

Comhairle Contae Mhuineacháin



Monaghan County Council

Monaghan County Council

Procurement Procedures

(Volume 7: Revised and updated)

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1. Main objectives of Procurement Procedures

The main objectives of procurement guidelines and procedures may be summarised as follows:-

To provide general guidance to Managers and staff on the processes and procedures to be followed when acquiring and receiving goods and services from external third party suppliers.

Secure compliance with EU and Government procurement legislation and procedures with the goal of ensuring that the purchasing processes within Monaghan County Council are open and competitive.

Optimise the purchasing power of Monaghan County Council when entering into contracts.

To devise and enhance purchasing controls, to ensure that the product or service being purchased is actually required to fulfil a specific identified need within the local authority and not surplus to the organisations requirements.

Staff must obtain formal approval from the respective Budget Holder or their nominee before completing a purchase order or entering in to a commitment for the supply of goods, services or works.

Managers and Budget Holders must not engage in purchasing above the limits of the approved budget available.

2. Procurement Procedures

Procurement is a key value adding function in any Local Authority and it is vital that all staff involved in the procurement process have a thorough understanding of public sector accountability and best practices in the methods and processes involved. The purchasing of supplies services and works are governed by the following key principles:

- Staff engaged in the procurement process should strive to achieve efficiency, effectiveness and best value for money (VFM) at all times
- Engage with quality suppliers, service providers and contractors
- Operate in the competitive marketplace in an open, fair and transparent manner, applying the same rules and allowing equal rights of access to everyone, resulting in objectively fair decisions being reached.
- Comply with all relevant national statutory legislation, European Directives and government guidelines
- Operate in a professional manner and to the highest ethical standards as directed in the “Ethics in Public Procurement” NPPPU policy document 2005 (Refer to Appendix IX).

The Department of Finance have issued detailed guidelines covering the engagement of consultants, contractors and external service providers which may be accessed at: <http://www.procurement.ie/sites/default/files/Guidance-in-the-Engagement-of-Consultants-2006.pdf>

3. Regulations

The following **directives and regulations** and any subsequent amendments should be adhered to:-

- European Communities (Award of Public Authorities' Contracts) Regulations 2006 coordinates the procedures for the award of Public works, supply and service contracts.
- EU Directive 2004/18/EC (Regulation S.I. 327 : 22nd June 2006) covers the procurement of public sector bodies. Directive 2004/17/EC covers the procurement of entities operating in the utilities sector. These Directives were published in OJ No L 134 of 30 April 2004 and are available on http://europa.eu/documentation/legislation/index_en.htm
- Directive 2006/123/EC on services in the internal market (The European Union (Provision of Services) Regulation 2010 (S.I. 533 of 2010). The "Services Directive" is aimed at reducing red tape, providing easier market access and implementing faster administrative procedures. Each EU state must remove burdensome legal and administrative barriers that hinder businesses from setting up or offering their services, set up "Points of Single Contact" through which businesses can obtain information and complete the necessary administrative procedures, cooperate with administrations in other EU countries to avoid duplication of controls on businesses and significantly reduce the administrative burden on business.
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:376:0036:0068:en:PDF>
http://www.pointofsinglecontact.ie/download/european_union-provision_of-services-regulations.pdf
- EU Directive 2007/66/EC Remedies Directive (Regulation S.I. 130 : 25th March 2010) codifies prominent decisions of the European Courts by providing for a minimum '**standstill**' period (*14-16 calendar days*) between communicating a public contract award decision to unsuccessful tenderers and contract

signing. It requires contracting authorities' to fulfil their debriefing obligations immediately, in their initial letters to unsuccessful tenderers informing them of the award decision, rather than waiting to reply to queries (Refer to Appendix XII - Notice to Unsuccessful Tenderers – Award Decision). This gives rejected bidders the opportunity to start an effective review procedure at a time when unfair decisions can still be corrected.

http://ec.europa.eu/internal_market/publicprocurement/infringements/remedies/index_en.htm

