDGEMENTS AND ENHANCED RISKS (CONTINUED)

Other key areas of management judgement and enhanced risks

Key areas of management judgement include accounting estimates which are material but are not considered to give rise to a significant risk of material misstatement. These areas of management judgement represent other areas of audit emphasis.

	Area of management judgement	Planned response
1	Investment Properties The Council has judged a number of its properties as being held solely for rental income or capital appreciation and therefore classified these as investment properties. The classification of properties is a key area of judgement, but does not amount to a significant risk for the audit.	We will review the basis for the judgements used in classifying assets as investment properties, and assess the reasonableness of these estimates for a sample of assets.
2	 Provision for Bad Debts Each year the Council reviews its outstanding debtor balances and estimates a provision for bad debts based on judgements around the collectability of the debt. The estimation of the provision, including the underlying judgements, is a key area of judgment, but does not amount to a significant risk to the audit. 	We will review the Council's methodology for estimating the value of the bad debt provision, and assess the reasonableness of the judgements involved in this process.



Our approach to Value for Money

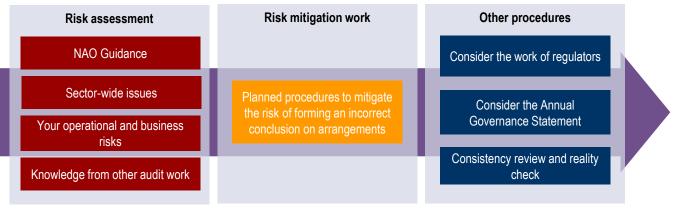
We are required to form a conclusion as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out, and sets out the overall criterion and sub-criteria that we are required to consider.

The overall criterion is that, 'in all significant respects, the Council had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.'

To assist auditors in reaching a conclusion on this overall criterion, the following sub-criteria are provided set out by the NAO:

- informed decision making;
- sustainable resource deployment; and
- working with partners and other third parties.

A summary of the work we undertake is provided below:



Significant Value for Money risks

The NAO's guidance requires us to carry out work at the planning stage to identify whether or not a Value for Money (VFM) exists. Risk, in the context of our VFM work, is the risk that we come to an incorrect conclusion rather than the risk of the arrangements in place at the Council being inadequate. As outlined above, we draw on our deep understanding of the Council and its partners, the local and national economy and wider knowledge of the public sector. For the 2019/20 financial year, we have identified the following significant risk to our VFM work:

Description of significant risk	Planned response	
Financial Pressures In previous years we concluded that the Council had adequate arrangements in place for medium term financial planning. The Council, continues to face financial pressure in the coming years and recently updated its Medium Term Financial Plan (MTFP) to cover the period to 2023/24. This forecasts a deficit of up to £1.275m, which is reliant on increases in Council Tax and achievement of saving plans. Currently the MTFP also does not take into account the impact of the coronavirus crisis. These challenges present a significant risk for our consideration of the arrangements in place to manage demand in your key service areas and deliver financial sustainability over the medium term.	Building on our work in previous years, we will review the arrangements the Council has in place for ensuring financial resilience. Specifically that the medium term financial plan has taken into consideration factors such as the impact of the coronavirus, funding reductions, salary and general inflation, demand pressures, and sensitivity analysis given the degree of variability in the above factors. We will also review the arrangements in place to monitor progress in delivering the budget and related savings plans.	





Fees for work as the Council's appointed auditor

At this stage of the audit we expect to reflect the scale fee set by the PSAA and other matters listed below.

Service	2018/19 fee	2019/20 fee
Code audit work	£35,281	£35,281
Scale fee variation – 2018/19 (1)	£13,336	-
Scale fee variation – 2019/20 (2)	-	To be agreed
Total	£48,617	To be agreed

(1) This relates to additional work completed in 2018/19 relating to material errors. The amount was agreed with the Council's Chief Finance Officer and is subject to PSAA approval.

(2) We expect to complete additional work in response to regulatory recommendations to increase the level of audit work on defined benefit liability schemes and the valuation of property plant and equipment. We will discuss any additional fees with the Council's Chief Finance Officer and those charged with governance, before seeking PSAA approval.

Fees for non-PSAA work

In addition to the fees outlined above in relation to our appointment by PSAA, we have been separately engaged by the Council to carry out additional work as set out in the table below. Before agreeing to undertake any additional work we consider whether there are any actual, potential or perceived threats to our independence. Further information about our responsibilities in relation to independence is provided in section 7. Fees below exclude VAT.

Service	2018/19 fee	2019/20 fee
Housing Benefits Subsidy Assurance	£9,210	To be agreed
VAT helpline	£2,000	-
Total	£11,210	To be agreed



7. OUR COMMITMENT TO INDEPENDENCE

We are committed to independence and are required by the Financial Reporting Council to confirm to you at least annually, in writing, that we comply with the Financial Reporting Council's Ethical Standard. In addition, we communicate any matters or relationship which we believe may have a bearing on our independence or the objectivity of the audit team.

Based on the information provided by you and our own internal procedures to safeguard our independence as auditors, we confirm that in our professional judgement there are no relationships between us and any of our related or subsidiary entities, and you and your related entities creating any unacceptable threats to our independence within the regulatory or professional requirements governing us as your auditors.

We have policies and procedures in place which are designed to ensure that we carry out our work with integrity, objectivity and independence. These policies include:

- · all partners and staff are required to complete an annual independence declaration;
- all new partners and staff are required to complete an independence confirmation and also complete computer-based ethical training;
- · rotation policies covering audit engagement partners and other key members of the audit team;
- use by managers and partners of our client and engagement acceptance system which requires all non-audit services to be approved in advance by the audit engagement partner.

We confirm, as at the date of this document, that the engagement team and others in the firm as appropriate, and Mazars LLP are independent and comply with relevant ethical requirements. However, if at any time you have concerns or questions about our integrity, objectivity or independence please discuss these with Mark Dalton in the first instance.

Prior to the provision of any non-audit services Mark Dalton will undertake appropriate procedures to consider and fully assess the impact that providing the service may have on our auditor independence. Included in this assessment is consideration of Auditor Guidance Note 01 as issued by the NAO, and the PSAA Terms of Appointment.

No threats to our independence have been identified.

Any emerging independence threats and associated identified safeguards will be communicated in our Audit Completion Report.

Issue	
Housing benefit subsidy certification	We have considered threats and safeguards as follows:
	 Self Review: The work does not involve the preparation of information that has a material impact upon the financial statements subject to audit by Mazars;
	 Self Interest: The total fee level is not deemed to be material to the Council or Mazars. The work undertaken is not paid on a contingency basis;
	 Management: The work does not involve Mazars making any decisions on behalf of management;
	Advocacy: The work does not involve Mazars advocating the Council to third parties;
	 Familiarity: Work is not deemed to give rise to a familiarity threat given this piece of assurance work used to fall under the Audit Commission / PSAA certification regimes and was the responsibility of the Council's appointed auditor; and
	 Intimidation: The nature of the work does not give rise to any intimidation threat from management to Mazars.





Summary of initial materiality thresholds

Threshold	Initial threshold
Overall materiality	£550,000
Performance materiality	£385,000
Trivial threshold for errors to be reported to the Audit and Governance Committee	£17,000

Materiality

Materiality is an expression of the relative significance or importance of a particular matter in the context of financial statements as a whole. Misstatements in financial statements are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgements on materiality are made in light of surrounding circumstances and are affected by the size and nature of a misstatement, or a combination of both. Judgements about materiality are based on consideration of the common financial information needs of users as a group and not on specific individual users.

The assessment of what is material is a matter of professional judgement and is affected by our perception of the financial information needs of the users of the financial statements. In making our assessment we assume that users:

- · have a reasonable knowledge of business, economic activities and accounts;
- · have a willingness to study the information in the financial statements with reasonable diligence;
- understand that financial statements are prepared, presented and audited to levels of materiality;
- recognise the uncertainties inherent in the measurement of amounts based on the use of estimates, judgement and the consideration
 of future events; and
- will make reasonable economic decisions on the basis of the information in the financial statements.

We consider materiality whilst planning and performing our audit based on quantitative and qualitative factors.

Whilst planning, we make judgements about the size of misstatements which we consider to be material and which provides a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures.

The materiality determined at the planning stage does not necessarily establish an amount below which uncorrected misstatements, either individually or in aggregate, will be considered as immaterial.

We revise materiality for the financial statements as our audit progresses should we become aware of information that would have caused us to determine a different amount had we been aware of that information at the planning stage.

Our provisional materiality is set based on a benchmark of gross revenue expenditure at the provision of services level. We will identify a figure for materiality but identify separate levels for procedures design to detect individual errors, and also a level above which all identified errors will be reported to the Audit and Governance Committee.

We consider that revenue expenditure remains the key focus of users of the financial statements and, as such, we base our materiality levels around this benchmark. We expect to set a materiality threshold at 2% of gross revenue expenditure at the surplus/deficit on provision of services level.





Based on prior year audited accounts we anticipate the overall materiality for the year ending 31^{st} March 2020 to be in the region of £0.550m (£0.535m in the prior year).

Performance Materiality

Performance materiality is the amount or amounts set by the auditor at less than materiality for the financial statements as a whole to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Our initial assessment of performance materiality is based on low inherent risk whilst also reflecting the adjustments made to the prior year draft financial statements, meaning that we have applied 70% of overall materiality as performance materiality.

We have also calculated materiality for specific classes of transactions, balances or disclosures where we determine that misstatements of a lesser amount than materiality for the financial statements as a whole, could reasonably be expected to influence the decisions of users taken on the basis of the financial statements. We have set specific materiality for the following items of account:

Item of account	Specific materiality
Officer Remuneration bandings	£5,000
Related party transactions	£50,000

After setting initial materiality, we continue to monitor materiality throughout the audit to ensure that it is set at an appropriate level.

Misstatements

We aggregate misstatements identified during the audit that are other than clearly trivial. We set a level of triviality for individual errors identified (a reporting threshold) for reporting to the Audit and Governance Committee that is consistent with the level of triviality that we consider would not need to be accumulated because we expect that the accumulation of such amounts would not have a material effect on the financial statements. Based on our preliminary assessment of overall materiality, our proposed triviality threshold is £17,000 based on 3% of overall materiality. If you have any queries about this please do not hesitate to raise these with Mark Dalton.

Reporting to the Audit and Governance Committee

To comply with International Standards on Auditing (UK), the following three types of audit differences will be presented to the Audit and Governance Committee:

- summary of adjusted audit differences;
- · summary of unadjusted audit differences; and
- · summary of disclosure differences (adjusted and unadjusted).



APPENDIX A – KEY COMMUNICATION POINTS

ISA (UK) 260 'Communication with Those Charged with Governance', ISA (UK) 265 'Communicating Deficiencies In Internal Control To Those Charged With Governance And Management' and other ISAs (UK) specifically require us to communicate the following:

Required communication	Where addressed
Our responsibilities in relation to the financial statement audit and those of management and those charged with governance	Audit Strategy Memorandum Engagement letter
The planned scope and timing of the audit including any limitations, specifically including with respect to key audit matters	Audit Strategy Memorandum
 With respect to misstatements: Uncorrected misstatements and their effect on our audit opinion; The effect of uncorrected misstatements related to prior periods; A request that any uncorrected misstatement is corrected; and In writing, corrected misstatements that are significant. 	Audit Completion Report
 With respect to fraud communications: Enquiries of the audit committee to determine whether they have a knowledge of any actual, suspected or alleged fraud affecting the entity; Any fraud that we have identified or information we have obtained that indicates that fraud may exist; and A discussion of any other matters related to fraud. 	Audit Completion Report Discussion at Audit Committee Audit planning and clearance meetings
 Significant matters arising during the audit in connection with the entity's related parties including, when applicable: Non-disclosure by management; Inappropriate authorisation and approval of transactions; Disagreement over disclosures; Non-compliance with laws and regulations; and Difficulty in identifying the party that ultimately controls the entity. 	Audit Completion Report
Significant deficiencies in internal controls identified during the audit	Audit Completion Report
Where relevant, any issues identified with respect to authority to obtain external confirmations or inability to obtain relevant and reliable audit evidence from other procedures.	Audit Completion Report
Indication of whether all requested explanations and documents were provided by the entity	Audit Completion Report



APPENDIX A – KEY COMMUNICATION POINTS (CONTINUED)

Required communication	Where addressed	
Significant findings from the audit including:	Audit Completion Report	
 Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures; 		
Significant difficulties, if any, encountered during the audit;		
 Significant matters, if any, arising from the audit that were discussed with management or were the subject of correspondence with management; 		
Written representations that we are seeking;		
Expected modifications to the audit report; and		
 Other matters, if any, significant to the oversight of the financial reporting process or otherwise identified in the course of the audit that we believe will be relevant to the Board of Directors or the Audit Committee in the context of fulfilling their responsibilities. 		
Audit findings regarding non-compliance with laws and regulations where the non-compliance is material and believed to be intentional (subject to compliance with legislation on tipping off) and enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of.	Audit Completion Report Audit Committee meetings	
With respect to going concern, events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:	Audit Completion Report	
Whether the events or conditions constitute a material uncertainty;		
 Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements; and 		
The adequacy of related disclosures in the financial statements.		
Reporting on the valuation methods applied to the various items in the annual [or consolidated] Audit Completion Report financial statements including any impact of changes of such methods		



APPENDIX B – FORTHCOMING ACCOUNTING AND OTHER ISSUES

Financial reporting changes relevant to 2019/20

There are no significant changes in the Code of Practice on Local Authority Accounting for the 2019/20 financial year.

