

Police Service of Northern Ireland

ABSTRACT – This Policy is aimed at Departments, Regions, Districts and Branches who have procurement requirements

HQ Ref: PROC/PD/2004

PD 08/04

POLICY DIRECTIVE

PROCUREMENT WITHIN PSNI (THE POLICE SERVICE)

1. POLICY IDENTIFICATION

POLICY TITLE: Procurement Within The Police Service

POLICY OWNERSHIP:

DEPARTMENT	Finance and Support Services
BRANCH	Procurement and Logistic Services
AUTHOR	

POLICY APPROVED BY:

CCF REF/OTHER	Chief Constable's Forum - Ref: 98/04
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2. POLICY STATEMENTS

- (1) The Policy will establish effective planning, tendering and contracting for procurement of goods, works and services. Adherence will lead to improved accountability and performance for procurement within the Police Service. Ensuring the Police Service carry out fully defensible procurement to safeguard the reputation of the Police Service.
- (2) Procurement should be based on value for money. Goods, works and services should be acquired by competition, unless there are convincing reasons to the contrary.
- (3) The guiding principles of the Police Services's Procurement Policy are:
 - (a) Fairness & Transparency;
 - (b) Compliance with Local, National and International Legislation;
 - (c) Non-discriminatory specifications;
 - (d) Proportionality;
 - (e) Promoting sustainability;
 - (f) Allow small/medium size companies opportunity to compete;
 - (g) Best value for money;
 - (h) Supplier evaluation and development.

3. (1) INTRODUCTION

- (a) The Policy explains how the Police Service will manage procurement;
- (b) This Policy is aimed at Departments, Regions, Districts and Branches who have procurement requirements.

(2) Summary and Background

- (a) In response to the recommendations set out in the "Review of Control Over Third Party Agencies", Finance & Support Services established a Service Level Agreement (SLA) with the Central Procurement Directorate (CPD).
- (b) The process set out in the SLA will be the means of implementing procurement policy, practices and controls within the Police Service.
- (c) The Policy will lead to improved accountability and performance for procurement within the Police Service.

(3) Aims/Objectives of Procurement within the Police Service

- (a) Establish a contractual relationship with CPD which:
 - (i) Sets out clear responsibilities of the Police Service and CPD.
 - (ii) Establishes CPD as single source for all competitive tendering requirements of the Police Service.
 - (iii) Measures and reviews performance of CPD against Key Performance Indicators (KPIs).
- (b) Establish improved planning, tendering, contracting and performance review processes within the Police Service to cover the procurement of all goods, works and services (including consultancy).

- (c) Establish guiding principles for procurement based on:
 - (i) Compliance with Local, National and International Legislation;
 - (ii) Fairness and transparency;
 - (iii) Best value for money;
 - (iv) Non-discriminatory specifications.
- (d) Establish regular procurement reviews with each Police Service branch. These will be held at least quarterly and cover performance related to:
 - (i) Contracts – live, subject to tender, under consideration;
 - (ii) Requisitions – pending, placed, on schedule, late;
 - (iii) Supplier evaluation and development;
 - (iv) Forward planning of each branch based on future procurement objectives.
- (e) Establish a senior Police Service person who is responsible for:
 - (i) Managing the SLA with CPD;
 - (ii) Reviewing relationships between the Police Service branches and CPD;
 - (iii) Overseeing procurement performance of the Police Service.
- (f) Establish overall procurement performance for the Police Service as a whole in terms of:
 - (i) Volume of business supplier league table:
 - (aa) Past/current spend;
 - (bb) Future/projected spend.
 - (ii) Percentage (%) of business with suppliers that is under contract;
 - (iii) Price/cost savings achieved;
 - (iv) Best practice – benchmarking against other police forces and public services.

4. IMPLICATIONS OF THE POLICY

- (1) Better management and business control of procurement within the Police Service.
- (2) Increased awareness, accountability and responsibility for procurement practices within the Police Service branches.
- (3) Improvement in procurement performance of the Police Service as measured through price/cost savings achieved and quality of services provided by suppliers.
- (4) Improvement in organisational effectiveness.

- (5) Increase in public confidence of the Police Service.
- (6) There will be no increase in the costs of running procurement for the Police Service as a result of the introduction of this Policy.
- (7) Training requirements are covered under the SLA.

5. HUMAN RIGHTS/UNITED NATIONS CONVENTION ON THE RIGHTS OF THE CHILD (UNCRC)/EQUALITY/CODE OF ETHICS/FREEDOM OF INFORMATION

- (1) This Policy is deemed to be Human Rights compliant and has no United Nations Convention on the Rights of the Child (UNCRC) issues, it has been screened for Section 75 considerations and complies with the PSNI Code of Ethics.
- (2) The Policy is suitable for disclosure in accordance with the Freedom of Information Act 2000.
- (3) The Policy will be made available to the public through ACPO Worldwide Web Internet site.

6. MONITORING/REVIEW

- (1) The owner of the Policy will instigate an annual review to assess:
 - (a) Progress against the Policy aims/objectives;
 - (b) Impact on Policy of any new legislation;
 - (c) Any changes that need to be made to the Policy;
 - (d) Support for the continued need for this Policy.

- (2) Throughout the year:

Regular reviews will be held with each Police Service Department. The recommendation is that these should be held at least twice a year.

