

**HIGH PEAK BOROUGH COUNCIL
&
STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL**

**JOINT
PROCUREMENT PROCEDURE RULES**

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1. Background

- 1.1 Procurement can be defined as *‘the process of acquiring supplies, works or services from third parties. The process spans the whole cycle from the identification of need, through to the end of a service contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision, which may result in the provision of services in-house in appropriate circumstances.’*
- 1.2 The Procurement Procedure Rules cover the processes that should be followed for all purchasing, licensing, leasing, contracting, commercial partnering or commissioning of works, supplies or services from third parties.
- 1.3 Commissioning Officers are required to follow and adhere to the requirements as set out in these procedure rules and in the regulatory framework to which it fits.

2. Introduction

- 2.1 High Peak Borough Council and Staffordshire Moorlands District Council have worked together to develop a comprehensive approach to Procurement.
- 2.2 The Councils have committed to a number of key objectives which fit against both Councils’ Corporate Plan priorities. Key objectives include:
 - Constantly reviewing and improving procurement practices to achieve better value for money and maximising savings opportunities.
 - Making best possible use of e-procurement, purchasing power and economies of scale
 - Ensuring that sourcing activity complies with all legal requirements, including the Procurement Act 2023 and all other relevant legislation in force in England.
 - Promoting accessibility to Council business for local small and medium-sized enterprises.
 - Ensuring non-discriminatory, fair and compliant processes for the selection of suppliers.
- 2.3 These Procurement Procedure Rules - which support the Joint Procurement Strategy - underpin the objectives of effective Procurement across both High Peak Borough Council and Staffordshire Moorlands District Council.
- 2.4 The Procurement Procedure Rules apply to:
 - All officers, Members, agents and contractors of the Alliance
 - High Peak Borough Council and Staffordshire Moorlands District Council individually when undertaking independent procurement exercises outside the Alliance.
- 2.5 Procurement activity will be carried out in conjunction with the Procurement Unit unless prior approval is granted by the Executive Director (Transformation) and Head of Finance. Authorised Officers responsible for purchasing or disposal must comply with

the Procurement Procedure Rules, Financial Regulations, Code of Conduct and with all binding UK legal requirements

- 2.6 Failure to comply with the requirements will be treated seriously and may result in disciplinary action being taken.

3. Key Responsibilities

- 3.1 Member responsibility for procurement and its strategic implementation resides with the Executive at High Peak Borough Council and the Cabinet at Staffordshire Moorlands District Council.

- 3.2 Officer responsibility for overall compliance with the Rules rests with Executive Directors and the Chief Executive. Specifically, they are required to:

- Take responsibility for all contracts awarded within their directorate.
- Ensure compliance in respect of the Procurement Procedure Rules and Public Sector Contract Regulations.
- Award contracts up to their appropriate financial 'approval value' level.
- Ensure value for money is achieved.
- Take immediate action if the Procurement Procedure Rules are breached.

- 3.3 The Procurement Unit is required to:

- Provide support and advice to Officers and Elected Members on Procurement Procedures.
- Maintain an awareness of procurement activity within both Authorities and establish and maintain a Procurement Forward Plan. The Procurement Forward Plan is to be presented as part of the Medium Term Financial Plan and Budget Setting report annually in February.
- Act as a best practice conduit for Procurement procedures.
- Apply sourcing strategies, using category management principles where appropriate, to ensure the most advantageous procurement routes are taken.
- Act impartially and fully support procurement projects including ensuring appropriate selection of suppliers.
- Provide quarterly Procurement performance reports to Committee.
- Maintain the Procurement Forward Plan, Contracts Register and Supplier records
- Prepare draft Contract agreements for legal instruction.
- Request Variations and Extensions be included to original contract documentation, where agreements permit.
- Provide support and guidance for Contract Managers.

- 3.4 The Legal Service is required to:

- Give legal advice to instructing officers on contractual issues in relation to existing and future contracts including advice on the interpretation of UK law and domestic legislation when applied to these rules and procurement processes.
- Review any proposed contractor terms and conditions against the service requirements as set out by the instructing officers.

3.5 The HR Service is required to:

- Provide support and advise on the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) related matters.

3.6 The Finance Service is required to:

- Provide financial spend analysis and associated budget information and advise on financial risk to contracting activities.
- Provide credit checks and financial appraisals to support supplier selection.
- Enable savings achieved through Procurement activity to be taken from Service budgets towards the Efficiency Programme.
- Provide advice on suitable levels of Insurance covers for Professional Indemnity and Public Liability.
- Complete funding options appraisals where fixed assets are being procured to ensure value for money is achieved – looking at outright purchase (utilising available funding), external borrowing, leasing and any other alternative funding options.
- Where a leasing arrangement is procured, ensure information is collated from the supplier to ensure lease arrangements are accounted for on the correct basis

3.7 The Corporate Health and Safety Adviser is required to:

- Provide a professional assessment of tenderer's Health and Safety arrangements at selection stage
- Provide updates on Health and Safety legislations to incorporate into Procurement documentation for qualification of suppliers
- Ensures that the Health and Safety for Contractors handbook is reviewed as legislation changes

4. Procurement Reviews

4.1 The Procurement team will meet with Service leads on a regular basis to agree their requirements for procurement support on a rolling programme. The outputs of these reviews are to:

- Identify and challenge the need for purchase against the operational / business requirement
- Populate the Joint Procurement Forward Plan and ensure Procurement support resource is available

- Agree suitable sourcing approaches to achieve optimum outputs and benefits to the Council
- Ensure compliance measures are in place
- Identify and monitor any contract management issues

5. Local Suppliers

- 5.1 The Councils' aims and priorities include supporting the local economy and, to this end, local suppliers should be used wherever possible. For low value goods, supplies or works contracts, a minimum number of local suppliers should be invited to submit quotes or tenders – see Annex B.
- 5.2 For higher value open tenders, consideration should be given to ensuring that local suppliers are aware of the opportunities and are encouraged to submit bids.
- 5.3 Communications and signposting will be notified to local suppliers, promoting sign-up to the e-tendering portals, where alerts can be set to notify when an opportunity is available in their specific category business area.
- 5.4 Tender and quotation documents should be drafted with consideration for smaller local suppliers who may not have the bid-writing capacity of larger organisations. This might include reducing the number of questions or the word count or focusing on how service delivery can be tailored to the local area.

6. Identification of need and pipeline

- 6.1 When a procurement requirement is identified, consideration should be given to an options appraisal for the requirement including “do nothing”, to ensure there is a sound business case for the procurement. Financial approval should be sought prior to the commencement of any procurement process.
- 6.2 The Procurement Unit can advise on whether there are any suitable existing contracts that could be used, or different procurement routes (e.g. use of frameworks) and their likely timescales.
- 6.3 The Joint Procurement Forward Plan will act as the register of all pipeline procurement activities and the Procurement Unit must therefore be notified of all potential procurement activity at the earliest opportunity.
- 6.4 Under the Procurement Act 2023, pipeline notices are mandatory for any contract with an estimated value of more than £2m where the Contracting Authority is likely to award over £100m contract value in the year. However, the Councils have agreed to publish voluntarily pipeline notices for high value procurements as good practice. These

notices must be published at least 18 months in advance of the financial year in which the tender or transparency notice is expected to be published.

7. Specification

- 7.1 A Specification is the responsibility of the service area and must be prepared prior to tender or requests for quotations for all supplies, services or works required.
- 7.2 The specification must be accurate as to the requirements of the contract. A poor description may mean that the product or service is not delivered to the required standard and late changes to a specification may result in additional or abortive costs. The specification should be:
- Outcome focussed – fit for purpose
 - Standardised; the use of specific detail that would limit tender bids should be avoided
- 7.3 No specific technical specifications, product range or brand names should be used in the specification unless there is no equivalent market alternative available.
- 7.4 When the specification is being developed by the Service, it is important that the users of the product or service are consulted to ensure that what is actually needed is clearly described (and *not* the perception of what is needed). The Councils are committed to working with public, private and voluntary sector organisations to develop co-operative procurement arrangements and develop supplier effectiveness. Consideration should be given to engaging and involving communities in the procurement process where relevant; it may be appropriate to undertake a consultation exercise prior to the procurement.
- 7.5 The specification will form part of the contract and must not be materially changed once it has been published as part of a tender exercise. For any proposed amendments, advice should be sought from the Procurement Unit.
- 7.6 In addition to the specification, draft terms and conditions and the evaluation criteria must be agreed prior to publishing a tender opportunity.
- 7.7 Guidance for producing a specification is included in Annex A.

8. Procurement Thresholds and Process

- 8.1 The table in Annex B summarises the thresholds applied to each category value of spend for the sourcing of supplies, services and works. Minimum levels are in place to ensure that the Councils achieve best value and compliance in their sourcing activity.

9. Authorisation to procure and award

- 9.1 Procurement activity must not commence without verification of budget available. The value of the contract should be based on a realistic estimate of the whole life costs (WLC) of the supplies, services or works being commissioned during the lifetime of the contract, including any extensions.
- 9.2 The Joint Procurement Forward Plan will be reported within the Medium Term Financial Plan and Budget Setting Report in February each year. This will identify above threshold procurement activity to be completed in the following financial year. This will be agreed on an annual basis and approval sought to commence procurement of all activity listed. Performance and activity (including confirmation of award) against the forward plan will then be monitored and reported within the Quarterly Procurement Report to Committee.
- 9.3 Any procurement activity undertaken during the year which was not included on the forward plan will be included within the Quarterly Procurement Report.
- 9.4 Irrespective of the total contract value, Committee reports may be required for Executive/Cabinet to obtain authority to procure and award where considered by the lead executive officer to be appropriate due to the nature of the procurement or where it relates to a key decision.
- 9.5 Contracts entered into under hand, where appropriate, may be signed by both parties electronically. Contracts entered into as a deed must be completed in accordance with the relevant legal procedure.