Financial reporting changes in future years

Accounting standard	Year of application	Commentary
IFRS 16 – Leases Postponed until 2021/22	The CIPFA/LASAAC Code Board has determined that the Code of Practice on Local Authority Accounting will adopt the principles of IFRS 16 Leases, for the first time from 2020/21.	
		In light of COVID-19 pressures, HM Treasury and the Financial Reporting Advisory Board (FRAB) have decided that IFRS 16 implementation in the public sector will be deferred for a further year, to 2021/22.
		IFRS 16 will replace the existing leasing standard, IAS 17, and will introduce significant changes to the way bodies account for leases, which will have substantial implications for the majority of public sector bodies.
		The most significant changes will be in respect of lessee accounting (i.e. where a body leases property or equipment from another entity). The existing distinction between operating and finance leases will be removed and instead, the new standard will require a right of use asset and associated lease liability to be recognised on the lessee's Balance Sheet.
		In order to meet the requirements of IFRS 16, all local authorities will need to undertake a significant project that is likely to be time-consuming and potentially complex. There will also be consequential impacts upon capital financing arrangements at many authorities which will need to be identified and addressed at an early stage of the project.



5. Value for Anno 6. I



MAZARS

Audit and Governance Committee – 29 June 2020

Exemptions granted under Contract Procedure Rules



AGENDA ITEM 6

Report of the Chief Finance Officer (s151 officer)

Ward(s) affected: All

1. <u>Purpose of Report</u>

1.1. To report on the exemptions granted from the Council's Contract Procedure Rules from 2 January 2020 to 18 June 2020.

2. <u>Recommendations</u>

2.1. Members are requested to note the exemptions granted.

3. <u>Exemptions Granted</u>

- 3.1 Under the Contract Procedure Rules it is recognised that under certain circumstances there are occasions when it's appropriate not to seek tenders or quotations provided that an alternative method of selection can demonstrate value for money. On other occasions quotations are sought but insufficient responses are received.
- 3.2 Under the Contract Procedure Rules there is one current named circumstance under which a responsible officer may seek exemption from the normal procedures.
- 3.3 The responsible officer seeking an exemption must obtain the prior approval of the Solicitor to the Council & Monitoring Officer and the Chief Financial Officer. The exemptions granted must then be reported to Audit & Governance Committee.
- 3.4 In the period January 2020 to June 2020, 1 exemption has been granted under the Contract Procedure Rules.
- 3.5 In addition to exemptions granted under the Contract Procedure Rules, contracts may currently be awarded without competition in urgent circumstances relating to the Council's response to covid-19. Awards must be made in accordance with government Procurement Policy Notes 01/04-20. 2 contracts have been awarded without competition under these conditions.
- 3.6 A summary of the exemptions can be found at Appendix A and Members are recommended to note these.

4. Financial Implications

4.1 Contract values are detailed in the appendix and are funded within existing resources.

5. Legal Implications

5.1 None

6. <u>Contribution to Corporate Priorities</u>

6.1 Procurement contributes to Council Priority Financial Sustainability by ensuring all services and products required deliver value for money.

7. <u>Risk Management</u>

7.1 There are no risks arising as a direct result of this report.

8. Consultations with Others – None

9. <u>Access to Information: Background Documents</u> – Exemption reports

10. <u>Author of the Report</u>

Rob Atkins, Exchequer and Performance ManagerTel No:01756 706493E-mail :ratkins@cravendc.co.uk

Summary of Exemptions granted from tendering under CPR 6.2 of Craven District Council's Contract Procedure Rules 2 January 2020 to 18 June 2020

Number	Date	Date of Approval	Description	Value	Reason for Exemption
1.	01/04/2020- 30/10/2023	20/03/2020	Banking Contact	£36,000	 Banking Services have previously been purchased via the CCS framework for banking services. This is a complicated technical area and Craven District Council does not have the expertise to complete a suitable tender exercise. The CCS framework was unexpectedly withdrawn, and has not been replaced. No other Banking Services framework is available to us. This left Craven District Council unexpectedly out of contract for Banking Services. To enable a rapid decision on awarding a new Banking Services contract whilst ensuring Value for Money, the Financial Services team commissioned industry specialists Focus on Banking Ltd to carry out a review of options currently available in the market. This included a full cost comparison. The cost of moving from Lloyds Bank to any other provider would be disproportionately high, particularly when taking into consideration the need to change our banking systems and the resulting additional administrative costs resulting from this change.

Summary of contracts awarded without tendering under the conditions of PPNs 01/04-20 (covid-19 response) 2 January 2020 to 18 June 2020

Number	Date	Description	Value	Reason for award without tender
2.	02/04/2020	DFG Housing Adaptation	£7500	These 2 DFG housing adaptations were required at short notice to prevent hospital admission, thereby reducing pressure on local hospital services and reducing the risk of infection. Only one suitable provider currently operating in the local area (K R Martin) was available to complete these works at short
3.	26/05/2020	DFG Housing Adaptation	£7000	notice.

Item 7

Audit and Governance Committee – 29 June 2020

CRAVEN IN-THE-YORKSHIRE-DALES D L S T R L C T

Review of the Council's Procurement Policies and Procedures

Report of the Chief Finance Officer (s151 officer)

Ward(s) affected: All

1. Purpose of Report

- 1.1. To present the outcome of a review of the Council's Procurement Policies and Procedures.
- 1.2. To request approval to update the Council's Contract Procedure Rules in line with the updated policy.

2. <u>Recommendations</u>

2.1. Members are recommended to note the outcome of the review of procurement policy, and to approve changes to the Contract Procedure Rules to allow the application of the revised policies and procedures.

3. Outcome of the review of the Council's Procurement Policies and Procedures

- 3.1 The Council's Procurement Policies and Procedures were last reviewed in 2015. In September 2019 the Council commissioned procurement specialists Cirrus Purchasing Ltd to review Policies and Procedures in light of industry best practice and current legislation, to ensure that we achieve best value with maximum efficiency whilst maintaining compliance with the Public Contract Regulations.
- 3.2 Between September 2019 and January 2020, consultants from Cirrus Purchasing Ltd conducted interviews with Service Managers and reviewed existing policy documentation, procedures and procurement templates.
- 3.3 The Financial Services Team, working with Cirrus Purchasing Ltd, have prepared updated Policies and Procedures that should achieve best value whilst maximising the efficiency of our working practices.
- 3.4 A revised set of templates for procurement documents have also been prepared, to assist Officers with the efficient completion of legally compliant procurement exercises.
- 3.5 Appendix A presents a summary of the key policy changes proposed, including all 6 changes requiring a change to the Council's Contract Procedure Rules.

4. Financial Implications

4.1 The changes proposed in these documents should guarantee continuing best value in our procurement exercises and the most efficient use of resources.

5. Legal Implications

5.1 These revisions to procurement policies and procedures support continuing compliance with the Public Contract Regulations.

6. <u>Contribution to Corporate Priorities</u>

6.1 Effective procurement contributes to Council Priority Financial Sustainability by ensuring all services and products required deliver value for money, and to all other priorities by ensuring the purchasing of high-quality goods and services.

7. Risk Management

7.1 There are no additional risks arising as a direct result of this report.

8. <u>Consultations with Others</u>

Interviews with SLT members; CLT; external procurement consultants (Cirrus Purchasing Ltd).

9. Access to Information: Background Documents

CDC Procurement Policies and Procedures 2020 CDC Procurement Strategy 2020 Template – CDC ITT 2020 Template – CDC Form of Tender 2020 Template – CDC Declaration of Non-Collusion 2020 Template – CDC Freedom of Information Schedule 2020

10. <u>Author of the Report</u>

Rob Atkins, Exchequer and Performance ManagerTel No:01756 706493E-mail :ratkins@cravendc.co.uk



Appendix A

Craven District Council Procurement Policy Review 2020 Summary of key changes proposed

Requiring a change to Contract Procedure Rules:

- Remove £30,000 threshold limit and require 3 quotes for all Request For Quotation (RFQ) exercises between £7,500 and £50,000
- 2 quotes is not sufficient to make a reasonable judgement about value for money.
- Move lower threshold limit for competitive quotes to £7,500
- Reflects the impact of inflation, preventing an unmanageable number of low-value purchases from requiring a competitive exercise and ensuring Officer resources are focussed on higher value contracts
- Remove specific criteria for exemptions
- Specific criteria for exemptions encourage Responsible Officers to try to 'fit' exercises around criteria to avoid the requirement for competition. Removing the criteria, together with a statement that an exemption can only be requested in highly exceptional circumstances, is likely to lead to a reduction in the number of exemptions requested.
- Sign-off of contract awards between £50,000 and £100,000 should be by an appropriate SLT member
- To ensure that high value tenders are not awarded by a junior responsible officer without senior management oversight.
- Require an Experian (or equivalent) credit check for all contracts awarded over £25,000
- Improves the quality of our judgements about the financial risk of the contractors we are engaging; reduces the staff time required for financial analysis on new contractors for high-value contracts.
- Require the use of e-tendering for all contracts above £7,500
- Ensures that complete records of competitive procurement processes are maintained in a single location; significantly reduces the level of administration involved in competitive procurement processes.

Key changes not requiring a change to Contract Procedure Rules:

- Prefer closed exercises and invite suppliers from a supplier list
- Removes the requirement to advertise on Contracts Finder. This is likely to increase the number of bids from local suppliers who are less likely to participate in open exercises. This also reduces the administrative burden on staff managing an RFQ or below threshold Invitation To Tender (ITT), and helps us to develop local supplier markets.
- Include a question on Carbon Reduction in selection criteria, whenever this is appropriate to the exercise
- To ensure that our contracts are contributing to the Council's Climate Emergency Strategic Plan where appropriate.
- Tenders over the Office of the Journal of the European Union (OJEU) threshold should be co-ordinated by a member of staff or consultant with appropriate specialist procurement expertise
- To prevent leaving the Council open to challenge by incorrectly handing abovethreshold tender processes, as well as ensuring Value for Money.

Rob Atkins Exchequer and Performance Manager 18th June 2020



Procurement Policy & Procedures

Policy Review Date: 1st April 2022 (Document is subject to bi-annual review)

Contents

1.	Introduction & Procurement thresholds:
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1. Introduction & Procurement thresholds:

Craven District Council (CDC) believes that it is essential that a proper and consistent approach is used in any procurement exercise to obtain works, goods or services on its behalf.

Procurement activity within CDC is governed internally by its Constitution, Procurement Policy & Procedures, Procurement Strategy and externally by public sector procurement legislation (The Public Contracts Regulations 2015) and the Local Government Transparency Code. The Council's internal rules govern how employees responsible for committing company expenditure should conduct this activity.

The purpose of this policy is to provide staff with guidance and information on how to comply with these internal and external rules when purchasing goods, services or works.

The requirements of the financial regulations and public sector procurement law vary dependent upon the level of expenditure that is to be committed and the actions required of the purchaser are split into different thresholds of expenditure.

When calculating the value to compare against these thresholds, the combined value of all same or similar goods, works or services over the life of the expected contract should be included.

If in doubt, please contact Rob Atkins (Exchequer and Performance Manager) for advice and guidance. For all procurement exercises, the following minimum procurement requirements apply:

CDC procurement thresholds								
Estimated value of purchase/contract	Process required	Min No. Bids Required	Responsibility for signing off tender outcome					
£0 - £7,500	Adherence to authorised levels of expenditure	1	Person responsible for procurement process					
£7,501 - £50,000	Written quotations through the YORtender system OPPORTUNITY NOT TO BE OPENLY ADVERTISED*	3	Person responsible for procurement process					
>£50,001 – EU Thresholds	Competitive invite only tender with appropriate Price- Quality Ratio through the YORtender system OPPORTUNITY NOT TO BE OPENLY ADVERTISED*	3	**Up to £100,000: SLT Member £100,000+: Solicitor to the Council					
>EU Thresholds – See section 9	EU compliant tender	N/A	**Solicitor to the Council					

*It is advised that these below EU threshold procedures are not to be openly advertised as there are specific procedures and advertising rules that need to be followed when publicising purchases over $\pounds 25k$. Where a suitable list of bidders to invite cannot be identified, theses opportunities can however be openly publicised. Please refer to section <u>5.2 Advertising</u> for more information.

**Before a contract is formally awarded to the successful bidder(s) following a procurement process, the outcome must be signed off by the appropriate person referenced in this column. Sign-off must be received via email and a copy of the email stored in the project folder on the YORtender system.

Where practicable, a higher number of bids should be invited than the minimum number identified in the above table. This will help ensure the minimum number of bids are received should any bidders choose not to submit a quotation/tender.

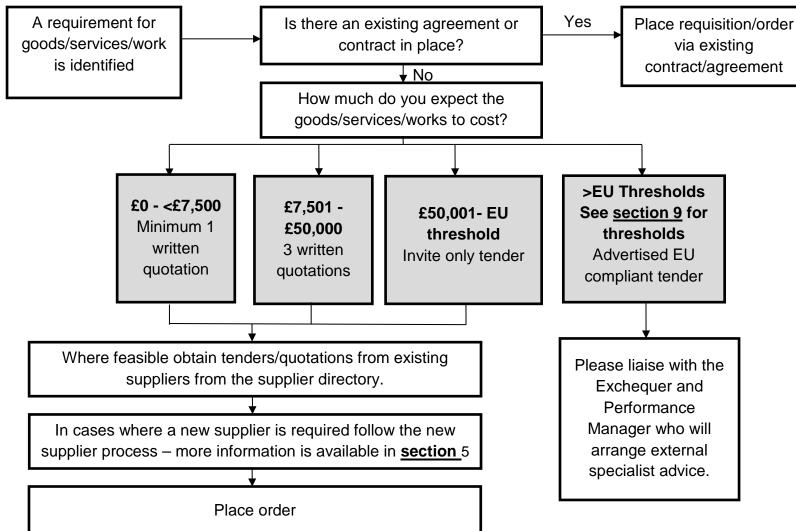
Once you have identified the value of procurement expenditure you intend to make against the relevant threshold, please follow the flowcharts in section $\underline{2}$ below to understand the steps that should be taken when completing the selection and procurement process.

The outcome of all contract awards exceeding £100,000 must be reported to the Audit and Governance Committee at the earliest opportunity following contract award.