- Public Procurement Guidelines – NPPPU (National Public Procurement Policy Unit) 2004 provides best practice guidance on various aspects of public procurement, including guidelines on national and EU public procurement procedures. <http://etenders.gov.ie/generalprocguide.aspx>
- Commission Regulation (EC) No 1422/2007 Dec. 2007 amended EU application thresholds for the procedures for the award of contracts.(*Refer to Section 10.2 for current EU thresholds*)
- Small and Medium Enterprise (SME) participation in Public Procurement, Department of Public Expenditure and Reform Circular 10/14 dated 16th Apr 2014 (replacing Dept. of Finance Circular 10/10 dated 13th Aug 2010) , http://www.procurement.ie/sites/default/files/circular_10-14.pdf “Initiatives to assist SMEs in Public Procurement” provides guidance for Public Contracting Authorities in encouraging the Participation of SMEs in Public Procurement, and Guidance note “Suitability Criteria for Contractors” which relates specifically to the procurement by public contracting authorities of works and works contractors services <http://constructionprocurement.gov.ie/guidance-notes/>. *Guidance Note 2.3.1.2.* stipulates that small and medium sized businesses should not be hindered in competing for contracts which they could perform effectively. In 2013 a best practice guide to help improve SME access to the

public procurement markets was published and can be accessed on the following link ;

http://www.procurement.ie/sites/default/files/are_tenders_on_your_radar-2.pdf

- Arrangements for Information Computer Technology (ICT) expenditure in the Civil and Public Service. Department of Finance Circulars 02/09 dated 9th Feb 2009 and 02/11 dated 3rd Feb 2011 require that competitive processes must be used for all ICT expenditure and that all ICT procurement opportunities with a value in excess of **€10,000** or greater and subjected to tendering using the government eTenders website www.eTenders.gov.ie .
- Guidelines for the Appraisal & Management of Capital Expenditure Proposals in the Public Sector are intended to assist public bodies in carrying out their responsibilities with regard to the evaluation, approval and management of Capital expenditure.
www.finance.gov.ie/documents/publications/other/capappguide05.pdf
- Value for Money Public Private Partnership Procurement Process Oct 2007 Notes – Dept. of the Environment Heritage & Local Government gives guidance and technical advice on Value for Money and the Public Private Partnership procurement process.
- Disability Act 2005. Part 3 of the 2005 act requires public bodies to ensure that public buildings are, "as far as practicable", accessible to persons with disabilities. Accessible procurement is a legal requirement for all public sector bodies, section 27 of the act requires a local authority to ensure that goods or services purchased by it are accessible to persons with disabilities.
<http://www.oireachtas.ie/viewdoc.asp?DocID=4338>
- Prompt Payment Legislation 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002 provides that penalty interest will become payable if Supplier payments for commercial

transactions are not met within 30 days, unless there is a specific clause included in the contract or agreement .

- Returns of Payments (Government Departments and Other Bodies) Regulations 2011 Statutory Instrument No. 273 requires that the tax reference number of payees who receive amounts in excess of €1,000 from a Local Authority be reported to the Revenue Commissioners on an annual basis.

<http://www.revenue.ie/en/practitioner/law/statutory/si-273-2011.pdf>

- Ethics in Public Office Acts 1995 and 2002 obligates public sector buyers to conduct purchasing in a way which satisfies probity, transparency, and accountability requirements. Staff or Budget holders engaged in purchasing must avoid receiving gifts, benefits or hospitality which may affect or impair their ability to make an independent judgement on a procurement transaction. <http://www.irishstatutebook.ie/1995/en/act/pub/0022/index.html>
- Local Government Act 2001 and Local Government Reform Act 2014 are the basic pieces of legislation governing local government in Ireland, its structures, operations and functions. These acts provide the framework for reform of the local government system in Ireland.

It is a requirement of these procurement procedures that all Directors of Service, Budget holders, managers and staff ensure that the daily operations and procedures of Monaghan County Council comply with these procurement procedures.

4. National and Regional Procurement

On the 1st January 2014 the National Procurement Service (NPS) officially transferred from the Office of Public Works and was integrated into the **Office of Government Procurement (OGP)** under the Department of Public Expenditure and Reform. Mr. Paul Quinn was appointed as the Chief Procurement Officer, the main objective of the OGP is to procure all goods and services bought by the public sector, by establishing contracts and frameworks from which all public bodies are required to procure their goods and services .

In March 2009 the responsibility for procurement of goods and services across the public sector had been assigned to the Office of Public Works (OPW). The **National Procurement Service (NPS)** was established within the OPW and was tasked with optimising value for money through the aggregation of public service demand. The NPS identified a number of **high spend categories** which included, Stationary and office supplies, Paper, Janitorial supplies, ICT consumables, Managed print services, Advertising, certain categories of motor vehicles such as cars and pick-up trucks, Electricity, Natural gas and fuels, office machinery/equipment and waste disposal.