10. Contract Terms, Permitted Contract Extensions and Variations

- 10.1 Standard Contract terms usually should not exceed five years in total, including an initial fixed term and possible extensions. For ICT systems and more complex contracts e.g. management of services or strategic operational contracts, it may be permitted that the terms of agreement will extend beyond five years.
- 10.2 The Councils adopt a set of Standard terms and conditions and Consultants Agreements for use when contracting outside of industry standard (Construction) or framework terms and conditions. The intended form of agreement should be made available at publication or invite to tender stage. Deviation, amendments or adopting supplier terms and conditions must be referred to the Procurement Unit in consultation with Legal Services.
- 10.3 Where appropriate 'Break Clauses' must be agreed and included into Contract documents.

- 10.4 Extensions to existing contracts should only be entered into if they are included in the contract conditions and must be agreed by both parties in writing. Any other 'roll-overs' will be classed as off-contract expenditure as there is no current binding contract and are therefore discouraged unless justified.
- 10.5 For above threshold tenders (Procurement Act 2023), the extension must have been identified in the original Tender Notice.
- 10.6 When an operational manager proposes to extend a contract to include additional works, services, goods or materials, similar to those included in the original contract, they can do so only where all of the following criteria are met:
- (a) The original contract has been undertaken to a satisfactory standard
 - (b) The proposed additional works, services, goods or materials are substantially similar to those included in the original scope of the contract. Where additional works, services or supplies were not included in the initial procurement, the following must apply (in addition to the other criteria listed):
 - A change of supplier cannot be made for economic or technical reasons such as requirements of interchangeability with existing equipment, services or installations
 - A change of supplier would cause significant inconvenience or substantial duplication of costs for the contracting Authority
 - (c) The original contractor has submitted a further offer to the Council for the proposed additional works, services, goods or materials and that tender does not exceed the contract value of the original successful tender by more than 50% (e.g. where the original value of the contract is £100,000 an extension can be granted up to a value of £50,000 giving a total final contract value of £150,000) **However, the total final contract value must have been procured compliantly in line with the Council's Procurement Procedure rules.** If the amended contract value is likely to exceed the Public Contract threshold, the Procurement Unit must be notified as further notices will need to be published. Above-threshold contracts may be amended up to 50% of the contract value if permitted; guidance should be sought from the Procurement Unit.
 - (d) The original contract has not been completed more than 18 months prior to the submission of the further offer
 - (e) The original Contract has not previously been extended under this Rule; and
 - (f) The duration of any contract, including extensions, shall not exceed five years unless in agreed and exceptional circumstances.
- 10.7 A new agreement must not be entered into directly with a supplier without consultation with the Procurement Unit and approval granted by the relevant Executive Director.

- 10.8 Subject to the provisions of these procedures, variations to a Contract will be considered and permitted, subject to this variation not constituting 'material change' to the character, nature or subject matter of the Contract and do not breach the requirements set out under Public Contract Regulations.
- 10.9 For contract variations up to £5,000, the Service Manager shall have delegated power to approve the variation. For values exceeding this, authorisation must be obtained from the relevant authorised Officer.
- 10.10 No Officer shall give any instruction to a supplier/contractor, which materially varies or changes the Contract without confirming first the financial and/or legal effect.

11. Performance Bonds / Construction Bonds / Parent Company Guarantees

- 11.1 Affordability and proportionality must always be taken into consideration when deciding whether some form of financial security is appropriate
- 11.2 A Performance Bond or adequate financial security measure must be considered where:
- The total contract value is £500,000, **AND**
 - There would be a significant financial risk to the Authority if the supplier defaulted **OR**
 - The nature of the procurement is deemed 'high risk' **OR**
 - Any payments in advance of works/services are required **OR**
 - There is uncertainty as to the financial strength of the supplier
- 11.3 The bond should represent 10% of the total contract value unless otherwise agreed by the Executive Director (Resources) and Executive Director (Governance) and Monitoring Officer.
- 11.4 Construction shall not begin until a construction bond has been provided unless there is a provision in the contract entitling the Council to retain the agreed percentage value of any interim payments until the bond has been executed.
- 11.5 A Parent Company Guarantee must be considered when the successful bidder is a subsidiary of a parent company and:
- the estimated contract value exceeds £500,000 **AND**
 - award is based on evaluation of the parent company **OR**
 - there is a degree of uncertainty as to the financial strength of the subsidiary
- 11.6 Consideration of requesting a performance bond or parent company guarantee for contracts under the threshold above should still be undertaken if there is a significant financial risk to the Authority if the supplier defaulted.

- 11.7 Justification as to whether a bond/parent company guarantee is required is to be documented and held with the procurement documents.
- 11.8 Where a supplier matches the criteria for a performance bond/parent company guarantee, the requirement can only be waived following a recommendation from Head of Finance and subsequent approval from the Executive Director (Resources) or Executive Director (Governance) and Monitoring Officer (or delegated officer).
- 11.9 All Tender documents must make reference to the potential for a performance bond/parent company guarantee being required should a financial evaluation highlight concern.

12. Demonstration of best value

- 12.1 For all low-value procurements, best value must be demonstrated by the service area. Documented evidence must be retained. This is likely to be via obtaining more than one quotation. Where there are suitable local suppliers, these should be preferred.

13. Procurement Electronic Webform Portal

- 13.1 Procurement activity over £5,000 must be supported by an electronic procurement webform item, accessed from the Council's Intranet.
- 13.2 The Procurement webform enables the following:
- Registration of work item activity, including stepped process workflow
 - Unique numeric reference to be applied as contract reference
 - Overview of requirement(s) and estimated value
 - Authorisation to proceed and award, including budgetary oversight

14. Permitted Exemptions to the Rules

- 14.1 There are permitted exemptions to the Procurement Procedure Rules provided the value is below the Public Contract threshold and is within the discretionary powers of the Chief Executive and Executive Directors – see Annex C
- 14.2 A direct award to a single supplier outside of competitive procedure or compliant contract arrangement will be required to have a 'single source' exemption form completed and authorised at the required level.
- 14.3 The Procurement Unit must be made aware of any intended exemption to the Procedures Rules before commissioning, a procurement webform must be submitted and the 'Exemption to Rules' form must be completed and authorised. This will be issued by the Procurement Unit.

- 14.4 Exemptions will only be considered if the following apply:
- No contravention of any statutory requirement(s) (as set out in the Procurement Act 2023) will arise and:
 - The Chief Executive or responsible Executive Director is satisfied that the requirement of the relevant exemption as detailed in Annex C are met in relation to the Contract in question

15. Procurement Procedures

- 15.1 The general principles of public procurement should be observed when sourcing a provider:
- Transparency
 - Integrity
 - Economy
 - Openness
 - Fairness
 - Equality
 - Competition and
 - Accountability
- 15.2 The Procurement Unit will provide advice on the most appropriate sourcing route to apply to ensure compliance to the Procurement Procedure Rules.
- 15.3 Under no circumstances should contracts be broken down to make two or more orders so as to avoid the requirement for a Quotation, Tender or the requirement to comply with Procurement Act 2023. This will be treated as a direct breach to the procedure rules and reported to the Procurement Board or equivalent.
- 15.4 During the bidding process, suppliers may request further information before responding to an Invitation to Tender (ITT) or Request for Quotation (RFQ). This information must be documented and disseminated to participants.
- 15.5 Public advertising of contract opportunities through a Notice published on the Central Digital Platform (Find a Tender Service) is required for values exceeding £30,000. Below this threshold, opportunities may be advertised on Council websites and the e-tendering portal.
- 15.6 Contract Opportunities will be published via the following means (depending on the value):

- E-tendering Portal (HPBC/SMDC sourcing portal)
- High Peak BC and Staffordshire Moorlands DC websites
- Regional Sourcing portals
- National Government Find a Tender Service/Central Digital Platform
- Specialist publications (where applicable)

15.7 To ensure a fair opportunity for potential suppliers to respond to RFQs or ITTs, sufficient time should be allowed for the advertising period. Open advertising timescales must not be less than the recommended minimum periods detailed in Annex B.

16. Late Submissions

16.1 Tender submissions made after the stated response deadline will be referred to the Head of Service responsible for Procurement for review. Bids received after the deadline will usually only be accepted in exceptional circumstances if:

- i. The other tenders have not been opened
- ii. There has been a failure of the approved e-tendering system
- iii. The failure to comply is the fault of the Council
- iv. Other justifiable reason as authorised by Head of Finance

17. Acceptance of Quotations & Tenders

17.1 For Quotations (RFQ) and Tenders published via the electronic tendering portal, the opening procedures will be conducted by the Procurement Unit.

17.2 All submissions received (RFQ / Tenders) must be opened at the same time, after the closing date.

17.3 Amendments or alterations to bids once received and opened will not normally be allowed. However, where the examination of tenders reveals errors, omissions or discrepancies in calculations which would affect the bid figure in an otherwise successful application, the participant is to be given details of such errors and discrepancies and afforded an opportunity of confirming or withdrawing the offer. In addition, abnormally low bids must be investigated.

17.4 Incomplete or non-compliant bids will be rejected.

17.5 A tender may not be amended where for a particular requirement the lowest price exceeds the service's budgeted allowance (in this situation the process should be stopped, reviewed and re-stated if necessary). In the event that no supplier is able to meet the budget provision, negotiation on price is permitted to take place with all tenderers who are able to meet the defined minimum specification. The revised price must be uploaded to the ITT in the E-tendering portal.

- 17.6 A tender may be amended where the successful tenderer agrees to reduce the tender price after negotiation because the original tender includes goods or services provided covering a greater range of requirements than originally expected and, although lowest overall, negotiation might allow further savings to the benefit of the Council(s).