Any exemptions to the procurement policy regarding thresholds and required activity must be approved by the Chief Financial Officer or Solicitor to the Council. Exemptions will only be granted in rare cases of extreme urgency, brought about by scenarios out of the control of the procuring officer. For clarity, a case of extreme urgency is not justification for an exemption, if the circumstances that lead to the urgent nature of the activity were foreseeable.

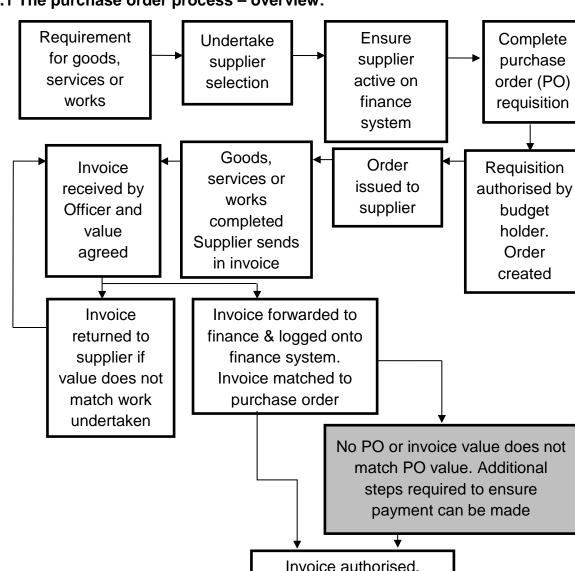
2. Procurement flow chart

The grey cells highlight the financial thresholds and the *minimum* procurement activity required.



3. Guidance on purchase order process

CDC currently operates a purchase order process which must be followed when committing company expenditure. Failure to do so is in contravention of the Council's Financial Regulations. Repeated breaches of the Financial Regulations may result in disciplinary action. The standard purchase order process is shown below:



3.1 The purchase order process – overview:

The step in the grey box in the flowchart above indicates the problems created when the process is not followed. Failure to adhere to the purchase order process impacts upon the finance team, supplier and ultimately the end user.

Supplier paid according to payment terms

4. Supplier directory guidance

CDC operates a supplier directory that should be used as the primary source for identifying suppliers to invite to bid for procurement opportunities. The directory is not however a shortcut to avoiding the obligation for competition under the public procurement regulations, or the CDC Financial Regulations. For example, unless there is a pre-tendered primary supplier identified for CDC, the requirement remains to obtain appropriate quotations and tenders. Please review the procurement flowcharts in section $\underline{2}$.

The supplier directory is available as a MS Excel spreadsheet via the CDC intranet site. The directory lists the currently active suppliers on the system. It is categorised by the primary usage for a given supplier. This could mean that a supplier may provide a number of different services, but appears only in one category.

The overall purpose of the supplier directory is to ensure the number of suppliers used by CDC is effectively managed, allowing a better control of compliance with public procurement legislation and the achievement of value for money.

5. How to source suppliers

It is CDC policy to prioritise the use of existing suppliers available on the finance system, provided that doing so is compliant with the current financial and external regulations.

Inviting existing suppliers to submit quotations and tenders removes the time and cost associated with adding suppliers to the finance system and reduces the fragmentation of expenditure. A common justification for adding a new supplier is that one item is available cheaper through that new supplier, however the time and cost associated with identifying and creating a new supplier on the system often erodes the saving achieved on the purchase.

The supplier directory represents a source of suppliers for the Council and can be referred to first when seeking suppliers to participate in a below EU threshold procurement process. It is however recognised that it will not always contain the suppliers necessary to deliver the goods, services and works.

Suppliers can apply to join the supplier directory by emailing <**INSERT CRAVEN EMAIL ADDRESS**> and requesting to be added. As part of this email, the supplier must provide the following:

- Full company name
- Full company address and postcode

- Contact name
- Contact telephone number and email address
- A brief description of the goods/services delivered by the company

Once the above information is received, the <**INSERT CRAVEN TEAM NAME**> will add the supplier to the directory. This process outlining how a supplier can be added to the directory is also advertised on the Council's website.

Please note, a supplier added to the directory will not automatically be added to the finance system (i.e. setup to allow purchase orders to be raised with the supplier). The process outlined in <u>Section 3.1</u> must always be followed when committing company expenditure, to ensure the supplier is active on the finance system.

A position on the directory is not a guarantee the supplier will be awarded any work by the Council. Use of the directory as a source of suppliers should not be used to negate the need to conduct a robust procurement exercise. Work awarded to suppliers on the directory must still be procured in line with the correct procurement process based on the anticipated contract value (see <u>Section 1</u> for procurement thresholds and corresponding processes to be followed).

Where existing suppliers cannot meet the identified requirement, then the new supplier authorisation process should be followed. Please see section 5.4 for details.

5.1 Sourcing Suppliers

The key source of suppliers to provide quotations and tender responses for procurement activity that falls below the EU thresholds is the supplier directory. Where the supplier directory does not contain sufficient suppliers, other suppliers will have to be sourced to participate in the selection process. There are numerous sources of suppliers available, including the following:

- Consortia: Organisations such as YORhub operate a number of accessible frameworks that may contain suitable suppliers
- Recommendation: Speak to other Local Authorities. Many may have similar requirements and could suggest appropriate suppliers to contact. CDC may also wish to procure goods/services in collaboration with other Local Authorities who have similar requirements where appropriate. Where a collaborative procurement exercise is undertaken, the combined value of the contracts for all Local Authorities involved should be used when identifying if the procurement exercise is above the relevant EU procurement threshold

 Internet search: Using internet search engines such as Google can prove useful when looking for suitable suppliers to invite to quote/tender

5.2 Advertising

It is CDC policy that procurement opportunities with a value above £25,000, but below the relevant EU threshold, are not openly publicised to avoid the additional administration associated with advertised opportunities. Instead, specific suppliers should be invited to submit a tender/request for quotation in response to the opportunity. For more information on the rules governing below EU threshold advertisements, please contact the Exchequer and Performance Manager.

When a procurement opportunity above £25,000 (ex VAT) and below EU thresholds is openly publicised (i.e. the procurement opportunity can potentially be viewed and completed by any supplier), the UK Government has implemented additional procedures and advertising rules, including a legal requirement to advertise the opportunity on the Contracts Finder website. These obligations do not apply when opportunities are not publicised.

For purchases above £50,000, but below the relevant EU threshold, a competitive "invitation only" tender (a tender where only suppliers invited to do so can submit a tender submission) with appropriate Price-Quality Ratio should normally be run. For these procurements, tender documents should be issued and submissions received via the YORtender system. Policy for purchases falling within this expenditure bracket is to invite tenders from relevant suppliers who are currently on the supplier directory, and to supplement this list by inviting new suppliers to submit a tender response where the directory contains an insufficient number of appropriate suppliers. It is accepted that there may be exceptional circumstances where an open process is considered more appropriate. If a procuring officer wishes to offer an 'open' tender exercise they should contact the Exchequer and Performance Manager for advice about this process.

For purchases that are above the relevant EU threshold, it is a legal requirement that the procurement opportunity be openly advertised across the European Union within the Official Journal of the European Union (OJEU). It is also a requirement under UK law that the opportunity be advertised on the UK Government Contracts Finder system (please see section <u>9</u> for further information).

5.3 New supplier process

When there is no suitable supplier available from the supplier directory, there is a process in place to request the addition of a new supplier to the system, following a relevant procurement exercise (quotations or tenders as appropriate). The new supplier process is for use in circumstances where the supplier/contractor is expected

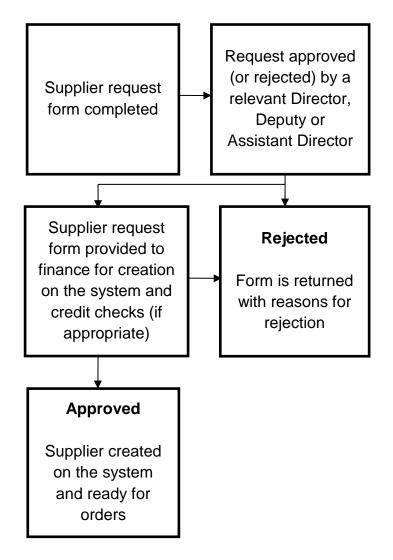
to be used more than once, i.e. is not a 'one-off' requirement. New suppliers need to be requested, approved and added to the system <u>prior to the issue of any orders</u>.

If the supplier/contractor is to be used for a one-off requirement, please liaise with the finance team regarding alternative payment methods that do not require the creation of a new supplier. These methods are not to be used as an alternative to standard CDC procedures.

Valid reasons for an additional supplier can include the following:

- 1. Cannot find any existing suppliers/contractors in the supplier directory that are able to provide the required products/services
- 2. Existing suppliers/contractors to CDC are unacceptable e.g.
 - 2.1 Poor value for money (VFM). Where VFM is the reason for requesting a new supplier, details of the cost difference between the existing supplier and the potential new supplier should be provided
 - 2.2Unable to provide required products or services. Where this is the case, details of the requirement that cannot be met should be specified.
 - 2.3Unable to work in the geographical area or timescale required (e.g. an out of hours service). Where this is the case, details of the specific requirement should be given
 - 2.4 Previous performance from the existing supplier/contractor is not of a sufficient standard. Where this is the case, details of non-performance should be provided, together with a recommendation as to whether the supplier should be kept active or should be removed from the system
- 3. Where an EU tender has been undertaken and the result is a supplier/contractor not currently used by CDC.

5.4 Overview of the new supplier process

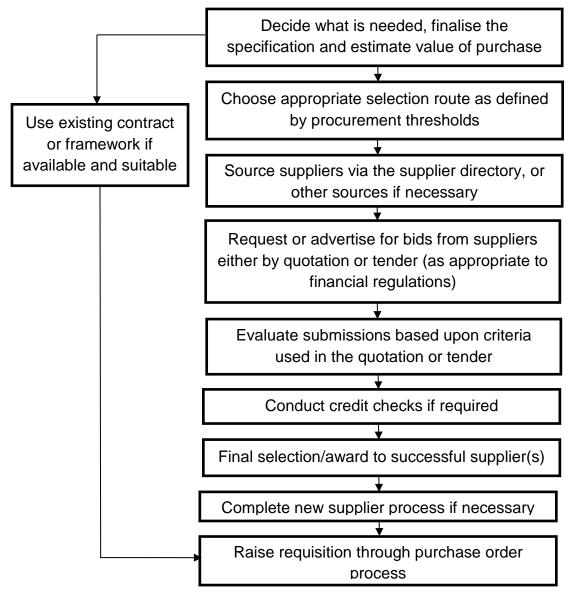


6. Supplier selection

Where there is no pre-existing arrangement or contract with a supplier for goods, services or works, either quotations, tenders or EU compliant tenders are used to select the supplier or contractor to engage with. The purpose of these processes is to ensure transparency, non-discrimination and value for money for CDC.

The steps in the supplier selection process are outlined below:

6.1 Supplier Selection



The selection process can be undertaken in two main ways, either by request for quotation or by tender. The choice of process is dependent upon the expected level of expenditure; please refer to section $\underline{1}$ for the current procurement thresholds.

Supplier selections below EU procurement thresholds are to be completed using requests for quotations and standard tenders as appropriate. Template versions of these documents are available via the CDC intranet.

Whilst the basic principles remain the same between a Request for Quotation and a tender, there are differences:

6.2 Request for Quotation

Request for Quotations (RFQs) are used to ascertain price and provide invited suppliers with a fixed specification to quote against, the decision around what is required has already been made before suppliers are approached. Whilst qualitative detail can be requested from suppliers within a RFQ, most are based on cost only, with prices submitted against a defined service specification.

A template RFQ is available via the CDC intranet and provides further guidance on generating a suitable RFQ and the process for issuing to suppliers.

If quotations have been taken via telephone or the internet, these should be documented and made available to auditors or line managers upon request.

For procurement activity with an estimated value of below £5,000, written quotations are not required, but are advisable. CDC still expects an individual to be able to justify the decision of who the order has been placed with and why.

6.3 Tender

A tender, often referred to as an Invitation to Tender (ITT), is used where there is a more complex or higher value procurement requirement. Access to a tender can either be limited to an invited list (for tenders below EU thresholds), or open for all interested suppliers to bid against (for tenders over EU thresholds). Generally there is a defined need or requirement against which suppliers submit their response. The suppliers are then assessed on a qualitative basis on how they will deliver or supply the goods, works or services and at what cost. A tender can however, where justified by the nature of the goods or services required, be used on a lowest cost basis, although minimum standards criteria should still be stipulated.

A template tender suitable for use when conducting below EU threshold purchases is available via the CDC intranet, and provides further guidance on generating a suitable tender and the process for issuing it to suppliers. For all tender activity above the EU procurement thresholds, please contact the Exchequer and Performance Manager.

All EU level tender processes should be conducted with the support and guidance of a specialist consultant, who will ensure the tender is compliant with current legislation, case law and CDC policy. The Exchequer and Performance Manager should be contacted to arrange the appointment of a suitable procurement consultant for above EU threshold procurements.

Both the template tender document for below EU threshold purchases, and mandatory documents that must be used for EU tenders contain provisions for bidders to declare conflicts of interest as part of the tender process.

6.4 Form of Contract

CDC operates standard terms and conditions of purchase that will be suitable for the majority of procurement exercises, however these terms may not be appropriate for all contracts. For more complex requirements it is likely that a bespoke form of contract will be required.

The following text must however be included in every contract issued by CDC:

"The Council may terminate this contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor's behalf do any of the following things

- Offer, give or agree to give to anyone any inducement or reward in respect of this or any other Council contract (even if the Contractor does not know what has been done), or
- Commit an offence under the Bribery Act 2010
- Commit any fraud in connection with this or any other Council contract whether alone or in conjunction with Council members, contractors or employees. Any clause limiting the Contractor's liability shall not apply to this clause."

Should you require guidance on appropriate forms of contract to use for a specific procurement activity, please contact the legal department. The legal department must be consulted on which form of contract to use for all procurement activities with a value greater than £100,000 (ex VAT).

