



**Stage 3 - 5**

**Procurement**

**Guide for Applicants**

**February 2024**

Version 3



**Armagh City  
Banbridge  
& Craigavon**  
Borough Council

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# 1. Introduction and Objectives

The purpose of this document is to provide guidance to those applying for grant funding under the 'Fit for Future Programme' (the "Scheme").

This is a grant scheme which aims to encourage vacant commercial property owners to invest in their buildings, attract tenants and reduce long term vacancy.

Armagh City, Banbridge and Craigavon Borough Council are delivering the Scheme to support property owners in bringing vacant properties back in to commercial or residential use and improve the vitality and vibrancy of our city, towns and villages.

Property owners wishing to undertake external and internal property improvement works to enhance the lettable, functionality and appearance of their property are encouraged to apply for grant assistance through the Scheme. Potential tenants wishing to secure a minimum of a two year lease in an eligible property are also encouraged to apply.

The first point of contact for queries is the grant project officer who can be contacted via email at: **fitforfuture@armaghibanbridgecraigavon.gov.uk**

## Objectives

The Scheme outcomes will:

- Tackle prominent long-term vacant properties within the Borough's 'Settlement Development Limits'<sup>1</sup>.
- Impact positively on the streetscape of our city, towns and villages.
- Provide high specification buildings.
- Create buildings that are fit for purpose and ready to occupy.
- Bring redundant/disused floor space back into use.
- Create employment.
- Aid business expansion.
- Enable retention of commercial properties.

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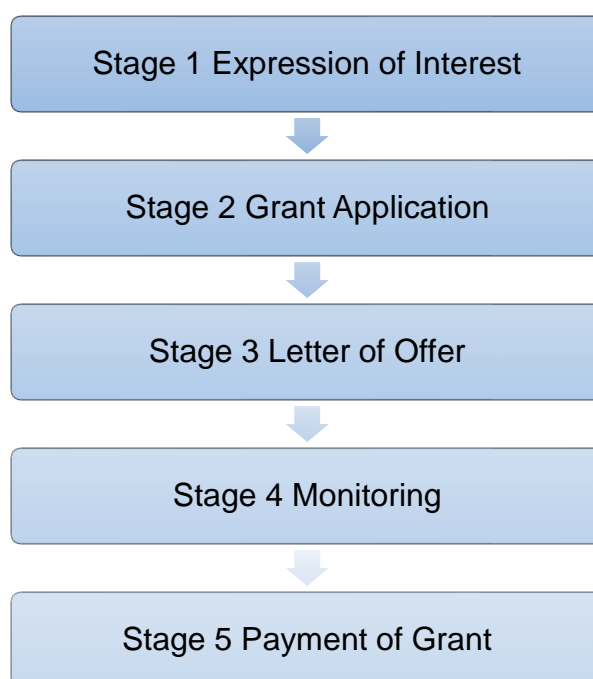
<sup>1</sup> Settlement Development Limits are set out within each Local Development Plan. These can be found at [https://wayback.archive-it.org/11112/20190702142313/https://www.planningni.gov.uk/index/policy/development\\_plans/devplans\\_new\\_council\\_area.htm](https://wayback.archive-it.org/11112/20190702142313/https://www.planningni.gov.uk/index/policy/development_plans/devplans_new_council_area.htm) (select the development plan for your area, select map library (on the right hand side bar) and then choose the map for your settlement).

Applications will be prioritised for:

- Proposals with the necessary statutory approvals already in place
- Vacant ground floor units within the town centre boundary
- Properties which occupy a prominent place in the town centre or along key gateways
- Proposals which can demonstrate the project will be completed to a high standard of works
- Proposals which can demonstrate that they intend to create new jobs and/or volunteering opportunities
- Proposals which can demonstrate sustainability

## Stages

The Scheme will progress through five key stages.



## 2. Funding

### Who Can Apply for Financial Assistance?

The Council will not fund projects that discriminate against Section 75 groupings. Section 75 outlines the nine categories for which due regard to the need to promote equality of opportunity must be paid, namely between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation; men and women; persons with a disability and persons without; and persons with dependants and persons without.

Council **will not** provide funding for projects that:

- discriminate against Section 75 groupings (see above);
- are businesses which have been in deficit for the last two financial years without a justifiable reason;
- relate to land or property which is to be, or could be sold, within 12 months from the receipt of final payment of grant aid. Where an award under this Scheme has been offered and accepted, the full grant must be repaid to Council;
- have submitted another application; and

In addition, Council **will not** fund projects which;

- are located outside the Armagh City, Banbridge and Craigavon Borough Council area;
- have an eligible total capital spend of **less than £5,000**
- include or relate to repairs, improvements or construction of your own home / private dwelling;
- are unable to provide most recent audited accounts from the previous three financial years (as relevant to applicant);
- do not meet the objectives of the Scheme;
- have already taken place or are already under way prior to an offer of funding and permission to start notice being issued;
- duplicate what already exists;
- are deemed to be commercially unsustainable;

- are of a party political nature;
- promote a particular religion; or
- are contrary to Council policy.

From 4 January 2023, all subsidies provided by public authorities in Northern Ireland have to comply with either the European Union's State aid rules or the UK Subsidy Control regime.

