



## PROCUREMENT POLICY

Policy Owner	Head of Finance
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## 1.0 POLICY ISSUE STATUS

1.1 This policy is a controlled document and is held centrally by Head of Finance.

Version	Date actioned	Reason for change
8.0	June 2020	<p>Annual review to ensure all guidance is compliant with:</p> <ul style="list-style-type: none"> <li>• Managing Public Money NI (<a href="#">MPMNI</a>);</li> <li>• Management Statement and Financial Memorandum (MSFM); and</li> <li>• Recent Procurement Guidance Notes (PGNs) from CPD.</li> </ul> <p>The revision of this Procurement Policy involved ensuring all relevant guidance, hyperlinks and Content Manager (CM) (previously known as HP Records Manager (HPRM/TRIM)) references are up to date.</p> <p>The key changes made to the policy since Version 7.0 (June 2019) are updated in the following sections:</p> <ul style="list-style-type: none"> <li>• <b>1.5</b> - update regarding evidence of approvals required during remote working;</li> <li>• <b>2.1.8</b> - guidance on Economic Appraisal requirements for HMT funded projects;</li> <li>• <b>2.5.2</b> (Last bullet point) - new guidance received from CPD during the year regarding airport advertising;</li> <li>• <b>6.1.15</b> and <b>6.2.7</b> - update regarding the internal contract management process; and</li> <li>• <b>Annex B</b> - footnote added noting DfE's approval of the £500 de minimis level set. This approval from DfE was an audit recommendation made by DfE Internal Audit.</li> </ul> <p>Update of link to correct DAC form on CPD. 26/03/2021</p>
9.0	October 2022	Annual review

## 2.0 INTRODUCTION

- 2.1 The Procurement Policy which has been prepared in conjunction with [PGN 04/12](#) lays down the procedures to be adopted by all employees within the Consumer Council when tendering for or procuring goods, services and/or equipment. It should be read in conjunction with the Consumer Council's Gift and Hospitality Policy, Code of Conduct and Practice, Government Procurement Card Policy, Web Pos user guide, and Anti-Fraud Policy and Fraud Response Plan. Overarching Procurement Policy still comes via Procurement Guidance Notes (PGNs) from CPD.
- 2.2 The Consumer Council carries out all procurement in line with Northern Ireland Public Procurement Policy (NIPPP) which is the procurement policy for the public sector in Northern Ireland. It is based on the Public Contracts Regulations, as interpreted from the European Directive on procurement, (i) [NIPPP](#) and (ii) [UK Contract Regulations 2015](#) <https://www.finance-ni.gov.uk/publications/ni-public-procurement-policy-document> <http://www.legislation.gov.uk/uksi/2015/102/made>.
- 2.3 The objectives of this policy are:
- (i) to ensure compliance with Government Accounting and EU Procurement Regulations;
  - (ii) to ensure compliance with guidance on equality and sustainable development considerations in public sector procurement;
  - (iii) to ensure the achievement of fair and open competition;
  - (iv) to ensure the achievement of value for money; and
  - (v) to control expenditure against budget, and to ensure that goods and services are properly authorised, received and paid for without duplication.
- 2.4 The Finance Team will provide purchasing advice, updates on changes to the policy and procedures and will ensure maintenance of relevant records for audit purposes.


2.5 If there are any occasions whereby staff are required to work remotely, such as during a business continuity event e.g. COVID-19, handwritten signature approvals required in accordance with this policy will be replaced by email confirmations from approvers. These email approvals should have the approval request attached to evidence what is actually being approved and saved as an audit trail. This process will not apply to the approval of purchase orders as these are completed electronically on the Web Pos system.

### **3.0 ECONOMIC APPRAISALS**

- 3.1 In advance of embarking on any procurement exercise, a proportionate Economic Appraisal must be carried out and approved for all projects or 'business as usual' expenditure, (excluding external consultancy) of **£1,000 and over**. See section 7.0 for other exceptions also.
- 3.2 All work programme projects will always require an Economic Appraisal to be completed.
- 3.3 Appraisals are the principal means by which, at the beginning of a project, objectives are set, value for money is considered, and affordability of a project is determined. The appraisal is a key initial step in the procurement process.
- 3.4 The comprehensiveness of an Economic Appraisal/Business Case will naturally vary and should be proportionate to the level of spend. Refer to <https://www.economy-ni.gov.uk/articles/economic-appraisal> for further guidance. The Consumer Council must also use the templates on the Department for the Economy (DfE) website. The template to be used will depend on the level of spend.
- 3.5 As per the Management Statement and Financial memorandum (MFSM) the effort put into the Economic Appraisals should be commensurate with the size or importance of the needs or resources under consideration. However, the Consumer Council should undertake a comprehensive Business Case of all projects involving expenditure of £250,000 and over.