For all procurement exercises, the procurement documents issued to bidders must stipulate the form of terms and conditions that will apply to the resulting contract.

6.5 Contract Extensions

All options to extend a contract must be detailed in the original procurement process and contained within any form of contract that is agreed and signed with the successful supplier(s). No further extensions are permitted or to be negotiated with suppliers once the total contract duration including all extension options has expired.

6.6 Cost Control

CDC's standard approach to cost control for all contracts or frameworks in excess of 12 months is to cap any proposed annual increase to no more than the Consumer Price Index (CPI). For reference, the CPI is defined as the Consumer Price Index as published by the Office for National Statistics, Consumer Prices and General Inflation Division, or if such publication is discontinued then whatever relevant document succeeds it. CPI is the preferred cost control indices of CDC as it tracks lower than the Retail Price Index (RPI) and is less volatile than other indices such as the BCIS TPI. Dependent on the market or sector, other cost control mechanisms may be appropriate.

The cost control mechanism that will apply to a contract must be clearly stated within the procurement documents issued to potential bidders.

6.7 Declarations of Interest

All CDC staff should declare any links, whether they are personal or professional, which they may have with any supplier and/or contractor who may be engaged on behalf of the Council. Staff should be able to demonstrate that they do not benefit personally from any decisions which may be made (or to which they contribute, so as to avoid any situation which might be seen as compromising). Should any such interest arise it should be declared to the Solicitor to the Council for consideration and recording before any further action is taken. **Non-declaration of a conflict of interest may be a disciplinary matter.**

6.8 Processes for running tenders

All procurement processes should be conducted electronically. Procurements below £7,500 can be issued and submissions received via email.

All procurements above £7,500 should be run through the YORtender eTender system. Please contact the Exchequer and Performance Manager should you require assistance in using YORtender.

6.9 Tender opening procedure

Since YORtender is fully auditable and stores copies of all bidder submissions received in their original format, there is no requirement to conduct a formal tender opening procedure. Submissions must not however be opened until the deadline for submissions has passed.

6.10 Procurement process result sign off

The outcome of procurement processes for contracts with a total value above £50,000 must be signed off by either a Team Leader or the Solicitor to the Council as outlined below:

- £50,000 to £100,000: Outcome of procurement process signed off by appropriate CDC Team Leader prior to the issue of any contract
- £100,000+: Outcome of procurement process signed off by the Solicitor to the Council prior to the issue of any contract

Sign-off must be received via email and a copy of the email stored in the project folder on the YORtender system.

6.11 Contracts register requirements

The Council operates a contracts register to help keep track of its contracts and financial commitments with suppliers.

An up-to-date contracts register is an important tool that can be used as a source for effective planning of procurement and contract management activity.

All contracts with a value greater than £5,000 (ex VAT) per annum, or a total contract value above £5,000 (ex VAT) if the contract duration is less than twelve months, must be recorded in the contracts register. For these contracts, the person responsible for conducting the procurement process used to award the contract must provide the following information to the finance team via the procurement@cravendc.gov.uk email address once the contract has been awarded:

- Contract category
- Contract name
- Contractor(s)/supplier(s) awarded contract
- Contract reference number
- Total contract value
- Contract start date
- Contract expiry date
- Contract duration and any options to extend

- Description of goods/service purchased
- Date of break clause (if any)
- Notice required for break (if applicable)
- Council manager responsible for contract
- Procurement route used (e.g. framework call-off, tender, quotes etc)
- Form of contract
- Department responsible for procurement

On receipt of this information, the finance team will update the Contracts Register and file the contract accordingly.

7. Supplier selection criteria & guidance

For all supplier selection processes, either quotation or tender based, when multiple submissions are received these have to be assessed in comparison to the other submissions received.

The assessments, or evaluation of bids received can be categorised in two ways:

For simple purchases, where the goods or services involved are of fixed quality or of relatively low impact for CDC, the selection process can be based upon a **lowest cost** assessment. Lowest cost evaluations should only be used for low value, commodity items or where product specification is fixed and service elements are minimal; for example purchasing electricity supply.

For more complex procurement activity, using the selection of a contractor as an example, a mix of **cost and quality** should be used to evaluate submissions. The relative importance of cost and quality used depends on the nature of the contract, and is at the discretion of the buyer. Guidelines are detailed within the cost and quality section below.

7.1 Cost and Quality

Example cost and quality weighting splits (out of 100% available marks):

- Price only; for commodity items such as energy or stationery; where specification is fixed and not variable
- Price sensitive goods and services; for example cleaning services, which is primarily driven through a tight specification. Typically cost will have a larger proportion of the weighting, approximately 70% cost and 30% quality
- Contractors; usually ranges from 40% cost/60% quality, to 60% cost/40% quality depending upon the complexity of the works and the associated service
- Consultancy; or other quality based services, government guidance is 80% quality and 20% cost. This is driven by the impact some professional services can have which is disproportionate to the fees charged

In all circumstances, criteria for assessment purposes should not be chosen to disadvantage or discriminate against any supplier or group of suppliers.

Cost and qualitative questions should be weighted from a total pool of 100%. Specific questions/categories can be evaluated on a pass or fail basis. Interviews and/or site visits can be used to validate and moderate the scores given to written submissions, or can be scored separately.

Setting the correct mix of cost and quality can have a significant impact on the result of the procurement and can be important in helping to ensure value for money is achieved.

7.2 Qualitative categories

To ensure probity, the categories and criteria to be evaluated need to be defined and the relevant weightings set prior to the issue of quotations/tenders. Once finalised and the request for quotation or the tender is issued, the weightings should not be altered.

Examples of qualitative categories are as follows (this is not an exhaustive list):

- Experience & capability (including references)
- Environmental compliance and policy
- Tender specific questions relating directly to the goods, services or works being tendered.

Not all categories are required for every procurement exercise; only relevant categories of questions should be included to suit the goods, works or services being procured.

7.3 Minimum Standards

Minimum standards are requirements that bidders must be able to achieve to have their submissions evaluated. They are set on a pass/fail basis and it is policy to clearly explain to bidding organisations the minimum required standard for a pass. This is important for openness and transparency so suppliers do not waste time submitting tenders that cannot succeed. This also ensures CDC's time and resource is not wasted on bids that are inappropriate and unsuitable.

Minimum turnover levels can be used to ensure that bids are received from suppliers that are appropriately sized to deliver the contract, or minimum standards for health & safety for contractors.

Minimum operational requirements can also be put in place, for example if entering into a lift servicing contract minimum response times can be set. As a result the bidder could be asked to provide a service engineer who is based within 30 minutes of a given location.

All procurement processes must request that the successful supplier(s) obtains suitable insurance cover at a level stipulated within the procurement documents prior to contract commencement. Different levels and types of insurance cover will be required dependant on the goods/services purchased. Please contact the finance team should you require assistance on setting suitable levels of insurance.

7.4 Credit Checks

Experian credit checks should be conducted on all provisionally successful suppliers following a procurement process where the total value of the purchase is greater than $\pounds 25,000$. It should be stated in all tenders that CDC reserves the right to conduct credit checks and/or other financial investigations to assess the economic and financial standing of bidders.

Credit checks should be conducted before the award decision is communicated to the suppliers. The request for credit checks to be conducted should be sent to the finance department, together with the total value of the procurement, and the full company name and company registration number for all provisionally successful suppliers. The finance team will send the credit check reports back to you for initial assessment. If the results meet or exceed the following standards, the credit check will be marked as a pass:

- Risk Indicator of 2 or less
- Current Ratio of 1 or more
- Maximum Credit equivalent to, or more than the value of works awarded, or annual value of works awarded if the contract/framework duration is longer than one year

Should the results of a credit check fail to meet any of these minimum requirements, please contact the finance team. The finance team will then review the credit check to assess if the report demonstrates a suitable level of economic stability, or whether additional information should be requested from the supplier. Where requested by the finance team, the following supplementary information should be requested:

- Two years audited accounts
- A cash flow forecast

The additional information received from the bidder should be provided to the finance team for review. Where finance deems that the information continues to indicate that the supplier lacks sufficient economic and financial standing, the submission will be failed.

7.5 Information only questions

Not all questions have to be evaluated, and for many questions it would be inappropriate to do so. Questions seeking basic information, for example bidder contact details or diversity monitoring information can be for information only and as such are not weighted or evaluated. Further guidance is provided in the Invitation to Tender template documentation, available on the CDC intranet.

8. Diversity and Social Responsibility

The application of CDC's Diversity Policy is focused upon supporting the local community and its economy. CDC can act in three ways; lowering barriers, realising direct impact and influencing others:

- Local organisations may be unaware of the opportunities to do business with CDC or can be excluded from tenders as they are too small to deliver the full requirements. CDC commits to structure the design of its tenders to enable local companies to compete where possible; for example by dividing its needs into small enough lots (packages of work)
- CDC can achieve a direct impact by requesting a % of any larger value procurements is added to a fund that can be spent on local initiatives. Outside of monetary benefits, CDC can include other social elements such as local employment, local apprenticeships and the use of local subcontractors within tenders. By implementing any of these direct impact options when tendering for above EU threshold service contracts, CDC will meet its obligations under the Public Services (Social Value) Act 2012
- CDC can influence others to achieve a high standard of Equality & Diversity practice by choosing only to work with suppliers that already achieve a standard equal to its own, or suppliers that commit to achieving this standard with the support of CDC

9. EU procurement

A central legislative impact upon CDC's procurement practices is the requirement to comply with EU Public Procurement rules; specifically Directive 2014/24/EU. This directive became a full part of UK law by virtue of the Public Contracts Regulations 2015.

Since the Public Contracts Regulations are embedded within UK law, the requirements of this legislation continue to apply following the UK's exit from the European Unioin.

Any procurement activity that is subject to the full set of EU Public Procurement rules must be undertaken with the full support of a specialist procurement consultant to help manage the process and ensure the relevant regulations are followed.

9.1 When does the full set of rules apply?

The full set of EU rules apply when the threshold value for various categories of contract are exceeded. The current values came into effect from January 2020 and are set as follows:

Current EU procurement thresholds (Valid until Dec 2021)			
Type of contract	Example	Threshold £ (ex VAT)	
Works	Construction of buildings	4,733,252	
Supplies	Stationery	189,330	
Services	Building cleaning	189,330	
Light Touch Services*	Legal services	663,540	

*A small number of service contracts are classified under the Light Touch Services regime, and aren't subject to the full set of EU rules (a reduced set of EU rules still applies). The list of services classified under this regime are outlined in Schedule 3 of The Public Contracts Regulations 2015.

If a single requirement involves more than one contract, the estimated value of all the contracts must be added together to identify if the threshold will be reached. If the resulting combined value means the relevant threshold is exceeded, each of the contracts is individually covered by the legislation.

When tendering for a fixed term contract, expenditure over the total contract term including possible options to extend, not the annual value, should be used to assess EU compliance requirements. Where the total contract value exceeds the relevant threshold, the tender is subject to the Public Contracts Regulations.

Where no fixed contract duration has been agreed, the total value of expenditure via all suppliers/contractors providing the same or similar services and goods should be calculated across four years. If the value of combined expenditure over a four year period exceeds the relevant threshold, an EU tendering exercise is required.

The value of any requirement must not be split over a number of contracts/years for the purpose of avoiding the EU procurement requirement. Such activity would be considered a breach of legislation and represents a risk for the organisation.

9.2 Advertisement of above EU threshold tenders

EU tender opportunities must be advertised online via the Official Journal of the European Union (OJEU) and Contracts Finder websites:

- European Public Procurement website: http://simap.europa.eu
- Contracts Finder website: <u>https://www.gov.uk/contracts-finder</u>

The key activity for end users is to understand the thresholds and whether or not a specific requirement would potentially exceed them.

Where there is the need for an EU compliant tender, please contact the Exchequer and Performance Manager to arrange the appointment of a suitable consultant to aid with the process.

9.3 Publication of framework call-off contract award information on contracts finder

For all call-off contracts issued under frameworks tendered in line with the Public Contracts Regulations 2015, the following award information must be published on the Contracts Finder system:

- the name of the successful bidder(s) awarded the call-off contract
- the date the call-off contract was entered into
- the call-off contract value

9.4 Below threshold requirements of the Public Contracts Regulations 2015

The UK Government has also stipulated some conditions that must be followed for procedures that fall <u>below</u> the EU thresholds. These conditions include:

- Pre Qualification Questionnaires (PQQs) can no longer be used for below EU threshold tenders
- For all contracts above or below the EU thresholds, payment terms must be set at 30 days for undisputed invoices. There is also the obligation to cascade this requirement to sub-contractors and any tiers of supply below (e.g. the supplier's supplier must also be paid in 30 days by the supplier)
- For all contracts valued at more than £25,000 (ex VAT), including call-off contracts issued under frameworks, the following award information must be published on the UK Government's Contracts Finder system (https://www.gov.uk/contracts-finder):
 - The name of the successful bidder(s);
 - The closing date for submissions;
 - The date the contract was awarded;
 - The date the contract started;
 - The date the contract ends (inclusive of all options);
 - The contract value (inclusive of all options);
 - If the bidder is a Small and Medium-sized Enterprise; and

- If the bidder is a Voluntary, Community and Social Enterprise.
- Additional rules for advertised non-EU tenders: For below EU threshold purchases that have a value greater than £25,000 (ex VAT), the UK Government has implemented additional rules that must be followed when the procurement opportunity is openly publicised (i.e. the procurement opportunity can potentially be viewed and completed by any supplier). These rules are as follows:
 - Advertise the opportunity on the UK Government's Contracts Finder system; and
 - Offer unrestricted access free of charge to the procurement documents via the internet.

9.5 Summary

The key activity for end-users is to understand the thresholds and whether or not a specific requirement would potentially exceed them. Where there is the need for an EU compliant tender, please contact the Exchequer and Performance Manager who will arrange for the appointment of a suitable consultant to provide support and guidance.

