



*Cairngorms National Park Authority
Procurement and Tendering Review
Internal Audit 2008/09*

November 2009

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Section 1 - Executive summary

1.1 Introduction

This internal audit of Procurement and Tendering is part of our programme of core financial areas and is consistent with the audit plan approved by the Audit Committee. The scope of this report was agreed with the Head of Corporate Services and Finance Manager prior to the commencement of fieldwork.

1.2 Background

Effective procurement procedures are essential in ensuring that Cairngorms National Park Authority (CNPA) achieves value for money on goods and services purchased, remains within budget and ensures that all spend relates to their operational plan. In 2008/09, CNPA spent approximately £2.8m, of which approximately £0.04m related to capital expenditure.

CNPA has formal financial regulations and procedures in place. Procurement and tendering procedures are included within this documentation, alongside set approval and authorisation levels. However, CNPA does not have a centralised procurement function due to the size of the organisation and level of spend. Whilst the Finance and Business Service Managers play a key role in assisting CNPA achieve value for money, ultimate responsibility for budgetary control is vested in the seven Programme Managers responsible for the ten areas of the Operational Plan. This structure allows each programme the required flexibility to ensure that the procurement function is tailored to their requirements.

The McClelland Report (published in 2006) included a number of recommendations including the need for public sector organisations to have a 'Procurement Officer'. At present, these responsibilities lie with the Finance Manager who should be consulted on all tenders. It is the Procurement Officer's responsibility to sign all tenders and subsequent contract, with the exception of generic items such as stationery, cleaning products and IT equipment, which are controlled centrally by the Business Services Manager.

All expenditure over £25,000 is reviewed and ratified by the Finance Committee, with all expenditure over £50,000 going to the Board for approval. Scottish Government (SGRD) approval is required for all expenditure over £50,000 with approval also required for all single tenders over £10,000. All orders require a requisition form which must be completed and authorised prior to expenditure occurring. In addition, for orders/tenders over £5,000 a more detailed Expenditure Justification Form is required, which must be authorised prior to ordering. A minimum of three tenders should be received in the tender process.

In order to improve value for money in procurement, CNPA advertises tenders in a variety of locations, including the Scottish Environment Protection Agency website (SEPA), the Public Contracts website and their own website. Prospective contractors are located using a number of resources, including individual knowledge of the marketplace and qualified suppliers and the Consultants Database found on the CNPA website. CNPA also uses SEPA's procurement team to manage the procurement of goods and services on their behalf.

Section 1 - Executive summary

1.2 Background (continued)

The majority of CNPA expenditure is administered through one of two bank accounts; Core and Project. The Core bank account is used to review grant-aid funding and any other income, for example, planning fees. Expenditure met from this account includes salaries, running costs and Operational Plan Expenditure. The Project bank account is used to receive income from funding partners and is used to pay out any project related expenditure.

CNPA also uses Government Procurement Cards (Barclaycard VISA). These are held by the Chief Executive, the Head of Corporate Services and the Head of Business Services. The organisation has a Credit Card Procedure in place and all credit card and bank statements are received at the month end. The overall statement is authorised by the Head of Corporate Services before being processed through SAGE by the Finance Assistant and payment is made via BACS on behalf of the individual.

1.3 Approach

Our approach initially involved discussions with relevant personnel in order to affirm our understanding of the processes, policies and procedures in place with respect to the operation of the procurement function. We then assessed the process risks, controls and value for money arrangements through review of supporting documentation and further discussions with personnel. This was followed-up by testing of key control areas.