- (3) The review will cover performance related to:
 - (a) Contracts - live, subject to tender, under consideration;
 - (b) Requisitions - pending, placed, on schedule, late;
 - (c) Supplier evaluation and development;
 - (d) Forward planning based on future requirements.
- (4) Joint pro forma reports covering the issues in 6(2) will be prepared jointly by the Police Service branch and CPD ahead of each review.
- (5) Minutes will be taken and actions recorded and progressed.

SECTION 7

PROCEDURES/GUIDANCE

1. The processes set out in the SLA between the Police Service and CPD together with those in the Procurement Operating Procedures will be the means of implementing the procurement policy, practices and controls within the Police Service.
2. The SLA has been negotiated and agreed between the Police Service and CPD. Details are attached in Appendix 'A'.
3. Procurement Operating Procedures, Key Stages in the Procurement Process document is attached in Appendix 'B'.
4. The pro forma reports referred to under the Review section will be based on the format of the samples used by the Procurement & Logistic Services and will be issued by way of guidance.

OPERATIONAL AGREEMENT

AS AN ADDENDUM TO THE
NORTHERN IRELAND OFFICE SERVICE LEVEL
AGREEMENT WITH

DEPARTMENT OF FINANCE & PERSONNEL
CENTRAL PROCUREMENT DIRECTORATE

COVERING PROCUREMENT REQUIREMENTS
OF THE POLICE SERVICE OF
NORTHERN IRELAND

This operational agreement is an addendum to the Service Level Agreement between Northern Ireland Office and Central Procurement Directorate (CPD) of Department of Finance and Personnel covers the specific procurement requirements of the Police Service of Northern Ireland (the Police Service).

Whereas:

CPD will provide the Police Service with procurement service for all goods and services over £10k.

1. DETAILED RESPONSIBILITY OF THE PARTIES

(1) RESPONSIBILITY OF CPD

- (a) Undertake quotation and/or tender action on all requirements at or above £10k submitted by the Police Service and agree Contract Terms and Conditions with Suppliers.
- (b) Evaluate tender submissions in conjunction with the Police Service.
- (c) Debrief tenderers following contract awards.
- (d) Compliance with CPD Procurement Procedures and ISO Quality Assurance process and the Police Service Procurement Operating Procedures, where they do not conflict.
- (e) Monitor and report supplier performance against contract terms and conditions, in association with the Police Service.
- (f) Maintenance of up to date information on contract matrices.
- (g) Provide professional procurement advice and guidance to the Police Service on procurement issues.
- (h) Establish and maintain benchmarking of the Police Service procurement prices and costs.
- (i) Ensure that adequate staffing and procurement specialists are employed to provide the purchasing services required by the Police Service.

(2) The Police Service

- (a) Comply with Northern Ireland Public Procurement Policies as established by CPD and approved by the Procurement Board.
- (b) Compliance with CPD Procurement Procedures and accredited ISO Quality Assurance Process.
- (c) Provide annual spending plans for all goods and services, updated quarterly.
- (d) Provide, on request, historical spend analysis of all goods, services and works to assist CPD in the development of future procurement strategies.
- (e) Identify within spending plan opportunities to integrate sustainability into the contract.
- (f) Identify and prioritise sourcing requirements for all goods, works and services, including consultancy.
- (g) Provide technical specification of requirements.

- (h) Advise price and cost parameters.
- (i) Advise delivery schedule requirements.
- (j) Provide quality requirements.
- (k) Advise of any special contract arrangements.
- (l) Appointment of Evaluation Panel members and ensure no conflict of interest throughout process.
- (m) Agree award of contract criteria for purposes of evaluation.
- (n) Arrange for evaluation of samples and prepare reports arising.
- (o) Final agreement and ratification of contract terms and conditions following each supplier selection competition.
- (p) Provide support, if required, for debriefing of unsuccessful tenders.
- (q) Provide accommodation and support services for agreed number of CPD staff who will be based within the Police Service premises.

2. PROCUREMENT POLICY

(1) OBJECTIVE

- (a) To ensure that all Police Service procurement is carried out:
 - (i) In compliance with Public Contracts Regulations (2006).
In particular:
 - (ii) In compliance with Northern Ireland Central Government Public Procurement Policy.
 - (aa) Open and transparency of award procedures.
 - (bb) Genuine competition in the award of contracts.
 - (cc) No unlawful discrimination on the ground, of nationality.
 - (dd) Address sustainable procurement objectives as set out within Equality of Opportunity and Sustainable Development in Public Procurement.
 - (ee) Achieve best value for money as defined within the Northern Ireland Public Procurement Policy.

(2) GUIDING PRINCIPLES

- (a) Transparency;
- (b) Competitive supply;
- (c) Consistency;
- (d) Effectiveness;
- (e) Efficiency;

- (f) Fair Dealing;
- (g) Integrity;
- (h) Informed decision-making;
- (i) Legality;
- (j) Integration;
- (k) Responsiveness;
- (l) Accountability.

(3) TENDERING PROCESS

(a) Up to £1,500 - for all requirements not covered through centrally negotiated contracts purchasing decisions can be made locally on a non-evidence based value for money basis without obtaining quotations

(b) £1,500 to £10k - written quotation, 3 selected tenders

For all requirements greater than £10,000 the Police Service department must contact CPD, who will undertake all tender and quotation exercises on behalf of the Police Service

(c) £10k to £30k - written quotation, 5 selected tenders.