Further information regarding these rules can be found at the following website:

<https://www.economy-ni.gov.uk/articles/state-aid-and-subsidy-control-after-eu-exit>

It is an applicant's responsibility to check whether State aid or subsidy control clearance is required. Applicants should seek independent legal advice if they are unsure whether a project will require clearance.

### What can be funded?

**This is a Capital Scheme only.** There is no funding towards revenue costs such as training, IT/e-business and marketing expenditure.

The maximum level of financial assistance is **80% of the total eligible capital costs capped at a maximum of £20,000** grant award per applicant.

The scheme **will not fund**;

- land purchase or leasing;
- costs incurred or any commitment to costs incurred prior to any offer of funding and Permission to Start Notice from Council (retrospective funding);
- non-project specific costs;
- costs representing poor value for money;
- items purchased outside of the Council procurement guidelines (see Sections 3 – 7 of this guide);
- recoverable VAT;
- an item which can or is already being funded through another grant source;
- professional fees;

- insurance costs;
  - interest / banking fees;
  - cash expenditure will not be eligible for refund from Council;
  - projects where contractors have already been appointed to undertake the work; or
  - ongoing maintenance costs (e.g. painting) or consumables - i.e. goods used by individuals and businesses.
- 
- PC Sums
  - Contingency
  - Provisional Sums which are able to be specified

## Eligible Costs

**Please note: No retrospective funding will be given.**

Eligible costs will be limited to;

- Fit-out of commercial units / retail units / commercial residential (e.g. renovations; service and utility upgrades; repurposing of existing space; fixtures and fittings integral to the project)
- Shop Frontage improvements (e.g signage, shutter and wire removal and replacement of toughened glass, lighting, painting, rain water goods
- Non-recoverable VAT

**Please note – for commercial residential properties, only the property owner is eligible to apply. It must be let as a commercial rental property following completion of the project.**

If you are unsure, please email [fitforfuture@armaghbanbridgecraigavon.gov.uk](mailto:fitforfuture@armaghbanbridgecraigavon.gov.uk) for guidance.

## VAT

We cannot cover the costs of VAT that you can reclaim, it is therefore your responsibility to seek appropriate advice.

If your VAT status changes during your Project, we will reduce our contribution to the costs where you have managed to claim back the VAT.



### 3. Procurement

The Council and Government Departments are required to ensure that grant funding, used for the procurement of works, services or goods by a grant recipient, is spent in accordance with procurement law and policy.

It is important that applicants are informed of the procedures to be followed to ensure;

- a) the construction works, non-construction services and goods required to develop the project are procured in a fair, open and transparent manner and Conflict of Interest is managed within the procurement process;
- b) value for money when procuring construction works, non-construction services and goods is achieved;
- c) there is a price comparison / reasonableness of costs check for all works, services and goods prior to issue of a Permission to Start notice from the Council;
- d) the mandatory requirement to submit the required quotations/tenders is met; and
- e) all processes comply with the relevant equality legislation.

Applicants must agree to Council’s Terms and Conditions of Grant Award. These include an undertaking that;

- all works will be carried out and supervised by suitably qualified professionals;
- quotes must be sought from and contractors appointed who are Construction Line registered with active status in line; and
- Council’s procurement processes will be followed when delivering the project ie:

<b><i>Estimated Value</i></b>	<b><i>Process To Be Used</i></b>
Where estimated cost does not exceed £1,500	A minimum of 2 competitive tenders required
Where estimated cost is up to £7,500	A minimum of 3 written competitive tenders required.
Where estimated cost is £7,501 - £30,000	A minimum of 4 written competitive tenders required.
Where estimated cost exceeds £30,000	Public advertisement required.

**The above figures are exclusive of VAT and show the minimum number of tenders which should be sought.**

**Please note: Procurement must be carried out for all expenditure related to the project, even if it is not being funded through the grant scheme. For example, consultancy fees are not eligible for funding, however they are integral to any capital works projects therefore must be procured in line with the procurement guidance laid out in this guide.**

**Failure to fully comply with the procurement procedures as set out in this guidance or to provide the supporting evidence required could result in you being asked to undertake procurement again.**

**Checks will be carried out by the Council and its professional advisors on your procurement process at a number of different stages throughout the grant process. Non-compliance with the procurement guidance will result in the disallowance of all or part of any funding. These checks will also involve reviewing quotations/ tenders/ invoices submitted with a number of the suppliers. Fraudulent documentation will deem the application ineligible and you may be debarred from future calls.**

## **Mandatory Requirements**

**It is a mandatory requirement that:**

1. A detailed written specification for each procurement is prepared and made available.
2. Evidence of suppliers/businesses asked to quote or tender be submitted.
3. The minimum standard for any contractor being appointed is as follows:
  - a) They must have Constructionline 'level 2 verified' status and have an adequate notation in an appropriate category (not applicable to projects where total capital spend is less than £50,000).
  - b) They must have the following insurance levels in place
    - Employers' Liability Insurance ≥ £10m
    - Public Liability Insurance ≥ £10m
    - All risks insurance ≥ contract value + 15%
  - c) They must have the following Health and Safety Certification:
    - Buildsafe-NI Certification
    - SSIP Certification
    - EMS Certification

4. Evidence of quotations/tenders submitted by suppliers be submitted.
5. If the *Tendering procedure for Works, Goods and Services greater than £30,000* has been used and the applicant receives more than 6 tenders, they must immediately inform the Council. The unopened tenders must be provided to the Council who will oversee a random selection process using the following method:
  - A Council Officer together with another Council Officer acting as a witness will, in order:
    1. Number all the sealed envelopes.
    2. Generate a random number sequence.
    3. Using the first six numbers of the generated sequence select those corresponding numbered envelopes.
  - Council to return those selected envelopes to the Applicant to assess in accordance with guidelines.
  - Council to retain unopened non selected envelopes.
6. Alternative price or reasonableness of costs check for all goods, services and works be submitted.
7. Retention of all original procurement documentation as evidence for project claim stage.