Section 1 - Executive summary (continued)

1.4 Conclusion

The overall scope of this review was to give an overview of the current position within CNPA with respect to procurement and to assess the appropriateness of the current arrangements to ensure they are “fit for purpose”. Our overall assessment of the key audit areas is below:

Audit areas	Overall Assessment	Report Ref.
There are clear procurement procedures in place which have been followed where appropriate;	**	2.4; 2.7
All areas of procurement can demonstrate value for money;	**	2.2; 2.4
There is an appropriate process in place for tendering;	**	2.1; 2.2; 2.3
All tendering procedures have been followed where appropriate;	**	2.1; 2.2; 2.3
There is clear justification and authorisation where tender procedures have not been adopted;	**	2.1
Programme managers can demonstrate an understanding of procurement and tendering practices;	**	2.2; 2.5
There is clear segregation of duties in procurement and tendering practices; and	***	2.2
All orders placed have been subject to appropriate authorisation as per the delegated levels of authority.	***	2.6

Key:

- **** Arrangements accord with good practice and are operating satisfactorily (recommendations are in respect of minor matters).
- *** Adequate arrangements are in place, but certain matters noted as requiring improvement.
- ** Arrangements in place offer scope for improvement.
- * Inadequate level of control and unacceptable level of risk.

Section 1 - Executive summary (continued)

1.4 Conclusion (continued)

We can conclude that there are some audit areas that offer scope for improvement particularly in the areas of recording of procurement and tendering guidance and centralised recording and retention of tender documentation. We do acknowledge that in general, procurement processes are followed, however the administration of the process has a number of control gaps. We have summarised the weaknesses and issues below and further details of our findings and recommendations can be found within **Section 2** of this report. An overview of procurement and tendering Best Practice is included in **Appendix B** to provide CNPA with a guide to procurement policies in similar organisations.

Our key findings are as follows:

- There is a lack of consistency in the number of invitations to tender as well as the number of tenders received. Three cases were identified where a single tender was awarded but the justification for this is not clear. (*Recommendation 2.1*);
- There is currently no consistent method for the centralised storage of tender documentation. (*Recommendation 2.2*);
- Tender scoring is inconsistent and the standard template documentation was not used in the financial year 2008/09. There is no guidance in place to support staff in the use of tender interviews. (*Recommendation 2.3*);
- Tenders are not advertised consistently. (*Recommendation 2.4*);
- There is a lack of dedicated procurement staff available within the organisation. Staff with procurement responsibilities have not been trained but are offered procurement support from finance. (*Recommendation 2.5*);
- From a review of transaction logs between December 2008 and April 2009, a number of exceptions were noted in terms of storage of PIN numbers, logging of users and multiple use of single user cards. (*Recommendation 2.6*);
- CNPA does not have a complete list of all contracts in place. (*Recommendation 2.7*).

Section 1 - Executive summary (continued)

1.4 Conclusion (continued)

Our detailed findings and recommendations are within **Section 2** of this report. In total, we identified **seven** recommendations as follows:

Description	Priority	Number
Major issues that we consider need to be brought to the attention of Management and the Audit Committee	1	0
Important issues which should be addressed by management in their areas of responsibility	2	6
Minor issues where management may wish to consider our recommendations	3	1
	Total	7

1.5 Acknowledgements

We would like to take the opportunity to thank all of the staff within Cairngorms National Park Authority involved in assisting us in this audit. The findings and recommendations in this report were discussed with the Finance Manager at the conclusion of our fieldwork.