(d) £30k to £101,323 - full tender action, publicly advertised.

(e) £101,323 and over for all supplies and services except for works which is £3,927,260 - European Procurement Rules apply. Public Contracts Regulations (2006) apply.

- (4) CPD will endeavour to make available to the Police Service any other contracts for goods, works and services, which have been established for any other part of the Northern Ireland public sector by CPD or through collaboration with another Centre of Procurement Expertise (CoPE).
- (5) CPD will undertake all tender and quotation exercises on behalf of the Police Service for requirements at or above £10k.
- (6) All tenderers wishing to undertake quotations or tenders with CPD must be pre-registered on the eSourcing NI portal. It is the vendors responsibility to ensure the information held on this system is valid and up-to-date. Failure to maintain this information could result in a vendor being excluded from a competition.
- (7) Where goods and services are available on frameworks and call-off arrangements in which the Police Service have been named, then the Police Service must use these arrangements.

3. INTERFACE WITH THE POLICE SERVICE BRANCHES

- (1) The Departments, Regions, Districts and Branches to whom the CPD will provide procurement services will include:
 - (a) Logistic Services;
 - (b) Transport;

- (c) Estates;
 - (d) Finance;
 - (e) Human Resources;
 - (f) Training and Development;
 - (g) Media and PR;
 - (h) Information and Communications Services (ICS);
 - (i) Legal Services;
 - (j) Operational Support;
 - (k) Criminal Justice;
 - (l) Crime Operations.
- (2) It is recognised that the Police Service has an in-house Estate Management Branch that acts as an informed client configuring policy, strategy and outsourcing arrangements across their specialist estate. They fulfil the Project Sponsor/Project Manager role for capital programmes. The Branch also fulfils the programme management and co-ordination roles with project management and professional services provided through outsourcing to the private sector or by engaging CPD. The present autonomy will remain for the Branch to configure policy, strategy and outsourcing arrangements which adheres to the broad policy parameters supported by Government with the arrangement of contracts/frameworks by CPD Construction and Advisory Division. The option of accessing CPD Works Procurement, as necessary and by request, will be available to the Police Service to provide Project Management and Advice.

4. PERFORMANCE REVIEWS

- (1) CPD will hold regular reviews with the key branches of the Police Service as in 3(1) above. The recommendation is that these should be held at least quarterly. However, it is recognised that some will not need to meet as regularly.
- (2) (a) The review will cover performance related to this operational agreement.
- (i) Contracts – live, subject to tender, under consideration;
 - (ii) Requisitions – pending, placed, on schedule, late;
 - (iii) Supplier evaluation and development;
 - (iv) Forward planning based on future requirements
- (b) Joint proforma reports covering the issues above will be prepared jointly by the Police Service Branch and CPD ahead of each review.
- (c) CPD will schedule, as required, meetings and record actions and progress.
- (3) The Police Service Branch Heads should be proactive in identifying and requesting information from CPD.

5. KEY PERFORMANCE INDICATORS (KPIs)

Performance will be measured based on progress on the following KPIs.

(1) The Police Service:

- (a) Provision of accurate and up-to-date spending plans provide annually with quarterly updates;
- (b) Provision of historical spend analysis.

(2) CPD:

- (a) Provision of contracts that provide best value for money;
- (b) Provision of key management information including:
 - (i) Contract awards;
 - (ii) Contract initiations;
 - (iii) Cash releasing savings;
 - (iv) Input resources;
 - (v) Freedom of Information requests;
 - (vi) Complaints.

6. COSTS OF SERVICES

The costs of services will be based on the agreed Department of Justice (DOJ)/CPD Business Development proposal to be allocated by DOJ.

7. ADMINISTRATION OF THE OPERATIONAL AGREEMENT

- (1) (a) The Police Service and CPD will each nominate a person through whom they will conduct all communications concerning the agreement.
- (b) The Police Service nominee is Head of Procurement & Logistic Services, the Police Service.
- (c) CPD nominee is Head of ICT & Strategic Procurement, CPD.
- (d) They will be responsible for managing the operational agreement, including dealing with any complaints and feedback from the Police Service Branches and/or CPD staff.
- (2) (a) The respective nominees will meet quarterly to review progress against the performance reviews referred to herein.
- (b) They will also consider any proposed amendments to this operational agreement which will in turn be fed into the strategic review meetings.

8. INDEPENDENT QUALITY ASSURANCE

As a Centre of Procurement Expertise, CPD will be independently reviewed every three years to maintain their CoPE status. The recommendation will be reported to the Procurement Board.

9. STRATEGIC REVIEWS

- (1) There will be a strategic review held twice a year. These will be chaired by Director of Finance and Support Services, the Police Service and Divisional Director, CPD.
- (2) The purpose of the review will be to:
 - (a) Discuss the service delivery in previous six (6) months;
 - (b) Discuss the Police Service procurement plans;
 - (c) Update on developing procurement policy within CPD.

10. DURATION OF AGREEMENT

In accordance with the conditions contained within DOJ/CPD SLA.

11. AMENDMENT TO OPERATIONAL AGREEMENT

This operational agreement may be amended at any time with consent of both parties.