18. Evaluation Criteria and Selection

- 18.1 Quotation and tender responses must be evaluated against the criteria set out in the published documentation for that contract opportunity.
- 18.2 Qualification assessment is standard for published exercises; this is to determine the suitability of the potential provider in consideration of (but not limited to) the following:
- Mandatory / Discretionary Exclusions
 - Litigation
 - Financial and Economic suitability
 - Insurances
 - Health & Safety
 - Sub-contractor arrangements
- 18.3 Qualification questions will be set proportionate to the value and nature of contract. For Procurement exercises that are subject to the requirements under the Procurement Act 2023, the Suppliers may have uploaded the relevant information to the Central Digital Platform/Find a Tender Service, and a share code or zip file of the documentation can be requested as part of the bid. Otherwise, the Procurement Specific Questionnaire (PSQ) is not mandated but is recommended to be used.
- 18.4 A separate Qualification stage for regulated below-threshold contracts is not permitted, although the relevant information can still be requested and assessed at award stage. This is to support Contracting Authorities to procure from SME and VCSE suppliers.
- 18.5 Evaluation of the qualification questions should be carried out by subject matter experts. Financial evaluation, in particular, must only be carried out or signed off by suitably qualified finance professionals. This will consist of, at a minimum, a review of a credit report and assessment whether the recommended contract limit is appropriate to the contract. Further financial information can be requested where needed; for example, a company that has been trading less than a year may be asked to submit bank statements, cashflow projections, etc. To mitigate against financial risk, further controls may need to be put in place such as Parent Company Guarantees/ Performance Bonds (see section 11) or payment in arrears.
- 18.6 For tenders, evaluation weightings must be based on the percentage proportion for Technical (Quality) and Commercial (Price). The standard minimum weighting applied

is 40% Technical and 60% Commercial. An increase to the commercial element is permitted, however deviation from the minimum commercial percentage to a commercial percentage below 60% will require approval from the respective Executive Director or Head of Service.

- 18.7 Technical sub criteria must be clearly set out with the percentage weightings to be applied.
- 18.8 All tender evaluations must be undertaken by a minimum of two officers, using the standard scoring methodology and in accordance with the pre-published criteria.
- 18.9 The standard procurement evaluation matrix document must be used for evaluation of all responses. The scores will be used to determine the potential supplier against the Most Advantageous Tender (MAT) This is based on highest score across both Technical and Commercial Scoring overall.
- 18.10 In the event that a supplier fails to meet the minimum specification, as detailed in the specification brief, or fails to score any stated question/section minimum, the potential supplier will be rejected from the tender process.
- 18.11 Ties will be decided by the highest commercial score in the first place. If there is still a tie, further questions, presentations, etc, may be used *only* if the mechanism to be used has been included within the published tender documentation.
- 18.12 The Supplier response which scores highest in the evaluation matrix should be recommended for acceptance, provided that the supplier is judged to be financially sound (based on a satisfactory credit rating and/or a wider financial assessment as detailed in 18.5 above) and offers best value.
- 18.13 Quotations are permitted to be based on 100% price provided that the specification clearly states the minimum requirements / outputs are detailed and can be met.

19. Sub-contractors

- 19.1 The intended use of sub-contractors must be disclosed in the tender response and forms part of the qualification requirements for completion.
- 19.2 The Councils reserve the right not to approve the use of any sub-contractor if there are valid reasons and evidence, which conflict with the Procurement Procedure Rules.

20. Insurances

- 20.1 Suppliers will be required to evidence that they hold the required levels of Insurance cover to undertake business with the Council(s). As standard they must have

Employers Liability and Public / Product Liability Insurance cover. In addition, for Consultancy based contracts, Professional Indemnity Insurance will be required.

The following levels are required as standard:

- Employers Liability Insurance £5M
- Public / Product Liability Insurance £10M*
- Professional Indemnity Insurance £2M*

**The above levels may be changed to reflect the contract nature and should be set proportionate to the nature, delivery and risk of the supplies, services or works being procured. Any proposed reduction in levels must be agreed with the Insurance Officer.*

- 20.2 For contracts below £5,000 requiring supplier Public Liability Insurance cover, Supplier insurance documents must be requested and verified by the Officer responsible for the contract prior to commencement. A copy should be retained by the Officer responsible and reviewed on an annual basis thereafter for the lifetime of the contract.
- 20.3 For values between £5,000 to £10,000, a copy of the Public Liability Certificate should be uploaded and attached to the webform in addition to the quotation evidence.
- 20.4 For contracts which are published through the Council's e-tendering portal, copies of supplier insurances will be obtained through the qualification requirement.
- 20.5 Single source appointments are subject to the same protocols for obtaining and verifying that suitable / adequate insurance cover is in place. It is the responsibility of the commissioning officer to upload the insurance cover document with the single source webform.
- 20.6 Contract Managers should review supplier public liability insurance documents at renewal dates in accordance with contract management procedures on an annual basis.

21. Contract Award and Completion

- 21.1 Notification of award and debriefings will be completed by the Procurement Unit for tenders with a contract value exceeding £30,000.
- 21.2 For awards made requiring formal contractual agreement and once the sourcing procedure is completed, the contract should be signed by the supplier before the Council. If the contract is being signed electronically, once the counterpart signature has been completed a fully signed electronic copy should be sent to the supplier.
- 21.3 Where the contract is to be completed with wet signatures or executed as a deed, the contract should be printed in duplicate and will be posted to the supplier first. Once received back, the two copies of the contract will be signed by the Council(s). One

copy of the contract will be retained by the contractor and the other signed copy will be retained by Legal Services in the secure Legal file store. Contracts should only be executed in counterpart in urgent cases and with the authorisation of the relevant Executive Director.

- 21.4 Where the contract value exceeds £100,000, both parties shall sign the contract under seal, except where the Monitoring Officer is satisfied that in the circumstances it is not necessary or in the best interests of the Council(s) for the contract to be executed under seal. Such reasons shall be recorded in writing.

22. Construction Procurement (Works Contracts)

- 22.1 The generic procurement process does not fully translate to the procurement of construction contracts; there are a whole host of other considerations. In particular, technical and project expertise and capacity will be required commensurate with the project (either in-house or externally). Other considerations include:

- Additional Tendering Requirements – e.g. to comply with industry guidance or procedural codes
- Whole-Life Costing – not only should the initial cost of creating a building or structure be considered but also the cost of servicing and maintenance etc. over its lifetime. In appropriate circumstances, higher initial capital expenditure can be justified if it significantly reduces future servicing, maintenance, and other operational costs
- Estimating and Cost Control – robust estimating and cost control procedures are essential to avoid project overspend
- Risk Management – potential risks must be identified at an early stage and an appropriate risk management strategy – including a risk register – put in place
- Additional Statutory Obligations – these can be wide ranging including planning permissions, Building Control Regulations, Health and Safety requirements etc.; and
- Sustainability – the Government's National Procurement Strategy requires local authority construction projects to adequately consider social, economic and environmental factors (e.g. through protecting the natural environment).

- 22.2 The Common Assessment Standard (CAS), which has replaced the PAS91 Construction Qualification will apply for above-threshold Public Contracts.

23. Framework Agreements

- 23.1 A Framework agreement is a type of contract that has already been tendered by another organisation (by a third party buying organisation or another Contracting Authority) and is a permissible contracting route for public sector organisations. It is an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.

- 23.2 Framework agreements differ widely in their terms particularly as to whether the client accepts some contractual commitment without immediately placing orders or whether contractors are free to decline orders. Contracts based on framework Agreements must always be awarded in accordance with the rules set out within the framework agreement documentation. This may be either:
- a) By undertaking a 'direct call-off' from the framework agreement, where the terms are sufficiently precise to cover the particular call-off requirements without re-opening competition and a contract can be awarded directly to a framework supplier; or
 - b) By holding a 'further competition' in accordance with the rules set out in the framework, where the requirements are provided to the framework suppliers in the relevant lot of the framework, and the framework suppliers provide their responses and price in return.
- 23.3 Binding contracts are made only when an unconditional offer by one party has been accepted by the other. A framework agreement is therefore a loose collective term covering:
- Framework arrangements (no binding commitment); and
 - Framework contracts (commitment by both parties to one another).
- 23.4 The provisions of the Procurement Procedure Rules apply equally to these types of agreement, and specifically:
- The use of the framework must be approved and verified as providing value for money (some frameworks – especially construction – charge a % management fee) by the relevant Executive Director / Chief Executive.
 - The framework must be available to public sector bodies
 - The Procurement Unit must approve the contract within the framework as adequate for the procurement.

24. E-Procurement

- 24.1 The Councils recognise the importance of electronic trading and have or are in the process of implementing the following e-procurement tools enabling electronic sourcing, ordering, receiving goods and making payments.
- Corporate purchasing cards
 - Electronic tendering portal and contract management modules
 - Electronic auctions ("e-auctions")
 - Purchase to pay systems
- 24.2 Where an e-auction is used, the usual thresholds and authorisation procedures must be used as with a standard procurement process.

- 24.3 An official purchase order must be raised prior to the supplies, goods and services being commissioned. Each purchase order above £5,000 must quote the PROC reference.

25. Purchase to Pay (P2P) Process

- 25.1 The purchase to pay cycle covers the process of purchasing goods from the initial identification of the need to procure goods or services to the payment of the supplier. When a need to purchase goods or services is identified, Annex D details the steps which should be followed.

26. Social Value and sustainable procurement

- 26.1 Social Value must be considered for all procurement activities and an element of Social Value should be included in tenders above £30,000 and must be included in above-threshold tenders. Details are given in the Social Value Policy at Annex E.
- 26.2 Sustainability must also be considered for all procurements in line with the Sustainable Procurement Policy at Annex F.