Section 2 - Detailed findings and recommendations

2.1 Compliance with tendering regulations

Finding	Recommendation	Rationale	
<p>The financial regulations state that all items tendered should receive a minimum of three quotations prior to the contract being awarded. This requirement can be waived with Chief Executive approval for expenditure below £10,000, or with Chief Executive and SEERAD approval for items over £10,000.</p> <p>However although the requirement can be waived, there needs to be a clear justification for this route being taken and continued demonstration of value for money being achieved.</p> <p>A sample of 10 tenders completed during the past financial year was tested for compliance with tendering procedures. It is noted that three were below £10k. The following exceptions were noted:</p> <ul style="list-style-type: none"> ▪ Three of the tenders over £10k had gone through a single tender process. All had been appropriately approved, however the justification for this was due to the requirement to appoint a supplier quickly. ▪ Only two of the 10 items showed clear evidence of at least three tenders being received (although it is acknowledged more than 3 invitations were issued) ▪ The number of invitations to tender sent out was inconsistent and the level of documentation available was limited. As such, it was difficult to assess how the prospective contractors and suppliers were identified and selected. <p>It was also noted that there is no tender waiver register in place within the organisation.</p>	<p>Where possible, all projects over £10k should have a minimum of three tenders in place before a decision is taken. This may require widening advertising in the case of higher value projects.</p> <p>If a single tender is to be approved, this should be recorded in a tender waiver register and approved by the Chief Executive with a clear justification for this process. The tender waiver register should be presented to the Audit Committee on an annual basis.</p> <p>Staff should also be reminded of the tender process (including documentation collation and retention) in order to allow sufficient time for the tender documentation to pass through the Finance Committee and Board where necessary.</p>	<p>Without a competitive tender process, there is a risk that CNPA does not obtain value for money and may result in paying above the market price for goods and services.</p> <p>There is also the risk of unsuccessful or potential contractors taking action against the authority if they do not feel the tender process is fair.</p>	
Management Response		Responsibility/ Deadline	Priority
Agree creation and management of a tender waiver register. Staff also being reminded / updated on procurement and tender		Finance	Two

<p>regulations. Clear within financial regulations that speed of appointment of contractor is typically not sufficient justification for a single tender process – this will also be reinforced through refresher training.</p> <p>There is no need for tender documentation to pass through Board or Finance Committee – these processes seek approval in to budget allocations and potential expenditure prior to procurement. Budget approval by Board or Committee is required to be in place prior to tender in order to ensure members are presented with real delivery options prior to development of a procurement specification.</p> <p>Financial Regulations require the invitation of at least 3 tenders. It is not within the Authority’s control as to whether all those invited to tender will actually do so and an assessment must be made as to whether to proceed based on tenders received or to seek further tenders. Clearly the latter course of action will result in delay to the project delivery timetable. The Authority’s officers are therefore required to balance the requirement to ensure best value while also maintaining the organisation’s delivery objectives.</p>	<p>Manager / end March 2010</p>	
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Section 2 - Detailed findings and recommendations (continued)

2.2 Documentation Storage for Tenders

Finding	Recommendation	Rationale	
<p>There is currently no consistent method of document retention for tenders with documents stored both manually and electronically across multiple locations. In 2008/09, tender files were not compiled which resulted in a significant time requirement to pull together documentation for year-end.</p> <p>Not all tenders received are kept on file, with tender information being held by various individuals including the Finance Assistants, the Finance Manager and Programme Managers.</p> <p>In addition, the 10 tenders and related documentation demonstrated no evidence of tendering control sheets being completed. The Finance Manager confirmed that tender control sheets have not been used in 2008/09 as the existing template was felt to be very time consuming, overcomplicated and not helpful given the sheer volume of tenders received for some projects.</p>	<p>Responsibility should be assigned to the relevant individuals to manage a file (either electronic or manual) of all documentation relevant to each tender proposal. This should include:</p> <ul style="list-style-type: none"> ▪ A tender control sheet; ▪ The tender brief; ▪ Details of how the tender was advertised; ▪ Contact details for the contractors the brief was sent out to; ▪ All tenders received; ▪ Scoring matrices (and decision process); ▪ Contract award letter; ▪ Authorised Expenditure Justification Form; ▪ Government/Finance committee/Board approval as required. <p>See the best practice guidance in Appendix B for further detail.</p>	<p>Without a consistent approach to document storage there is a risk that CNPA cannot justify contract awards and that there is no clear audit trail of tender processes for the year-end.</p>	
Management Response		Responsibility/ Deadline	Priority

<p>Agreed that responsibility should be assigned to relevant individuals to manage a file of all tender documentation. In order to ensure that a central control record of all key documentation exists, the Head of Corporate Services and Finance Manager propose that this responsibility is taken by the Finance Technician. Project Managers will remain responsible for holding appropriate files of project documentation, while the central finance records will ensure that key procurement information is readily available.</p>	<p>Finance Manager / end March 2010.</p>	<p>Two</p>
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Section 2 - Detailed findings and recommendations (continued)

