



# Ansa Environmental Services Limited

## Procurement Manual

### 1.0 OVERVIEW

#### 1.1 Purpose of this Manual

This manual sets out the procedures to be followed when Ansa Environmental Services Limited (the “Company”) acquires goods, services or works. The Company is subject to the Public Procurement Regulations and there is a clear requirement for the Company to achieve value for money in its purchase of goods, works or services. The aim of this Manual is to ensure that the Company:

- gets value for money
- operates within the law
- operates within the realms of its Articles of Association and authorised powers
- demonstrates accountability
- meets its corporate aims and policies
- facilitates the directors fulfilling their responsibilities
- prevents directors or employees of the Company exceeding their authority or behaving fraudulently, and
- where possible the interests of the residents and business of Cheshire East Borough Council.

All directors or employees nominees by directors (“Delegated nominee”) that are engaged in any capacity in an acquisition of goods or services must abide by the procedures set out in this Manual. Failure to abide by these procedures may result in the Company breaking the law and the contravening Managing Director or Delegated Nominee as the case may be, may be subject to disciplinary action<sup>1</sup>.

#### 1.2 Procedure for Review and Update

Any change to this Manual shall be agreed by the Managing Director or their Delegated Nominee.

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<sup>1</sup> Will need to ensure that Employee Handbook/Governance document contains a matching disciplinary policy

**2.0 PRINCIPLES WHEN PROCURING**

**2.1 Best Value for Money**

The Company owes a responsibility to the Principal Shareholder<sup>2</sup> and the residents and business of Cheshire East Borough Council when procuring services, goods or works. The company is to ensure that all purchases represent best value for money, the definition of best value, eg lowest price, highest quality etc, will be determined on a case by case basis.

**2.2 Integrity and Transparency**

Only the Managing Director or a Delegated Nominee shall undertake procurement activity. It is essential that where the Managing Director or Delegated Nominee has a conflict of interest that such interest be recorded in the Company’s Conflict of Interest Register maintained by the Company Secretary. In the event that a conflict exists, in relation to procurement, the Managing Director or Delegated Nominee shall not have any involvement in the procurement process or the selection of a supplier.

The Principal Shareholder shall be entitled to access and audit the Company’s Procurement documentation at any time.

**2.3 Separation of Duties to attain checks and balances**

As far as possible the Managing Director or Delegated Nominee responsible for seeking quotations, tenders or approving orders, should not be the approving Managing Director or Delegated Nominee for the acceptance of the quote or tender. This may not be practically possible in all cases, therefore for orders under £5,000, the Managing Director or Delegated Nominee can be the same person, but only in ad hoc circumstances. Where the value of the order / procurement is in excess of £5,000, a manager who has the budgetary limit in line with the scheme of delegation must approve the quotation / tender / order.

**3.0 PROCUREMENT THRESHOLDS AND PROCESS DETAILS**

**3.1 Overview**

The table below sets out which procedures to be followed for different contract values. The Total Value of the contract is the yearly contract value x contract period in years (including any extension periods).

<b>Total Value</b>	<b>Procedure to Follow</b>
<b>Below £20,000</b>	Enquiry to a suitably qualified supplier(s) by the most appropriate means by the Managing Director or Delegated Nominee with the requisite authority to incur the expenditure in accordance with the Company’s Scheme of Delegation. Details of the quote and why the supplier selected, is to be kept on file, for audit purposes. See paragraph 3.2.
	Advertisement of the opportunity, and an appropriate procurement exercise to be undertaken. The level and

<sup>2</sup> This term is not defined

<b>Above £20,001 but below the OJEU Threshold</b>	type of procurement exercise to be undertaken will be on a case by case basis as determined by the Managing Director or Delegated Nominee. See Paragraph 3.3.
<b>Over the OJEU Threshold.</b>	For contracts where the value is over the relevant OJEU threshold, the Managing Director or Delegated Nominee will determine the most appropriate EU Procurement Route, and conduct a procurement exercise in line with this route, ensuring full compliance with all legislation.

### 3.2 Required Process below £20,000

Where a contract has a contract value of £20,000 or below, a telephone quotation from a suitably qualified supplier(s) should be sought by a Managing Director or Delegated Nominee. The employee must ensure best value is obtained and it is recommended that 3 quotes are sought. Any agreed quote should be obtained in writing. Only the employee who has the requisite authority to incur the expenditure under the Company's Financial Scheme of Delegation, can place an order.