10. The General Data Protection Regulation

The General Data Protection Regulation (GDPR) is data protection legislation aimed at protecting the privacy of individuals and preventing breaches of personal data (information from which an individual can be identified). The regulations impose requirements that must be followed by CDC when a third party (such as a supplier) processes personal data provided by CDC.

Due to the broad definitions of personal data and processing provided in the regulations, it is likely that all contracts will involve some processing of personal data. As such, the following requirements should be followed when conducting all procurement activity:

10.1 Assessing compliance with the General Data Protection Regulation

Procurement processes should include questions to assess the competency of suppliers to process personal data in full compliance with the requirements of the General Data Protection Regulation. Sample questions have been included within

CDC's template ITT tender document and RFQ template; however additional questions may be required for some contracts. The assessment conducted should take into account the sensitivity of the data to be processed and the risk to individuals should there be a data breach. CDC should only appoint suppliers where they are satisfied the supplier has provided sufficient evidence of their compliance with the regulations.

10.2 Contractual Requirements

The regulations require the Council to have a formal contract in place between itself and any organisation processing data on its behalf, stipulating the data protection responsibilities and liabilities of both parties. The General Data Protection Regulation sets out information and terms that must be included within all contracts between the Council and a third party processing personal data. Successful suppliers must also agree to follow the requirements of the CDC data protection agreement.

Please contact the legal team for advice and guidance on suitable contract terms that meet the requirements of the General Data Protection Regulation.

11. Local Government Transparency Code 2015 Requirements

The Local Government Transparency Code identifies requirements for Local Authorities to publish data online to give local people more transparency into the activities delivered by the Local Government. This section provides an overview of the information the Council is required to publish quarterly in relation to its spending and procurement activities in order to meet their mandatory obligations under the Local Government Transparency Code.

11.1 Expenditure exceeding £500

The Council is required to publish details of expenditure for each individual item that is greater than £500. For each item, the Local Government Transparency Code identifies the following information that must be published:

- Date the expenditure was incurred;
- Local authority department which incurred the expenditure;
- Beneficiary;
- Summary of the purpose of the expenditure;
- Amount;
- Value Added Tax that cannot be recovered, and
- Merchant category (e.g. computers, software etc).

The relevant data will be extracted from the Council finance system and published on the Council's website by the Finance team.

11.2 Government Procurement Card transactions

The Council is required to publish details of every transaction on a Government Procurement Card. For each transaction, the Local Government Transparency Code identifies the following information that must be published:

- Date of the transaction;
- Local authority department which incurred the expenditure;
- Beneficiary;
- Amount;
- Value Added Tax that cannot be recovered;
- Summary of the purpose of the expenditure; and
- Merchant category (e.g. computers, software etc)

The relevant data will be extracted from the Council's finance system and published on the Council's website by the Finance team.

11.3 Procurement Information

The Council is required to publish details of every invitation to tender concluded for contracts to provide goods and/or services with a value that exceeds £5,000. For each invitation to tender, the Local Government Transparency Code identifies the following details should be published:

- Reference number;
- Title;
- Description of the goods and/or services sought;
- Start, end and review dates, and
- Local authority department responsible.

The Local Government Transparency Code states that the Council is also required to *"publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds* $\pounds 5,000$ ". For each contract, the Local Government Transparency Code identifies the following details should be published:

- Reference number;
- Title of agreement;

- Council department responsible;
- Description of the goods and/or services being provided;
- Supplier name and details;
- Sum to be paid over the length of the contract or the estimated annual spending or budget for the contract;
- Value Added Tax that cannot be recovered;
- Start, end and review dates;
- Whether or not the contract was the result of an invitation to quote or a published invitation to tender, and
- Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

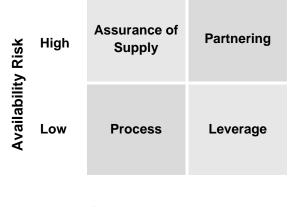
The relevant data will be published on the Council's website by the Finance team each quarter and will be extracted from the documents stored on YORtender as identified under Section <u>15</u>: Recording activity. It is therefore important that these documents are uploaded to YORtender at the earliest opportunity once the procurement process has concluded.

12. Supply-chain risk management

CDC manages supply-chain risk via the financial regulations, the standing orders and the following risk management framework.

CDC operates a supplier directory where suppliers are grouped by category and subcategory of expenditure. Each sub-category of expenditure within the directory is assessed annually by the finance team according to the principles of the supply positioning model to inform CDC as to the importance of the supplier relationship, as well as guiding the choice and longevity of contract(s) used:

The supply positioning model



Lí Relative Cost

Source: Integrated Supply Chain Toolkit, The Strategic Forum for Construction 2003

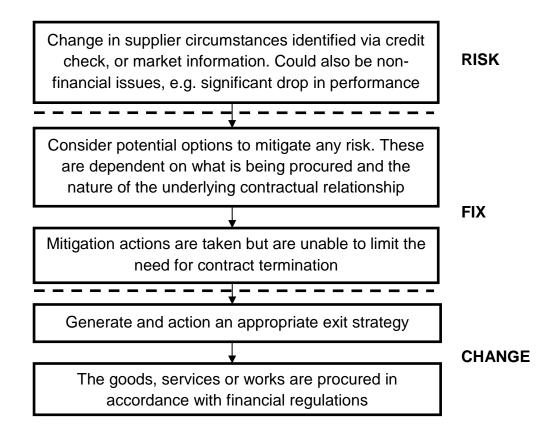
For clarity, high cost is defined as above the relevant EU threshold for a category of expenditure.

All suppliers will be positioned at a sub-category level. Suppliers within sub-categories identified as low cost/high risk and high cost/high risk for CDC will be subject to Dun & Bradstreet credit checks as appropriate. For the identified high risk sub-categories, ongoing Dun & Bradstreet monitoring reports for the suppliers within them are required. Monitoring reports will advise CDC of changes in the viability of key suppliers.

13. Managing supplier insolvency

High risk relationships require a specific form of contract. Contracts must include clauses permitting CDC to terminate the contract if the supplier becomes insolvent, performs below the standards expected or if there is any other justification for an unplanned contract termination.

In addition to contract clauses allowing contract termination, CDC operates an escalation path for suppliers when their ongoing viability becomes a potential issue and/or risk. The escalation path is as follows:



The escalation path is activated where concerns over a supplier's ongoing ability to meet the needs of a contract are identified. The escalation path should also be activated where there is significant concern over the supplier's contract performance. Escalation may ultimately result in a full exit from the contractual relationship if appropriate.

Examples of feasible mitigation options to minimise service interruption, cost implications and potentially limit the need for contract termination:

- Repackaging of programme of works (contractors)
- Increased use of alternative contractors/suppliers available to CDC when the monitoring reports indicate an increased risk
- Begin preliminary steps in re-procurement of contract if monitoring indicates an increased risk
- Identify supply-chain solutions, including framework agreements, that are available to the Council to allow an efficient changeover that minimises cost and service interruption

Examples of the different options available to limit the impact of supplier insolvency when procuring key supply-chain relationships are detailed below. This is not an

exhaustive list of the options available, but intended as a demonstration of the types of methods available to mitigate this area of risk.

13.1 Example procurement options:

- Suitable termination clauses in situations of supplier insolvency included in contract documentation
- Appropriate financial viability test (primarily a Dun & Bradstreet report) of potentially successful suppliers during a tender process and/or prior to any contract award
- Use of framework arrangements to be strongly considered for high risk activities where they meet the needs of the business and demonstrate a suitable number of available suppliers

14. Supplier performance & monitoring

The monitoring of strategic or high risk suppliers and their performance against preidentified Key Performance Indicators (KPIs) is to be undertaken by the member of staff that 'owns' the contract or supplier relationship.

The frequency and monitoring undertaken will vary depending upon the supplier and type of work. Suitable KPIs should be set on a case by case basis where the use of KPIs are deemed relevant. The Exchequer and Performance Manager can give guidance on appropriate KPIs.

15. Recording activity

It is a requirement for records of procurement activity, including quotations and tenders received to be stored securely in electronic format for all procurement exercises above \pounds 7,500. Tender submissions, quotations received, evaluation documents and any final reports detailing the selection outcome should be stored on the YORtender eTender system. The Exchequer and Performance Manager can provide advice and guidance on the use of the system if required.

All key contract documentation for each supplier also needs to be stored on YORtender to ensure accessibility of information. It is the ultimate responsibility of the end user(s) selecting and using the suppliers to ensure the necessary documents are stored and refreshed as appropriate.

The procurement and contract documentation for suppliers should be uploaded to YORtender by the staff member who was in charge of conducting the procurement activity to select the supplier(s). It is the responsibility of end-users utilising the supplier(s) to check and monitor the appropriateness of the documentation.

The required documentation varies by contract but will include as a minimum:

- Tender/quotations received from all suppliers to deliver the contract
- Evaluation models and any summaries prepared
- Signed contract documentation with successful supplier(s)
- A record of appropriate insurance certificate numbers, updated as appropriate throughout the duration of any contract
- A copy of the Dun & Bradstreet credit report with any monitoring reports that are issued where applicable

Further information may be required from contractors, such as additional health and safety information. Please refer to the CDC Health & Safety Policy, or seek guidance from CDC's Health & Safety Officer if required

16. Key contacts

Key contacts within CDC for procurement and associated matters:

Guidance on procurement:

 Rob Atkins (Exchequer and Performance Manager) 01756 706464 or <u>RAtkins@cravendc.gov.uk</u>

Guidance on health & safety:

TBC

Guidance on general legal advice and contract terms:

TBC

Guidance on financial terms:

TBC

Additional useful documents applicable to procurement:

- Procurement Strategy
- Template tender and RFQ documents
- CDC standard terms and conditions of purchase
- Financial Regulations
- Equality & Diversity Policy

- Health & Safety Policy
- Gifts & Hospitality Policy

Legislation applicable to procurement:

The relevant legislation applicable to procurement at CDC is as follows:

- Public Procurement Regulations 2015
- Local Government Act 2000
- General Data Protection Regulation
- Freedom of Information Act 2000

Officers with responsibility for procurement should make themselves aware of the main points of the above, relevant to procurement. For guidance and support please contact the legal team.



Craven District Council (CDC)

Procurement Strategy

Strategy Review Date: 1st April 2022

Procurement Strategy

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	Objectives of the strategy Structure Value for money Efficiency Quality Sustainability Equality and diversity Training and communication Compliance Integrity and probity

1. Objectives of the strategy

The procurement strategy sets out the strategic direction, priorities and key objectives Craven District Council (CDC) wish to achieve through procurement.

This document should be read in conjunction with the following CDC procurement documents for context and day to day instructions for specific procurement activity:

- Procurement Policy & Procedures
- Climate Emergency Strategic Plan

Council Constitution

Equality & Diversity Policy

- Financial Regulations
- Standing Orders

The key objectives for procurement at CDC are:-

- Value for Money and cost reductions: To reduce costs and achieve optimal value for money from procurement activity
- Efficiency: To reduce administrative waste in the procurement process through the use of modern and appropriate procurement methods
- **Contract management:** To improve contract management processes
- Social Value: To ensure the Council's objective of obtaining carbon neutrality by 2030 is reflected in its procurement processes, and procurement opportunities are suitable for participation by local/SME suppliers
- **Raising standards:** To ensure staff have sufficient skills and training to be able to undertake procurement effectively
- **Policy and regulation compliance:** To ensure procurement is aligned to CDC values and policy, and is compliant with external UK procurement legislation

To ensure this procurement strategy is effective, it must be communicated and embedded throughout CDC. It is essential that individuals with responsibility for procurement activities are familiar with the CDC procurement strategy and associated documentation.

2. Structure

Procurement decisions are currently made at departmental level to maintain flexibility and enable service delivery staff to meet the needs of CDC. This approach will continue for operational procurement. CDC will however engage specialist consultants to provide guidance and support for high value procurement processes that are subject to additional public sector procurement legislation.

Actual day-to-day transactions with CDC suppliers will continue to be undertaken by departmental end users.

Where appropriate, CDC will continue to take advantage of consortium and other collaborative procurement initiatives where such involvement improves value for money and/or minimises duplication of effort, allowing CDC resources to be released to frontline service provision.

3. Value for money

CDC will achieve good value for money by:

- benchmarking high value existing agreements against the wider market to identify if these arrangements are achieving value for money, or could benefit from reprocurement
- ensuring procurement processes are made available to an appropriate degree of competition,
- assessing all selection decisions in conditions of equal treatment, non-discrimination and with regard to whole life costs and quality.

CDC will ensure procurement decisions and activities are undertaken by suitably skilled staff. This will be achieved through staff training and the use of external expertise where necessary.

CDC will ensure a consistent standard of procurement activity across the organisation. Purchasers will follow the guidance provided in the CDC procurement policy and procedures when undertaking procurement activity.

4. Efficiency

CDC aims to improve efficiency in the procurement process by utilising e-procurement tools, such as:

- POP System Purchase Order Processing system to track orders, improve control and simplify payments to suppliers
- e-invoicing To streamline transaction processing and reduce the environmental impact of purchasing processes

• e-tendering – To reduce the administrative overheads of tender procedures.

CDC will rationalise the suppliers included in the POP system and introduce new controls on the additions of new suppliers.

CDC will continuously improve procurement through cycles of learning. Efficiency is not a single event; it requires a culture of review, challenge and adaptation to ensure optimal performance in a changing environment. CDC will regularly review procurement performance and processes in the context of the wider market to ensure that it is making the most appropriate procurement decisions.

The procurement policy and procedure document will be reviewed every 2 years to ensure compliance with best practice and external procurement legislation.

5. Quality

It is critical that CDC staff ensure contracts are effectively managed and that goods/services provided by the supplier are to the expected standard.

Contract specifications and key performance indicators (KPIs) will set out expected standards and CDC end users will measure performance throughout the contract duration to ensure the supplier/contractor adheres to these standards. Further checks such as ongoing market benchmarking and financial assessments will be conducted throughout the contract duration.