In all cases the following will apply without exception:

- The contract award date must not be more than 12 months old at the date of purchase of the goods/services/works relating to the project.
- Where the original contract date is more than 12 months old and includes an option to extend that contract, documentary evidence must be sought to confirm that any extension approved has been offered and accepted.
- No work may commence on the project under the contract until applicants have received a Permission to Start notice from the Council.

## 4. Procurement Exercise

4.1 Three different types of procurement exercise are detailed in this guidance. The different requirements are based on the total value of the item or group of linked items that grant funding is required for. The three different procurement types apply to a single item or group of linked items, services or construction works:

- (a) with a total value of up to £5,000
- (b) with a total value of between £5,001 and £30,000
- (c) with a total value of £30,001 and above.

4.2 It is therefore important that prior to starting any procurement exercise and asking suppliers for quotations or tenders, that applicants consider;

- (a) exactly what is to be purchased;
- (b) the specification/specific details for each work, service and item required; and
- (c) the value of individual items that grant funding is being applied for.

4.3 This will help to ensure that the correct procurement exercise in relation to the nature and value of the grant funded items, is undertaken.

4.4 It is important to consider:

- (a) Total Cost of Individual Works, Services or Items
  - Is your business/organisation VAT registered?
  - Are any of the items to be purchased VAT exempt?
- (b) Specific detail to describe the Works, Services or Items
  - Detailed drawings, approved technical plans & bill of quantities for the construction works to be delivered, or
  - Description of the consultancy services to be commissioned, or
  - Identify the piece of equipment together with the relevant size, capabilities etc. relevant to the items to be purchased

4.5 This will help you to ensure that the specification of requirements to be issued to **all** potential suppliers allows for like for like comparison of eligible costs.

4.6 The following section provides further detail to be considered when calculating the value of the items to be grant funded.

## Calculation of Cost of the Works, Services and Goods to be Procured

- 4.7 If you are registered for VAT you are required to collect reimbursement of the VAT charges through their normal VAT return procedure. Therefore the cost of the procurement for VAT registered applicants is calculated using the net cost before VAT is added, i.e. the cost of the works, services or items excluding VAT.
- 4.8 If you are not registered for VAT the cost of the procurement is the gross cost, i.e. the cost of the works /services/goods after VAT has been added.
- 4.9 The grant recipient must also ascertain whether or not the goods/services/works to be procured are VAT exempt - for example some services and works on historical buildings are exempted from VAT charges.
- 4.10 The cost of procurement for construction works **must be calculated** as the total cost of the construction, i.e. procurement must be undertaken for the complete construction works and not be split into individual phases or trades. This means that construction works must not be broken down into component parts to avoid the procurement threshold requirements.
- 4.11 A number of procurements may have to be carried out within one project as the project may require the purchase of several works, services or items. In this case this procurement guidance should be applied to each works, service or item.
- 4.12 You may choose to request quotations/tenders from suppliers for grouped or related works, services or items. In this case the cost of the procurement is the **total** cost of the works, services or items quoted.

## Preparing a Specification

- 4.13 You **must** prepare a **detailed written** specification for all the works, services or goods to be procured regardless of the value of individual works, services or items.
- 4.14 The purpose of the specification is to tell potential contractors/suppliers what is needed. Specifications should be unambiguous and include a clear statement of requirements/needs. This is particularly important in a single stage competition to ensure that only those suppliers capable of delivering the contract, submit tenders.
- 4.15 The specification **must not refer to specific suppliers, manufacturer names, makes, or models of equipment** and must be sufficiently detailed to allow a fair comparison of like for like costs (***failure to adhere to this will render the procurement ineligible***).
- 4.16 **Appendix 2** provides a format to follow when developing a specification. The specification must include all the information needed for the eligible works, service or

goods to be procured to complete the project. When drawing up the written specification it is important that the following are considered and detailed:

**Construction Works** – detail for example, the proposed development; works required; approved plans and bill of quantities; roles and responsibilities including quality assurance, building control and certification of any works or installations; timescale and expected outcome.

**Non-construction Services** – detail for example, the service required, timescales, expected outcomes, or if relevant qualifications required.

**Goods/items** – name of the item, number required, size or specification for the item, any attachments necessary for operation etc. (Trade/manufacturers names, makes or models must not be used (see paragraph 4.15 above).

The installers/suppliers of goods/equipment must be able to quality assure such items. Therefore the specification and quotation/tender documentation should include an element to cover the quality of the product/service. The need for accreditation must be considered and if required, a reputable third party certification body must provide this.