Signed for and on behalf of Police Service of Northern Ireland.

NAME: _____
POSITION: HEAD OF PROCUREMENT & LOGISTIC SERVICES
DATE: _____

Signed for and on behalf of Department of Finance & Personnel, Central Procurement Directorate.

NAME: _____
POSITION: KEY ACCOUNT MANAGER
DATE: _____

PROCUREMENT OPERATING PROCEDURES

KEY STAGES IN THE PROCUREMENT PROCESS:

1. PURCHASING REQUIREMENT IDENTIFIED
2. PROCUREMENT METHOD
3. DIRECT AWARD CONTRACT
4. SELECT LISTS
5. TRAINING SERVICES
6. INVITATION TO TENDER
7. NOMINATION OF PANEL MEMBERS
8. TENDER EVALUATION METHODOLOGY
9. COMMUNICATION DURING THE TENDER PROCESS
10. RECEIPT OF TENDERS
11. EVALUATION OF TENDERS
12. SELECTION OF WINNING SUPPLIER AND AWARD OF CONTRACT
13. INFORMATION DISCLOSURE
14. CONTRACT MANAGEMENT
15. CONTRACT EXTENSIONS
16. THE SUB-CONTRACT OF PROCUREMENT BY THE POLICE SERVICE CONTRACTORS
17. CONTRACT AMENDMENTS
18. FINANCIAL MONITORING OF CONTRACTS
19. RECORD MANAGEMENT

1. PURCHASING REQUIREMENT IDENTIFIED

- (1) The Police Service Department identifies a purchasing requirement.
- (2) The Branch should ensure that there is a business case or business justification where appropriate. There must be adequate budget available to pay for the required goods or service and that the required level of approval has been provided. Relevant levels of approval are attached at Annex 1. Confirmation of this must be signed off by Head of Branch.
- (3) The Information Assurance Unit must be consulted by the Police Service Department at the start of the process to ensure the legislative and statutory requirements for the protection of data are included in the Department's Technical Specification of Requirements.
- (4) Consideration should also be given to anticipating any additional requirements/replacements that may arise after the initial requirement has been met.
- (5) CPD should be consulted as early as possible to assist in work scheduling and identifying procurement options. A record of consultation will be recorded.
- (6) CPD will compile an Initiation Document (ID) setting out the procurement timetable and the responsibilities of each party.
- (7) This ID will be signed off by the Police Service Head of Branch.

2. PROCUREMENT METHOD

- (1) The value of the proposed goods/service will normally define the procurement route. The current Procurement Control Levels (PCLs) are shown below.

Up to £1,500	for all requirements not covered through centrally negotiated contracts purchasing decisions can be made locally on a non-evidence based value for money basis without obtaining quotations
£1,500 - £10,000	written quotation 3 selected tenders
- (2) For all requirements greater than £10,000, the Police Service department must contact CPD, who will undertake all tender and quotation exercises on behalf of the Police Service

£10,000 - £30,000	written quotation 5 selected tenders
£30,000 - £101,323	Full tender action, publicly advertised. The tender should be instigated with advertisement in the local press and free journals, and should be open to all Firms requesting tender documentation
£101,323 and over for all supplies and services except for works which is £3,927,260	European Procurement Rules apply. Based on non-discrimination and transparency. The tender should be instigated with advertisements in the European Journal, the local press and free journals. In accordance with 2001/78/EC the use of standard forms is mandatory for all notices published in the Supplement of the EC Official Journal
- (3) These Procurement Control Levels (PCLs) are recommended as the optimum level required to ensure that the transaction cost of procurement procedures is efficient, whilst maintaining a sufficient level of supplier sourcing to achieve value for money through competition.

- (4) In determining overall value, the period of contract should be multiplied by the anticipated cost per annum, eg if a 3 year contract is appropriate with an annual expenditure of £15,000 per annum, total contract value would be £45,000 and therefore would require public advertising under current Quotation/Tender Threshold Guidelines. If potential options to extend the contract beyond the 3 year period are included, the optional periods also need to be added to the initial contract period to determine the value of the overall contract.
- (5) The specific tendering procedure chosen must take into account whether the particular goods or service is subject to the EU Procurement Directives. CPD will advise on the appropriate options that are available.
- (6) CPD will be able to advise if current Framework Arrangements/Contracts are available for the Police Service to use without the need for formal advertising. Depending on the particular Framework, a competition may be necessary between the companies appointed to a particular Framework Category. CPD will advise on the protocol appropriate to a particular Framework.
- (7) If the use of a particular framework enables a user to draw off the framework without the need for further competition, then CPD will not need to be involved. However, expenditure against the framework should be reported to CPD and included on reports for record purposes.
- (8) In all cases competition/allocation through Framework Agreements must be based on demonstrable fairness and documentary evidence of such retained.