### 3.3 Required Process Between £20,001 and below the OJEU Threshold.

Where contracts have a value between £20,001 and the OJEU Threshold a procurement exercise must be undertaken. All procurement opportunities must be advertised and the type and level of procurement activity will be determined on a case by case basis by a Director or Delegated Nominee. All submissions should be in a written format and the Managing Director or Delegated Nominee must ensure that the successful supplier provides best value for money and is most appropriate in terms of the capacity and capability.

Where a tender is sought and received, these must be dealt with and evaluated in accordance with best practice. Tenders should be evaluated by a panel of at least 3 appropriate employees, stakeholders or delegated appropriate nominees. There must be a written record of the evaluation scoring, and reasons for selection and non selection.

Contract award, will be by means of a report submitted to and approved by the appropriate person with the requisite financial approvals as detailed in the Financial Scheme of Delegation. Only the employee who has the requisite authority to incur the expenditure in the Company's Financial Scheme of Delegation, can place an order.

### 3.3 Required Process Above the OJEU Threshold

For procurements where the contract value is above the relevant OJEU Threshold, the appropriate procurement route will be undertaken as determined by the Director or the Delegated Nominee. The procurement exercise will be a formal process involving written tenders, in line with the appropriate EU Procurement Route. Awarding of Contracts above the OJEU Threshold will be undertaken by means of a written report, which is approved by the appropriate person with the requisite financial approvals as detailed in the Financial Scheme of Delegation.

### 3.6 Format of Contracts

As a minimum all contracts with a value over the OJEU Threshold should be in a written format and be executed as a deed by either the a Director and the company secretary, by two Directors or by the Managing Director and the Company Secretary. There may be circumstances where the contract value is below the OJEU Threshold where a contract is warranted, these will be dealt with on a case by case basis and determined by the Managing Director or the Delegated Nominee.

### 3.7 Exceptions to these Procedures

Where the Managing Director or a Delegated Nominee seeks an exception to these procedures, he/she shall arrange for a report to be prepared and submit it for consideration to the appropriate person with the requisite financial approvals as detailed in the Financial Scheme of Delegation, prior to the start of the relevant procurement process

All such exceptions should be recorded in a register and available for inspection as required.

## 4.0 OPENING OF TENDERS

- 4.1 For all procurements over £100,000, tenders are to be sent and received electronically, using an e-tendering portal. All tenders will be opened via this system to ensure fairness and the prevention of collusion.

## 5.0 EVALUATION OF OFFERS

### 5.1 Best Value

The award of a contract will be made on the basis of an assessment as to the Most Economically Advantageous Tender (MEAT). This may take the form of a lowest price, or in the case of a sale, the highest price, or the most advantageous offer taking all factors into account; or could take the form of an assessment on a Quality / Cost basis. Where a Quality / Cost assessment is made, then this should be clearly set out in the tender documentation, along with the criteria used to evaluate the quotes or tenders and associated weightings. Where practicable, appropriate and legal the Company shall consider procurement from Cheshire East based suppliers.

## **6.0 EXTENSION OF CONTRACTS**

Contracts can be extended in line with the terms and conditions of contracts. Where a contract is required to be extended, and there are no provisions in the contract documents, the assessment as to whether or not any contract can be extended will be on a case by case basis following consultation with either the Managing Director or a Delegated Nominee. The approval of the contract extension can be made by the appropriate person with the requisite financial approvals as detailed in the Financial Scheme of Delegation.

## **7.0 MATERIAL CONTRACTS**

For contracts which are deemed material (material needs to be determined by the Board), irrespective of value and contract length, the procurement process, selection of supplier and contract award need to be approved by the Board.

## **8.0 RECORDS OF PROCUREMENT PROCEDURE**

### **8.1 Policies for Procurement Records**

The Managing Director or his/her Delegated Nominee must keep proper written records of:

- the different stages of the tendering process including all the quotes and letters received, and notes of phone calls and meetings about selecting suppliers;
- the awarding of the contract;
- contract documents
- contracts register
- any information provided to tenderers or contractors; and
- any decisions made, together with the reasons for those decisions.
- a record of all exceptions to these rules.

These written records must be retained for twelve years.