It is important that officers from Monaghan County Council who may be proposing to enter into any arrangements/contracts with regard to the high spend categories outlined above must first establish contact with the Office of Government Procurement, at Jonathan Swift Street, Trim, Co. Meath or Bishop's Square, Redmond's Hill, Dublin 2. The requirement to contact the OGP has increased in significance with the recent procurement requirements introduced by the Department of Public Expenditure and Reform in **Circulars 06/12 and 16/13** concerning the use of Central Contracts / Framework Agreements put in place by the National Procurement Service. Circular 16/13 replaces Circular 06/12 which was scrutinised by the courts' in *Copymoore Ltd. & Ors v. The Commissioner of Public Works in Ireland* IEHC 230 (2013). The purpose of Circular 16/13 is to inform all public bodies on the importance of maximising the value for money achievable when procuring any commonly acquired goods or services. In this regard the central

procurement frameworks and contracts established by the Office of Government Procurement (OGP) / National Procurement Service (NPS) are designed to optimise benefits to the public service through the strategic aggregation of its buying power. In essence, Circular 16/13 reminds public bodies of the benefits of using central procurement frameworks, including: cash savings; administrative savings from reduced duplication of tendering; greater purchasing expertise; improved consistency; and enhanced service levels. Circular 16/13 recommends that it is Government policy when acquiring goods and services, “where possible”, to use central framework arrangements with any deviation from the use of central procurement frameworks needing to be fully explained and justified by the public body.

Some of the categories of commonly acquired goods and services covered by central framework arrangements including the relevant contact person within the OGP are detailed as follows:

Stationery:	Jennifer Casey: 046-9426832 : jennifer.casey@opw.ie
Paper:	Howard Maguire: 046-9426921: howard.maguire@opw.ie
Janitorial Supplies:	Michael Collier: 01-6476862 : Michael.collier@opw.ie
ICT Consumables:	Jennifer Casey: 046-9426832 : jennifer.casey@opw.ie
Managed Print Services:	Andrew Bogie: 046-9426649: andrew.bogie@opw.ie
Advertising:	Ide de Burca: 01-6476811 : ide.deburca@opw.ie
Motor Vehicles:	Aiden Murphy: 01-6476857 : aiden.Murphy@opw.ie
Energy-Electricity:	Michael Coughlan: 046-9426822: michael.coughlan@opw.ie
Energy-Natural Gas:	Roisin Killeen: 046-9426156: roisin.killeen@opw.ie

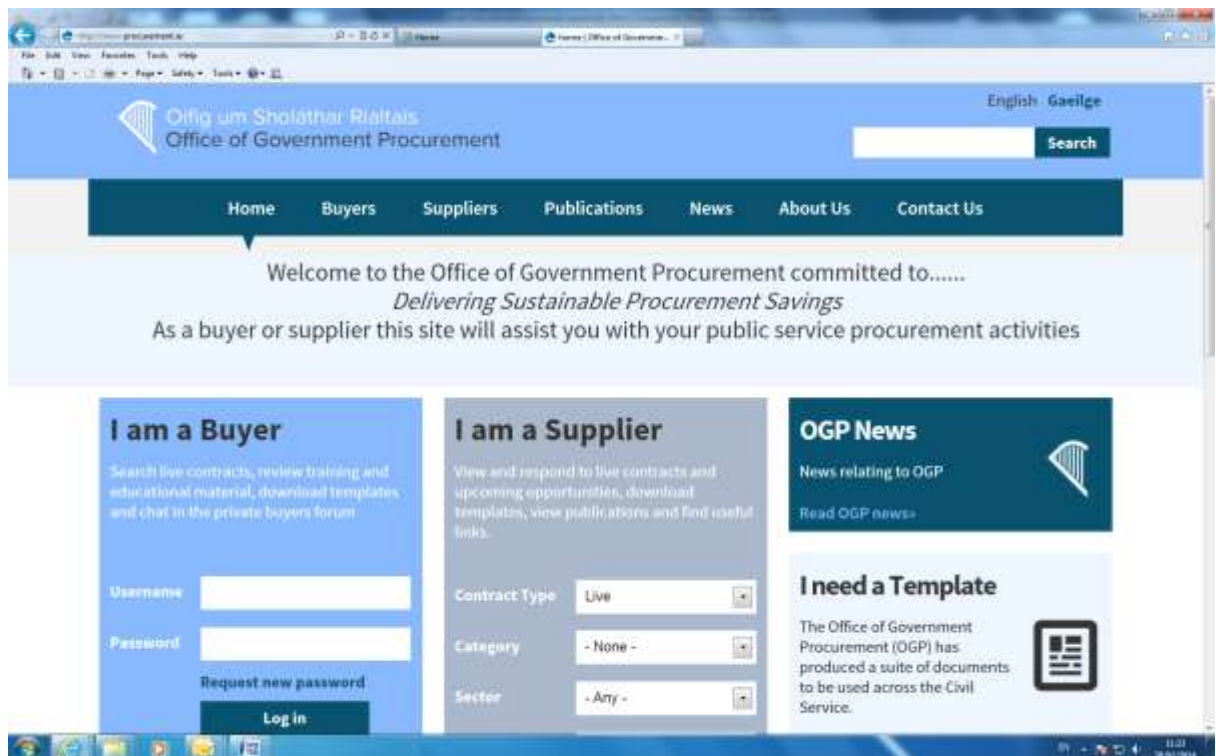
Where a Local Authority already has contracts in place for the categories of goods and services covered by the central framework arrangements, it is expected that the Authority will change over to the OGP arrangements on expiry of the contracts currently in place. Local authorities must not engage in a new contract, but rather must consult with the relevant OGP contact beforehand in order to facilitate transition to the OGP frameworks. The OGP will continue to set up Central