3. DIRECT AWARD CONTRACT (DAC)

- (1) The Police Service Procurement Policy is to obtain goods and services through competition and to permit suppliers the opportunity to compete for business within the Police Service.
- (2) Only in exceptional circumstances where there are substantive and defensible reasons for so doing, should Direct Award Contracts (DACs) be entered into.
- (3) Possible examples where DAC may be appropriate are:
 - (a) Technical necessity due to compatibility;
 - (b) Exclusivity because of proprietary rights of supplier;
 - (c) Health and Safety;
 - (d) Security reasons.
- (4) Shortage of time is not adequate justification for DAC.
- (5) Prior approval for DAC should be recommended in writing by Head of Branch and authorised by their Chief Officer. A clear Business Justification should be recorded setting out the rationale for the DAC and ensuring value for money is being achieved. All DACs must be submitted in the format set out in Annex 2 as attached. The person preparing the Business Justification, Head of Branch, Chief Officer/Head of Department, Deputy Chief Constable (or the Chief Constable if the DAC is greater than £100k) if involved in the approval process must declare that they have no conflict of interest with the proposed supplier. Best practice is for the Police Service to engage CPD as early as possible in the DAC process.
- (6) All DACs with a contract value greater than £30k must be authorised by the Deputy Chief Constable. Those with a contract value greater than £100k must be authorised by the Chief Constable.
- (7) In all cases the Business Justification and recommendation should be forwarded to CPD and Head of Procurement & Logistic Services in order that they study the merits of the application and provide professional guidance and assistance in line with European Procurement Regulations.

- (8) The Head of Procurement will then forward DAC applications, including CPDs professional guidance from a regulatory perspective, to the Deputy Chief Constable (or Chief Constable for those greater than £100k) for approval. Departmental Accountancy Officer approval is also required for all DACs with a total contract value in excess of £100k.
- (9) All DACs for consultancy, irrespective of value, must be authorised by the Chief Constable. If DAC is for consultancy Chief Officer/Head of Department recommends for approval and forwards to CPD and Head of Procurement & Logistic Services for review and professional guidance. This will then be forwarded to Chief Constable for consideration/approval. Departmental Accountancy Officer approval is also required for all DACs for consultancy services.
- (10) Details of DACs must be advised to the Head of Procurement & Logistic Services, in all cases without exception, who will be responsible for maintaining a summary of DACs which will be circulated to senior officers every 3 months.
- (11) In addition, the Chief Constable must also supply a quarterly list of all Direct Award Contacts agreed by his office to the Departmental Accounting Officer.

4. SELECT LISTS

- (1) There may be occasions where a particular good or service must be sourced from companies specified by the Home Office or other designated Government approval body. If only one company has been specified/approved then the procedure for DAC should be followed. If the Home Office/Government Approval Body have specified a number of approved providers, then the appropriate tender threshold should be followed. If the estimated value would exceed the thresholds where advertising would normally take place, then approval should be authorised by Head of Branch before proceeding to competition involving the 'select list'.
- (2) In all cases CPD should be consulted before initiating any Procurement process.

5. TRAINING SERVICES

- (1) The Police Service can avail of training by GB Forces, ACPO, NPIA without the need for external competition.
- (2) All other training must be competitively tendered in accordance with PD 08/04.

6. INVITATION TO TENDER

- (1) CPD will prepare
 - (a) Instructions to Tenderers;
 - (b) Terms and Conditions of Contract.
- (2) The Police Service are responsible for compiling a technical specification or terms of reference for the particular requirement.
- (3) CPD will then prepare the complete pack of tender documents including DACs and submit to the Head of Branch for approval or amendments as appropriate. Any advertised contracts will also require the press and/or the Official Journal of European Union (OJEU) advertisement to be approved by Head of Branch before release to the press or the European Journal.
- (4) The time for a supplier to respond to a particular invitation to tender should either be determined by the EU Regulations or should be relative to the complexity of the requirement and be sufficient for a supplier to provide a comprehensive and accurate response. CPD again will advise.

- (5) A straightforward requirement, eg a print quote 3-5 days may be sufficient. Three weeks would be an average but again sufficient time should be given to enable potential suppliers to research the requirement and encourage competition. If the requirement is subject to EU Regulations then the minimum prescribed periods for response must be followed.
- (6) Following approval by Head of Branch, CPD will issue tender documents through the e-sourcing portal. If any queries are raised by tenderers following receipt of tender documentation, then responses will be issued to all those tendering by CPD.

7. NOMINATION OF PANEL MEMBERS

- (1) CPD recommends that for 'significant' procurements, ie those over £30,000 (which is the threshold over which public advertising of the requirement normally takes place), there must be a minimum of 3 Evaluation Panel members not including the CPD Representative on the Evaluation Panel. For those under £30,000 there should be a minimum of two members of the Evaluation Panel and preferably three.
- (2) Individual Panel members may be representative of both the business and operational interests of the Police Service. It is particularly beneficial if Panel members are responsible for the management and monitoring of the particular goods/services being procured or are a knowledgeable user of the goods or services. The Panel may also include an independent representative outside the Police Service if additional technical assistance or added assurance is deemed necessary.
- (3) It is the responsibility of the Head of Branch (to be endorsed by the Chief Officer/Head of Department) in the Police Service to determine and ensure that the proposed Panel members are suitably competent and do not have a personal or business interest in the tender. There is a requirement for all members of the Panel to sign off that they have no conflict of interest.
- (4) All Panel Members must have attended Procurement training. They must have been through the training programme in the last 12 months prior to joining the Evaluation Team or else have been a serving Panel Member in the previous year.
- (5) Sample templates are attached at Annexes 3A and 3B to enable Head of Branch to approve or request any amendments and to nominate members of the Evaluation Panel.