**Note: PC sums and contingency amounts are not eligible items and must not be listed on the specification.**

4.17 The following are examples of other information which should be included in the specification for any goods/items to help to identify which supplier/contractor may be selected based on value for money:

- Delivery and installation costs,
- Guarantees and / or warranty,
- Delivery date (if it will affect project completion),
- After sales service,
- Training or instruction,
- Dates for work to be started and completed (construction works),
- Time limit on how long the price quoted lasts for,
- Timescale/date for return of quotations or tenders. A minimum of 20 working days for construction works and 10 working days for all other procurements, **must** be allowed. The timescale starts from the issue of the invitation to quote or publication of the advert.

4.18 An identical specification(s) **must** be sent to all suppliers asked to quote or tender. All quotes or tenders received must match the specification issued to be deemed eligible for grant.

## Conflict of Interest – Quotes from Family/Extended Family Members

- 4.19 You or a business that you are an owner/partner/director of, are excluded from quoting or tendering for the supply of goods, services or works to a project that you may be offered funding for.
- 4.20 If quotations or tenders are being sought, or provided from any member of your family or extended family then the relationship must be advised to the Council prior to any procurement activity and declared in writing on the procurement documentation.
- 4.21 In these cases you are required to provide **one additional quote** (in addition to the requirements detailed in Section 3).
- 4.22 For example, for works valued between £5,001 and £30,000, **four** independent quotes in addition to the family member quote to provide sufficient comparison of costs under the reasonableness of costs rules within the programme. Failure to comply with this requirement will deem the procurement process as ineligible. In addition you must sign a declaration to the effect that:
- (a) competitors' quotations will not be shared with the quoting family member; and
  - (b) that you will strictly adhere to the procurement requirements as set out in this Applicant Procurement Guidance document.
- 4.23 Written permission must be obtained by the Council prior to appointing a family member or extended family member.

## Retention of Procurement / Purchasing Documentation Required for Claim Preparation

- 4.24 Applicants should retain all evidence seeking and receiving quotes/tenders, notification of the successful and unsuccessful contractors, and any contract/follow-up agreement with the successful one. Examples of this information include:
- Copy of the specification,
  - Public advertisements,
  - Emails/correspondence inviting tenders,
  - Tenders received (including those received after the closing time/date),
  - Tender paperwork including tender envelopes and unopened
  - Tender receipt record,
  - Successful and unsuccessful letters to suppliers / contractors,
  - Invoices,
  - Proof of payment,
  - Explanations or justifications for any variation from the agreed procedures, and,
  - Copy of the contract issued (if applicable)

## 5. Tendering Procedure for Goods, Services and Works greater than £30,000 and less than Public Procurement Thresholds

- 5.1 Grant recipients must undertake an open tender exercise and advertise the procurement requirement in a regional daily newspaper or a trade journal appropriate to the type of business.
- 5.2 Price should be the determining factor of all tenders. The final grant amount will be based on the lowest priced acceptable tender. A pass/fail element can be included to ensure any tenders received meet a minimum quality/experience level.
- 5.3 A minimum of 20 working days for building/construction works and 10 working days for all other procurements, must be allowed. The timescale starts from the issue of the invitation to quote or publication of the advert.
- 5.4 The newspaper selected should have a distribution which covers as a minimum all of Northern Ireland and in addition any other regions where suppliers are being sought. If only one response is received to an advert every attempt should be made to obtain the correct number of tenders to provide a comparison of costs which is required under programme rules. If the correct number cannot be obtained you must inform the Council Admin Unit. Failure to comply will result in rejection of the application.
- 5.5 For all Building/Construction Works projects, a 2 stage procurement including a Pre-qualification Questionnaire (PQQ) must be used. This procedure must be outlined in the advertisement seeking interested suppliers/contractors. The PQQ documentation must make it clear that tenders are being assessed based on price alone.
- 5.6 The advertisement must state the closing date and time for either the expression of interest/PQQ or receipt of the tender (dependant on the method of procurement).
- 5.7 You are required to provide a price comparison, i.e. at least 2 tenders for each item(s), service(s) or works to be funded. You are therefore recommended to email a copy of the advertisement to a number of potential suppliers advising when the ad will be published and in which regional newspaper(s). Retaining copies of these emails will provide evidence of seeking tenders.

### Invitation to Tender

- 5.8 If not using a Government Procurement Portal, you must provide each prospective supplier with the following (a sample Invitation to Tender letter can be found at Appendix 5):



- (a) Detailed written specification for the item(s), service(s) or works required (Section 4 refers).
- (b) The criteria for how the successful tender will be selected. Price should be the determining factor.
- (c) A pre-addressed envelope labelled 'tender' in the bottom left corner but not identifying the sender/prospective supplier.
- (d) Your contact details - name/business name, address, telephone, email.
- (e) Name of person available to provide clarification.
- (f) The tender return due date and time.
- (g) The terms and conditions for return of the tender, for example:
  - Completion of a tender document (sample at Appendix 6).
  - On business headed paper with the supplier's name, address, contact information, Company & VAT registration numbers (if applicable).
  - Be sufficiently detailed to show how the specification is priced to allow comparison of like for like and to assess best value, for example itemised costs, note any variance from the specification etc.
  - Manufacturer's warranty, follow-up service.
  - Qualifications, experience, previous jobs relevant to the service to be provided.
  - Detail the period for which the cost will be held.
  - Returned via post or hand delivered.
- (h) Any terms and conditions to be attached to the award of contract, for example you may require the successful tenderer to sign an agreed contract for delivery of the item(s), service(s) or works.