- 3.6 An Economic Appraisal requires a minimum of two signatures. The first signatory should be the person who completed the Economic Appraisal. The second signatory must be the Chief Executive (CEO) (CEO is equivalent to the Grade 7 in DfE). The CEO can approve Economic Appraisals up to £50,000 (net) in accordance with the MSFM. The relevant Director must be satisfied that all factors of all feasible options have been considered in the appraisal and that the recommended option represents best value for money before the Economic Appraisal is passed to the CEO.
- 3.7 Other expenditure which **does not require an Economic Appraisal** is outlined below. It is important however that this spend is factored into the budget which is agreed by the CEO (Accounting Officer). Therefore, the Head of Finance must be consulted prior to ordering these goods to ensure there is budget availability:
- Routine items of expenditure such as hard charges agreed with Enterprise Shared Services such as IT Assist support, PC/Laptops costs, HR Connect service costs, stationery, outreach, merchandise/materials, printing, IT supplies and hygiene supplies unless it is for a supply that is extraordinary in nature.
  - Premises costs which include Rates, Rent, Service charges, Heating and Lighting.
  - Recruitment of posts – approved by the CEO via the recruitment initiation form. An Economic Appraisal will however be required for other related expenditure e.g. assessment centre support, assessment materials etc.
  - Recruitment of agency workers - approved by CEO via HR Connect Funding and Headcount Approval form.
  - CPD fees.
  - Training courses included on the annual organisational training plan – approved as part of the annual training plan process each financial year.
- 3.8 HM Treasury (HMT) have confirmed that HMT funded projects do not require approval of any further Economic Appraisals other than the main business case, which they deem is sufficient. This has also been confirmed with DfE.

- 3.9 Purchase orders may still be required as outlined in Section 7.0 below.
- 3.10 Material overspends (10% or more) - If the cost of goods and/or services increases by 10% or more, a revised appraisal is required if the original appraisal value is exceeded.
- 3.11 Once appraisals are completed and signed off, the Economic Appraisal details must be added to the database on Content Manager (CM) (previously known as HP Records Manager (HPRM)/TRIM) (see below location) with the scanned Economic Appraisal uploaded to the Web Pos system, as detailed on the database.

 TCC06/3/2: Strategic Management - Economic Appraisal & PPE - Database

#### **4.0 APPROVAL REQUIREMENTS IN ACCORDANCE WITH MSFM**

- 4.1 Prior approval from DfE and Department of Finance (DoF) is required for certain larger expenditure items as detailed below:
- DfE approval is required in all cases where the monetary value (net) is:
    - External consultancy over £10,000;
    - Capital expenditure (on a single project) over £50,000; or
    - IT expenditure (on a single project) over £50,000.
  
  - DoF approval is required for all proposals where the monetary value (net) is:
    - External consultancy over £75,000;
    - Capital expenditure (on a single project) over £1 million; or
    - IT expenditure (on a single project) over £500,000.
  
  - Ministerial approval is required for all proposals where the monetary value is:
    - External consultancy over £10,000;
    - Capital expenditure (on a single project) over £1 million; or
    - IT expenditure (on a single project) over £1 million.

## **5.0 QUOTATIONS, TENDER EXERCISES AND DIRECT AWARD CONTRACTS (DAC)**

- 5.1 The next stage of the procurement process is to ensure Value for Money is sought.
- 5.2 After the Economic Appraisal is approved (if applicable), depending on the value of the procurement (which should be the total contract value), quotations, an in-house tender exercise or a tender process via Construction & Procurement Delivery (CPD) will be required if the goods/services cannot be obtained from a government collaborative framework such as CPD/Crown Commercial call off frameworks. Refer to ANNEX B which details the procurement thresholds and required quotations or tender exercise required.
- 5.3 The procurement value should cover the intended duration of the contract, the whole life costs of the procurement including annual licensing charges and maintenance charges for the estimated useful life, disposal costs, contract management costs etc. and the options for extension with continuous improvement year on year. For example, if a contract is for three years and worth £12,000 per year then the total contract value is £36,000 and CPD should be contacted as in total the value exceeds £30,000. This rule also applies if the initial contract period is for one year with possible extension of further year(s) - in this case the total contract value must be extrapolated over the full potential length of the contract.
- 5.4 When asking for a price check/quotation by email please ensure that the wording does not lead the supplier to believe that this is a formal offer/request - it is solely an enquiry to purchase goods or services.

## **6.0 PURCHASING GOODS & SERVICES (LESS THAN £5K) (PGN 04/12)**

- 6.1 A purchase is defined as the acquisition of goods or services below the value of £5,000 (excluding VAT).
- 6.2 In **exceptional circumstances** when it is not possible to obtain price checks (e.g. emergencies, which should be rare as the internet is available) then an order may be placed directly with a contractor/supplier. The reasons for the action should be recorded and retained for audit purposes.



