

## **Edinbane Community Company Ltd. procurement policy**

### Initial assessment

Categorise the works into the appropriate size:-

1. Simple works/services, up to around £5,000, to be awarded by the Directors.
2. More-complex/ expensive works up to around £50,000, requiring tendering and a letter of appointment.
3. Larger works/services, requiring tendering and a form of contract.

### Considerations for Director-let works

- Have all potential firms been identified?
- Is there any benefit in terms of cost or accountability if the works are tendered?
- Will tendering lead to unnecessary expense incurred by interested firms?

### General tendering guidelines

- Prepare a tender brief, giving details of work required, drawings, payment terms and timescales.
- Explain the basis for selection, i.e. cost, using local firms etc. – or a combination of these factors.
- Prepare a form of tender and return envelope, to be submitted by a specified date.
- Issue the brief and other documents stating that tenders are being invited.
- Invite up to 4 or 5 firms to bid, keeping their identities hidden from each other.
- Ensure that answers to queries are returned to all tenderers.
- Carry out a tender appraisal, seeking clarification to enable tenders to be compared like-for-like.
- Inform all tenderers of the result, giving them the range of prices received (but NOT linked to the names of tenderers) – this helps them when bidding for other work.

Expertise within the Company and local community can be called upon to help with the tendering process.

### Letters of appointment

To be used for category 2 work. These should be signed by both parties and include as a minimum :-

- Brief description of works/services and reference to tender submitted.
- Agreed price/cost/rates of the works
- Start and completion dates/timescale in weeks for the works to be completed.
- Payment terms
- Insurance requirements

### Forms of contract

For building works, simple form of contract exist e.g., SBCC Minor Works that can be used on category 2 and 3 projects. Other categories of work or services might be covered by industry standard terms and conditions.

Once again, expertise within the Company and local community exists and should be sought when deciding on contract arrangements for larger works/services.