Quotation/tender documents will also be designed to ensure an appropriate cost/quality evaluation split is used, appropriate to the supplies/service/works procured. Guidance is provided in the procurement policy and procedure document on how to identify a suitable cost/quality weighting split suitable for the specific procurement exercise.

6. Sustainability

Local sustainability

CDC recognises the responsibility it has to local communities.

CDC will continue to work alongside local businesses to ensure that they are able to compete for CDC business. CDC will ensure that internal policies and procedures do not discriminate against smaller/local suppliers.

CDC will take steps to understand its local company base and increase the opportunities for Small and Medium Enterprises (SMEs) companies to bid for work with the organisation. The council will also ensure that where appropriate, contractors working for us advertise work opportunities to SME companies and/or individuals in the local area.

When procuring larger contracts, CDC will, where appropriate, seek to leverage social benefit in the form of providing apprenticeships and/or employment opportunities within the local community as part of the contract specification.

Environmental sustainability

Environmental sustainability is one of the major factors currently affecting how CDC undertakes the services it delivers to its customers, with the Council setting a goal to work towards becoming 100% carbon neutral by 2030.

To help achieve the Councils environmental objectives, CDC will consider environmental sustainability issues in its procurement processes by:

- Ensuring that environmental criteria are included in the assessment of suppliers, contractors and their products where relevant
- Ensuring the supplier is compliant with environmental legislation as part of the procurement process
- Educating our suppliers regarding CDC's environmental and sustainability objectives

7. Equality and diversity

CDC will ensure the procurement process is delivered in accordance with our equality and diversity policy, the requirements of direct or indirect legislation, including the following principles:

- There is no discrimination on the grounds of age, disability, religion or belief, ethnic origin, gender, sexuality or on any other unjustifiable grounds
- CDC require those who work with the organisation and from whom goods and services are purchased to share the CDC vision. Suppliers and contractors will be required to commit to comply with the CDC equality and diversity policy where this is compliant with procurement legislation
- The tendering process will be equal, transparent and not discriminate against any bidders

8. Training and communication

CDC will ensure the procurement strategy and policy & procedures are effectively communicated to, and understood by all relevant staff and appropriate stakeholders. Relevant information will be made available on the CDC Intranet site to allow easy access to procurement documentation.

CDC will ensure that staff with purchasing responsibility are equipped in terms of skills and resources to make procurement decisions that support and promote the CDC procurement strategy. Appropriate training will be provided to staff where required.

CDC will ensure customers involved in procurement consultation are equipped in terms of skills to make informed procurement decisions that support and promote the CDC procurement strategy. Appropriate training will be provided to customers where required.

9. Compliance

CDC will ensure all procurement activity complies with internal CDC policy requirements and with external EU and UK procurement legislation.

10. Integrity and probity

Controls within the procurement and financial processes exist to promote good practice and help the prevention of fraud. CDC requires compliance with the appropriate legal requirements and the internal controls by all staff involved with procurement or committing Council expenditure.

Involvement in procurement requires consideration of the following:

- There is a duty to behave honestly and in a trustworthy manner maintaining standards that customers are entitled to expect
- All staff have individual responsibility for safe and proper arrangements relating to spending
- All managers have a responsibility to ensure systems and appropriate training are in place to prevent fraud

CDC must be able to demonstrate a commitment to competition and market testing and must strive to demonstrate Value for Money and integrity in all procurement activities.

Any CDC staff involved in procurement processes or in the tendering of CDC contracts should act at all times according to the principles of **honesty**, **integrity**, **impartiality** and **objectivity**.

These principles will be implemented by all those involved and include;

- All procurement activity should comply with both the letter and spirit of law, CDC policy and contractual commitments
- For all procurements, the staff member responsible for conducting the procurement exercise will securely store contract files on the YORtender system, to provide a clear procurement process audit trail
- CDC staff will behave with professionalism at all times

- Ensure there is no conflict between official duties and private interests
- All suppliers, consultants and contractors will meet minimum CDC standards in respect to financial viability, health and safety, equality and diversity and carry levels of insurance suitable for the nature of the works, goods or services procured
- There should be no improper influence placed on any person involved in the procurement process to show favour (or disfavour) towards any supplier, and that impressions are not given that decisions have been influenced by a gift. At all times suppliers must be dealt with in an honest, fair and even-handed way
- Ethical conduct by all those involved in the procurement process is expected
- Information provided by suppliers should be regarded and treated as confidential at all times
- CDC staff will operate in accordance with the CDC whistle-blowing policy

<Template tender for values £50,000 to EU thresholds>

Please delete this section prior to issue.

Please Note: This document is a template and must be tailored to suit specific tenders.

All red text between <> brackets is for guidance and should be deleted and/or amended prior to issue.

For purchases above £50,000, but below the relevant EU threshold, a competitive "invitation only" tender (a tender where only suppliers invited to do so can submit a tender submission) with appropriate Price-Quality Ratio should be run. For these procurements, tender documents should be issued and submissions received via the YORtender eTender system.

For guidance on tender creation, questions and evaluation criteria please contact the Exchequer and Performance Manager; contact details are provided below:

Rob Atkins - 01756 706464 RAtkins@cravendc.gov.uk

This document contains all the necessary section headings and base questions that should be asked. It is split into two sections:

- Information for Bidders: Information about the process, including evaluation criteria and terms and conditions of the tender itself
- Tender questions: The sections and questions that require responses from bidders>

1

Invitation to Tender

Craven District Council (CDC) <Tender title>

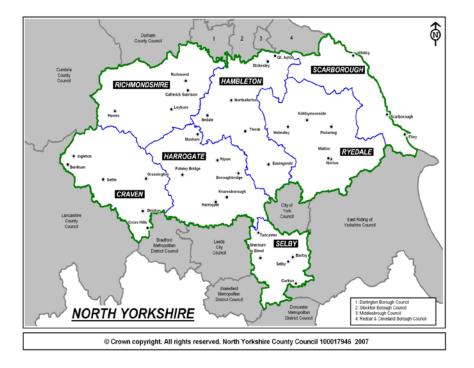
INFORMATION FOR BIDDERS:

ORGANISATION BACKGROUND

<Please update or insert any other CDC background information relevant to the tender here>

Craven District covers 450 square miles extending north from a boundary near Skipton, with West Yorkshire to the south east, Lancashire to the west and Cumbria to the northwest. It has a population of 53,600. A large proportion of the district is predominantly rural with small village settlements.

Craven District Council (CDC) is based at Belle Vue Square, Skipton and is responsible for a number of key services to the community including Planning, Environmental Health and Waste Management and Leisure Services.



Further information about the Council is available on our website www.cravendc.gov.uk.

TENDER INFORMATION

<Please insert tender information here, including:

- Potential value
- The envisaged geographical coverage
- Length of contract or framework including options to extend
- Detail of any lots and whether bidding companies can bid on one or more lots
- Envisaged numbers of suppliers/contractors to be awarded the contract
- Proposed form of contract (e.g. CDC standard T&C's, Term Partnering Contract (TPC), Joint Contracts Tribunal (JCT)) if applicable. If not an industry standard contract that is widely available for viewing by all bidders, the contract terms should be provided as a seperate document, within the supporting information zip folder

Also include some brief information relating to specification of requirement i.e. 24 hour service required. A full specification of the requirement can be included later as a separate document in the supporting information section if required.

The following text is standard text which must be used for all tenders. It should not require amendment, if you have any queries please liaise with the Exchequer and Performance Manager>

The contract will be available to the following, such that each of the following will be entitled to purchase goods/services from the successful bidder at the discretion of CDC:

- 1. CDC and all subsidiary undertakings of CDC both current and future
- 2. All parts of any current or future group structure of which CDC is, or may become, a part
- 3. Any entities which fall into either of the following categories and which are permitted by CDC to make particular purchases under the contract from time to time: (a) any joint venture entities (whether companies, limited liability partnerships or otherwise) in which CDC or any subsidiary undertakings of CDC participates from time to time (whether

as a shareholder, member or otherwise), (b) other contracting authorities including Local Authorities across the UK.

TERMS & CONDITIONS OF TENDER

<Revise as appropriate to the procurement. This is the opportunity to put in place some overarching terms and conditions relating to the tender process and/or the form of contract being implemented.>

Please see below for the terms and conditions of this tender. Through submitting a bid on this tender you are committing to meet and abide by these terms and conditions:

- 1. Tenders submitted are to remain open for acceptance without variation for 3 months from the tender deadline date
- In accordance with regulation 113 (2) of the Public Contracts Regulations 2015 #102 any payment due from the contracting authority to the <supplier/contractor> under a contract is to be made no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed;
 - Any invoices for payment submitted by the supplier are considered and verified by the contracting authority in a timely fashion and that undue delay in doing so is not to be sufficient justification for failing to regard an invoice as valid and undisputed;
- Any subcontract awarded by the <supplier/contractor> should contain suitable provisions to impose point 2 above, similarly in turn any subcontract awarded by a subcontractor should also contain suitable provisions to impose point 2 above;
- Any tendered rates will be reviewed on an annual basis, with terms capped to increase no more than CPI at the discretion of CDC
 - a. CPI means the Consumer Price Index as published by the Office for National Statistics, Consumer Prices and General Inflation Division, or if such publication is discontinued then whatever relevant document succeeds it.
 - b. Any adjustment to the rates stated in the tender submission for subsequent years of this Agreement shall be agreed in writing by the parties and if agreed shall be calculated by application of the movement of all the all items column of the CPI.

- c. The maximum movement to be applied to the rates shall be calculated on the basis of the increase/decrease between the index published in the full month preceding each anniversary date of any Agreement resultant from this tender and the base index with such difference being expressed as a percentage of the base index.
- 5. By submitting a tender the bidder agrees to provide a safe and healthy work environment for all employees, residents and others who may be affected by their works and further agrees to comply with all health and safety legal requirements and HSE guidance.

<When tendering for contractors, more comprehensive Health & Safety requirements may be needed. Always liaise with the CDC Health & Safety Officer to ensure the necessary detail is covered.>

ANTI-BRIBERY AND CORRUPTION

<These are essential terms and conditions of tender and must remain.>

As a Local Authority, CDC has a policy to conduct all of its business in an honest and ethical manner. There is a zero-tolerance approach to bribery and corruption and CDC is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever CDC operates and through implementing and enforcing effective systems to counter bribery.

In dealings with third parties it is unacceptable for anyone connected with CDC to:

- 1. Give, promise to give or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- Give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure (i.e. an action which would in any event have to be carried out)
- Accept payment from a third party where it is known or suspected is offered with the expectation that it will obtain a business advantage for them
- 4. Accept a gift or hospitality from that third party if it is known or suspected that it is offered or provided with an expectation that a business advantage will be provided by the company in return

- 5. Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under the bribery policy; or
- 6. Engage in any activity that might lead to a breach of the bribery policy

DATA PROTECTION ACT COMPLIANCE

Where the processing of personal data is required under the envisaged contract, the successful bidder must comply with the General Data Protections Regulations (GDPR) and all applicable law concerning the processing of personal data and privacy.

By submitting a tender you confirm your understanding and compliance with all data protection terms and conditions contained in the form of contract that will form the contractual agreement between CDC and the successful bidder(s)

The CDC Privacy Notice can be found via: https://www.cravendc.gov.uk/privacy/

CONFIDENTIALITY

<Standard terms and conditions that do not require alteration>

Subject to the exceptions referred to in paragraph B below, the contents of this ITT are being made available by CDC on condition that:

- Bidders shall at all times treat the contents of the ITT and any other documents or information made available by CDC from time to time in connection with the procurement process envisaged by this ITT (together called the Information) as confidential, save in so far as they are already in the public domain;
 - a. Bidders shall not disclose, copy, reproduce, distribute or pass any of the Information to any other person at any time or allow any of these things to happen;
 - Bidders shall not use any of the Information for any purpose other than for the purposes of submitting (or deciding whether to submit) a tender in response to this ITT; and
 - c. Bidders shall not undertake any publicity activity within any section of the media in connection with this ITT.

Commented [MB1]: Please review to ensure this is the correct link.

Please provide an alternative link if this requires updating

- Bidders may disclose, distribute or pass any of the Information to their advisers, sub-contractors or to another person provided that either:
 - a. this is done for the sole purpose of enabling a bid to be considered or submitted in response to this ITT and the person receiving the Information undertakes in writing to keep the Information confidential on the same terms as if that person were the tenderer; or
 - b. the bidder obtains the prior written consent of CDC in relation to such disclosure, distribution or passing of Information; or
 - c. the disclosure is made for the sole purpose of obtaining legal advice from external lawyers in relation to this ITT or to the contract agreement arising from it; or
 - d. the bidder is legally required to make such a disclosure.

The definition of 'person' above includes but is not limited to any person, firm, body or association, corporate or incorporate.

CDC may disclose detailed information relating to bidders to its officers, employees, agents or advisers and CDC may make any of the tender submissions available for private inspection by its officers, employees, agents or advisers. CDC also reserves the right to disclose to other bidders any query received from any bidder from time to time in connection with this Tender.

DISCLOSURE OF INFORMATION UNDER THE FREEDOM OF INFORMATION ACT 2000

The Freedom of Information Act 2000 (FOIA) gives a right of access by any person (including companies) to information held by CDC, which could include information relating to or submitted as part of a tendering process. Certain information may be exempt on the grounds of confidentiality or commercial sensitivity.

The Council encourages all Tenderers to visit the Information Commissioners website at <u>www.informationcommissioner.gov.uk</u> for further information on the FOIA and its effect on public authorities, suppliers and service providers in relation to the disclosure of information in respect of public sector tendering and contracts and specifically to access Awareness Guidance Document No. 2 (Confidential Information) and Awareness Guidance Document No. 5 (Commercial Interests) on the application of the exemptions from disclosure under the FOIA.