## **7.0 NON PROCUREMENT RELATED EXPENDITURE – GRANTS AND ‘OTHER’**

7.1 A number of transactions do not come under the term ‘Procurement’ (hence quotations/tender exercises are not required). These are deemed as “Non Procurement Payments”; examples of these include ‘other’ and ‘grants’. ‘Other’ includes:

- Payments to other NICS Departments e.g. DoF, CPD etc;
- Statutory Payments such as Access NI, Rates, TV licence; as they do not fall under Public Contracts Regulations;
- Fines;
- Franchise fees;
- Professional Fees;
- Membership fees to professional bodies;
- Professional journals/payments to access educational resources if journal(s) linked to professional membership, via an online database;
- Legal Fees (Note: The Consumer Council uses the DoF Collaborative Legal Services Framework <https://www.finance-ni.gov.uk/publications/user-protocol-collaborative-legal-services-framework-agreement>);
- Subscriptions e.g. NI Chamber of Commerce;
- Conference Fees and attendance at training courses;
- Examination and awarding body fees, as well as accreditation fees;
- Government Charges - payments to other Government Departments such as Hard charging paid to DoF, NI Civil Service, NI Water, etc;
- Billboards/advertising space which belongs to an airport is exempt from public procurement. Under Regulation 10 of the Public Contracts Regulation 2015, there are specific exclusions under 10(a): “for the acquisition or rental, by whatever financial means, of land, existing buildings or other immovable property, or which concern interests in or rights over any of them”. As this exclusion applies, advertising on airport billboards/advertising space it is not subject to competition or the DAC process; and
- Other payments agreed with Finance in advance.

## 8.0 PURCHASE ORDERS AND APPROVAL OF SPEND

- 8.1 Once the supplier has been appointed via the value for money exercise conducted above in section 4.0, a purchase order must be raised and approved on the Web Pos system (Refer to Web Pos User Guide) for the gross amount (including VAT). This should be done before the goods and/or services have been ordered or work has commenced in accordance with the approval process outlined in ANNEX A.
- 8.2 It is not acceptable for purchase orders to be raised retrospectively. It is however acceptable for the purchase order to be dated the same day as the supplier's invoice in the few instances where the goods are collected and the invoice received directly from the supplier.
- 8.3 Oral orders can be issued only by someone authorised by the CEO and only in cases of emergency or urgent necessity. These must be confirmed by a purchase order issued no later than the next working day and clearly marked 'Confirmation Order' in the order notes box of the purchase order.
- 8.4 Purchases orders **are not required** to be raised for the below:
- Salary costs;
  - Inspire (Carecall), as this is confidential in nature and spend is quite small;
  - Agency Costs;
  - Taxi journeys (a booking form is required to be completed however which is included on the intranet);
  - Staff and member expenses (must be submitted no later than three months). Note CEO expenses are to be approved by either Director with retrospective approval by the Chairperson when they are next available to ensure oversight of the expense claims;
  - Internal and external audit fees including National Fraud Initiative (NFI) work (unless work is completed outside of scope of contract);
  - Annual memberships and subscriptions. However these should be approved annually by the CEO;
  - Annual licences;
  - IT Assist costs which includes rental of laptops/PCs/support costs. New landline handsets however do need a purchase order raised;

- Premises costs such as rent, rates, telephone, electricity and heating, confidential shredding etc;
- Mobile contracts. The initial handset cost needs a purchase order raised. This will also apply for new tablet costs; and
- CPD fees e.g. contract variations, as it is difficult to estimate in advance. A purchase order must be raised for new contracts procured. The employee must request the gross cost of the procurement exercise from CPD at the outset. CPD costs can be found at [CPD Costs](#).

8.5 Material overspends (10% or more) – Suppliers must advise the Consumer Council of any anticipated material overspends in advance. The Director/CEO overseeing the budget and Head of Finance (Admin budget) must consider the budget position before approving any increase in cost. If the cost of goods and/or services increases by 10% or more, in addition to a revised appraisal being required (if the original appraisal value is exceeded), an additional purchase order for the cost variation should also be completed. The revised purchase order should provide details of the cost variation and of the original purchase order number. These details should be included in the order notes box within the purchase order. The supplier should notify the employee of any anticipated increase in costs before further work is completed.

8.6 Invoices received with a cost variation in excess of 10% of the agreed amount requires authorisation from the CEO/Director or Head of Finance before payment to ensure sufficient budget is available. These must be recorded by Finance on the Exception Report for circulation to Directors and the CEO monthly.

8.7 Members of the Wider Leadership Team and the Chairperson are authorised bank signatories and are therefore authorised to approve invoices for payment. Two bank signatories are required to approve an invoice for payment and to approve bank payments. If the payment is for £10,000 or more one signatory on the Sage payment report must be the CEO (or Director in their absence). An exception is if the invoice relates to annual ongoing administration (utility) costs; these payments do not need to be authorised by the CEO.

8.8 Those authorising payments are responsible for the propriety<sup>1</sup>, regularity<sup>2</sup> and accuracy of their authorisation. They should also ensure that:

- there is proper authority for the payment;
- the invoice has been properly certified by the person who received the goods or services;
- the invoice is addressed to the Consumer Council;
- the payment is properly due and agrees to the relevant supporting documentation e.g. approved purchase order;
- a check is made to ensure the invoice is arithmetically correct and accords with the original order;
- a check is made to ensure the payment has not been made already and that the invoice is an original;
- where any alteration has been made to the amount to be paid, the relevant budget holder is informed of that change; and
- where the invoice cost exceeds the purchase order by 10% or more an additional purchase order explaining the cost variation has been provided and a revised appraisal has been prepared (when relevant) or detailed on the exception report with appropriate approval.