27. Contract Management

- 27.1 All contracts must have a named contract manager including position, for the entirety of the contract.
- 27.2 All contracts over a Total Contract Value of £5m must include at least 3 Key Performance Indicators (KPIs) and the contract documents and KPIs must be published where required in accordance with the Procurement Act 2023.
- 27.3 Contracts below this value should also include KPIs where appropriate to ensure that the contract performance is managed effectively.
- 27.4 All contracts must contain dispute resolution provisions and these must be used at the earliest sign of something going wrong or the failure of KPIs.
- 27.5 Records of all contract performance discussions and liaison with contractors should be kept and retained as evidence at all times in the event of any issues arising.
- 27.6 Contracts should be effectively managed to ensure value for money is achieved, potential risks are avoided and the outcomes and benefits identified in the business case are delivered
- 27.7 Day-to-day contract review should be carried out within the service area by an officer nominated by the relevant Executive Director. For contracts that involve an ongoing

relationship (i.e. are not one off in nature for the supply of goods or services), the Client and Supplier should hold mutually agreed regular meetings either quarterly or biannually with a set agenda and notes of the meeting kept. The frequencies of the meetings should be set appropriately to the delivery and nature of the contract arrangements in place.

- 27.8 Contracts should not be terminated without first taking legal advice from the Executive Director & Monitoring Officer or delegated officer. Any decision to proceed to termination requires the authorisation of the relevant Executive Director / Head of Service.

28. Collaborative Working

- 28.1 Potential contracts as part of a consortium with other local or public authorities or the private sector must have the agreement of the Procurement Unit and may only be entered into if it is in the best interests of the Councils and it complies with the Procurement Procedure Rules of at least one of the other authorities (which must be at least as rigorous as those included in these Procedure Rules) and that of the requirements as set out in the Public Contract Regulations for above threshold activity. All consultations and decisions should be recorded in writing.

29. Transparency

- 29.1 A register of all contractual agreements must be maintained centrally by the Procurement Unit, by means of a central record / database. The register is open for inspection by any Member of Officer of the Council(s), upon request.
- 29.2 In addition, a public extract from the Contracts Register (covering supplier details, start/end dates and options to extend) shall be made available on the Council(s) websites.
- 29.3 Under the Transparency Code 2015 requirements, all invitations to tender for contracts exceeding £5,000 must be published quarterly by the Authority. Purchase Card spend(s) must be published monthly.
- 29.4 The annual procurement forward plan will be available on the Council(s) websites. This will list all planned forthcoming procurement events for the current year.
- 29.5 Detailed documentation must be retained by the Procurement Unit to support the procurement and evaluation process (clearly detailing the evaluation scores and contract award) for the duration of the contract and after in accordance with the Document Retention Policy. All related data must be retained in the electronic tendering portal applicable to the completion of the exercise

- 29.6 Evaluation feedback (supplier debriefs) should be issued to all unsuccessful tenderers upon conclusion of the evaluation and award process as standard protocol under a tender procedure
- 29.7 Additional transparency requirements apply to all above threshold contracts and some below threshold contracts under the Procurement Act 2023, regarding publishing of notices on Find a Tender Service/Central Digital Platform.

30. Fraud and Corruption – Officer Interests

- 30.1 Councillors and officers must not accept any form of hospitality from any Candidate during a tendering (or similar exercise). Hospitality from suppliers, service providers or contractors who may or may not have current contracts with the Council may only be accepted in accordance with the Code of Conduct for Elected Members” and “Code of Conduct Employees, for officers, both of which form part of the Council’s Constitution. For both Members and officers, the appropriate Declaration or Register of Gifts and Hospitality should be completed in accordance with this guidance.
- 30.2 Prior and on the receipt of tenders, officers involved in the procurement will be required to complete the webform declaration disclosing any interests in the contract. All relevant Interests must be disclosed and the Procurement Unit (in discussion with the Monitoring Officer where required) will determine if it is appropriate for the officer to be involved in the subsequent procurement.
- 30.3 The Monitoring Officer shall record and keep the particulars of any notice given by an officer of the Alliance under Section 117 of the Local Government Act 1972, of any pecuniary interest in a Contract.

31. Fraud & Corruption – Supplier

- 31.1 A standard contract clause is included in the standard terms and conditions to protect the Council(s) and secure entitlement to cancel the contract and recover any loss resulting from such a cancellation, if the contractor, his employees or agents with or without his knowledge:
- Does anything improper to influence the Alliance or its employees in relation to the contract; or
 - Commits any offence under the Prevention of Corruption Acts 1889 to 1916 or any amendment of them; or
 - Provides a fee or reward, the receipt of which is an offence under section 117(2) of the Local Government Act 1972 (Article 45).
- 31.2 All potential suppliers should have access to the Councils’ Anti-Fraud and Corruption and Whistle Blowing policies.

- 31.3 Suppliers will be required to sign a declaration [Non-Canvassing and Collusion] relating to the Prevention of Corruption (to indicate that they understand and agree to abide by the Council's policies, including a standard clause on the Prevention of Bribery).

32. Legislation – The Legal Framework

- 32.1 As well as the Procurement Act 2023, Procurement Regulations 2024 (which operationalise the Procurement Act) and the National Procurement Policy Statement (NPPS) there are several legislative Acts which impact procurement. The Procurement unit and Legal Services will provide guidance on the requirements of these acts and if they are applicable to the procurement activity being undertaken

Localism Act 2011 - Community Right to Challenge

The Community Right to Challenge is the right for community organisations to submit an expression of interest in running services of local authority and fire and rescue authorities on behalf of that authority.

Public Services (Social Value) Act 2012

The act requires consideration at the pre-procurement stage how the procurement activity may improve the social, environmental and economic well-being of the area in which the contract will be applied, how it might secure any such improvement and to consider the need to consult.

Bribery Act 2010

The Act defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

Modern Slavery Act 2015

The Modern Slavery Act 2015 is designed to tackle slavery in the UK and consolidates previous offences relating to trafficking and slavery.

Late Payment of Commercial Debts Regulations 2013

Legislation to prevent late payment in commercial transactions.

Equality Act 2010

In accordance with the Equality Act 2010, Contracting Authorities must comply with the Public Sector Equality Duty when conducting public procurement.

Local Government (Transparency Requirements) (England) Regulations 2015

Sets out the minimum requirements for local authorities to publish open data for re-use and in a timely way.

Small Business, Enterprise and Employment Act 2015

Includes provisions to support small businesses in public procurement, ensuring they have better access to public contracts.

33. Freedom of Information

- 33.1 The Freedom of Information (FOI) Act 2000 gives people the right to see information that is held by any public organisation. It is intended to make public authorities more open and responsible for their actions. The Act recognises that there are some valid reasons for withholding information. Bidders are required to identify any confidential or commercially sensitive information in their tender response.

34. Data Protection

- 34.1 Procuring Officers must consider the information governance requirements of the contract if they anticipate any Personal Data is to be processed as part of the contract e.g. data protection, security of information, records management.
- 34.2 Where Personal Data may be processed as part of the contract Procuring Officers must seek further advice from the Legal services section.
- 34.3 Where Personal Data may be processed as part of the contract, a Privacy Impact Assessment tool must be completed. This will help the Council identify the most effective way to comply with their data protection obligations and meet individuals' expectations of privacy.
- 34.4 Where requirements are identified by the Privacy Impact Assessment, Procuring Officers must ensure that any requirements are considered and built into the specification, and assessed where necessary as part of the contract evaluation including assurance that the contractor can comply with the General Data Protection Regulation and seeking indemnities from contractors for breaches of the same.

ANNEX A – SPECIFICATION WRITING GUIDANCE

Specifications will vary in length and complexity depending on the nature of the product or service being procured. However, the following are common areas in most specifications, and should be included unless there is valid reason why not:

- **Title Page** – Clearly describe the project and identify the Alliance and the main contact person (or contract administrator)
- **Table of Contents** – Ensure that the document is well set out and easy to read, using plain language
- **Definitions** – In addition to the definitions in the contract part of the tender, it is important that there is a list of definitions, or a glossary of terms, to ensure that technical words and phrases in the specification are mutually understood. Failure to define key words and phrases may lead to misunderstandings and inappropriate solutions
- **Introduction** – The introduction should briefly explain the requirement and the context of that requirement
- **Scope** – The scope will address areas such as anticipated demand or volumes, whether the supplier is to supply only, supply and install, provide training, provide supporting documentation, etc. and, where appropriate, should identify specifically what is not to be included
- **Background** – The more information a tenderer has, the better able he or she is to respond to the tender. Background information may cover, where appropriate, the reason the Alliance is tendering, its expectations, the implications for the Alliance of implementing the solutions and other options which have been considered by the Alliance (and if dismissed, why). It may also explain how the solutions may link into other requirements and applications whether already implemented or planned for the future
- **Service Conditions and Environmental Factors** – Explain any factors which may have a bearing on the operation of the goods or services. For example, if the physical environment may impact on the output design or performance, the specification must highlight these conditions. Examples include:
 - Operating and storage conditions
 - The need for interchange ability or compatibility with existing services and equipment
 - Personnel and health and safety aspects
 - Existing facilities to be maintained throughout a contract period and what has to be done to ensure this; and

- Any sustainability requirements, for example, energy usage and the recycling capability of the goods.
- **Statement of Requirements** – The Statement of Requirements must contain a description of the outputs for services or functionality and performance requirements for goods. Details of the performance indicators and benchmarks that will be monitored during the contract period must also be included. The Statement of Requirements will vary significantly in scale and complexity depending on the size and nature of the contract but may contain some or all of the following:
 - **Services:** Required outputs and/or outcomes
 - Performance measures
 - Targets
 - Management of the contract
 - Transfer of assets and personnel
 - The hand-over process
 - Transition between service providers
 - **Goods:**
 - Design and performance criteria
 - Functional characteristics
 - Performance characteristics
 - Technical characteristics
 - Reporting requirements
 - Standards
 - Compatibility and standardisation
 - Acceptance testing
 - Trade-ins
 - **Works:**
 - List drawings and other guidance provided
 - Details of access, ground conditions and preparation work
 - Performance criteria including contractors' designs
 - Relationships with subcontractors and suppliers
 - Employer's contractual and legal requirements
 - Insurances of works and indemnities
 - Works management including completion and defects
 - Control of time and cost
 - Quality control, standards and checks required
 - Health and safety; and
 - Temporary facilities.

No proprietary brands may be named in specifications and care should be taken to ensure that specifications are not written so as to restrict competition.