2.3 Tender Scoring and Interviews

Finding	Recommendation	Rationale	
<p>Where more than one tender is received, scoring matrices require to be completed. Tender scoring should be undertaken by three people, one of whom is usually the Finance Manager. In practice, it is often only undertaken by two people.</p> <p>There is a scoring matrix pro-forma on the intranet but this is not used consistently. 10 tenders were reviewed, five of which were single tenders and two had no scoring matrix on file. Three had tender scoring matrices on file. In one of the three matrices reviewed, a different template had been used. Discussion with the Programme Managers highlighted that they drew up a unique matrix for each tendering brief. The matrix is based on a 1-5 scoring system but there is no indication as to the criteria requiring to be met to reach each score.</p> <p>There is no process in place to guide staff (for example, refer to the Finance Manager) where interviews are required, e.g. usually on a tied score.</p>	<p>The Tender Scoring Matrix should be re-issued with guidelines for assigning each score from 1-5. Tender scoring should ideally be carried out by three people and this should be written into the guidelines. All Programme Managers should follow the same process.</p> <p>Whilst it is acknowledged that interviews for tenders are rare, this should be referred to within the overall procurement policy.</p>	<p>A set tender scoring procedure will ensure fairness and transparency when assessing the merits of tenders and allow importance to be assigned to the key areas of the tender.</p> <p>Whilst it is acknowledged that interviews are irregular, guidance will ensure fairness to all candidates and that all relevant criteria is covered in sufficient depth to come to a decision.</p>	
Management Response		Responsibility/ Deadline	Priority
Agreed that tender scoring matrix should be reissued along with guidelines for use of the matrix and interviews.		Finance Manager / end March 2010	Two

Section 2 - Detailed findings and recommendations (continued)

2.4 Advertising of Tenders

Finding	Recommendation	Rationale	
<p>There is a lack of consistency in the methods of tender advertising used by CNPA. The majority of tenders do fall below the EU de minimus advertising figure, however, it is recognised that advertising tenders is good practice and should lead to increased value for money.</p> <p>Direct contact with suppliers through industry knowledge, the Public Contracts website, SEPA and CGCope have all been used by CNPA to advertise, but this approach is not consistent.</p> <p>The basic tender guidance document states that all tenders should be advertised on the public contracts website. This is consistent with the advice given by Scottish Government. In practice, this does not occur and has been found to be time-consuming and not cost effective due to the volume of tenders received.</p>	<p>The procedure for advertising contracts should be revised and updated to reflect the most time and cost effective process.</p> <p>All sections of the Expenditure Justification Form and requisition forms should be completed to demonstrate that value for money has been considered prior to a tender being accepted. The method of advertising should be documented.</p> <p>CNPA have considered using SEPA to filter tender opportunities. Although this does take a considerable amount of time, it does allow CNPA to meet the advertising requirement without having to employ procurement staff. A decision should be formally taken as to whether to continue with this process.</p>	<p>Having a clear procedure in place for the advertising of contracts will ensure that opportunities are taken to attract all potential candidates for tenders and that Value for Money can be demonstrated.</p>	
Management Response		Responsibility/ Deadline	Priority
<p>The tender guidance has been revised to indicate differing and increasing levels of advertising requirement for contracts depending on anticipated value. All contracts in excess of £50,000 must be advertised on the public contracts website.</p> <p>The Authority is currently working with Loch Lomond and the Trossachs NPA to establish a joint procurement manager. The combined scale of both NPAs makes a procurement manager more financially feasible than for either organisation individually. We will continue to review the potential to collaborate with other partners such as SEPA where appropriate. We will also seek to implement common advertising policies and thresholds, in order to facilitate the process of procurement guidance and support between two organisations.</p>		<p>Finance Manager (CNPA) with Finance and Procurement Manager (LLTNPA) / end July 2010.</p>	<p>Two</p>

Section 2 - Detailed findings and recommendations (continued)

