

Ensuring value for money in the use of single tender actions

Key considerations for Buckden Parish Council

Introduction

The importance of securing value for money through sound procurement is essential for the Parish Council. Public sector bodies should acquire goods and services through fair and open competition, as this is considered the best way to secure value for money and ensure propriety and regularity. However, competition is not the only way to demonstrate value for money and there may be situations where it is more appropriate to approach a single provider through the use of a single tender action (sometimes referred to as 'single tender waiver')

The Council's Financial standing orders allow for such actions but are clear that they 'shall be the exception'. **The three tables in this policy provide, in the Right Hand (RH) column in each of the three tables, the considerations the RFO and Parish Councillors should use to ensure appropriate governance and oversight of any Single Tender Actions proposed or used by BPC.**

Table A

Do you understand the circumstances under which a single tender can be actioned?

Circumstances consistent with Standing Orders and Financial Regulations	GOVERNANCE: What you should expect to see happening in practice which...
A single firm or contractor of a special character is required A proprietary item or service of a special character is required ...might indicate a single tender action is appropriate	... might indicate a single tender action is <u>appropriate</u>: • the service/good is follow-up work where a provider has already undertaken initial work in the same area (and where the initial work was awarded from open competition); • there is a compatibility issue which needs to be met e.g., specific equipment required, or compliance with a warranty cover clause; • there is genuinely only one provider; • there is a need to retain a particular contractor for real business continuity ... might indicate a single tender action is <u>NOT</u> <u>appropriate</u>: Issues - including evidence, not just preferences • the market is competitive; • there are no factors suggesting this would secure value- for-money; • the single tender action is driven more by time pressure than value-for-money considerations; • there is pressure to spend monies late in the financial year; • there is familiarity/a relationship with the supplier; • there are ongoing single tender actions with one specific supplier;

TABLE B

Do you understand the approval and reporting process required for single tender actions?

Requirements already included in BPC Standing Orders & Financial Regulations	GOVERNANCE: What Councillors should expect and check to see happening in practice
When applications are made to waive financial regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the council. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget, including Advisory Group/Committee budgets and Earmarked Reserves. This authority is to be determined by: - the Council for all items over £1,000 e.g. by authorisation of annual budget and Earmarked Reserves; - the Clerk, in conjunction with at least two Councillors. including Chairman of Council or Chairman of the appropriate Advisory Group or Committee, for any items up to £1,000 for items not included in approved budgets. Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman/Councillors. Contracts may not be disaggregated to avoid controls imposed by these Regulations. When BPC is to enter into a contract of more than £1,000 the requirements set out in the Standing Orders and Financial Regulations shall be complied with. The council shall not be obliged to accept the lowest or any tender, quote or estimate.	Single Action Tenders are <u>not</u> used to procure goods or services over £3,000 for any purchases/contract or group of linked purchases/contracts Regular reporting to the full Council (as appropriate for frequency/significance of single action tenders). Evidence/assurance that the report is complete and accurate. - What is the process for completion? - How does it compare to previous reports? Clear basis for each single tender action including how the RFO and Chair of Advisory Group or Committee reached their conclusion, and evidence of proper consideration - See indicators in Table A. Ongoing data is presented to the Council on the value of procurement/contracts let or extended by single tender actions.

TABLE C

Do Councillors adequately scrutinise single tender actions and take action where appropriate?

Requirements already included in BPC Standing Orders & Financial Regulations	GOVERNANCE: What Councillors should expect and check to see happening in practice
No specific requirements	Does the report on or proposal for a Single Tender Action waiver appear to be complete? • See Table B • Is there evidence of adequate consideration by the RFO? Is there evidence of any reason for a bias towards taking single tender action? • Are there any indicators present as listed in Table A? • Is there evidence that the number or proportion of single tender actions is increasing and if so, are there valid reasons that have been made known to Councillors? Where issues are identified do you consider appropriate next steps such as • requesting additional information? • making recommendations to the RFO? • requesting Internal Audit review?

VERSION CONTROL

Date amended	Reason for version change	Amended by
October 2021	New Governance policy to set out Considerations for Responsible Financial Officer (RFO) and Councillors in relation to the potential and actual use of Single Tender Actions • Draft 1 reviewed by Finance AG members October 2021; suggested amendments made.	Cllr C Underwood, Chairman Compliance AG Cllr S Ashwell Chairman Finance AG
November 2021	Governance Policy to Council	Cllr C Underwood, Chairman Compliance AG

References:

<https://www.gov.uk/guidance/public-sector-procurement-policy> Last updated January 2021
https://www.audit.wales/sites/default/files/single-tender-actions-nhs-audit-guide-english_6.pdf