- **Technology, systems and management techniques** – The specification may need to state where the Alliance expects improvement in the use of systems and other

management techniques. This will help ensure that the supplier continues to adopt best practice throughout the course of the contract

- **Quality Requirements** – The specification should address the quality processes and standards expected of the supplier. For supply contracts, the quality of the goods required must be clearly defined
- **Whole of Life Support** – This section should state what maintenance is required and any modifications or upgrades that may be required in the future plus any warranties required
- **Security** – If security is an issue, then this section should ask suppliers about how the confidentiality of personal and commercial information will be handled. It may also address security issues such as theft-reduction measures
- **Training** – Any training which is required for the product or service in question should be clearly identified and the supplier should be required to state what will be provided, plus the cost of any additional training requirements that may be above the levels agreed in the tender process
- **TUPE** – The specification must clearly state any potential TUPE and pension implications that suppliers would need to consider when submitting a tender; and

Implementation Timetable – The implementation timetable should be fully detailed including the commencement date, delivery date(s), milestones, and a completion date. The Alliance must specify the required dates and not ask the supplier when he or she can deliver, although the supplier can be asked to provide (costed) variations if deemed appropriate.

ANNEX B – SOURCING THRESHOLDS AND APPROVALS

	Value £	Sourcing Method	Min No. of bids *	Sourced by	Advertising Timescales**	Method / Means
HPBC / SMDC DISCRETIONARY LEVELS	NOTE: All Supplier purchases unless made via a Purchase Card transaction must have a valid Purchase Order raised on the Council's Purchase order system					
	0 – 500 (one off spend)	Purchasing Card	1	Service	n/a	Purchase Card for one offs
	0 – £5,000	Best Value	1	Service	n/a	Officers should be able to demonstrate best value has been achieved. Local suppliers should be preferred.
	£5,001 – £10,000	Informal Quotes	3	Service	No min period (sufficient time should be allowed for preparation of quotes) Advertise on Websites if desired	Procurement Webform Quotations obtained uploaded to Webform A minimum of one local supplier should be invited if practicable.
	>£10,001 – £30,000	Request for Quotations (RFQ)	3	Procurement	No less than 2 weeks	Procurement Webform & E-tendering / Advertising portals Should be open to Local suppliers.
	>£30,001 – Public Contract thresholds	Tender (ITT)		Procurement	No less than 3 weeks (depending on the complexity of the contract)	Procurement Webform & E-tendering / Advertising portals

**Where practicable*

***unless exceptional circumstances dictate – insufficient time is not exceptional*

Procurement Act 2023

The Procurement Act 2023 applies to goods and supplies, services and works, and specifies certain procedures and time scales that must be followed, including publishing of Notices on the Find a Tender Service.

Procurement Unit must be consulted and will be responsible for all activity exceeding these thresholds.

Public Contract Regulations apply				
	Value £	Category	Procedure	Advertising Timescales (<i>min applies</i>)
	> Public Contract threshold (£214,904 as of January 2024; adjusted every two years)	Supplies / Services	Open (one stage)	ITT 30 days
			Competitive Flexible (multi-stage)	Initial participation period: 25 days Tendering period: 25 days or 10 days if planned procurement notice published.
	> Public Contract threshold (£5,372,609 as of January 2024; adjusted every two years)	Works	As above	As above

Award and Exemptions Authorisation Limits:

Total Contract Value (£)	Authorisation	Authorisation By
<30,000	Head of Service/ Executive Director	Webform
30,001 – Public Contract threshold	Executive Director/Chief Executive	Webform
> Public Contract threshold – 1,000,000	Delegated Member Decision	Delegated Member Report (Portfolio Holder for Procurement and the relevant service area)
> 1,000,000*	Cabinet (SMDC) Executive (HPBC) (with prior Scrutiny Committee)	Committee Report

* Committee reports may be presented where the total contract value is less than £1,000,000 where considered appropriate due to the nature of the procurement or where it relates to a key decision

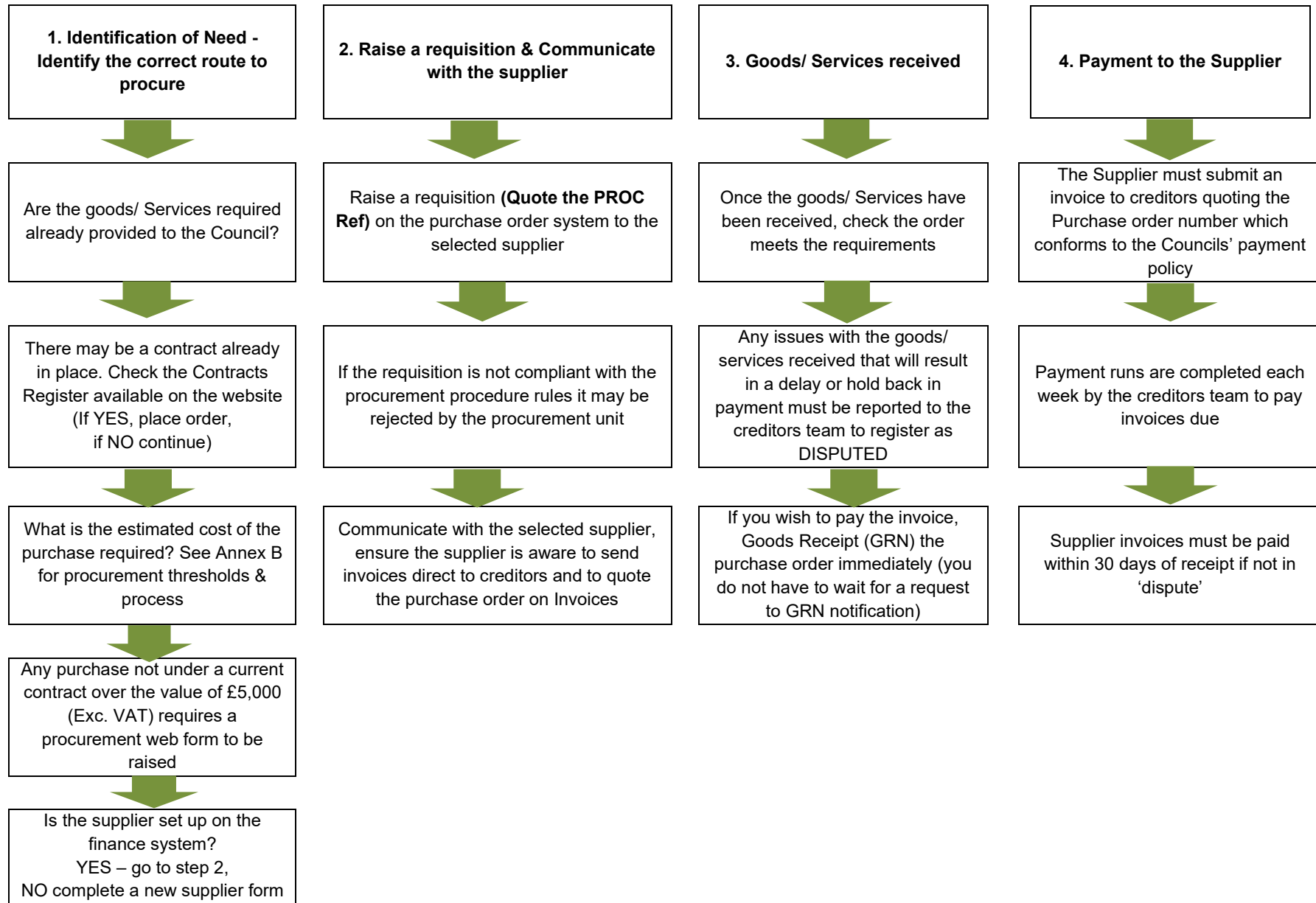
ANNEX C - PERMITTED EXEMPTIONS TO THE RULES

When applicable and justified, the Procurement Procedure Rules relating to the obtaining of quotation and tenders shall not apply in the following instances:

Exemption 1	In the case of contracts for the supply of goods or materials, the goods or materials are proprietary, patented or specialised articles or are sold only at a fixed price and no reasonably satisfactory alternative is available. For services or works, this may apply where competition is absent for technical reasons or where a technical subject matter expert is required; for example, where a consultant has been used for a particular piece of work (e.g. a planning appeal or continuing work from a barrister) and subsequent, unforeseen, work is required on the same case.
Exemption 2	The prices of the goods or materials are wholly controlled by trade organisations or Government order and no reasonably satisfactory alternative is available
Exemption 3	The procurement of goods or services is required to react to, or to prevent, a genuine, unforeseen emergency situation. An emergency situation is one: ○ Which is likely to involve risk of serious damage to or destruction of property ○ Where repairs or maintenance are required to property and delays to the procurement would result in the Alliance incurring further significant costs; or ○ Which is likely to involve risk of injury, or danger to health or life
Exemption 4	It can be evidenced through benchmarking or another robust and auditable process that the goods or services to be purchased are offered to the Alliance at a price substantially less than the lowest price at which the Chief Executive/Executive Directors would reasonably expect through completing a tendering exercise
Exemption 5	The procurement of goods or services is required for an interim period (no longer than 24 months) to enable the alignment of contract dates with a public sector partner, and where to do so enables a collaborative procurement to be completed which, it can reasonably be anticipated, will deliver savings and/or operational efficiencies
Exemption 6	Any other justified reason as authorised and fully documented by the Chief Executive/Executive Directors up to the Public Contracts Threshold.

In all cases above a written record must be kept of the reasons why an exemption was applied.

ANNEX D – PURCHASE TO PAY CYCLE





HIGH PEAK BOROUGH COUNCIL
&
STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

SOCIAL VALUE POLICY

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1. Background and Purpose

- 1.1 The Public Service (Social Value) Act 2012 requires the Councils to consider how wider social, economic and environmental benefits can be secured through the procurement process.
- 1.2 Although the Procurement Act 2023 does not make direct reference to Social Value, it does require buyers to prioritise “maximising public benefit”. This, combined with the National Procurement Policy Statement explicitly mentioning Social Value and stating that socio-economic and environmental factors should be considered, confirms the reinforcement of Social Value principles in public procurement.