Contracts/Frameworks for new categories of Goods/Services on an ongoing basis so it is important to check with the OGP in advance of seeking a new contact or engaging in a tendering process. Contact information for other services covered by the OGP may be accessed at the following link: <http://www.procurement.ie/about-us/organisation-structure>

Where a Local Authority purchases goods or services other than from the OGP frameworks, it will be required to explain the rationale for not using the OGP arrangements and provide a value for money justification that takes account of the full costs incurred in managing its own procurement process. Local Authorities must comply with their obligations under national law and guidelines.

The OGP have established a website dedicated to Public Procurement www.procurement.ie where Local Authority buyers can access a standardised suite of procurement documents and templates. It is important to note that this website is continually updated for new goods and service contracts either going to tender or coming on stream.

OGP Website Homepage



For further details on the precise nature of current contracts the overall designated procurement liaison officer is Seamus O' Neill at seamus.oneill@opw.ie or telephone 046-9426149.

Department of Public Expenditure & Reform Circular 1/11 issued on 17th June 2011 noted that the NPS had, in collaboration with the Chief State Solicitor's Office (CSSO) and the Office of the Attorney General (AGO), produced **model Request for Tenders (RFT) and model contract documents** for use in public procurement competitions for certain supplies and services.

The set comprises of:

- (i) A model template of a Request for Tenders (RFT) for supplies which incorporates a model template contract for supplies;
- (ii) A model template of a Request for Tenders (RFT) for services which incorporates a model template contract for services

The documents are designed for use in the procurement of routine, non-bespoke and low to medium risk supplies and services. Contracting authorities should complete the model documents by inserting the details / specifications of the supplies or services they are procuring; any pricing matrix or payment conditions (not already contained in the model contract); the qualification and award criteria and any special conditions. The website versions of the documents are published in an editable user-friendly format for ease of completion. To assist buyers in the use and completion of the model documents detailed guidance notes have been prepared. It is expected that significant benefits, such as buyer efficiencies and reduction of risk of breach of EU procurement law, will be achieved by the proper use of the model documents. The Suite of Template Documents is available on www.procurement.ie or www.eTenders.gov.ie websites.

Recent Developments in Procurement :

OGP Reform

It is a primary strategic objective of the OGP, in combination with sector-retained procurement functions that the public service, speak with a “single voice” to the market for each category of expenditure by means of common policies, systems, processes, governance and Data Management. The OGP’s mission is to deliver sustainable procurement savings for the state, this will be achieved by grouping goods and services which are purchased by the public service into 16 categories. Eight of these categories cover services and goods that are common across the public service and to a large extent would already be covered by NPS contracts. The other eight categories of goods and services are primarily sector specific. These categories will be procured by the sector procurement functions on behalf of all public bodies.

OGP Led Categories	Sector Led Categories
<ul style="list-style-type: none"> • Professional Services • Facilities Management and Maintenance • Utilities • ICT and Office Equipment • Marketing, Print and Stationery • Travel and HR Services • Fleet and Plant • Managed Services 	<p>Local Government:</p> <ul style="list-style-type: none"> - Minor Building Works and Civils - Plant Hire <p>Health:</p> <ul style="list-style-type: none"> - Medical Professional Services - Medical and Diagnostic Equipment and Supplies - Medical, Surgical and Pharmaceutical Supplies <p>Defence:</p> <ul style="list-style-type: none"> - Defence and Security <p>Education:</p> <ul style="list-style-type: none"> - Veterinary and Agriculture - Laboratory, Diagnostics and Equipment

National Procurement Office (NPO) and Regional Procurement

Within the Local Authority Sector it has been proposed that overall governance of Procurement will be provided by the Local Government National Procurement Office (NPO). This group consists of representatives from the lead authority, Kerry County Council, 3 regional procurement specialists, and members from a specialist procurement advisory group. This group will ensure that best practice is implemented in all local authorities and that they utilise OGP Frameworks and regional tenders on the expiry of any existing contracts which may be in place.

