

Appendix 2 – Regulation 13 of Financial Regulations

13. PURCHASING OF GOODS AND SERVICES

13.1 The Director of Finance and the Director of Law and Administration (or equivalent) must be consulted before any contract, lease, rental, hire purchase arrangement or equivalent is entered into that will result in significant future financial commitment.

13.2 Contract Standing Orders specify the circumstances and value of contracts for which formal competitive tenders are mandatory. All contracts above this value, currently **£50,000**, must comply with the Contract Standing Orders. All Officers responsible for contracts, whatever their value, must read, be familiar with, and apply the requirements of the Contract Standing Orders, including the Protocol on Appointment of Consultants.

13.3 The total contract value of orders for similar goods and services must be used when assessing financial limits for purchasing, ie the total cost over the lifetime of the contract. Only in exceptional circumstances should one-off order values be used.

13.4 The Council has a Procurement Strategy and operates a Central Purchasing Service (CPS) and User Intelligence Groups (UIG) to co-ordinate and undertake purchasing. The role of the CPS and UIGs is to co-ordinate purchasing arrangements across and within Council Services, ensuring that purchasing decisions achieve best value and reflect the principles of the Council's Procurement Strategy and Policy.

13.5 To ensure that the objectives of the Procurement Strategy are achieved, Services must follow any purchasing policies issued by the Director of Corporate and Neighbourhood Services. These policies will also incorporate and cover areas such as environmental purchasing and community benefit.

13.6 For purchases below **£50,000**, Services should use the formal tendering process in which case they must follow the procedure in Contract Standing Orders. If a formal tendering process is not followed, then the Officer authorising the order should be able to demonstrate that best value has been achieved. This can be done by:

- use of contracts or catalogues prepared by the CPS/UIGs;
- obtaining and retaining a minimum of 3 written quotations;
- following the advice of the CPS, or Corporate and Neighbourhood Services ICT for computer equipment.
- **Using the Quick Quote facility on the Public Contracts Scotland website.**

13.7 Where no purchasing contracts are in place, Services, in consultation with the CPS, may make their own purchasing arrangements:

- for orders below £1,000;
- where there is demonstrably no genuine competition; or
- for orders that require to be made in an emergency.

13.8 The principle of achieving best value in purchasing still applies, and Services must retain all relevant documentation relating to all purchases and purchasing decisions.