Tenderers should indicate, by way of completing the Freedom of Information Schedule inlcuded with this tender, with supporting reasons, the parts of their tender submission and contract which the Tenderer considers is commercially sensitive under Section 43 of the FOIA and/or confidential under Section 41 of the FOIA should a Freedom of Information (FOI) request be received by the Council. Tenderers are required to complete all sections of the Freedom of Information Schedule and return it with your Tender bid.

CDC, in order to preserve the integrity of the tendering process and to respect the commercial and competitive positions of Tenderers, will endeavour to treat details of tenders marked as confidential and commercially sensitive at least until the contract has been awarded to the successful service provider / supplier. In the event that the CDC receives an FOI request following the contract award stage of a tendering process and CDC considers that on the merits and in the light of relevant circumstances that any of the information is not covered by an exemption, then CDC, following consultation with the Tenderer, shall be entitled to refer the matter for determination by the Information Commissioner prior to any disclosure.

CDC, apart from complying with its legal obligations in relation to disclosure of information as part of the tender debriefing process, will where contracts are awarded on the basis of the most economically advantageous basis tender provide an objective assessment of the comparative strengths and weaknesses having due regard to commercial sensitivity without compromising the rights and competitive position of Tenderers.

HEALTH AND SAFETY

The bidder shall at all times comply with:

- 1. all relevant Health and Safety Acts, Health and Safety Regulations and
- Codes of Practice that are approved by the Health and Safety Commission;
- 3. all relevant and appropriate guidance and good working practices, as
- 4. published or accepted by the Health and Safety Executive,
- 5. professional/trade bodies or other similar organisation;
- 6. His/her own Health and Safety Policy, health and safety system and procedures.
- 7. Any Conditions stipulated by CDC. Such Conditions will override
- 8. details contained in the bidder's internal documentation and will

- ensure that health and safety standards will be maintained or improved;
- 10. Any requests for the provision of health and safety documentation.

Where an employee of the bidder is involved in an accident, or near miss when carrying out the duties within the contract, the bidder must undertake an investigation into this. All paperwork relating to any accidents or near misses must be made available to CDC on request. This will include any RIDDOR reports.

INSTRUCTIONS TO BIDDERS

<The following text is standard text which must be used for all tenders. It stipulates some terms and conditions bidders need to be aware of. It should not require amendment, if you have any queries please liaise with the Exchequer and Performance Manager.>

Tenders must be submitted in accordance with the following instructions. Tenders which do not comply with these instructions may be rejected by CDC, whose decision shall be final.

It is important to fully and accurately as possible answer all tender questions, indicating where there may be uncertainty and provide supporting documentation where applicable. All questions are to be answered even if the response is 'no', 'not relevant' or "N/A".

Answers/statements should be kept to a reasonable length. Word, page and file size limits should be seen as a maximum, not a target. CDC will not mark down a response that answers the question because is shorter than the maximum limits stated. If a question has been allocated a word limit, it is important to note that this relates to the entire response, and any additional documents provided contribute towards this word limit unless otherwise stated. Answers exceeding stated word, page or file size limits may be deemed to be non-compliant bids, and may be rejected at the discretion of CDC.

Unless specifically asked for, please do not use excerpts from existing policy documentation as generic responses may not answer the question sufficiently. General marketing or promotional literature, including links to websites, should not be included either in response to any specific question or for any other reason unless requested. Diagrams and charts should also not be included unless requested. Any such information included will be discarded.

Failure to complete the tender in full or to provide any documentation requested may result in your application being rejected at the sole discretion of CDC.

The submission of erroneous and/or false information as part of your tender submission may result in your bid being rejected at the sole discretion of CDC.

It is the bidder's responsibility to ensure all documents required are submitted before the deadline. Neither the client, nor its agents, accepts any liability for incomplete submissions.

CDC and its partners reserve the right to require organisations to clarify and expand their answers included in this tender. Any such requests will be made in writing to the principal contact identified in the response.

At the time of tender (all stages) all bidders will be deemed to have satisfied themselves as to the scope and content of the work required, as defined in the tender documentation and specifications.

CDC, its subsidiaries and partners take no responsibility for errors and/or inaccuracies in the information/data provided as part of this tender (all stages). It is the responsibility of the bidder to raise any and all queries relating to the provided information at the time of tender (all stages).

CDC reserves the right at any time to:

- a. waive any requirements of this ITT;
- b. disqualify any bidder that does not submit a compliant response to this ITT, including any bidder that fails to comply with any instructions or other requirements specified in this ITT or in any amended/supplemental document issued by CDC from time to time;
- c. make whatever changes it sees fit to the procurement process envisaged by this ITT (including, but not limited to, changes to the timetable, evaluation requirements and/or the content of the required form of contract and/or framework agreement/call- off contract); and/or
- d. choose not to award enter into any contract or framework agreement as a result of the procurement process envisaged by this ITT or choose otherwise to discontinue this process at any time.

Please note: for ease of reference, the expressions, "tenderer", "bidder", "company", <contractor/supplier> and "organisation" are used in a number of places in this ITT to

refer to the bidder organisation in respect of which information is being requested. Unless the context otherwise requires, references in this ITT to "tenderer", "bidder", "company", <contractor/supplier> and "organisation" should therefore be treated as referring to whichever legal entity will be bidding to participate in the contract(s) envisaged by this ITT (whether a limited company, sole trader, partnership, limited liability partnership or otherwise).

CDC is not bound to accept the lowest or any submission and reserves the right to accept any submission, either in whole or in part or parts. Nothing in this document shall require CDC to award a contract.

IT IS STRONGLY RECOMMENDED THAT BIDDERS DO NOT LEAVE SUBMISSION TO THE LAST MINUTE. NEITHER CDC NOR ITS AGENTS WILL BE HELD LIABLE FOR FAILURES TO SUBMIT DUE TO TECHNICAL ISSUES REPORTED LESS THAN 48 HOURS BEFORE THE DEADLINE.

TENDER TIMETABLE

Please see below for the estimated timetable for this tender, please note this is for information only and may be subject to change.

<Amend as appropriate; remember to include timings for any interviews or supplier days that are part of the process>

Tender Stage	Dates
Invitation to Tender Issued	<insert date=""></insert>
Deadline for Tender Queries	5:00 PM, <insert date=""></insert>
Deadline for Tender Submissions	12:00 noon, <insert date=""></insert>
Interviews (if being held)	<insert date=""></insert>
Tender evaluation period	<insert date=""></insert>
Award	<insert date=""></insert>

CONTACT DETAILS AND ITT SUBMISSIONS

ITT submissions are to be received no later than 12:00 noon, <<u>Insert date</u>>. Submissions are to be completed and submitted through the YORtender portal, <u>only</u>.

The file format of any documents should remain in the original software versions provided, e.g. the cost submission document should remain in Microsoft Excel format if provided in Excel. Submissions may include additional files/documents when requested. Submissions failing to comply with these requirements may be rejected for non-compliance.

Any queries relating to this tender must be submitted via the YORtender portal <u>only</u>, by 5:00 PM, <<u>Insert date</u>>. Queries received after this date will not be accepted and will not be responded to. No approach of any kind in connection with this tender should be made to any other person within, or associated with, CDC.

Queries in relation to the use of the online tender system should be directed to the YORtender support desk by clicking Help at the top of the page.

If any question or request for clarification is considered to be of material significance, both the question and the response will be issued for review by all potential providers in a suitably anonymous form. All communication received from potential providers will be treated in strict confidence, but is subject to this paragraph.

EVALUATION CRITERIA

Tender Clarifications: Pass/Fail

This section is evaluated pass/fail; bidders must confirm having read and understood the clarifications to pass. Bidders that respond "No" to this question will have their submission rejected.

Supporting Information: Pass/Fail

This section is evaluated pass/fail; bidders must confirm having read, understood and agreed to the information to pass. Bidders that respond "No" to this question will have their submission rejected.

Company Details: Information Only

This section is for information only and will not be evaluated. Bidders may however have their submission rejected if they submit incomplete, erroneous or false information.

Finance and Compliance: Pass/Fail

Financial standing: The Council reserves the right to carry out a Dun and Bradstreet credit check (or similar check) on bidders to determine the financial standing of the bidder. If the information provided by a bidder as part of their tender submission and/or the results of a credit check indicate that, in the opinion of CDC, the bidder lacks sufficient economic and financial standing to meet the requirements envisaged by the proposed contract(s), the bid may be rejected at the discretion of CDC, subject to further investigations. Further financial information may be requested to support these investigations. The Council reserves the right to request further information as necessary to ensure the financial viability of your company.

- Conflicts of interest: Declarations relating to conflicts of interest will be investigated and reviewed. Such a declaration does not equate to an automatic fail.
- Modern Slavery Act: Bidders must confirm they comply with the Modern Slavery Act 2015 or select N/A if the organisation has a global turnover less than £36 million in order to pass.
- Insurance levels: Failure to be able to meet the required insurance levels will result in a rejected submission. Bidders without the minimum required insurance levels are required to obtain the necessary insurances prior to contract commencement. Organisations that do not commit to obtaining the necessary insurance levels will be failed. The minimum required insurance level for this tender is <Insert relevant insurance requirements here e.g. £5 million each for Public Liability and Employers Liability>.
- Freedom of Information Act: This question is for information only, however a bidder may have their submission rejected if they fail to submit a completed Freedom of Information Schedule.

Health & Safety: Pass/Fail

- Health and Safety Policy: Bidders must confirm they have a written Health and Safety Policy that complies with current legislative requirements in order to pass. This does not apply for organisations with less than 5 employees.
- Enforcement/remedial orders: Answering yes does not mean an automatic fail. Bidders will be failed if there is a pattern of issues relative to the size of the business, or the bidder fails to demonstrate to the authority's satisfaction that appropriate remedial action has been taken to prevent future occurrences or breaches.

Environmental: Pass/Fail

- Environmental prosecutions, improvement or prohibition notices: Answering yes does not mean an automatic fail. Submissions will be rejected if there is a pattern of issues relative to the size of the business, and the explanation is unsatisfactory.
- Carbon reduction: This question is for information only and will not be evaluated. Bidders may however have their submission failed should they fail to complete the question.

Equality & Diversity: Pass/Fail

- Equality & Diversity Policy: Bidders must confirm they have an Equality & Diversity Policy, or are willing to operate in line with CDC's Equality & Diversity policy if the organisation does not have its own policy in order to pass.
- Unlawful discrimination: Providing information relating to any findings of unlawful discrimination does not automatically mean a submission will be excluded. Bidders, however, will be failed if there is a pattern of issues relative to the size of the business, and the explanation is unsatisfactory

General Data Protection Regulation (GDPR): Pass/Fail

- Confirmation of suitable resources: Bidders must respond "Yes" to pass. Bidders answering "No" to this question will have their submission rejected.
- Details of technical facilities and measures: Bidders must provide details of the technical facilities and measures (including systems and processes) they have in place, or will have in place by contract award, to ensure compliance with the GDPR and to ensure the protection of the rights of data subjects in order to pass. Your submission may be rejected at CDC's discretion if CDC deems that the response provided does not demonstrate that sufficient technical facilities and measures will be in place by contract award to ensure compliance with the GDPR and to ensure the protection of the rights of data subjects.

Contract Specific Questions: <WEIGHTING>

Written answers will be scored out of 10, with marks awarded by the evaluating panel up to a maximum of 10 based on how well the relevant response answers the question, in particular in terms of the quality, completeness and relevance of the response. The relevant weighting will then be applied to each response and the total for each bidder compiled.

ADD HERE AS NECESSARY>

Cost submission: <WEIGHTING>

<Update text if costs not requested in Excel format, or if alternative scoring method is used>

Failure to complete all relevant cells within the cost submission may lead to your submission being failed for non-compliance with the tender requirements.

Marks will be awarded proportionately compared to the lowest received bid, with the lowest cost submission receiving maximum marks in this section. Scores received by companies for higher cost submissions will be reduced by their % difference to the lowest submission.

For each lot the cost submission score is calculated as follows:

Bidder submission = (A)

Lowest received submission = (B) (the client reserves the right to challenge abnormally low bids).

(A) - (B) = difference against lowest bid (C).

(C) / (B) = difference to lowest bid (D) expressed as a percentage (%).

This % difference (D) is then subtracted from the maximum potential cost score (XX%) to give the actual cost submission score for the relevant lot.

Where the difference compared to the lowest legitimate score is more than the maximum potential cost score available (XX%), the actual score will 'flat line' at a zero score i.e. bidders cannot score negative marks.

CDC reserves the right to challenge and clarify any bid that is deemed to be abnormally low. In the event that an abnormally low bid cannot be explained to the satisfaction of the evaluating team, CDC reserves the right to reject the bid.

Form of Tender: Pass/Fail

- Declaration of Non-Collusion: Bidders must confirm they agree to the terms included in the supporting tender document titled "CDC Declaration of Non-Collusion", by submitting a fully completed version of the document in order to pass.
- Form of Tender: Bidders must confirm they agree to the terms included in the supporting tender document titled "CDC Form of Tender", by submitting a fully completed version of the document in order to pass.

TENDER:

1. TENDER CLARIFICATIONS

This section is evaluated on a pass/fail basis

<Ensure a supporting tender clarification document is inlcuded with the tender. This is a document that can be updated throughout the tender process with any questions raised by bidders and the responses provided by CDC>

1.1. Have you read and understood the tender clarifications (if any) to be found in the downloadable document titled: "Tender Clarifications"? This document may be amended throughout the tender process in response to bidder queries – remember to check frequently and immediately prior to submission.

Yes	
No	

2. SUPPORTING INFORMATION

This section is evaluated on a pass/fail basis

<A zip. folder can be included with the tender to include any supporting documents. This section can contain any documentation, spreadsheets or general data you wish to provide to bidders.

Ensure this folder includes the CDC Declaration of Non-Collusion, CDC Form of Tender and Freedom of Information schedule documents>

2.1. Have you read and understood the information to be found in the zip folder provided titled: "Supporting Information"?