Mr. John Maughan has been appointed to the role of the new **Regional Procurement Officer** for the Western region (Galway, Roscommon, Leitrim, Sligo, Donegal, Cavan, **Monaghan** and Mayo). The focus of the post of regional procurement officer is to develop and implement procurement policy and strategy, to co-ordinate procurement practices and to maximise savings and benefits available to local authorities from procurement activities within the region.

Irish Water

Local Authority staff engaged in procurement on behalf of Irish Water should familiarise themselves with the procurement guide issued by Irish Water on 10th February 2014. This provides a step by step guide from identifying appropriate suppliers and pricing, through to raising a Requisition in the Irish Water procurement system (Oracle), approving the Purchase Requisition and confirming items have been received through the Goods Receipting process. Staff must use Irish Water (IW) framework agreements with IW approved suppliers to purchase all goods and services on behalf of Irish Water, prior approval must be sought from Irish Water where a framework agreement may not be in place or where the product or service is required at short notice.

<http://www.water.ie/procurement/>

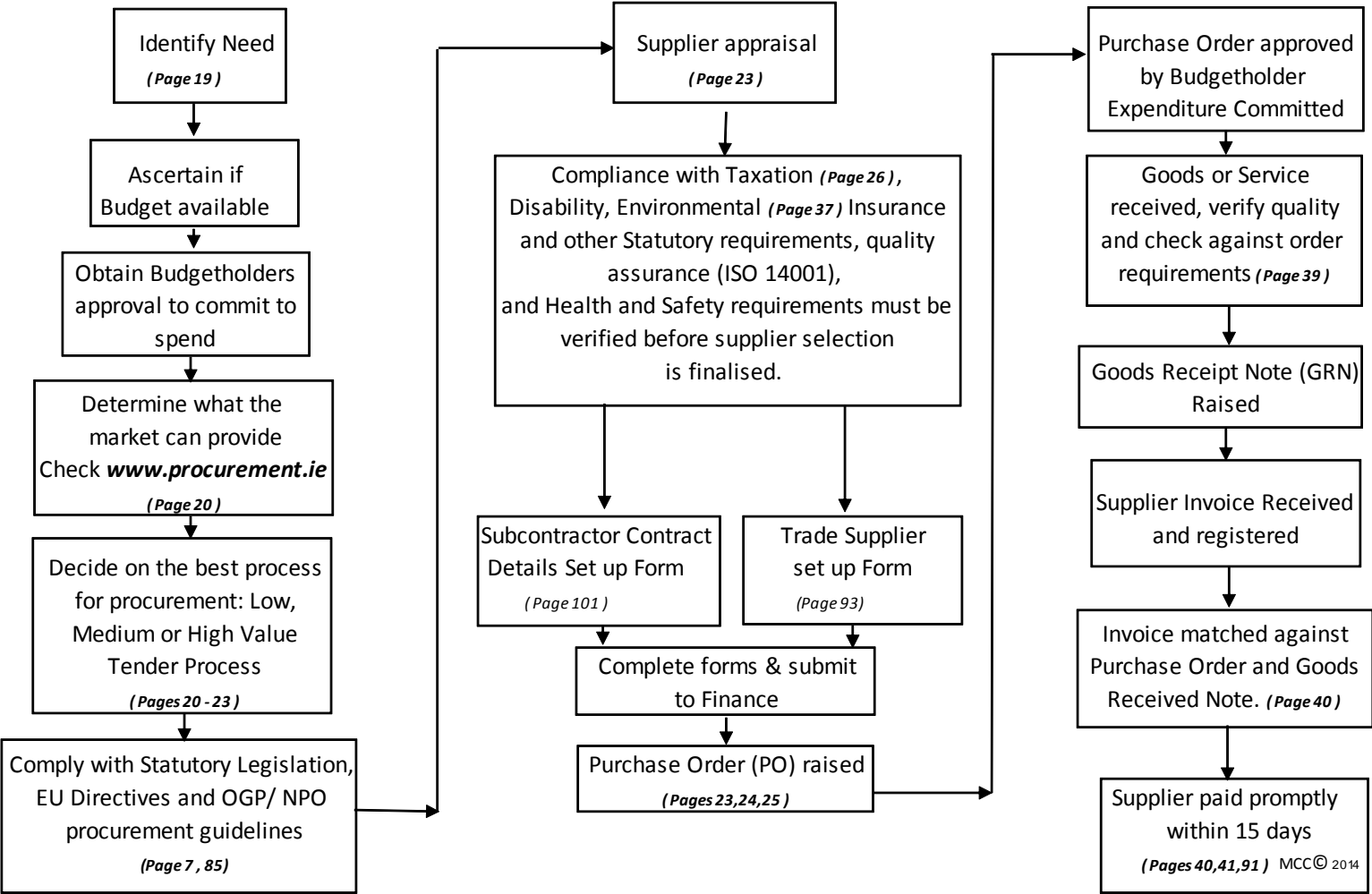
5. Budget Holder Responsibilities

Budget Holders are required to:-

- 1) Operate within the limits of their annual budget allocation subject to the overall direction of the County Manager and Director of Service to whom they report. Budget holders are responsible for the authorisation of all expenditure within their budget allocation.
- 2) Continuously monitor variances from budget limits and take corrective action with the objective of bringing financial performance in on target. Budget holders are accountable for the types of purchases made and are required to justify all over/under spending.
- 3) Keep their Director of Service fully informed of any new or emerging material issues which will affect their ability to meet budget targets
- 4) Always specify the budget or job code to be used in procuring goods or services, avoid placing orders against a budget for which you are not the authorised budget holder and ensure the person with budget responsibility has given advance approval to raise the order.

Finance must be kept up-to-date on any potential over/under spends, as soon as they become apparent.

Summary of Procurement Process



6. Purchase Decision Process

The purchase decision process are the stages a Local Authority buyer must consider in making choices about which products and services to buy , these stages may be summarised as follows;

6.1 Identify business need

Before commencing any procurement process, it is important to establish whether it is essential to purchase. Is there a **clear business need** for the product or service? The procurement must be essential for the conduct of normal business or to improve performance. Determine whether the products or services are already available within your authority and where there is an existing contract (or Tender list) in place then utilise that contract. Where it can be ascertained that the good or service required is one of the high spend categories (Circular 16/13) outlined by the OGP then the relevant OGP contact person identified on page 10 of these procedures or the designated procurement liaison officer Seamus O' Neill should be contacted at seamus.oneill@opw.ie or 046-9426149.