*Achieving value for money is always the overarching priority in public procurement. ... This means optimising the use of public funds by balancing effectiveness, efficiency and economy over the life-cycle of a product, service or works to achieve the intended outcomes of the procurement. This includes **wider socio-economic and environmental benefits and impacts**.*

National Procurement Policy Statement

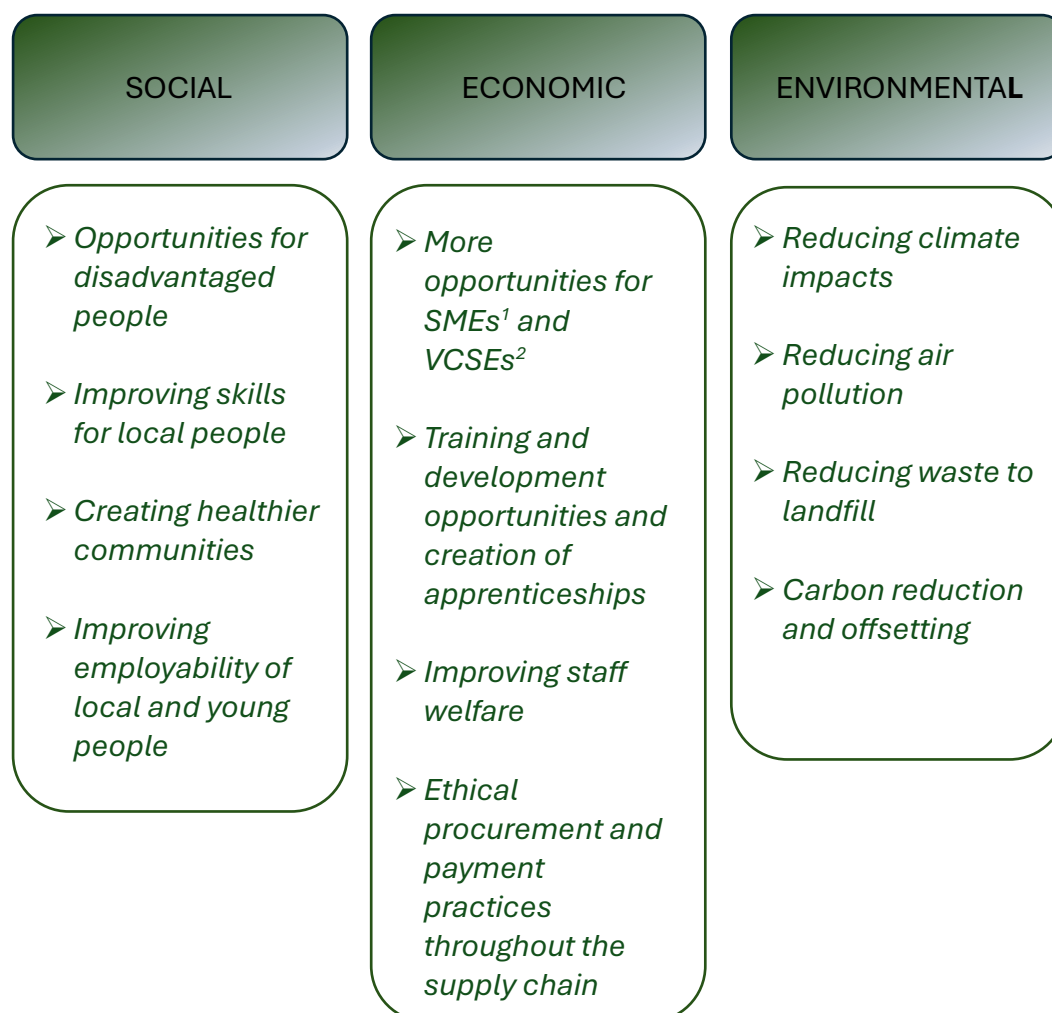
- 1.3 The purpose of this policy is to formally embed Social Value into all procurement processes followed by the Councils and to ensure that the Councils use their roles as procurers to deliver inclusive growth in line with the Councils’ priorities.

2. Defining Social Value

- 2.1 The Social Value Act does not explicitly define “social value”. Therefore, the Councils will adopt the definition as set out by the Sustainable Procurement Taskforce:

“A process whereby organisations meet their needs for goods, services and works in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

- 2.2 Social Value is the additional benefit to the community from a commissioning/procurement process over and above the direct purchasing of services and outcomes.



¹ Small and Medium Enterprises

² Voluntary, Community and Social Enterprises

- 2.3 Whilst this policy focusses on procurement, the Councils recognise that Social Value can also be delivered through other levers such as the use of the Councils' land and property assets, as well as working with stakeholders in relation to the broader corporate social responsibility agenda. For example, in considering the "community asset transfers" of Council managed land and property to community organisations and trust there is a need to consider the Social Value in the assessment of options and the principles of this policy are relevant to that decision-making process.

- 2.4 For the purposes of this policy, “local” is defined as being within the relevant Council’s County boundaries.

3. Social Value Outcomes

- 3.1 Local Social Value priorities will be driven by the Council Plans which outline the Councils’ vision, purpose and ambition. This policy will support delivery of the Councils’ priorities through wise use of our procurement power to ensure maximum benefit for our local communities when letting contracts.

- 3.2 This policy contributes to the following Aims:

High Peak Borough Council

Aim 1: Supporting our communities to create a healthier and safer High Peak

Aim 2: A responsive, smart, financially resilient and forward-thinking council

Aim 3: Protect and create jobs by supporting economic growth, development and regeneration

Aim 4: Protect and improve the environment including responding to the climate emergency

Staffordshire Moorlands District Council

Aim 1: To help create a safer and healthier environment for our communities to live and work

Aim 2: To use resources effectively and provide value for money

Aim 3: To help create a strong economy by supporting further regeneration of towns and villages

Aim 4: To protect and improve the environment and respond to the climate emergency

- 3.3 Defining Themes, Outcomes and Measures (TOMs) to reflect both organisational and wider societal priorities, creates the “golden thread” from strategy to delivery. This is needed to set a framework in which stakeholders, businesses and community partners can engage to support the Councils’ Social Value objectives and deliver measurable change. The Councils use the TOMs Open Access Framework, which consists of 30 Measures across four themes: Work, Economy, Community and Planet. Appendix A links these with the Council’s aims and identifies the Councils’ priority TOM list.

- 3.4 Suppliers are asked to consider where and how their activities can have a positive social impact. Additional weighting may be given to TOMs selected from the Councils' priority TOM list when scoring tenders. Each Measure has a proxy value to enable a Social Value target amount to be identified.
- 3.5 It should be made clear in the tender documentation that, although the complete list of Measures is published, only a selection of relevant and achievable Measures should be completed by Suppliers.
- 3.6 TOMs are updated on a regular basis by the Social Value Portal and the latest list should be used. The Measures and proxy values must be used as published and not be altered or combined.
- 3.7 The Councils procure a wide range of goods and services, and it is recognised that there can be no "one size fits all" model. This policy will need to be applied in a proportionate manner and be tailored to reflect the works, services or goods to be procured. It is the role of the service commissioners and procurement leads to consider, on a contract-by-contract basis, the potential social value outcomes that could be delivered through the procurement process and the most appropriate procurement strategy to achieve this.
- 3.8 Social Value targets, where set, will be contractualised and will, along with other Key Performance Indicators (KPIs), form the basis of contract management and performance monitoring reviews.
- 3.9 Table 1 below sets out further detail around procurement processes by contract value.

Table 1: Social Value processes by contract value

Value	Process	Potential outcomes	Expected weighting in tender evaluation
Up to £30,000	Light touch: include a Social Value question in the Request for Quotation (RfQ) or Invitation to Tender (ITT) documents. Example Social Value questions are given in Appendix B.	Added value around one or two areas such as community volunteering or linking up with a local school. This will help small local business understand the issues and reward those that are already involved in their communities.	5%

		Expectations will not be specific to a project but will take into account what the organisation does as a whole.	
£30,001 to Public Contract threshold	Expectation that Social Value will be included in tenders; exceptions are given in Appendix C. TOMs calculator can be included in tender documents or theme-specific questions used, with evaluation scores and weighting clearly set out.	If the TOMs calculator is used, suppliers will be expected to respond to some of the range of opportunities contained within the TOMs calculator; a multiplier of 2 or 3 may be given to the TOMs on the Councils' priority list. Assessment to be on project-specific proposals.	5-10%
Over Public Contract threshold	Social Value must be included in every procurement process. Consideration to be given to Social Value and the maturity of the market at the pre-procurement stage. TOMs calculator is to be included in the tender documents with evaluation scores and weightings clearly set out, with an action plan to deliver Social Value during the contract period.	Suppliers will be expected to respond to some of the range of opportunities contained within the TOMs calculator; a multiplier of 2 or 3 can be given to the TOMs on the Councils' priority list. Assessment to be on project-specific proposals.	Minimum 10%. Higher weighting may be appropriate if the contract price is set or there is an opportunity for a specific social value need.

3.10 Social Value in tenders will be evaluated on both a quantitative (total value offered through using proxy values) and a qualitative (description of how the Measures will be achieved) basis. This would usually be on a 50:50 split between qualitative and quantitative elements, but this can be altered if there is a compelling reason to do so. Qualitative responses will be scored using the same scoring framework as the technical/quality criteria.

3.11 Example proxy values for each Measure are given in Appendix D and a flow chart showing the process for including Social Value within procurement is given in Appendix E.

- 3.12 Where a framework is used it may not be possible or suitable to ask suppliers to consider or give a weighted score to, the selection of the Councils' priority TOMs. However, if Social Value was included as part of the overarching framework agreement there may be opportunities to include those elements within a contract.