2.5 Procurement Training

Finding	Recommendation	Rationale	
<p>All procurement documentation is stored on the CNPA intranet, accessible by all staff. The McClelland report (2006) stipulates that all personnel performing the role of a 'procurement officer' should be suitably trained in procurement.</p> <p>From discussions with staff, it is apparent that there is a lack of dedicated staff to procurement on a full time basis although support is offered by finance where necessary. Review of internal correspondence highlighted a number of occasions where staff were unaware of the correct tendering procedure.</p>	<p>All nominated 'procurement officers' and other relevant personnel should be identified and provided with appropriate training. As a minimum staff should be reminded of the support available through the finance team.</p> <p>This could be combined with the re-issue of tender documentation and guidance, which should be made available to all staff on the CNPA intranet.</p>	<p>A lack of training will lead to an uncoordinated approach to tendering and procurement. It will also potentially lead to time being wasted on unnecessary queries and that CNPA may fail to identify the suppliers offering the best value for money.</p>	
Management Response		Responsibility/ Deadline	Priority
<p>As noted under 2.4, the Authority is currently working with Loch Lomond and the Trossachs NPA to establish a joint procurement manager. The combined scale of both NPAs makes a procurement manager more financially feasible than for either organisation individually. This will establish a single nominated procurement officer to act on behalf of both NPAs. We will also seek to implement common advertising policies and thresholds, in order to facilitate the process of procurement guidance and support between two organisations.</p> <p>This joint corporate services development will provide dedicated procurement staff support. We will seek to implement appropriate training programmes for the procurement officer, finance staff, and programme and project managers in a complementary manner to this service development.</p>		<p>Head of Corporate Services with Finance Manager (CNPA) and Finance and Procurement Manager (LLTNPA) / September 2010</p>	<p>Two</p>

Section 2 - Detailed findings and recommendations (continued)

2.6 Government Procurement Cards

Finding	Recommendation	Rationale	
<p>CNPA have three Government Procurement Cards (Barclay Card VISA). These are held by the Chief Executive, the Head of Corporate Services, and the Head of Business Services. The Chief Executive and Head of Business Services hold the card on their person; the other card is kept in the safe within the finance office, and authority for use has been delegated as per the credit card procedures. However, there is no formal documentation to state that this authorisation has been given.</p> <p>Card transaction logs from December 2008 to April 2009 were reviewed to ensure compliance with the credit card procedures document. Total spend for this period on all cards was approximately £3,150. The following exceptions were noted:</p> <ul style="list-style-type: none"> ▪ One item of the transaction log did not specify the card user on the transaction log. ▪ Each card has had at least five users in 2008/09. This was expected for the Head of Corporate Services' card but not for the Chief Executive and Head of Business Services who retain their own cards. ▪ PIN numbers for all three cards are held on file with all other card correspondence. ▪ From a sample of 5 months, one occasion was noted where the statement had not been signed off by the Head of Corporate Services, and a nominal activity print-out was not on file for any of the items as is required by procedures. 	<p>Formal authorisation should be documented for the Head of Corporate Services' card to be used by staff.</p> <p>PIN numbers should be destroyed or retained in the safe if necessary.</p> <p>The Credit Card Procedure document should be reviewed and updated for current practice and all transaction logs and corresponding documentation should be fully completed.</p>	<p>With multiple staff using each card, it may be difficult to identify who is responsible should any payment errors arise. There is also an increased risk of inappropriate transactions.</p> <p>Storing PIN numbers with the associated card represents a high security risk.</p>	
Management Response		Responsibility/ Deadline	Priority
Recommendation agreed.		Finance Manager / end March 2010	Two

Section 2 - Detailed findings and recommendations (continued)