### **Receipt of Tenders, Opening and Selection of Successful Tender**

- 5.9 When each tender envelope is received it should be signed, marked with the date and time of receipt and not opened until the appointed time.
- 5.10 Any tender received after the closing date should not be opened and should be held with the other tender papers.
- 5.11 Tenders submitted by telephone, Fax and e-mail must not be considered.
- 5.12 The tender envelopes should be opened at the specified time by two people. You should formally record the tenders received (Appendix 3 contains a sample template). The date of opening, company name and amount quoted should be recorded. Any

unused portion of the formal record should be ruled through to prevent any additional tenders being added later.

- 5.13 You must not make changes or write comments on tenders or tender correspondence. These are original documents which will be needed in a Court of Law if there is a dispute.
- 5.14 For contracts for the supply of standard goods, non-construction services or construction services and works, the preferred basis of award should be the lowest price or lowest acceptable price. In this context, “standard” means when the goods, services or works can be clearly and simply specified, and are capable of being routinely delivered by a number of suppliers/contractors. The lowest acceptable price is the lowest price after unacceptably low prices have been excluded. There must be no automatic exclusion and the suppliers whose tenders that are considered to be significantly low must be given the opportunity to justify their prices.

### **Exceptional Circumstances**

- 5.15 If you are unable to obtain the required number of tenders for example, where there is only one supplier, you must provide evidence to the Council of this who will consider what further action, if any, is required.

### **Award of Contract to the Successful Tenderer**

- 5.16 All suppliers that submit a tender should be notified in writing as early as possible whether or not they are successful (Appendices 7 and 8) contains sample letters). No contract should be offered to the successful supplier until such times as a Permission to Start notice has been received from the Council. Any contract must specify the price, any conditions specific to the contract and be agreed in writing, for example an agreed contract for delivery of the goods or service.
- 5.17 The tender accepted must be the lowest acceptable price. If the lowest acceptable tender is not going to be accepted, the reason(s) for the decision must be communicated in writing by the applicant to the Council, along with the application procurement documentation. Any offer of funding will be calculated using the value of the lowest tender. The applicant will be responsible for the additional costs.
- 5.18 The sample templates in Appendices 2 - 8 are provided as an example of best practice and their use may help if there is a legal challenge to any successful supplier. You are therefore encouraged to use these or similar ones.

## 6. Tendering Procedure for Goods, Services and Works from £5,001 to £30,000

- 6.1 The minimum number of quotations needed for works, services or goods valued between £5,001 to £30,000 is **4 written quotations**.
- 6.2 Price should be the determining factor of all tenders. The final grant amount will be based on the lowest priced acceptable tender.
- 6.3 Applicants should retain for future reference and at claim processing stage (if successful), evidence of quotations sought from businesses appropriate to the nature of the item or service to be funded. Evidence of quotations sought is a mandatory requirement and applicants must be prepared to have their evidence tested.
- 6.4 If applicants are approaching suppliers directly, other evidence of quotations sought is;
- email issued to business email address;
  - recorded delivery via post;
  - returned email receipt from business email address; or
  - authorised receipt on company letter head acknowledging receipt and rejecting invitation to quote.
- 6.5 Each supplier asked for a quotation must be provided with the detailed written specification and advised of:
- (a) the return due date and time for receipt of quotations (refer to Para 4.17 final bullet point);
- (b) the terms and conditions for return of the quotation, for example;
- on business headed paper with the supplier's name, address, contact information, Company & VAT registration numbers (if applicable),
  - be sufficiently detailed to show how the specification is priced and allow comparison of like for like to assess best value, for example itemised costs, note any variance from the specification,
  - detail the period for which the cost will be held,
  - returned via email, fax, post or hand delivered,
  - e-mailed quotes must be as an attached scanned image on headed paper signed and dated by a company employee,
  - fax quotes must be on headed paper, dated and signed by a company employee, or
  - post or hand delivered must be on headed paper signed and dated by a company employee.

**NOTE:** the Council will verify 20% of all quotations per claim received as evidence of procurement via a phone call to the supplier to confirm the validity of the quote; and

- (c) how successful quotes will be selected i.e. price only.
- 6.6 The terms and conditions for submitting a quotation may be added to the specification or included in a cover letter or email inviting quotations.
- 6.7 Quotations should be addressed to the applicant or the business name as the applicant. If an employee or other representative is looking after the application and supporting documentation, quotations must also be addressed to the applicant or the business email address or forwarded on receipt.
- 6.8 Applicants should formally record the quotes received (**Appendix 3** contains a sample template).
- 6.9 To ensure that the quotations are assessed fairly and accurately and are like-for-like, applicants should prepare a summary of all of the quotations received which records:
- price quoted for each item,
  - delivery date/timescale for delivery of service,
  - delivery charge, and
  - VAT.
- 6.10 Applicants also need to check that prices quoted do not include hidden extras such as:
- after sales service and/or technical assistance charges outside those included in the specification,
  - higher specifications than required, or
  - running costs
- 6.11 In some cases the applicant may choose to advertise publicly regardless of the value of the procurement. Four written quotations will still be required regardless of the number of responses to the advertisement.