6.2 Ascertain if Budget available

Local Authorities are required to pre-plan their expenditure on an annual basis. The Annual budget is adopted by elected council members at the annual budget meeting. The budget as adopted by the council fixes the expenditure of a local authority for the year in question. Budget holders are required to limit expenditure and manage resources to stay within the level of expenditure set in the annual budget. No commitment to spend can be approved without firstly ensuring that adequate provision is made in the current annual budget.

6.3 Obtain Budget Holders approval prior to purchase

Advance approval from the respective Director of Service or Budget Holder must be sought before a commitment to spend is agreed with any supplier. It is very important to seek the budget holders approval in advance as unapproved expenditure may lead to a reduction in the remaining resources available to fund more critical goods and services.

6.4 Determine what the market can provide

Suppliers should be given the opportunity to propose new or alternative products, processes or services. "Buying Innovation" the 10 step guide to smart procurement published by the Dept. of Enterprise, Trade and Employment states that "buying innovation is achieved by specifying the functional requirements and or desired outcomes, not prescribing the solution." The guide provides examples of current best practice in procuring goods and services and can be accessed on the following web link:-

<http://www.djei.ie/publications/trade/2009/buyinginnovation.pdf> Small and Medium sized enterprises (SMEs) should be encouraged to participate in competing for public contracts (Refer Appendix XIII).

6.5 Decide on the most appropriate process for Procurement

The maximum possible monetary value of contracts for the purchase of goods/services determines which procedure to use in the procurement process. The purchasing procedure can be divided in to three categories, Low value, Medium value and High value purchases. Please note that separate guidance is issued with regard to the INTERREG IVA programme, see Appendix XIV.

- **Low Value Purchases**

This procedure must be used for once-off purchases with a projected value of less than €5,000

- For values less than €1,250 a minimum of **one** commercial quotation (written or oral – preferably written – faxed / emailed) may be used once it is established that the price represents reasonable value for money.
- For values between €1,250 and €5,000 at least **two** written quotations are required.
- Benchmark prices by market testing
- Relevant backing documentation should be maintained on file for audit purposes.

- **Medium Value Purchases**

This procedure must be used for purchases with projected values greater than €5,000 and less than €25,000.