2.7 Contracts Listing

Finding	Recommendation	Rationale	
<p>There is currently no complete contract listing held for all contracted suppliers and no regular review of contracts held.</p> <p>Contracts are reviewed either when the government change their preferred supplier or when CNPA contracts are nearing expiry.</p> <p>All contracts relating to internal office expenditure and supporting documentation are filed in the finance office. Contracts relating to operational plan expenditure tend to be one-offs due to the specific nature of the projects. These are stored separately in the filing room.</p>	<p>A complete contracts listing should be created detailing all contracts CNPA have in place. This should be split by type of contract. The contract listing should be centrally filed in order for all staff to view. Access should be restricted to individuals maintaining the list and should be subject to regular review.</p> <p>Contracts should be reviewed on a regular basis and at a minimum interval of 36-months.</p>	<p>A contract listing forms part of a clear audit trail, allowing reconciliation between payment requests and current contracts. It also serves as a tool for identifying soon to expire contracts and highlighting contracts no longer offering the best value for money.</p>	
Management Response		Responsibility/ Deadline	Priority
Recommendation agreed.		Finance Manager / end November 2010	Three

Section 3 - Statement of responsibility

Statement of Responsibility

We take responsibility for this report which is prepared on the basis of the limitations set out below.

The matters raised in this report are only those which came to our attention during the course of our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of internal audit work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices. We emphasise that the responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Auditors, in conducting their work, are required to have regards to the possibility of fraud or irregularities. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas as identified by management as being of greatest risk and significance and as such we rely on management to provide us full access to their accounting records and transactions for the purposes of our audit work and to ensure the authenticity of these documents. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Deloitte LLP

Inverness

November 2009

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Appendix A - Scope & objectives

Objectives

The overall scope of this review is to give an overview of the current position within CNPA with respect to procurement and to assess the appropriateness of the current arrangements to ensure they are “fit for purpose”. Our objectives will be to ensure that for goods and services there are adequate arrangements to ensure compliance with purchasing regulations, internal procedures and delegated levels of authority.

The specific objectives of our review are to focus on the key areas which underpin the areas under review as follows:

- There are clear procurement procedures in place which have been followed where appropriate;
- Areas of procurement can demonstrate value for money;
- There is an appropriate process in place for tendering;
- Tendering procedures have been followed where appropriate;
- There is clear justification and authorisation where tender procedures have not been adopted;
- Programme managers can demonstrate an understanding of procurement and tendering practices;
- There is clear segregation of duties in procurement and tendering practices;
- Orders placed have been subject to appropriate authorisation as per the delegated levels of authority;
- EU regulations have been followed where appropriate;

Appendix B - Best Practice Guidance

Background

We undertook a review of the Tendering and Procurement procedures and documentation used by another NDPB. The following areas are highlighted as best practice, and are detailed within this Appendix either for possible inclusion within the Authority's own documentation, or to provide a discussion point when existing documentation is reviewed. Authority limits and approval routes at the comparison organisation were found to be very similar to those operating at CNPA. Elements of the guidance are documented below although areas of similarity between procedures have not been highlighted:

Recording purchasing decisions

Ensure that adequate documentation is kept to allow staff and auditors to follow how a contract has been awarded from start to finish. Records should be kept until the contract is complete and the audit for that financial year is complete.

Contracts

When deciding on the value of a contract, consider any related or similar purchases to be made during the year. For example, several print jobs could be done by one supplier as part of one contract at a lower overall price. In addition, the cost of a full year's worth of a small service, for example, photocopying, should be aggregated to provide the full value of an annual contract. Ongoing contracts should be reviewed regularly and re-tendered at no more than 5-year intervals. This should comprise a maximum of 36-month contracts with an option to extend by 2 x 12 month periods. Board approval should be required for all contract extensions over 36 months.

Tendering

If a contract for greater than 36 months is proposed, then regardless of value, a full and comprehensive justification should be submitted to the Board prior to approval for tender activity.

Value for money

Ensure that contracts are awarded on the basis of cost, quality and delivery of goods and services, i.e. on the basis of the Most Economically Advantageous Tender (MEAT). When preparing tenders, consider an appropriate set of award criteria, which should be declared at the point of issue of invitations to tender and held on file.