8. TENDER EVALUATION METHODOLOGY

- (1) CPD will provide advice and guidance throughout the evaluation process and will be present at evaluation meetings in a non scoring capacity.
- (2) CPD will prepare a 'draft' evaluation model to enable appropriate weightings to be considered for the specific evaluation criteria necessary to assess tenders received.
- (3) The purpose of the evaluation criteria is to enable effective and objective comparison between competing tenders. Under current EU Procurement Regulations there are two main methods accepted for evaluation purposes, ie either lowest price or most economically advantageous. The lowest price method is only recommended where the characteristics of the (normally goods) requirement cannot be differentiated and the only necessary factor to consider is price/cost.
- (4) The evaluation method that will normally be used is most economically advantageous – in other words the factors that take into account "the whole life costs" in providing a particular good or service to provide best value for money to the Police Service. Best value for money is defined as 'the optimum combination of whole life costs and benefits to meet the customers requirements.'

- (5) The evaluation criteria and weightings require careful consideration in order that the weightings selected reflect the key aspects of a particular good or service. These will vary per requirement and will be the responsibility of the Police Service Evaluation Panel to agree. CPD practice is to publicise the weightings and their percentages, explaining the method of scoring to be used when assessing criteria in the tender documentation. This is also now a legal requirement for EU regulated contracts. Each member of the Police Service Evaluation Panel should agree the evaluation criteria and relevant weightings and be signed off by Head of Branch. This process must be agreed before issue of tender documentation.

9. COMMUNICATION DURING THE TENDER PROCESS

- (1) During the tender process all communication with tenderers should be directed through CPD. All meetings of the Evaluation Panel will be organised by CPD, who will keep a record of each evaluation meeting. There are to be no meetings where all Panel members are not present.
- (2) Queries regarding the tender process will be addressed directly by CPD staff.
- (3) Tenderers requiring clarification or further information regarding the technical specification or terms of reference should forward their query through the e-sourcing portal to CPD, who will forward the query to the Police Service for response. CPD will then distribute a copy of the enquiry and the written reply to all prospective respondents, with anonymity of the source of the enquiry preserved.
- (4) Queries of a highly technical nature may in exceptional circumstances require direct communication between the tenderer and Police Service staff. If this is deemed necessary, then a record of the technical query and the discussion should be sent to CPD for circulation to all tenderers.
- (5) The Police Service staff should only meet with tenderers during the tender process under the following circumstances:
 - (a) Site visits/clarification meetings as part of the tender process;
 - (b) Question and Answer sessions to which all tenderers have been invited;
 - (c) Tenderers' inspection of site/equipment in order to cost for a service.

CPD should always be represented at these meetings and care should be taken not to disclose information that would give any tenderer an unfair advantage.

10. RECEIPT OF TENDERS

- (1) Once tenders are received on the eSourcingNI portal CPD will provide the Police Service with the names of the bidders. Once Evaluation Team members confirm they have no conflict of interests, CPD will forward the bids to the panel members. The Police Service Evaluation Panel and CPD will then arrange a suitable time and place for the evaluation.
- (2) CPD will then issue the tenders and the agreed scoring matrix to the Evaluation Panel to enable each individual panel member to assess each tender against the pre-determined evaluation criteria.

11. EVALUATION OF TENDERS

- (1) Evaluation of tenders must be carried out by a suitably competent Team. It will be for the Police Service to select the Team and judge its competence with supporting advice being provided by CPD. The role of CPD is to administer and manage the tendering process on behalf of the Police Service. CPD will evaluate tender submissions in conjunction with the Police Service.

- (2) Formal guidance will be made available by CPD to the individual Panel members that the Police Service nominate to undertake the evaluation of tenders received for a tender competition. There are a number of evaluation models that may be appropriate to the particular procurement, some of which may include a formal presentation by the tenderers. However, the model must be agreed between the Police Service and CPD at the outset of the procurement process. The procedures for the evaluation and award of contracts must be open and transparent and ensure the minimum specified requirements are met and the successful supplier provides the best overall value for money solution.
- (3) Following the receipt of tenders, CPD will then issue the tenders and the agreed scoring matrix to the Evaluation Panel to enable each individual Panel member to assess each tender against the pre-determined evaluation criteria. The individual Panel member must complete the matrix, recording scores and reasons for so scoring against each criteria.
- (4) The Evaluation Panel will then meet collectively to agree and record a score on the evaluation matrix for each individual tender. Objective comments which reflect and justify the score must also be recorded. A CPD representative will attend and complete the necessary details and provide advice/guidance to the Panel as required.

12. SELECTION OF WINNING SUPPLIER AND AWARD OF CONTRACT

- (1) After all individual tenders have been assessed collectively by the Evaluation Panel, the winning tenderer will be the tender which has the highest overall score. Each scoring matrix should be signed by each member of the Evaluation Panel and by the CPD representative present.
- (2) CPD will check calculation and totals on evaluation sheets to ensure they are correct.
- (3) Following the conclusion of the evaluation, CPD will compile a written Evaluation report of the tendering process and circulate to all members of the Evaluation Panel for their comment/approval. The Evaluation Report is a key document and it is important that it is signed off and agreed by all Panel members in a timely basis.
- (4) Where there is a significant price differential the Evaluation Panel should make explicit reference to their consideration of value for money in the Evaluation Report to explain how they came to their overall decision.
- (5) Where a tender does not meet the required standard for one or more of the mandatory criteria, consideration should be given as to whether or not the tender should be accepted. The reasons for rejecting the tender under such circumstances should be clearly documented in the Evaluation Report.
- (6) Following the approval of the Panel, a record of the recommendation of the Evaluation Panel (including the Evaluation Report) will be presented for consideration and approval by CPD Senior Management and the Police Service Head of Branch, and/or as appropriate Chief Officer and Deputy Chief Constable in accordance with the Procurement Contract approval levels in Annex 1.
- (7) CPD will draft a contract award letter for issue to the successful supplier. This award letter should be subject to CPD Line Manager approval before issue.