4. Consultation

- 4.1 Under the Social Value Act, consideration must be given as to whether to undertake a consultation into Social Value requirements.
- 4.2 Consultation will be appropriate in the following circumstances:
- a) If it would be beneficial to seek the views of service/end users on how best to commission services or obtain benefit from Social Value
 - b) To obtain the views of the market to see whether Social Value considerations are achievable.
 - c) To help identify the benefits that may be obtained through the procurement.
 - d) For higher value, more complex procurements.
 - e) When a decision is being made to outsource a requirement.
- 4.3 Benefits of consultation include a clearer focus on specific outcomes, proportionate testing and evaluation of the service and potential savings from choosing a competitive procedure.
- 4.4 Consultation must be undertaken with proper planning otherwise it may achieve limited results. It may also be time consuming depending on who is involved in the consultation.

5. Responsibility

- 5.1 The delivery of this Social Value Policy is the overall responsibility of the Executive Director (Community Services). All procurement decisions will be managed through the procurement process as set out in the Councils' Procurement Procedure Rules.
- 5.2 All Council Officers have a responsibility for the delivery of Social Value through effective contract management and relationships with suppliers, communities and residents.

6. Monitoring and Review

- 6.1 This Social Value Policy will be monitored on an ongoing basis and reviewed every three years.
- 6.2 Social Value outcomes and values from current contracts will be included within the Quarterly Procurement report to Finance and Performance Committee (Staffordshire Moorlands) and Corporate Select Committee (High Peak).

Appendix A – TOMs list, Council Aims and Priority TOMs

Refer to Social Value Portal for up-to-date TOMs list: www.socialvalueportal.com

Theme	Outcome	Ref Priority	Measure	High Peak Borough Council Aim	Staffordshire District Council Aim
Work	Creating local employment opportunities	NT1	Local people employed or retained	Aim 3: Protect and create jobs by supporting economic growth, development and regeneration	Aim 3: To help create a strong economy by supporting further regeneration of towns and villages
	Creating equal employment opportunities	NT3	Long-term unemployed people recruited		
		NT4	Employees recruited who are Not in Education Employment or Training (16-24 y.o.)		
		NT76	Unemployed people recruited		
		NT5	Unemployed ex-offenders aged 18 and over recruited		
		NT6	Unemployed individuals with disabilities recruited		
	Providing skills and experience for good work	NT9	Accredited training for new employees		
		NT10	Employment of new apprentices		

		NT80	Upskilling of existing employees through accredited training		
		NT11	Personalised support to help unemployed people into work		
	Providing good work opportunities	NT12	Meaningful unpaid work placements while Not in Employment Education or Training		
		NT13	Meaningful paid work placements		
	Developing skills and experience for future work	NT8	Support for students at local educational institutions		
		NT99	Support for enabling visits of school children or local residents		
Economy	Building diverse and sustainable supply chains	NT14	Spend with VCSEs in the supply chain	Aim 2: A responsive, smart, financially resilient and forward-thinking council	Aim 2: To use resources effectively and provide value for money
		NT18	Spend with local companies in the supply chain		
		NT19	Spend with local SMEs in the supply chain		
	Promoting a diverse and resilient business community	NT15	Expert support to VCSEs and SMEs		
		NT16	Support for VCSEs through donations		
		NT17	Support for VCSEs through volunteering		

Community	Building resilient communities	NT28	Support for local community projects through donations	Aim 1: Supporting our communities to create a healthier, safer, cleaner High Peak	Aim 1: To help create a safer and healthier environment for our communities to live and work
		NT29	Support for local community projects through volunteering		
	Building community wellbeing	NT26	Support for community health or wellbeing interventions		
		NT27	Support for initiatives focused on strengthening community networks		
Planet	Restoring our climate and improving air quality through decarbonisation	NT31	Reductions in scope 1 & 2 CO2e emissions through decarbonisation	Aim 4: Protect and improved the environment including responding to the climate emergency	Aim 4: To protect and improve the environment and respond to the climate emergency
		NT31a	Reductions in scope 3 CO2e emissions through decarbonisation		
	Restoring our climate and improving air quality through transport	NT32	Reductions in car miles from a green transport programme		
	Promoting environmentally sustainable procurement	NT116	Expert support on carbon reduction to SMEs in the supply chain		
	Protecting and restoring biodiversity and ecosystems	NT119	Support for green spaces, biodiversity or ecosystems		
	Transitioning to a regenerative economy	NT87	Reductions in plastics used		

Appendix B – Example Social Value questions for tender documents

General Social Value Question Examples

A: Please explain how, through the delivery of this contract, you will support the Councils key ambitions and priorities [these will need to be outlined in the procurement documents].

This could include:

- Employment of residents within the High Peak/Staffordshire Moorlands boundaries
- Apprenticeship schemes and training
- Use of SMEs or Derbyshire/Staffordshire contractors within your supply chain

B: Please detail how you will contribute to Social Value and The Council Plan, demonstrating social, economic and/or environmental well-being or benefits and sustainability, taking into account the length of the contract.

Theme: Planet

C: What do you consider to be the main environmental impacts associated with delivering the contract and how will impacts be reduced, managed and verified?

D: Please confirm what will be delivered, as part of contract delivery, in relation to any of the following and how this will be achieved:

- the re-use of resources
- increasing recycling levels to reduce the amount of waste
- use of environmentally friendly goods
- reducing the carbon footprint
- improving fuel and energy efficiencies

E: The Council is keen to reduce its carbon footprint. Please explain what steps you will take in a delivery of the contract to help the Council achieve this aim.

Theme: Work

F: Please explain how, through the delivery of this contract, you will support local people into work opportunities. Your answer could include schemes to assist those who are long term unemployed; not in education, employment or training, or those with disabilities.

- G: The Council is committed to developing the local economy. Please explain how you will help the local working age population gain skills such as apprenticeship and training programmes, and supporting local schools and colleagues to develop essential skills.
- H: Please explain how, through the delivery of this contract, you will support young people into the workplace. This could include supporting young people into work (e.g. CV advice, career guidance), providing meaningful workplace placements or pre-employment opportunities.

Theme: Economy

- I: Please explain how through the delivery of this contract you will develop more opportunities for local SMEs and VCSEs. This could include spending money through the local supply chain, donating equipment to VCSEs, and/or provision of business advice to VCSEs and SMEs.
- J: Please demonstrate how your organisation has a commitment to work practices that improve staff wellbeing for those involved in this contract.
- K: Please explain your sourcing methods relevant to this contract including your commitment to ethical procurement methods and how you ensure that any social value is embedded through the supply chain.

Theme: Community

- L: Please explain any initiatives that you will introduce or use as part of this contract to ensure that the community is safer or healthier, including any crime reduction schemes or health initiatives.
- M: Please explain any work that you intend to do with the community as a result of this contract. This could include volunteer time to support local community projects or donations to local community projects.

Appendix C – Exceptions

Exceptions to the Social Value processes outlined in Table 1 are as follows:

1. Extensions to existing contracts where the original procurement exercise did not include consideration of Social Value.
2. Use of framework agreements (direct award or further competition) where Social Value was not included in the overarching agreement.
3. Measurement of Social Value by an alternative method, for example using an alternative tool/platform.
4. Weighting exception, for complex procurements; where the Social Value element may produce a disproportionate evaluation outcome; or where there may be an increased risk of challenge.
5. Social Value market maturity – market intelligence may identify that the relevant sector may not be mature in Social Value or Corporate Social Responsibility, so the weighting and process may require adjustment to reflect this.

Appendix D – Units and Proxy Values

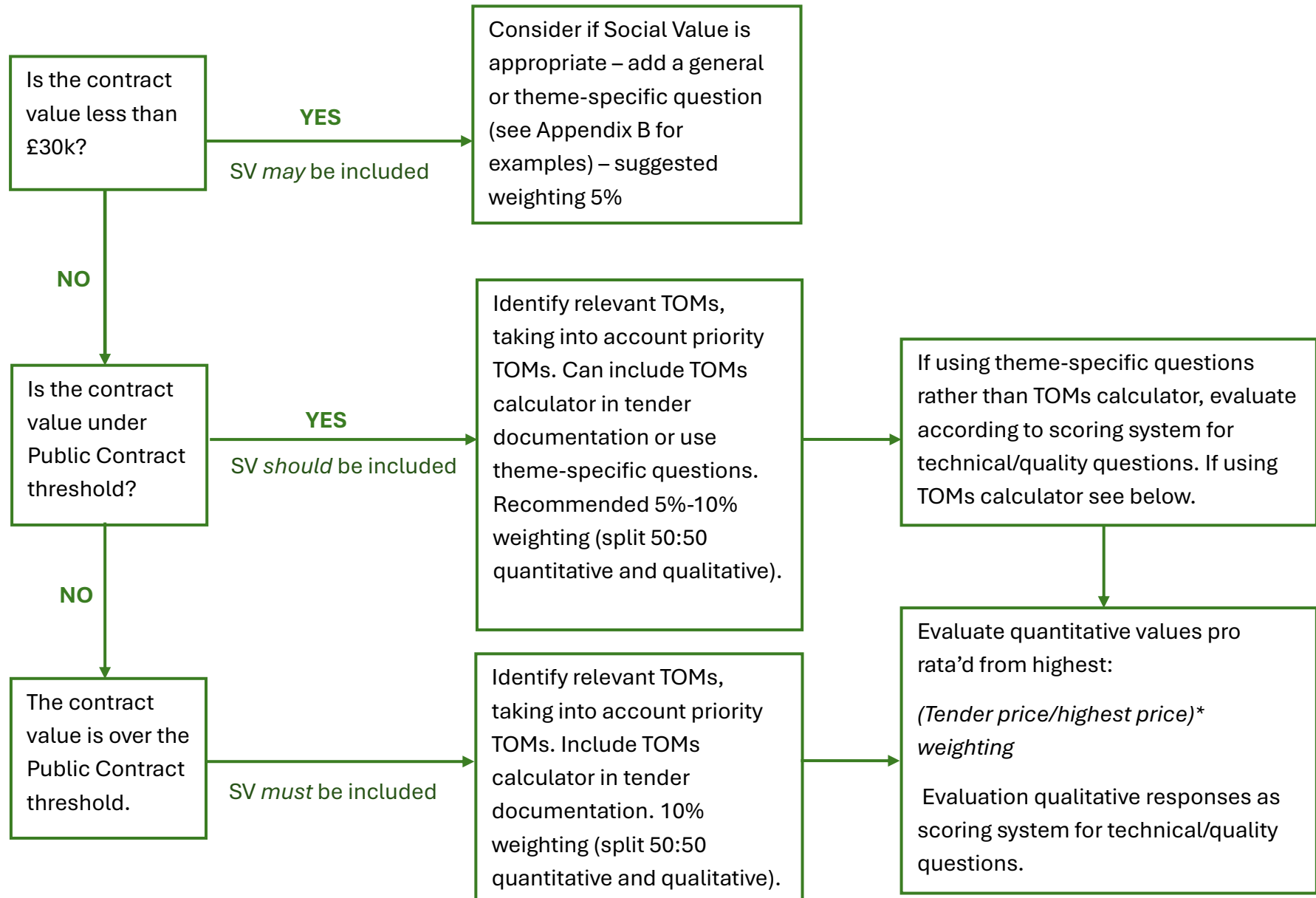
As at March 2025 (subject to annual review). Refer to Social Value Portal for up-to-date TOMs list: www.socialvalueportal.com