### **Exceptional Circumstances**

- 6.12 If the applicant is unable to obtain the required number of quotations for example, where there is only one supplier, the applicant must provide evidence, e.g. printouts from Internet searches from at least two Internet search engines / sites showing the number of suppliers for a specific item; or evidence that the applicant has contacted potential suppliers via email (N.B. A note from the intended supplier stating they are

the sole supplier is insufficient evidence). This information must be provided in writing to the Council.

- 6.13 The Council will test the evidence provided and undertake a reasonableness of costs check on the single quote provided by the applicant. Where there is a significant variance in cost, the applicant must provide a written explanation, following which the Council may decide to reject the quotations submitted by the applicant on the basis that the quoted price does not represent Value for Money (VfM).

## 7. Tendering Procedure for Goods, Services and Works up to £5,000

7.1 The minimum number of quotations needed for works, services or goods valued at less than £5,000 is **3 written quotations**.

7.2 Applicants should retain for future reference and at claim processing stage (if successful), evidence of quotations sought from businesses appropriate to the nature of the works, services or items to be funded. Evidence of quotations sought is a mandatory requirement and applicants must be prepared to have their evidence tested.

7.3 Internet quotations may be used for items of up to £5,000 in value. Applicants should complete the on-line ordering screen to the point where payment details are entered. The price quoted at this point should include delivery and for example any discounts. The screen page should be printed along with the specification details of the equipment to prove that each quote is for the same equipment specification.

7.4 If applicants are approaching suppliers directly, other evidence of quotations sought is;

- email issued to business email address;
- recorded delivery via post;
- returned email receipt from business email address; or
- authorised receipt on company letter head acknowledging receipt and rejecting invitation to quote.

7.5 Each supplier asked for a quotation must be provided with the detailed written specification and advised of:

(a) the return due date and time for receipt of quotations (refer to Paragraph 4.17);

(b) the terms and conditions for return of the quotation, for example;

- on business headed paper with the supplier's name, address, contact information, Company & VAT registration numbers (if applicable),
- be sufficiently detailed to show how the specification is priced and allow comparison of like for like to assess best value, for example itemised costs, note any variance from the specification,
- detail the period for which the cost will be held,
- returned via email, fax, post or hand delivered,
- e-mailed quotes must be as an attached scanned image on headed paper signed and dated by a company employee,
- fax quotes must be on headed paper, dated and signed by a company employee, or
- post or hand delivered must be on headed paper signed and dated by a company employee.

**NOTE:** the Council will verify 20% of all quotations per claim received as evidence of procurement via a phone call to the supplier to confirm the validity of the quote; and

(c) how successful quotes will be selected i.e. price only.

7.6 The terms and conditions for submitting a quotation may be added to the specification or included in a cover letter or email inviting quotations.

7.7 Quotations should be addressed to the applicant or the business name as the applicant. If an employee or other representative is looking after the application and supporting documentation, quotations must also be addressed to the applicant or the business email address or forwarded on receipt.

7.8 Applicants should formally record the quotes received (**Appendix 3** contains a sample template).

7.9 To ensure that the quotations are assessed fairly and accurately and are like-for-like, applicants should prepare a summary of all of the quotations received which records:

- price quoted for each item,
- delivery date/timescale for delivery of service,
- delivery charge, and
- VAT.

7.10 Applicants also need to check that prices quoted do not include hidden extras such as:

- after sales service and/or technical assistance charges outside those included in the specification,
- higher specifications than required, or
- running costs

7.11 In some cases the applicant may choose to advertise publicly regardless of the value of the procurement. Three written quotations will still be required regardless of the number of responses to the advertisement.

### **Exceptional Circumstances**

7.12 If the applicant is unable to obtain the required number of quotations for example, where there is only one supplier, the applicant must provide evidence, e.g. printouts from Internet searches from at least two Internet search engines / sites showing the number of suppliers for a specific item; or evidence that the applicant has contacted potential suppliers via email (N.B. A note from the intended supplier stating they are the sole supplier is insufficient evidence). This information must be provided in writing to the Council.

- 7.13 The Council will test the evidence provided and undertake a reasonableness of costs check on the single quote provided by the applicant. Where there is a significant variance in cost, the applicant must provide a written explanation, following which the Council may decide to reject the quotations submitted by the applicant on the basis that the quoted price does not represent Value for Money (VfM).



## Appendix 1 - Specification

### Introduction

The introduction should briefly explain the requirement and the context of that requirement. Briefly explain your business/organisation, don't assume all suppliers/contractors will know who or what you are.

### Background

The information provided here should be of sufficient length and detail to ensure the supplier/contractor has an understanding of why this item/work is being commissioned.

### Scope of the Contract

This is the description of the requirements. It should briefly detail the organisation's project expectations and should set out the broad scope of the procurement. It should set out;

- what is included;
- what is excluded;
- anything that is optional;
- geographical coverage if relevant; and
- anticipated quantities (although not guaranteed).