Yes	
No	

3. COMPANY DETAILS

This section is for information only

<These are the minimum required company detail questions: Additional questions can be added if necessary, but this section is for information only>

This section is for information purposes only, however your company registration number may be used as part of a credit check. CDC reserves the right to conduct credit checks and/or other financial investigations to assess the economic and financial standing of bidders.

3.1. Please complete the table below with your company information.

Question	Response
Company name	
Name of individual completing this form	
Position in company	
Telephone number	
Email address	
Date firm commenced	
Address	
Website address	
Number of employees (FTE)	
Company registration number	

3.2. Please state if your organisation is a sole trader, partnership, private limited company, public limited company or other.

Sole trader	
Partnership (LLP)	
Private limited company (LTD)	
Public limited company (PLC)	
Other	

3.3. For monitoring purposes only: Please select all of the following that apply to your company (SME definition from the European Commission: <u>http://ec.europa.eu/growth/smes/business-friendly-</u> environment/sme-definition/index_en.htm)

Micro Business (< 10 staff and turnover < 2m Euros)	
Small business (< 50 staff and turnover < 10m Euros)	
Medium business (< 250 staff and turnover < 50m Euros)	
Large business (> 250 staff or turnover > 50m Euros)	
Voluntary, community and social enterprise (VCSE)	
Office or base within North Yorkshire	

- 3.4. If you are a subsidiary of another company/group please also provide details of your ultimate parent below. If not part of a group please state N/A.
- 3.5. If you are a consortium bid (i.e. a group of contractors bidding together) please also provide details of your partner(s) below, indicating which

company will act as the lead contractor. If not part of a Consortium please state $\ensuremath{\mathsf{N}}\xspace{\mathsf{A}}\xspace{\mathsf{A}}$

4. FINANCE & COMPLIANCE

This section is evaluated on a pass/fail basis.

<These are the minimum financial assessment questions to be raised but can be added to as appropriate>

4.1. Financial Standing: Please state your turnover and pre-tax net profit figures for the past 3 years in the table below (£).

Year – Date of Accounts	Turnover	Profit

4.2. Conflicts of interest: CDC are required to ensure that measures are in place so that our board members and employees show high standards of probity and do not abuse their position.

Our policies do not allow a payment or grant of benefit to individuals who have been a board member or employee of the Association or any subsidiary, at any time within the last 12 months, or to close relatives of such a person, unless the payment or grant of benefit is within specific exemptions. Where exemptions apply, the payment or grant of benefit will not be made unless prior agreement has been given from those with delegated authority.

If you are a current or former board member or employee of CDC, or are related to a current or former board member or employee please provide details in the space below. Where this does not apply to you please state "N/A".

4.3. Modern Slavery Act: Does your company comply with the Modern Slavery Act 2015?

Yes, we comply with the Modern Slavery Act No, we do not comply with the Modern Slavery Act N/A (Organisations with a global turnover < £36 million)

4.4. Insurance Levels: CDC requires the following levels of insurance cover as a minimum prior to the issue of any contracts:

<Update with the required insurance levels. Not all types of insurance will be required for all procurements. Insurance levels and types requested should be appropriate to the nature and scale of the contract. Where professional advice is being sought, ensure bidders have sufficient professional indemnity cover. It is a legal requirement for suppliers to hold minimum employers liability insurance cover of £5 million>

- Public Liability insurance: <Insert value>
- Employers Liability insurance: <Insert value>
- Product Liability insurance: <Insert value>
- Professional Liability insurance: <Insert value>
- <Remove/add insurance types as appropriate to contract>

The successful bidders, if not currently holding this level of cover, will be required to purchase insurance to this level, at the service providers cost, prior to contract commencement. A copy of your insurance certificate(s) will be required as evidence of adequate cover prior to the award of contract. Please confirm your ability to meet this requirement.

Yes, I/We confirm to meet this requirement No, I/We will not meet this requirement

4.5. Freedom of Information Act: CDC is subject to the Freedom of Information Act 2000 (FOIA). Under the FOIA, CDC may need to disclose information submitted by bidders as part of this tender to anybody that requests the information.

Please complete the schedule inlcuded in the Supporting Information folder titled "Freedom of Information Schedule", highlighting any information the bidder considers to be confidential/commercially sensitive under the FOIA. Please upload a completed version of this document back to the YORtender portal.

> CDC will attempt to inform the bidder if a FOIA request is made concerning data submitted by the bidder and consider any comments regarding the confidentiality/commercially sensitive nature included in the completed Freedom of Information Schedule. It will however be at the discretion of CDC as to whether the information identified is confidential/commercially sensitive and excempt from the FOIA, or will be provided in response to a FOIA request.

> The decision made by CDC as to whether to disclose the information or not will be in line with the requirements of the FOIA. CDC is only able to withhold information in response to an information request if it is excempt from disclosure under the FOIA.

> By submitting a response to this tender, you are confirming your acceptance to the above.

Yes, we have included a completed FOI Schedule No, we have not included a completed FOI Schedule

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5. HEALTH & SAFETY

This section is evaluated on a pass/fail basis.

<Below are sample health & safety questions that can be raised if relevant for the procurement activity. For more complex procurements involving contractors, additional health & safety criteria may be necessary. In these circumstances please liaise with CDC Health & Safety Officer>

5.1. Health and Safety Policy: Please confirm that your organisation has a Health and Safety Policy that complies with current legislative requirements. Please note that organisations with less than 5 staff do not require a written H&S policy.

Yes, we have a written Health and Safety policy
No, we do not have a written Health and Safety policy
N/A (Organisations with less than 5 staff)

5.2. Enforcement/remedial orders: Has your organisation or any of its Directors or Executive Officers been in receipt of enforcement/remedial orders in relation to the Health and Safety Executive (or equivalent body) in the last 3 years? Please respond "Yes" or "No" in the space below.

If your answer to this question was "Yes", please also provide details in the space below of any enforcement/remedial orders served and give

details of any remedial action or changes to procedures you have made as a result.

The authority will exclude bidder(s) that have been in receipt of enforcement/remedial action orders unless the bidder(s) can demonstrate to the authority's satisfaction that appropriate remedial action has been taken to prevent future occurrences or breaches.

6. ENVIRONMENTAL

This section is evaluated on a pass/fail basis. <This is the minimum required environmental question for relevant procurement activities. Additional questions can be included if appropriate>

6.1. Environmental prosecution, improvement or prohibition notices: Please detail any environmental prosecutions, improvement or prohibition notices served on your firm in the last three years and the actions taken in response. If none please state 'N/A'

Providing information relating to any prosecutions, improvement or prohibition notices does not automatically mean a submission will be excluded. Bidders, however, will be failed if there is a pattern of issues relative to the size of the business, and the explanation is not satisfactory.

6.2. Carbon reduction: CDC aims to be 100% carbon neutral by 2030. It is important that the suppliers CDC engages with are working towards reducing carbon in order to help the council achieve this goal.

Please describe any processes and policies your company has implemented in order to help reduce carbon production. Within your response, please also quantify any achievements you have already accomplished towards reducing carbon.

<This question should only be included if appropriate to the contract tendered>

7. EQUALITY & DIVERSITY

This section is evaluated on a pass/fail basis.

<These are the minimum required Equality & Diversity questions and are not to be removed>

7.1. Equality & Diversity Policy: Do you have an equality and diversity policy? If not, are you willing to operate in line with CDC's equality and diversity policy? Please select the answer which applies.

(CDC reserve the right to request copies of policy documentation at any point during this tender process, or during any resulting agreement).

Yes, we have an E&D policy which can be provided on request No, we do not have an E&D policy but will work in line with CDC's No, we do not have a policy and will not work in line with CDC's

7.2. Unlawful discrimination: Please provide details of any findings of unlawful discrimination made against your organisation, whether by any court or and/or employment tribunal in the last three years. If none, please state 'N/A'.

8. GENERAL DATA PROTECTION REGULATION (GDPR)

This section is evaluated on a pass/fail basis.

<These are the minimum required data protection questions and are not to be removed. Where the processing of data is deemed to be high risk, please contact the legal team to discuss further due diligence checks that may be required.>

8.1. Confirmation of suitable resources: Please confirm that you have in place, or that you will have in place by contract award, the human and technical resources to perform the contract to ensure compliance with the General Data Protection Regulation and to ensure the protection of the rights of data subjects.

Yes	
No	

8.2. Details of technical facilities and measures: Please provide details of the technical facilities and measures (including systems and processes) you have in place, or will have in place by contract award, to ensure

> compliance with the General Data Protection Regulation and to ensure the protection of the rights of data subjects. Your response should include, but should not be limited to facilities and measures:

- to ensure ongoing confidentiality, integrity, availability and resilience of processing systems and services;
- to comply with the rights of data subjects in respect of receiving privacy information, and access, rectification, deletion and portability of personal data;
- to ensure that any consent based processing meets standards of active, informed consent, and that such consents are recorded and auditable;
- to ensure legal safeguards are in place to legitimise transfers of personal data outside the EU (if such transfers will take place);
- to maintain records of personal data processing activities; and
- to regularly test, assess and evaluate the effectiveness of the above measures.

9. QUALITATIVE QUESTIONS

This section is weighted and scored.

<This section may not be necessary on a lowest cost tender.

Questions relating to experience, technical capability, capacity and contract specific quality issues can be raised in this section if appropriate. Insert the questions here.

Questions can include requests for references and case studies; however consider the organisations bidding and the size of organisation you wish to encourage to participate. Smaller, local businesses may struggle to provide a significant number of relevant references or case studies as they have fewer customers and may be reliant upon one or two, including CDC.

Always consider whether the question raised is appropriate to the nature of the procurement activity being undertaken.

For questions requiring a written response, word limits are recommended; approximately 500 words equates to a single side of A4.

Avoid excessive numbers of questions; a high number of questions create additional workload for bidders and CDC staff evaluating the submissions. For more guidance please discuss with the Exchequer and Performance Manager >

10. COST SUBMISSION

This section is weighted and scored.

<Insert cost/price question here

Cost submissions can be in a variety of formats as required by CDC. If a spreadsheet price submission is required, this can be included as a separate tender document for bidders to complete>

11. FORM OF TENDER

This section is evaluated on a pass/fail basis.

<CDC Tenders should always carry a form of tender stating conditions of submission>

11.1. Declaration of Non-Collusion: Please download, complete and upload a completed version of the document titled "CDC Declaration of Non-Collusion", included within the supporting information zip folder

Yes, a completed Declaration of Non-Collusion is included No, a completed Declaration of Non-Collusion is not included

11.2. Form of Tender: Please download, complete and upload a completed version of the document titled "CDC Form of Tender", included within the supporting information zip folder

Yes, a completed Form of Tender is included
No, a completed Form of Tender is not included

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Commented [MB2]: Include CDC signed FOT

Form of Tender: CDC – <enter contract name>

The Tenderer in submitting the Tender hereby undertakes that in the event of his/her Tender being accepted by CDC he/she will provide the services detailed in the attached tender documentation and will within fourteen days of being called upon to do so execute a formal agreement embodying all requirements identified in the suite of documents provided as part of this tender.

Failure by the successful contractor to execute a formal agreement within the time specified will render the agreement voidable at the option of CDC at any time by notice in writing.

I/We the undersigned hereby offer to provide the services described or referred to in the attached tender documentation at the costs specified in the Cost Submission, exclusive of value added tax (VAT), as submitted as part of our tender submission.

I/We hereby certify and declare that I/We have taken out such Policies of Insurance as I/We are required to do by the terms of the Contract relating to the above mentioned work.

I/We undertake that all elements of this tender shall from the date of its opening not be withdrawn or modified for and during the period of three calendar months in respect of the said requirement.

I/We understand that CDC accepts no liability as to the actual amount of work included within this contract.

I/We confirm that in preparation and submission of this tender, I/We have observed and accepted the above conditions and complied with all requirements and instructions provided in the full suite of documents provided as part of the tender process

Signed			Date		
Name (Block	Capitals)			Designation	
For and on be	half of				
Registered Of	fice Addre	SS			
Contact detail	s: Te	el			

DECLARATION OF NON-COLLUSIVE TENDERING: CDC - <enter contract

name>

In recognition of the principle that the essence of selective tendering is that CDC shall receive bona fide competitive tenders from all those tendering

I/WE CERTIFY THAT:

- 1 The tender submitted herewith is a bona fide tender, intended to be competitive.
- 2 I/We have not fixed or adjusted the amount of the tender under or in accordance with any agreement or arrangement with any other person.
- 3 I/We have not done, and undertake that we will not do at any time before the hour specified for the return of the tender, any of the following acts:
 - (a) communicating with a person other than the person calling for this tender the amount or approximate amount of the proposed tender (except where the disclosure, in confidence, of the approximate amount of the tender was essential to obtain insurance premium quotations required for the preparation of the tender);
 - (b) entering into any agreement with any other person that he/she shall refrain from Tendering or as to the amount of any tender to be submitted; and
 - (c) offering, paying, giving or agreeing to give any sum of money or valuable consideration directly or indirectly to any person for doing, having done, causing or having caused to be done in relation to any other tender or proposed tender any act or thing of the sort described above.

Signed (Tenderers signature):

Name (Print Tenderers Name):

For and on behalf of:

Date:

In this declaration:

- 1 'person' indicates any person, body, or association corporate or incorporate.
- 2 'any agreement or arrangements' includes any transaction of the sort described above, formal or informal and whether legally binding or not.

FREEDOM OF INFORMATION SCHEDULE: CDC – <enter contract name>

	INFORMATION SUBMITTED AND CONSIDERED BY THE TENDERER AS CONFIDENTIAL/ COMMERCIALLY SENSITIVE UNDER FOI ACT 2000
1. Document submitted	
 Section/paragraph of document 	
3. Specify the Information/wording considered to be confidential/ commercially sensitive	
 Reasons/ justifications for Information being confidential/ commercially sensitive 	
5. Timescale which information under (3) shall be confidential	
 Specify Exemption Confidential or Commercially Sensitive 	