Appendix B - Best Practice Guidance (continued)

Inappropriate use of suppliers

Staff should not take advantage of their employment at CNPA to gain reduced or concessionary prices from suppliers for personal non-business use. Where a family member in a legitimate business offers to supply to CNPA, the staff member in question should not be personally involved in the purchasing decision, and extra care taken to ensure that decisions are made on a competitive basis. The use of staff as suppliers should be generally prohibited, even if they are registered as self-employed. Seek clarification from senior staff when considering using former employees as suppliers.

Environmental policy

To support the Authority's commitment to sustainable development, staff involved in procurement should consider environmental and sustainable development considerations – this could be included as part of the Expenditure Justification Form. When seeking proposals, ask suppliers to:

- Describe their organisation's approach to the environment, including details of current environmental policy.
- Provide a statement as to how their environmental policy will contribute to CNPA's organisational goals on sustainable development.
- Confirm whether their organisation is accredited under any recognised environmental accreditation scheme e.g. ISO 14001, and if not, to provide details of any future plans in this area.

Competitive quotations

For items over £10,000, a minimum of three invitations to tender should be sent out, with a minimum of two obtained. Where this is unachievable, written justification should be submitted to the procurement lead. Each supplier should be made aware of a named contact at CNPA for any queries. For items up to £10k, written quotations should also be obtained.

Tender invitations should include

- The method of acceptance by CNPA – whether by PO or under special conditions of contract.
- The supplier should be made aware of the programme of work required for the work or supply and be asked to state any exceptions as part of their proposal documentation.

Appendix B - Best Practice Guidance (continued)

- Each supplier must be given the same period to submit his application, and be advised that the offer can only be accepted if received in the required form by the stated date at the correct address.
- The supplier should advise of the period for which his quotation is open for acceptance.

Non-Competitive Tenders

These can be accepted for items between £10,000 and £50,000 under the following conditions:

- The supply of goods is of a special nature, such that competition is impractical
- The supply of goods is required urgently, and not obtainable under existing contracts.
- In these circumstances, written confirmation from the applicable individual under the financial regulations should be kept on file and available for audit.

Acceptance of Quotations

Care must be taken to ensure that non-competitive tenders are assessed to ensure that they cover fully every aspect of the required project, will produce work of the required standard, and have a fair and reasonable value. Care should also be taken to ensure that any attached conditions do not contravene CNPA's standard terms and conditions. Where the lowest offer is not accepted, written justification must be set out and held on file. It is preferable for unsuccessful suppliers to be informed. This should be in the form of a standard Letter to Unsuccessful Tenderers.

Opening Tenders

Each tender opened should be initialled and date by the two people present when it was opened. An official tender record sheet should be completed as a permanent record and include the following:

- Title of project, location and tender number
- Name of all firms invited to tender
- Name of all firms from whom tenders were received
- The date tenders were invited

Appendix B - Best Practice Guidance (continued)

- The last date for receipt of tenders
- The date tenders were opened
- The estimated contract price

The record should also have the facility to record the name of the successful tenderer and a provision for a special report should be attached where the lowest value tender is not accepted.

Tenders over £50,000

Invitations should be sent to at least six suppliers, with the tender proceeding only if at least three proposals are received. It is unacceptable to split purchase order requirements into lower value components in order to avoid conducting the required degrees on competition. Disciplinary action to be taken against staff who do not comply. Where an order is for greater than £50,000 and CNPA have no history of dealing with the supplier, the finance department should carry out a credit check, prior to the contract being accepted. These findings should be held on file.

Jointly Funded Projects

Where CNPA is taking the lead in jointly funded projects, the standard CNPA tendering procedures should be followed. In other cases, every effort should be made to persuade the partner organisation to follow similar procedures, if this is not possible, note should be made and held on file.

Standard Form Documentation

The following templates should be held and accessible to all procurement staff on the intranet:

- Standard Quotation Form
- Sample Invitation to Tender Letter
- Tender Record Sheet
- Letter to Unsuccessful Tenders
- Conditions of Contract for Purchases

Appendix B - Best Practice Guidance (continued)

- A listing of preferred and current suppliers should be maintained and regularly reviewed.