### Outline of the requirements

State the detailed requirements the supplier/contractor is to meet. It should:

- Include the mandatory requirements - these are essential requirements that supplier/contractors must meet. Ensure they really are essential because bids can be rejected for failing to meet them;
- Use simple language, avoid using jargon;
- Define terms, symbols and acronyms either in a list at beginning or when they are first used;
- Not be more technical than is necessary in order to make the intention clear;
- Be as concise as possible but don't be so economical as to risk lack of clarity;
- Plan and analyse your needs;
- Arrange the components of the requirement into a logical form. A good way of doing this is to set out a skeleton structure with the main headings and then add in sub-headings as necessary;
- Not embed requirements in background information as suppliers/contractors may miss them. Keep requirements in their own sections;
- List the most important elements of the requirement first and work through to the least important; and

- Discuss the requirement with colleagues and other users and procurement staff (if applicable), if necessary. During this process you may also identify other topics you need to include.

Define the task or desired result by focusing on what is to be achieved (output), not by describing the way it is to be achieved (input). This challenges contractors to use their skills and develop smart, creative solutions.

There are some cases however where it may be appropriate to specify particular types of equipment, provide drawings or patterns, but this should be avoided as far as possible. Specifying requirements in terms of outputs or functions gives contractors the opportunity to propose innovative solutions or simply be more creative in their proposals and also means the responsibility for ensuring that the solution meets the requirement rests with the contractor rather than the customer.

Consider also:

- Security - describe any specific security requirements appropriate to the requirement.
- Standards - set out any standards relating to the goods or services being procured, for example health and safety, electrical.
- Consider practical matters e.g. delivery times, how the goods/services are to be provided, what you want to happen if successful supplier can't provide goods/services on time, how goods/services will be ordered.

## **Contract Management and Payment Arrangements**

You should define what type of contract information you require, and if regular meetings/update reviews are required, these should be built in here (if applicable). Details of how the supplier should invoice and payments arrangements must be outlined.

## **Mobilisation of Contract/Delivery**

You should state any delivery requirements or timescales for delivery including any special requirements.

## Appendix 2 – Quotation / Tender Action Record

Quotation /Tender for: \_\_\_\_\_

Closing Date: \_\_\_\_\_

Quote /Tender No.	Name & Address of Prospective Suppliers sent the specification	Date Specification Issued	Date Quotation /Tender Received	Forms completed by potential supplier		Signed quotation/pricing documents	COMMENTS
				F.O.T*	VAT		

**\*F.O.T** – Form of Tender i.e. please specify how quotation/tender was submitted - by hand, post, fax, email etc.  
**This form should be used to record the procurement details from sending the specification to the suppliers through to supplier selection. You should write the details of each quotation / tender received onto the form.**

I/We certify that \_\_\_\_\_ quotations/tenders were received on or before the due time and were opened by me/us on \_\_\_\_\_ (Date)

There were \_\_\_\_\_ late quotations/tenders.

Name(s) in CAPITALS: \_\_\_\_\_

Signed: \_\_\_\_\_

## Appendix 3 – Evaluation of a Quotation / Tender

One form to be completed for each works/services/goods being evaluated. Please clearly identify at the top of each form what is being evaluated.

- **Pass/Fail Criteria**

- a) Declarations and form of Tender
- b) Minimum Standard of Experience
- c) Required Level of Insurance

The person(s) evaluating the criteria must decide if the tender has provided all the relevant documentation, met any quality/experience criteria which identified within the procurement and provided evidence of required level of insurance. If the evaluation panel are unable to determine the duration of experience detailed, Tenderers will be eliminated from the competition.

- **Evaluation Criteria**

Price Only

The person(s) evaluating the quotations/tenders must list the prices of all companies who have met the pass/fail criteria and rank them in order of lowest to highest. The lowest quotation/tender must be appointed.

Quotation/Tender for \_\_\_\_\_ (enter works/services/goods being evaluated)

Name of Company	Pass/Fail	Price	Ranking
<b>Comments</b>			
<b>Successful Quotation/Tender:</b>			

Evaluation Completed by: Name(s) \_\_\_\_\_

Signature(s) \_\_\_\_\_

Date \_\_\_\_\_

## Appendix 4 - Sample Tender Letter

**<name>**  
**<address>**

**<date>**

Dear Sir

[I/We] invite you to tender for the supply (and delivery) of **<List Goods, Services or Works required / as per attached specification>**.

If you wish to take part in this contract competition, please complete the enclosed tender form and return it, using the pre-addressed envelope provided to arrive at the above address not later than **<specify a time and date>**.

The contract sum as specified in the tender should be a “fixed price”. The length of time the price is valid should be stated. Failure to quote a fixed price may result in your tender being excluded from the competition. The contract sum as quoted in the tender should include all delivery, installation, commissioning and handling charges.

[I/We] require <detail requirements, i.e. delivery on or before ....., immediately, indication of when liability for the goods/service/work transfers to the purchaser, assurance that all Statutory Requirements are being met, etc.> (*Refer to Paragraph 5.11, Invitation to Tender of the Procurement Procedures which provide advice on the information required from prospective suppliers*).

[I/We] reserve the right to:

- (a) Accept part of any quotation unless it is clearly stated that the tender may only be considered as a whole and
- (b) Not necessarily to accept the lowest or any quotation.

Yours faithfully

## Appendix 5 – Sample Tender Form

### PART 1

#### TENDER FOR

---

I/We hereby offer to provide the above mentioned goods/services/works as detailed in the attached invitation to tender for the sum of  
£ \_\_\_\_\_ (exclusive of VAT).