8.9 Payments must be made on receipt of an invoice; e-mails do not constitute an invoice.

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<sup>1</sup> 'Propriety' in this context means proper, appropriate.

<sup>2</sup> 'Regularity' in this context means in line with fixed procedure, policy.

8.10 In the event that an invoice is addressed to an employee, it should be passed directly to the Finance Team, without delay who will process for payment. This is important for compliance with the 10 day prompt payment target.

## **9.0 NOVEL OR CONTENTIOUS EXPENDITURE**

9.1 The Consumer Council's MSFM sets out requirements when incurring expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications. In this instance approval must be obtained from DfE and DoF before expenditure is incurred.

9.2 More rigour is needed around the following items of expenditure:

### Events

- All corporate events should be approved by the Board. A corporate event is defined as an organisational event held for the purpose of engaging with staff and members of the Consumer Council, stakeholders and decision makers. A corporate event would normally be hosted or led by the CEO or Chairperson. An example would be the Consumer Parliament approved by Board as part of the Forward Work Programme.

### Flights and accommodation and extension to flights:

- Before committing any travel related expenditure, the employee must email their Director with details of flight costs and related expenditure to get approval. The Director must then get approval via email from the CEO also.

9.3 The Director must then forward the email approval/non approval back to the employee.

9.4 If CEO approval is received, only then should the travel arrangements be booked.

9.5 If the admin team is arranging the travel, a travel booking form located on the intranet should be completed by the requestor with the email approvals from the Director and subsequently CEO attached.

9.6 A purchase order must be raised for the gross cost of the travel arrangements.

- 9.7 Limits should be in line with the Travel and Subsistence Policy on the HR Connect portal.
- 9.8 If an employee is attending a training course or meeting but would like to extend the duration of their stay and fly over on an earlier date or fly home on a later date, there could be an additional cost incurred which the Consumer Council should not be liable for. In this instance all options will need to be assessed and any difference in cost reimbursed by the member of staff. Accommodation for the additional night's stay will be at the employee's expense.
- 9.9 If the flight is for the CEO it should be approved by a Director.
- 9.10 Memberships and subscriptions:
- Memberships to professional bodies must be approved by the Director or CEO. Professional memberships will be paid if essential for the post or there is a specific business benefit to having it.
  - Each year the Finance Section will issue a list of subscriptions that are due for renewal to the CEO for review and approval.
- 9.11 Extraordinary items:
- Items of expenditure not normally incurred by the Consumer Council when undertaking its day-to-day activities would be considered extraordinary and should be approved by the Director or CEO.

## **10.0 SINGLE TENDER ACTIONS/DIRECT AWARD CONTRACTS (£5k+)**

### General Principles

- 10.1 A Direct Award Contract (DAC), also commonly known as a Single Tender Action (STA) occurs when a contract is awarded to a contractor without a competition. EU and UK legislation require a public contract to be awarded on the basis of either lowest price or 'most economically advantageous tender' (MEAT), neither of which can be properly demonstrated without a competition. Guidance is available on [PGN 03/11](#): "Award of Contracts without a Competition".

- 10.2 It must be demonstrated that a competition cannot be held and that locating alternative sources has failed. The integrity of the process is vital and on no account must a provider know they are the only tenderer.
- 10.3 There are a number of transactions/circumstances which are not regarded as DACs under legislation or policy as the procurement rules do not apply. These are outlined in [PGN 03/11](#) and summarised in ANNEX C.
- 10.4 STAs/DACs should only be awarded in exceptional circumstances. Time constraints are not a justification for undertaking a STA/DAC.
- 10.5 Advice must be sought for all STAs/DACs to ensure that the justification for this procurement route is robust, as it could be challenged.
- 10.6 DACs should be formally approved by the CEO.
- 10.7 Details of DACs are presented to the Audit and Risk Assurance Committee.
- 10.8 DfE and DoF monitor the use of these through the completion of various returns.

## **11.0 APPROVAL PROCESS**

- 11.1 The following process should be completed:

**Step 1:** Economic Appraisal/Business Case for the work should be approved to ensure it demonstrates value for money and budget availability.

**Step 2:** Attempt to procure the goods/services from the CPD collaborative framework, or via a tender exercise (Internally <£30k or via CPD >£30k).

**Step 3:** If goods/services cannot be procured as above in Step 2, then a [CPD DAC Form V30](#) must be completed (sections 1-5) along with a **DAC Form A** (available on CM and the intranet). This is to get Accounting Officer approval for the DAC request to be sent to CPD.

**Step 4:** The completed [CPD DAC Form V30](#) and **DAC Form A** must be emailed to CPD for comment/advice on the proposal, copying in the CEO and the Head of Finance.