- Purchase approval from Director of Service or approved officer as per limits set in a gresso system.
- A **minimum of three** (recommended 5) competitive quotations sought in writing and based on specifications returned to a prescribed date.
- A reasonable amount of time should be allowed for interested suppliers to respond.
- If goods/services of a particular type are being sought or if quotations received do not represent reasonable Value for Money, consideration should be given to advertising on (*eTenders*) www.etenders.gov.ie or in a Local/National newspaper. Relevant backing documentation should be maintained on file for audit purposes.

One exception to this rule is the Department of Finance Circulars 02/09 dated 9th Feb 2009 and 02/11 dated 3rd Feb 2011, which require that all **ICT expenditure with a value in excess of €10,000** must be subjected to a tendering process using www.eTenders.gov.ie .

- **High Value Purchases**

Contracting authorities are required to advertise all contracts for **supplies and services** with an estimated value of **€25,000** and upwards on the eTenders website. Circular 10/14 issued by the Department of Public Expenditure and Reform on 16th April 2014 reduced the threshold for advertising on eTenders from €50,000 to €25,000 (See Appendix XIII). Advertised contracts for supplies and general services below a threshold amount of €134,000 (exclusive of VAT) must be awarded under an **open procedure** (i.e. without pre-qualification of tenderers). The advertising threshold for **works and related services remains at €50,000**, this includes contracts for works contractors' services (e.g. project supervisor for construction stage) and contracts for works-related professional services (e.g. professional construction design services). Publication on the etenders.gov.ie website generally meets national advertising and publicity requirements and significantly reduces the need for expenditure on advertising. Depending on the nature of the requirement, it may be appropriate to supplement national website advertising with advertising in other media, in trade publications and / on other websites. An abbreviated notice indicating the publication of tender details on the etenders website should be considered in such cases. Details of an advertised tendering procedure may be sent directly to candidates who may be deemed suitably competent to participate.

This procedure must be used for purchases with a projected value greater than €25,000.

- Formal tendering process must be used, refer to OGP Model Tender and Contract Documents (*See pages 11 & 12 of these procedures*).
- Purchase approval of County Manager for values in excess of €50,000
- Detailed terms of reference and specification is required including award criteria.

- Advertisement on e-tender website www.etenders.gov.ie, supplementary advertising in national newspapers, trade publications and / on other websites if required.
- Must allow a minimum of two weeks' response time for suppliers.
- Sealed bids to a prescribed date.
- A minimum of three competitive bids is required.
- Relevant backing documentation should be maintained on file for audit purposes.

6.6 Supplier appraisal

Once selection of a suitable supplier using the appropriate procurement process outlined above is completed, the **buyer** must then check to ensure that the selected supplier complies with all relevant EU Directives and statutory regulation (Section 3), including compliance with Taxation, Disability, Environmental, Insurance and other national Statutory requirements which are outlined in greater detail in Section 7 of these guidelines. Where a new supplier is selected a **“Supplier Set Up”** and **“Subcontractor Contract Details Set up Form”** form when required, must be completed and submitted to the Finance Department for update on the Agresso Financial System FMS. (See Appendices IV and VIII).

6.7 Purchase Order creation

Purchase Orders must be raised on the Agresso Financial system **in advance** of delivery of all goods and services or in exceptional circumstances upon receipt of an invoice. For subcontractors engaged in construction services it is very important for Relevant contracts tax purposes (See Section 7.1 (c)) to enter a **Revenue Contract number** for the subcontractor in the Contract box on the purchase order entry screen, the Revenue Contract number for the subcontractor can be selected from a drop down list of Revenue approved contracts.

Orders should **not** be raised without firstly obtaining a supplier quotation in line with the procedures as outlined in section 6.5 , **in no circumstances** is it permissible to raise a blank purchase order or a purchase order for a **zero / one Euro amount**.

It is important to maintain clear **segregation of duties** in the purchasing process. At some stage between the initial identification of a need and the issue of a purchase order or contact **at least one other member of staff** in addition to the final approver must be involved in the process.

The relevant **budget holder must approve all purchases at order stage** as expenditure is committed (or contract to purchase entered in to) once the purchase order is sent to the supplier. Budget holders shall be accountable for all purchase orders charged against their relevant budget. In exceptional circumstances eg. Sterling payments, or where Invoices are received without a purchase order, the invoice document must be certified for payment by the appropriate budget holder.

Goods and services purchased **cannot be split** to keep the value under the predetermined threshold limits or with the intention of avoiding the application of EU Directives. The threshold approval limits for purchases on the agresso financial system shall be those approved from time to time by the County Manager (Refer to Appendix I).