Amount in words

\_\_\_\_\_ pounds.

I/We have read and understand the Conditions of Contract and the Notes/Instruction to Tenderers and agree:

*to the terms and conditions set in this Tender; to any additional terms and conditions set out in the invitation to tender; that having completed this form a binding contract shall be constituted by this Tender and our acceptance thereof.*

I/We agree that this tender together with your written acceptance thereof shall constitute a contract between us in relation to the whole of the Tender or any part as may be specified in your written acceptance.

#### Tenderer's Signature

*The Tender must be signed by a person authorised to sign on behalf of the contracting firm.*

Signature \_\_\_\_\_  
Date \_\_\_\_\_  
Print Name \_\_\_\_\_

**Address** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Telephone Number** \_\_\_\_\_

**VAT Registration Number** \_\_\_\_\_

#### Notes / Instructions to Tenderers

Tender prices must reflect all circumstances affecting, or likely to affect, the provision of the good/services/works.

Tenders should be returned in the pre-addressed envelope provided and must reach its destination not later than the time specified in the invitation to tender.

Tenders received after the specified time will not be considered.

We reserve the right to accept a part of any tender unless the tenderer clearly states that the tender may only be considered in it's entirety.

---

**Opened By** \_\_\_\_\_ **and**

\_\_\_\_\_

**Date** \_\_\_\_\_



**PART 2**

**Schedule of Quantities and Prices**

<b>Item No.</b>	<b>Description of Goods</b>	<b>Quantity</b>	<b>Unit Cost £</b>	<b>Total Contract Price (excl. VAT) £</b>	<b>VAT Amount £</b>

## Appendix 6 – Successful Tender

<name of contractor / supplier>

<address>

<date>

Dear Sir / Madam

Thank you for your tender dated <*date tender form was dated by tenderer*> for the supply and delivery of <details of *goods / services / works* > at your quotation price of <contract amount in figures>, <amount in words>.

I have pleasure in confirming that you have been successful.

[I/We] require delivery <state requirements>.

Please confirm your agreement to me in writing by return.

Yours faithfully

## Appendix 7 – Unsuccessful Tender

<name of contractor / supplier>

<address>

<date>

Dear Sir / Madam

Thank you for your tender dated <*date tender form was dated by tenderer*> for the supply and delivery of <details of *goods / services /works* > at your quotation price of <contract amount in figures>, <amount in words>.

I regret to inform you that on this occasion you have been unsuccessful.

Please contact me if you require any further details.

Yours faithfully

## Appendix 8 - Freedom of Information, Planning, Building Consent, Insurance and Data Protection

### **Confidentiality and Freedom of Information**

Council is committed to meeting our responsibilities under the Freedom of Information Act 2000 (FOIA). All information supplied by applicants as part of this grant scheme will be treated as commercial in confidence until the Stage 1 EOI and Stage 2 Grant Application assessment process has been completed and all Letters of Offer have been issued. Subsequently, Council may be required to disclose information permitted by applicants in response to a request received under FOIA. Council may also be required to disclose details of unsuccessful applicants.

You should be aware that even where you have indicated that information is commercially sensitive, Council may be required to disclose it under the Act if a request is received. Please also note that the receipt of any material marked 'confidential' or equivalent by Council should not be taken to mean that Council accepts any duty of confidence by virtue of that marking. If a request is received, Council may also be required to disclose details of unsuccessful applicants.

### **Planning Permission / Statutory Consents**

It is the responsibility of the applicant to ensure that all statutory approvals are gained and complied with. A 'Certificate of Lawful Use or Development' may be requested to prove that planning consent is not required if there is any uncertainty.

Please contact the local planning office to enquire if your project will require planning consent / listed building consent / road service approval etc. as Council cannot fund any projects without statutory consent if we are advised it is necessary.

You may also contact your local planning office to identify if your property is within the settlement development limits.

### **Building Regulations**

It is the responsibility of the applicant to ensure that each project complies with Building Regulations and approvals are sought.

### **Listed Buildings**

To find out if a building is listed in Northern Ireland, you can search the Northern Ireland Buildings Database.

Please contact the Historic Environment Division (HED) for information in relation to any matters relating to a Listed Building.

### **Insurance**

The applicant, agent and/or contractor is responsible for all risks in connection with public or employer liability associated with the building works. All works funded through this grant will be required at all times to be fully covered by relevant insurance policies.

### **Data Protection**

**Armagh City, Banbridge & Craigavon Borough Council** values your right to personal privacy. We at all times try to be open about the reasons why we collect, hold and use your personal information. We collect information about you in order to fulfil our statutory obligations and provide you and other people with services. Some of the information we gather may be used to help us provide you with improved services. We at all times aim to comply with the Data Protection Principles, ensuring that information is collected fairly and lawfully, is accurate, adequate, up to date and not held any longer than necessary. If your personal data needs to be used for purposes other than those mentioned, we will contact you to seek your consent. You have a right to see information held about you (with a few exceptions allowed for in the Data Protection Act 1998). If you wish to see any personal information held on you please put your request in writing, stating clearly who you are and what information you would like to see to the address below. A fee is chargeable up to £10.00 which covers the cost of gathering, copying and redacting the data.