**Step 5:** CPD will complete **Section 6** of the [CPD DAC Form V30](#) and return it to the requesting employee.

**Step 6:** Once the [CPD DAC Form V30](#) has been returned from CPD, it must be sent to the CEO for final review and approval. If the DAC relates to external consultancy, the

[CPD DAC Form V30](#) must then be sent to the DfE Accounting Officer for approval. No work can begin until this process has been completed, and approval received from either the CEO (non consultancy) or CEO and DfE Accounting Officer (external consultancy) as appropriate.

**Step 7:** The CEO must review the [CPD DAC Form V30](#) from CPD and if content for the DAC to proceed, the final page of the [CPD DAC Form V30](#) and **DAC Form B** must be completed by the employee and CEO, and sent along with the completed Economic Appraisal and Specification of Requirements/Terms of Reference to the following for the awarding of the contract:

- <£30k contract – CCNI Finance Team to award the contract on eTendersNI
- >£30k contract – To CPD

**Step 8:** A purchase order needs to be raised on Web Pos for the gross amount. When completing the purchase order, the DAC option should be selected from the drop down menu and a copy of the completed [CPD DAC Form V30](#) and **DAC Form B** should be uploaded to the online procurement system for an audit trail.

## **12.0 CONSULTANCY CONTRACTS**

12.1 Consultants can be used to provide skills and expertise not available from existing staff, or if necessary, can provide an independent assessment of a particular function, situation or project. External Consultancy is defined as:

12.2 “The provision to management of objective advice relating to strategy, structure, management or operations of an organisation, in pursuit of its purposes and objectives. Such advice will be provided outside the ‘business-as-usual’ environment when in-house skills are not available and will be time-limited. Consultancy may include the identification of options with recommendations, or assistance with (but not the Delivery of) the implementation of solutions.”



- 12.3 When the need to engage external consultancy services has been identified, business areas must complete a full but proportionate, pro forma Business Case (<https://www.finance-ni.gov.uk/articles/business-case-development-process>). Further guidance is available at <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/fddfp0712attv3.pdf>.
- 12.4 All external consultancy valued at over £10,000 (excluding VAT) must be procured through CPD.

### **13.0 POST PROJECT EVALUATIONS (PPEs)**



#### General Principles

- 13.1 A PPE is an important, integral and complementary function to project appraisals, as it examines the outturn of a project, and is designed to ensure that the lessons learned are 'fed back' into the decision-making process. This ensures that the Consumer Council action is continually refined to reflect what best achieves objectives and promotes public interest.
- 13.2 The PPE will demonstrate how well a project has performed against the objectives set at the operational planning stages. It follows therefore that the PPE is much easier if robust, measurable targets and performance measures have been set and agreed at the start of a project. Objectives should be SMART (Specific, Measurable, Achievable, Realistic and Timely). The PPE will also allow the Consumer Council to determine if value for money has been achieved and will inform future project revisions.

### **14.0 COMPLETION OF PPES**

- 14.1 The Consumer Council follows the DfE Post Project Evaluation process.
- 14.2 PPEs must be completed for all projects with expenditure above £4,999 (net). The only exception to this is that a PPE must be undertaken for all 'external consultancy' projects regardless of value.
- 14.3 Within the Consumer Council, the sign-off for evaluations should be undertaken by the relevant Head of Section, Director and the CEO.

- 14.4 If there are any lessons learned, the 'PPE Lessons Learned Report for Dept/Supply Stocktake template' needs to be completed and saved to CM, as these are requested quarterly by DfE.
- 14.5 Further guidance on PPEs can be accessed via <https://www.economy-ni.gov.uk/articles/post-project-evaluation-ppe-guidance-and-templates> and in the Consumer Council Post Project Evaluations Guide.
- 14.6 PPEs should be conducted 6 to 12 months after project closure, some may be able to be completed at an earlier stage. They should be led by an individual independent of the Project Board and Project Team. Initiatives which have a long life should be evaluated regularly to ensure that they remain affordable and continue to provide value for money. This is particularly important where there are contracts involved with options to extend.
- 14.7 Signed PPEs should be recorded in the Economic Appraisal and PPE Database saved in the below location on CM for upload to the Web Pos system.

  TCC06/3/2: Strategic Management - Economic Appraisal & PPE - Database

## **15.0 CONTRACT MANAGEMENT**

### General Principles

- 15.1 [PGN 01/12](#) Contract Management Principles and Procedures provides guidance on effective contract management.
- 15.2 The Consumer Council's and supplier's approach to managing their relationship is critically important to ensuring successful contract delivery and best value for money for the taxpayer. It is a serious matter if a supplier does not deliver in line with contract requirements.

- 15.3 If services are likely to be required over a period of time, contracts can be signed for an initial period of one year with the option for renewal in following years. Contracts should not be renewed beyond a four year duration without a competitive tendering process. The Consumer Council should never be committed to contracts of more than a year without renewal clauses.
- 15.4 Relevant contractual documentation should be drawn up and signed by both parties. When tendering with the assistance of CPD, CPD will prepare and issue the contract. When tendering using the Consumer Council internal process for below £30k contracts, the contract is set up on eTendersNI.
- 15.5 The Directors and CEO are responsible for ensuring all contracts they oversee are monitored in accordance with the internal contract management process (Refer to CM Reference: TCC1/19/14762).