13. INFORMATION DISCLOSURE

- (1) The UK has transported the Remedies Directive into UK law by amending the Public Contracts Regulations 2006 and the Utilities Contracts Regulations. The amending Regulations the Public Contracts (Amendment) Regulations 2006 and the Utilities Contracts (Amendment) Regulations came into effect on 20 December 2009.
- (2) A common public sector approach has now been agreed to information to be disclosed to economic operators which takes account of these amending Regulations and in particular the new rules in relation to the standstill period.

- (3) A Contracting Authority must as soon as possible after the award decision has been made inform the tenderers and candidates in writing of its decision to award the contract or conclude the framework agreement. Where a Contracting Authority decides, prior to the Award Decision to exclude an applicant, the Contracting Authority should inform that Applicant of that decision.
- (4) Since all debriefing material should have been provided during the disclosure process there should be no need to hold face to face debriefs nor is there a legal obligation to do so.
- (5) A Contract Award Notice/VEAT Notice must be completed in respect of each competition over the European threshold including DACs. CPD will draft the notice and will send this to the Police Service contact for approval.

14. CONTRACT MANAGEMENT

- (1) Although contract management takes place following contract award, the nature of management of the contract should be considered at an early stage. Future contract monitoring and management arrangements should be included in the terms of reference in the ITT.
- (2) The scale of contract management should be proportionate to the value and complexity of the contract involved.
- (3) The management may involve a combination of informal and formal communication between customer and supplier. Appropriate mechanisms must be in place to ensure that the Police Service and supplier meet their obligations under the contract and that services are performed to an acceptable standard.
- (4) Further guidance on Contract Management is available via the Procurement & Logistic Services page on PoliceNet.
- (5) Any issues that are proving problematic to resolve should be referred to CPD for advice and action as required. Larger more complex contracts will require bi-annual review.
- (6) The criteria for selecting contracts to be subject to formal Police Service/supplier performance monitoring meetings should be considered at the outset of the Procurement process, arrangements recorded in the ID document and revisited during ongoing contract reviews and should include:
 - (a) Business Critical;
 - (b) Financial Value;
 - (c) New Suppliers;
 - (d) Outsourced Services.
- (7) CPD must be involved in these reviews and a template to be followed during the reviews is shown in Annex 4.
- (8) End customers should, where practicable, be involved in the Police Service/supplier contract monitoring process and be able to provide feedback on performance and be given the opportunity to influence future Police Service/supplier relations.

15. CONTRACT EXTENSIONS

- (1) If a contract has options to extend for a set period, any approval to extend the contract must be in line with the Police Service contract approval levels listed in Annex 1.
- (2) CPD will issue the offer to extend the contract and record the documents and approvals on file.

16. THE SUB-CONTRACT OF PROCUREMENT BY THE POLICE SERVICE CONTRACTORS

Where the Police Service has contracts in place with Contractors which transfers the responsibility and risk for procurement to them, it will be the Contractor's responsibility to ensure that their procurement process follows the appropriate Government and European Guidelines.

17. CONTRACT AMENDMENTS

- (1) Departments are required to maintain sufficient records to ensure all contract expenditure is within the contracted value on an on-going basis for individual contracts. Please refer to Section 18, Financial Monitoring of Contracts.
- (2) Any change to the original contract will normally involve the generation of a Variation to Contract/Change Control document.
- (3) Such variations should not be excessively beyond the scope and value of the original contract. Any anticipated contract variation to contract/order value within the following bands must be advised to CPD and Head of Procurement & Logistic Services.
 - (a) £1k to £20k – variations greater than 20% of original value;
 - (b) Over £20k and up to £100k – variations greater than 10% or £5k in value, whichever is greater;
 - (c) Over £100k and up to £1m – variations greater than 10% or £20k in value, whichever is greater;
 - (d) Above £1m – variations greater than 5% or £100k in value, whichever is greater.
- (4) Consultation with the Branch will assess if the variations are of such value as to significantly alter the existing Procurement specification and contract.
- (5) Approval for these variation/change controls must be in line with any current Police Service contract delegation levels, listed in Annex 1. CPD will maintain a record of the documents and approvals on file.

NB: If the original Business Case optimum bias covers a possible variation, and if the contract variation is within this figure then such contract variation does not require reporting as set out above.