Theme	Outcome	New Ref	Measure	Units	Proxy Value
Work	Creating local employment opportunities	NT1	Local people employed or retained	no. people FTE	£45,722.00
	Creating equal employment opportunities	NT3	Long-term unemployed people recruited	no. people FTE	£51,561.00
		NT4	Employees recruited who are Not in Education Employment or Training (16-24 y.o.)	no. people FTE	£53,013.00
		NT76	Unemployed people recruited	no. people FTE	£50,713.00
		NT5	Unemployed ex-offenders aged 18 and over recruited	no. people FTE	£55,922.00
		NT6	Unemployed individuals with disabilities recruited	no. people FTE	£51,889.00
	Providing skills and experience for good work	NT9	Accredited training for new employees	no. weeks	£347.00
		NT10	Employment of new apprentices	no. weeks	£309.73
		NT80	Upskilling of existing employees through accredited training	no. weeks	£13.02
		NT11	Personalised support to help unemployed people into work	no. hrs (total session duration)*no. attendees	£110.99
	Providing good work opportunities	NT12	Meaningful unpaid work placements while Not in Employment Education or Training	no. weeks	£96.53
		NT13	Meaningful paid work placements	no. weeks	£412.38
	Developing skills and experience for future work	NT8	Support for students at local educational institutions	no. staff volunteering hours	£17.48
		NT99	Support for enabling visits of school children or local residents	no. staff volunteering hours	£17.48

Economy	Building diverse and sustainable supply chains	NT14	Spend with VCSEs in the supply chain	£	£0.12
		NT18	Spend with local companies in the supply chain	£	£1.09
		NT19	Spend with local SMEs in the supply chain	£	£1.10
	Promoting a diverse and resilient business community	NT15	Expert support to VCSEs and SMEs	no. staff expert hours	£106.34
		NT16	Support for VCSEs through donations	£ invested	£1.00
		NT17	Support for VCSEs through volunteering	no. staff volunteering hours	£17.48
Community	Building resilient communities	NT28	Support for local community projects through donations	£ invested	£1.00
		NT29	Support for local community projects through volunteering	no. staff volunteering hours	£17.48
	Building community wellbeing	NT26	Support for community health or wellbeing interventions	£ invested inc. time, materials, equipment etc	£1.00
		NT27	Support for initiatives focused on strengthening community networks	£ invested inc. time, materials, equipment etc	£1.00
Planet	Restoring our climate and improving air quality through decarbonisation	NT31	Reductions in scope 1 & 2 CO2e emissions through decarbonisation	tCO2e	£252.11
		NT31a	Reductions in scope 3 CO2e emissions through decarbonisation	tCO2e	£252.11
	Restoring our climate and improving air quality through transport	NT32	Reductions in car miles from a green transport programme	miles saved	£0.07
	Promoting environmentally sustainable procurement	NT116	Expert support on carbon reduction to SMEs in the supply chain	£ invested inc. time, materials, equipment etc	£1.00

	Protecting and restoring biodiversity and ecosystems	NT119	Support for green spaces, biodiversity or ecosystems	£ invested inc. time, materials, equipment etc	£1.00
	Transitioning to a regenerative economy	NT87	Reductions in plastics used	kg	£116.52

Appendix E – Application of Social Value in procurements





HIGH PEAK BOROUGH COUNCIL
&
STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

SUSTAINABLE
PROCUREMENT POLICY

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1. Introduction

This sustainable procurement policy sets out the vision, objectives and actions which will direct and govern procurement activities across the Councils. These align with the priorities within the Councils' Strategic Plans, in addition to supporting various Council strategies and national and local policies.

The Councils' vision:

To embed sustainability into all procurement activities, ensuring that all goods, services and works procured by the Councils contribute positively to the environment, local economy and local communities.

Objectives:

- Reduce environmental impact across the supply chain
- Promote local economies and SMEs, including fair employment and community wellbeing
- Ensure compliance with relevant legislation and best practice

2. What is sustainable procurement?

- 2.1 Sustainable procurement is the process whereby the Councils meet their needs for goods, services and works in a way that achieves value for money on a whole life basis; this includes generating benefits to society and the economy, whilst minimising damage to the environment.
- 2.2 It differs from Social Value in that Social Value is more localised; sustainable procurement covers long supply chains from cradle to grave. This can include consideration of manufacturing locations, materials used, end-of-life disposal, energy use, etc.
- 2.3 This Sustainable Procurement policy should be read in conjunction with the Social Value Policy.

3. Commitments

The Councils will aim to:

- 3.1 Prioritise low-carbon, energy-efficient and recyclable products and services, with cradle-to-grave consideration.

- 3.2 Prioritise suppliers who have ethical labour practices.
- 3.3 Support local suppliers, social enterprises and innovation wherever possible.
- 3.4 Maintain open, fair and auditable procurement processes.

4. Responsibilities

- 4.1 It is the responsibility of all stakeholders involved in procurement processes to consider and apply sustainable procurement principles in each process.

5. Proportionality

- 5.1 Application of sustainable procurement principles needs to be proportionate to the value and impact of each procurement, in the same way that Social Value is applied. Unlike Social Value, there is no mandate for specific sustainable procurement considerations for procurements above a threshold, but it should be equally considered and applied as appropriate.
- 5.2 Consideration must be given to ensure that no barriers are added which could disadvantage smaller suppliers

6. Procurement Process Integration

- 6.1 Pre-procurement:
 - Consider sustainability opportunities and risks
 - Include sustainability considerations in early engagement with stakeholders and the local community
- 6.2 Tendering
 - Include sustainability criteria in specifications and questions where appropriate and proportionate. This could be for any value of tender. A set of suggested questions is given in Appendix A.
 - Request suppliers demonstrate environmental and social credentials and certification where appropriate; for example ISO 14001, Fairtrade, B Corp, Forest Stewardship Council (FSC) Certification.

- Consider opportunities to improve sustainability when renewing or re-tendering existing contracts

6.3 Contract management

- Monitor supplier performance on sustainability-based KPIs.
- Encourage continuous improvement and innovation to improve sustainability.

7. Specific actions for both Councils and suppliers

- Purchase energy from renewable sources
- Minimise and eliminate the use of Single Use Plastics (SUP), other single-use materials and synthetic materials
- Reduce the impact of procured goods, services or works through waste minimisation, including minimising packaging waste, construction waste, disposal at end of life
- Minimise the amount of paper and timber products used
- Take steps to ensure good stewardship of land, air and water and encourage suppliers to do likewise
- Encourage suppliers to seek sustainable alternatives to materials which are scarce or at risk of becoming so
- Promote the sourcing of fair-trade alternatives where available
- Prioritise suppliers who source products, raw materials or labour locally
- Identify, prevent and mitigate against modern slavery in the supply chain, particularly where contracts involve low-paid labour
- Require suppliers to consider the biodiversity impacts of their operations, and those of their supply chain, and to take steps to prevent or mitigate any negative impacts.
- Identify emerging technologies and new approaches which can reduce waste or otherwise improve sustainability

Appendix A: Suggested questions for inclusion in Invitation to Tender or Request for Quotation

1. Environmental sustainability

- a. Describe your organisation's current carbon footprint and the measures you will be taking to reduce it over the term of the contract.
- b. How do you ensure that the materials and products you procure are sustainably sourced? Please provide examples or certifications (e.g. FSC, Fairtrade, ISO 14001).
- c. What policies and practices do you have in place to minimise waste and promote recycling and re-use in your operations?
- d. How do you incorporate energy-efficient technologies or practices in your operations?
- e. Where are your products manufactured, and what steps do you take to minimise the environmental impact of transportation and logistics?
- f. How will you mitigate against the impact on biodiversity from your operations?
- g. How will you reduce the use of Single Use Plastics (and/or other single-use materials and/or synthetic chemicals) over the term of the contract?
- h. How will you minimise the use of timber and paper products (or other scarce materials) over the term of the contract?

2. Social sustainability

- a. How do you ensure fair working practices across your supply chain, including compliance with Modern Slavery legislation?
- b. What initiatives does your organisation undertake to support local communities or social enterprises?
- c. What policies do you have in place to promote diversity, equality and inclusion within both your organisation and supply chain?

3. General sustainability questions

- a. Do you publish a sustainability or ESG report? If so, please provide the latest version or a summary of key metrics.
- b. Can you provide examples of innovations your organisation has implemented to improve sustainability outcomes?

- c. How do you ensure ESG throughout the supply chain, including subcontractors and suppliers?