## **16.0 VARYING A CONTRACT**

- 16.1 A variation relates to a change or addition to the work specified under a contract. Changes may be required during the period of a contract, particularly in the case of large, complex contracts. Legal issues may arise if the value or scope of the contract is either reduced or increased significantly. In the case of an increase, the Consumer Council should consider carefully whether a variation is likely to significantly affect the scope of the original contract as this could be viewed as constituting a new contract, which has effectively been awarded without a competition.
- 16.3 For under £30k contracts procured in-house, the scope to vary the contract may be limited. It will depend on the value of the initial contract. A variation could result in the value of the contract exceeding £30k, which should have therefore been procured via CPD. The maximum variation should be 10% and cannot exceed £30k (net). If a variation or extension is approved, refer to 15.8 to proceed with the process.

- 16.4 For larger contracts, should a variation need to be considered the Finance Team must be informed prior to any engagement with CPD to action. This is to ensure that there is budget availability for the proposed variation or extension. It will also ensure that both parties to the contract are clear on the terms and conditions associated with the proposed variation or extension, should these differ from that of the original contract. Should a contract variation or extension breach the accepted criteria (as may be advised by CPD), then it would be classified as a DAC in its own right, and hence bring with it the associated approval implications. Legal advice should also be sought if appropriate.
- 16.5 It is important that such changes are controlled, as a variation may lead to additional costs.
- 16.6 Before a contract variation request is submitted to CPD, an Economic Appraisal would need to be approved to ensure spend is authorised.
- 16.7 Requests for advice regarding changes/amendments to existing contracts must be accompanied by a CPD Existing Contract Work Request Form (Non-Construction) (ref: WREX01) [Existing Work Request Form](#) available on the CPD website, which should be completed and forwarded to CPD copying in the Finance Team.
- 16.8 If a variation in the contract is approved, a purchase order should be raised for the additional expenditure. The contract reference should be quoted on the purchase order. In line with the internal contract management process, the contracts database (Refer to CM Reference: TCC1/19/8054) should be updated to reflect the contract variation.

**ANNEX A: AUTHORISATION OF PURCHASE ORDERS**

<b>Expenditure amount</b>	<b>Authorisation required</b>			
<b>Gross (including vat)</b>	<b>Authoriser 1</b>	<b>Authoriser 2</b>	<b>Authoriser 3</b>	<b>Authoriser 4</b>
<b>&lt;£1,000</b>	- Director, or - CEO, or - in exceptional circumstances, the Head of Finance in their absence.	N/A	N/A	N/A
<b>£1,000-£9,999.99</b>	- Relevant Section Head, or - Director, or - in exceptional circumstances, the Head of Finance in their absence.	- Member of the Executive Team (Director/CEO), or - in exceptional circumstances, the Head of Finance in their absence.	N/A	N/A
<b>£10,000-£59,999.99</b>	- Relevant Section Head, or - Director, or - in exceptional circumstances, the Head of Finance in their absence.	- Director, or - in exceptional circumstances, the Head of Finance in their absence.	CEO	N/A
<b>&gt;£60,000</b>	- Relevant Section Head, or - Director, or - in exceptional circumstances, the Head of Finance in their absence	- Director, or - in exceptional circumstances, the Head of Finance in their absence.	CEO	Chair

**ANNEX B: QUOTATIONS AND TENDER REQUIREMENTS**

**NOTE: IN LINE WITH POLICY, ALWAYS ENSURE YOU CHECK TO SEE IF THERE IS AN EXISTING SUPPLIER CONTRACT IN PLACE ON THE CPD COLLABORATIVE FRAMEWORK FIRST. THE FRAMEWORK IS AVAILABLE ON <https://www.finance-ni.gov.uk/topics/procurement/current-collaborative-arrangements>.**

**NOTE:**

**FOR HOSPITALITY EXPENDITURE THE FOLLOWING APPROVALS STILL APPLY:**

- Up to £25 Section Head (this will only apply to petty cash though as Section Heads can only approve above £1k for purchase orders;
- >£25 but below £120 – Director/CEO or Head of Finance in their absence; and
- >£120 CEO only.