18. FINANCIAL MONITORING OF CONTRACTS

- (1) There is a requirement on the Police Service to monitor and control spend against all revenue and capital contracts awarded irrespective of the size of the contract.
- (2) The Police Service have determined that contracts with a value of £200,000 or greater should normally be monitored individually utilising the formal coding structures within the General Ledger. Any Officer requiring clarification on coding structures and their use, should contact Management Accounting Branch within Finance and Support Services Department.
- (3) Management of Contracts and associated Spend within the Police Service is by Budget Holders and Project Managers. They are responsible under devolved budgeting arrangements to monitor and manage spend within their areas of responsibility.
- (4) Budget Holders/Project Managers are required to maintain locally, sufficient records to ensure all contract expenditure is within the contractual value on an ongoing basis. This may require records being maintained and expenditure analysed that cross one or more financial years.

- (5) All accountable Officers monitoring and controlling contracts should be aware that formal prior approval is required (within delegated limits), in advance of expenditure being incurred above the agreed contract value. The Procurement Operating Procedures (Section 16), set out how to extend or review a contract, where a variation or probable variation is identified.

19. RECORD MANAGEMENT

All relevant documentation in relation to a Procurement exercise will be held by CPD on file.

(1) File Structure

- (a) It is important that the authorisation (sign-off) points in the Key Stages of the Procurement Process are clearly recorded and retained on file. For ease of reference, these Key Points should be 'tabbed' and easily located on file. A suitable index should be inserted in the file, listing the reference locations of these Key Points.
- (b) CPD has implemented a Procurement E-Sourcing tool which records the key stages of the Procurement process.

(2) Tender Submissions

- (a) CPD will retain 'original' copies of all tenders/quotations received. Following Award of Contract, the winning tender will be retained with the contract file. Unsuccessful tender submissions will be stored separately. The period for retention of both successful and unsuccessful tender submissions will be in accordance with the Police Service Document Retention Policy.
- (b) CPD will store securely all tender submissions, associated tender process documentation files and contract files to maintain confidentiality of the documentation.

(3) File Review

- (a) Contract files will be subject to periodic review during the life cycle of procurement to ensure compliance at all stages enabling any issues identified to be addressed accordingly.
- (b) The primary purpose of these reviews will be to ensure that the Key Stages of the Procurement Process have been adhered to and that the QA Process has been properly applied.
- (c) The reviews will be undertaken by Buying staff from other Sections of CPD.

PROCUREMENT CONTRACT APPROVAL LEVELS

Spend Category	Sub Delegation by Chief Constable
<p>Supplies Service and Maintenance for:</p> <p>All goods, works, services and equipment, including Contract Variations and Extensions</p>	<p>Non IT D/Chief Constable: above £3 million Chief Officer/Head of Department: above £1 million and up to £3 million C/Superintendent/Senior Civilians (G7 and above): £1 million Superintendent/DP: £100,000 C/Inspector/SO: £75,000 Inspector/EOI: £50,000 Sergeant/EOII: £25,000</p> <p>IT New Services D/Chief Constable: above £500k Chief Officer/Head of Department: £300k - £499k Grade 5/Grade 6/Chief Superintendent/Superintendent: £200k-£299k ICT Level 7 / Chief Inspector: £100k - £199k ICT Level 6 / Inspector: up to £99k</p>
Direct Award Contract (DACs)	Chief Constable: All DACs for Consultancy D/Chief Constable: Above £30k Chief Officer: £30k
Service Level Agreement Those between Public Service bodies	Chief Officer/Head of Department: £3 million C/Superintendent/Senior Civilians (G7 and above): £2 million
Employment of Consultants *	Chief Officer/Head of Department/Senior Civilians (G7 and above): £50,000
Capital Expenditure	<p>Non IT Capital Expenditure D/Chief Constable: £3 million Chief Officer/Head of Department: £1 million C/Superintendent/Senior Civilians (G7 and above): £750,000 Superintendent/DP: £200,000 C/Inspector/SO: £100,000</p> <p>IT Capital Expenditure D/Chief Constable: above £500k Chief Officer/Head of Department: £300k - £499k Grade 5/Grade 6/Chief Superintendent/Superintendent: £200k-£299k ICT Level 7 / Chief Inspector: £100k - £199k ICT Level 6 / Inspector: up to £99k</p>
Compensation Payments	May settle up to amounts stated provided DOJ approval is obtained for settlement over the delegated limits. C/Superintendent/Senior Civilians (G7 and above): £100,000 Supt/DP: £75,000 C/Insp/SO: £50,000 Insp/EOI: £25,000 Sgt/EOII: £5,000

Legal Fees for Initiation of Legal Proceedings and Defence of Criminal Proceedings	Chief Officer/Head of Department: No financial limits, subject to NIPB approval C/Superintendent/Head of Group/Senior Civilians (G7 and above) : £10,000
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- * Further guidance on the use of Consultants can be found on PoliceNet – Policy on the Use of External Consultants – and should be viewed before any appointment process is considered

THE POLICE SERVICE/SUPPLIER PERFORMANCE MONITORING MEETING

1. Contract Performance

- 1.1 Delivery Schedule Performance
- 1.2 Quality of Goods/Services
Replacement Policy
- 1.3 Invoicing/Payment
- 1.4 Information Assurance
- 1.5 Contract Amendments

2. Relationship Assessment

- 2.1 Communication, Aligning Personnel and Agendas
- 2.2 Identify Risks and Opportunities
- 2.3 Clarity of Objectives

3. Efficiencies, Continuous Improvement

- 3.1 Identify Efficiencies, Cost Savings
- 3.2 Benchmarking

4. E-Procurement