**TRAINING:**

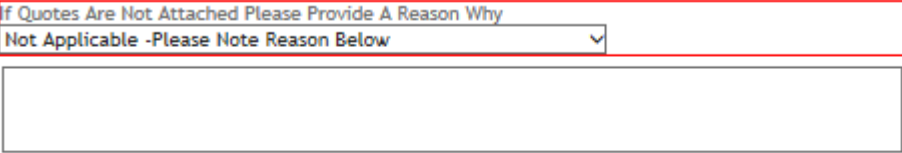
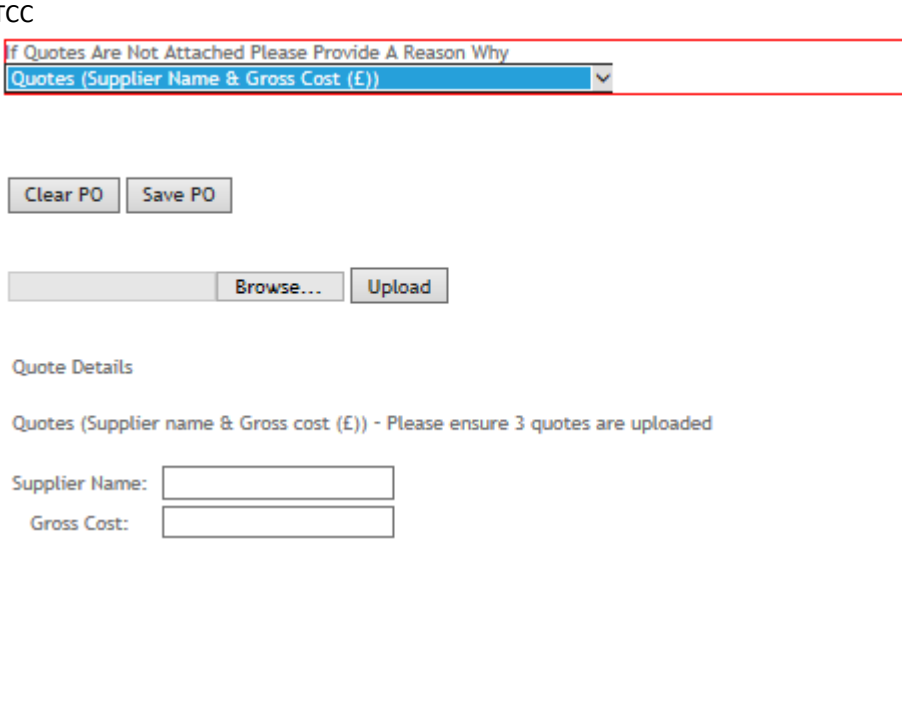
If you are booking a generic type of training course which is open for anyone to attend, i.e. not tailored to the Consumer Council needs, we are not required to get quotes as per guidance **PGN 03/11**.

Therefore when raising the purchase order you would select the following option and put in the reason for no quotes attached as **‘The course is open for anyone to attend therefore no quotes are required as per guidance PGN 03/11 section 3.3.1’**.

Please also remember to attach the course details with the PO.

If Quotes Are Not Attached Please Provide A Reason Why

Not Applicable -Please Note Reason Below

Expenditure amount (net, excluding vat)*	Action	Procedure on PO system**	PO System screen shot
<£500	No quotes required <sup>3</sup>	Select quotes are 'Not Applicable' and note reason why e.g. <£500.	
Between £500-£4,999.99	<a href="#">PGN 04/12</a> classifies these purchases as procurement expenditure but they are not subject to procurement rules. However the Consumer Council must demonstrate that they are in compliance with Managing Public Money Northern Ireland (MPMNI) and	Select 'Quotes' and list the 2/3 supplier names and gross cost on PO system and upload all quotes. Note the cheapest quote should be chosen.	

<sup>3</sup> Limit approved by DfE Sponsor Branch on 24/03/2020 – Refer to CM Reference:TCC1/20/5401

	<p>that value for money has been secured by obtaining at least 2/3 price checks (Three if contacting an incumbent supplier also) (either by fax, telephone, email or internet).</p>		
<p>Between £5,000-£29,999.99</p>	<p>CCNI tender exercise to be completed. At least two suppliers should be invited to tender, 3 if you are inviting an incumbent supplier. Submit an Internal Procurement Request form (CM Reference: TCC1/18/1051 ) to Finance at least 5 weeks before the</p>	<p>Select '<b>CCNI Tender exercise completed</b>' and enter the CCNI contract number. Note you can get this from CM ref: TCC06/11/3/1900005</p>	<p>If Quotes Are Not Attached Please Provide A Reason Why  CCNI Tender exercise completed <input type="text" value="CCNI Tender exercise completed"/>  CCNI Contract Number:  <input type="text"/></p>



	contract start date. It should be remembered when compiling the specification that all procurement below £30k will be evaluated on price only.		
>£30,000	CPD tender exercise to be completed. Submit a New Work Request form to CPD: <a href="https://www.finance-ni.gov.uk/publications/cpd-new-work-request-form">https://www.finance-ni.gov.uk/publications/cpd-new-work-request-form</a>	Select ' <b>CPD Tender exercise completed</b> ' and enter CPD contract number. Note you can get this from CM ref: TCC06/11/3/1900005  Nothing further is required to be uploaded.	<div style="border: 1px solid red; padding: 2px;"> <p>If Quotes Are Not Attached Please Provide A Reason Why</p> <p>CPD Tender exercise completed <input type="button" value="v"/></p> </div> <p>CPD Contract Number:</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>

\*Always remember if you are looking for a service that is likely to be required for more than once in a year/over a number of years you should consider what the total value will be. For example, if you require a website support service/research project which is required annually for three years, the total value would be the total over the three years. This may result in a tender exercise rather than quotes, as quotes only are sufficient up to £4,999.99 (net).

**\*\*If you are:**

- A. Using a supplier from the CPD collaborative framework/Crown Commercial framework such as Banner, select the following. Please put CPD/Crown Commercial Project Title ID in 'Order Notes' Box e.g. Project title: ID 455707

If Quotes Are Not Attached Please Provide A Reason Why  
CPD Collaborative framework in place

- B. Selecting a supplier for expenditure over £500 without competition i.e. no quotes/tenders completed is a Direct Award Contract which needs CPD Approval. Select '**Direct Award Contract**' and note the reason below. You must upload the completed [DAC 01 Form](#) and **DAC Form B**.

**Summary of transactions/circumstances which are not regarded as DACs in accordance with PGN 03/11:**

**3.3 General transactions**

3.3.1 There is a range of general transactions which, although a form of contractual arrangement may be entered into, do not require Accounting Officer approval or CoPE advice in order to be awarded without a competition. The transactions include:

- subscriptions to professional journals (eg RICS, CIPFA, BRE, DQI);
- participation in trade events or similar activity;
- payment of professional membership fees;
- corporate memberships (eg CBI, Business in The Community);
- attendance at training courses<sup>4</sup> and conferences;
- procurements under £5,000 that cannot be obtained from existing frameworks or call-off arrangements, or where in the event of an emergency, price checks cannot be obtained with the exception of external consultancy contracts which require Accounting Officer (usually Permanent Secretary) approval irrespective of value. (See Annex A of PGN 04/12: Procurement Control Limits); and
- situations where all operators fulfilling certain conditions are entitled to perform a given task, without any selectivity, such as customer choice and service voucher systems. These are not procurements but simple authorisation schemes.

**3.4 Charges in connection with statutory approvals and connections to utilities**

3.4.1 There are circumstances when it will not be possible to obtain quotes or advertise for tenders. These circumstances relate to charges in connection with applications for statutory approvals and/or connection to utilities infrastructure where exclusive rights are held. Such arrangements are not procurements and therefore are not subject to procurement rules. The circumstances include:

- aviation landing fees;

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<sup>4</sup> This refers to attendance at training courses which are open for anyone to attend. For example, a Department wishes to send some staff on an advertised course on Risk Management. Commissioning a supplier to provide a series of tailored training courses for staff will, if not let competitively, be classified as a DAC

- planning application fees;
- building control application fees;
- consent to discharge effluent fees; and
- charges for connection to electricity, gas, and water networks.

### **3.5 Where no suitable tenders have been received**

3.5.1 In such cases it is worth investigating the reason why no tenders have been received. This could highlight a problem with the scope of requirements or Conditions of Contract in the original tender documents. The Department may then be in a position to re-scope the requirement and seek tenders again. If this is not possible, the negotiated procedure without prior publication described in paragraph 4.1 can be used in the following situation; however, no Accounting Officer approval is required in this case:

*“where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered and that a report is sent to the Commission where it so requests.”*

## **4. PERMISSIBLE TRANSACTIONS WHICH REQUIRE ACCOUNTING OFFICER APPROVAL**

4.1 Accounting Officer approval is required for all other circumstances which are classed as DACs. Regulation 32<sup>5</sup> of the PCR 2015 permits the use of the negotiated procedure without prior publication of an OJEU notice (i.e. a DAC) in certain circumstances. The circumstances include:

- where the works, supplies or services can be supplied only by a particular supplier for any of these reasons:
  - the aim of the procurement is the creation or acquisition of a unique work of art/ artistic performance;
  - competition is absent for technical reasons<sup>6</sup> (but only where no reasonable alternative or substitute exists);

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<sup>5</sup> Utilities should refer to Regulation 50 of the UCR 2016. The circumstances when a concession notice is not required are set out in Regulation 31(6) of the CCR 2016.

<sup>6</sup> "Technical reasons" could be there only being one supplier with the expertise to do the work, or which produces the product; or has the capacity to complete on the scale required.

- due to the protection of exclusive rights (including intellectual property rights);
- where for reasons of extreme urgency, brought about by unforeseeable events, the time limits for certain procurement procedures cannot be met;
- in the case of a supplies contract where the products involved are manufactured purely for the purpose of research, experimentation, study or development;
- in the case of supplies contracts where additional deliveries are required from the original supplier which are intended as a partial replacement or extension of existing supplies and a change of supplier would mean the supplies acquired would have different technical characteristics and result in incompatibility or disproportionate technical difficulties in operation and maintenance. (The DAC cannot exceed three years in duration);
- for supplies quoted and purchased on a commodity market;
- for the purchase of supplies or services on particularly advantageous terms, from either a supplier which is winding up its business activities or the liquidator in an insolvency procedure or an arrangement with creditors or similar procedure;
- for service contracts following a design contest; and
- for the repetition of works/services (provided that those works/services are in conformity with a basic project for which the original contract was awarded and that the basic project indicates the extent of possible additional services and the total estimated cost of the subsequent works/services). Only to be used during the 3 years after the original contract was concluded.