The budget holder must confirm that the goods or services invoiced were **actually received** and that the chargeability is within their expenditure budget limit.

There must also be a **clear separation of tasks** between the person raising a Purchase Order and the staff member completing a Goods Received Note (GRN) for the respective goods or service.

Holders of Low Value Purchase cards must comply with the rules and conditions governing the use of such cards (*Refer to Sec 10.1 for details on LVP Cards*). The controls laid down in this document apply to all transactions including those of an emergency or urgent nature, save where an exception has been clearly stated and approved.

7. Procurement Requirements

7.1 Taxation Requirements

It is necessary when procuring on behalf of Monaghan County Council to ensure that all statutory taxation requirements are identified and complied with **before** a supplier is selected or contract entered in to, these include;-

(a) **Tax Clearance Certificate:** As a publically funded organisation Monaghan County Council has a duty to ensure that all suppliers of goods and services are fully tax compliant before a contract is entered in to. Monaghan County Council's policy is to seek a tax clearance certificate once a contract has been agreed and before work commences, irrespective of the amount involved, this eliminates the requirement to stop or defer payments should tax clearance or PPS reference numbers become an issue at an advanced stage in a contract.

One of the first conditions of obtaining a Public Sector Contract (Section 1095 Taxes Consolidation Act, 1997) for a value of **€10,000 or more**, (inclusive of VAT), within any 12 months period, is that a contractor **must** produce, a general **Tax Clearance Certificate (TCC)**. Such contracts can involve the purchase, hiring, leasing of goods, services or property by local authorities. Examples of the types of goods/services covered in such contracts are plant hire, cleaning or security, consultancies for management, legal or design services.

The Tax Clearance Certificate (TCC) is a written confirmation from Revenue that a person's tax affairs are in order at the date of issue of the Certificate. Revenue provides an online verification facility to allow third party access to the applicant's tax cleared status. This secure facility can only be accessed with the permission of the applicant, who will quote the customer registration number and tax clearance certificate number, which appear on the certificate. Access to the online TCC verification can be located at <https://www.revenue.ie/itp/view.jsp>. The online TCC

can be printed from the Revenue website and should be retained by the Local Authority as confirmation that the contractor holds a valid TCC. The tax clearance requirement applies even where the provision of goods or services is not the subject of a formal written contract. Where tax clearance certificates are not supplied, payments must be withheld once the €10,000 limit has been reached.

Where the Local Authority pays rent to Landlord's (accommodation provider/ Supplier), under the **Rental Accommodation Scheme (RAS)**, to cover the cost of accommodating a tenant, the landlord must produce a current Tax Clearance Certificate from the Revenue Commissioners in advance of any agreement being entered in to by the Local Authority.

<http://www.environ.ie/en/developmentHousing/Housing/SocialHousingSupport/RentalAccommodationScheme/>

In the case of a body, which has been granted charitable recognition by the Revenue Commissioners, they will be issued with a **Charity (CHY) Number**. A body or Limited Company who have a Charity (CHY) Number and who wish to secure a **Public Sector Grant, subsidy or similar type payment does not require a tax clearance certificate**. However, they must quote their charity number to the public body awarding the payment who may require further confirmation with the Revenue Section in Nenagh. Where a Registered Charity or Limited Company with charitable status has secured a **Public Sector Contract** with a Local Authority they must have a Tax Clearance Certificate in line with normal practice.

(b) **Value Added Tax (VAT)**: A supplier is generally required to register for VAT for making supplies of goods and/or services, subject to his or her turnover exceeding certain thresholds. The most common thresholds are €37,500 for the supply of services, €75,000 for the supply of goods and €41,000 for persons making intra-Community acquisitions from abroad. Local authorities are treated as taxable persons for the purposes of **VAT** on services received and as such are required to pay VAT on goods and services procured within Ireland and abroad.

VAT may be subdivided into two broad categories for purchases from outside the state:-

- **Goods:** Where a Local Authority is purchasing goods from another EU state and the goods are transported from one EU state to another (Intra Community Acquisition – ICA) the individual acquiring the goods should quote the relevant Local Authority Vat number to the foreign Supplier and no Vat charge should be displayed on the Supplier Invoice. The foreign Supplier should quote the following statement on the invoice **“CUSTOMER SHOULD SELF ACCOUNT FOR VAT”**
- **Services:** For supplies of Intra Communities Business to Business (**B2B**) services, the place of taxation is the place where the recipient/customer (Local Authority) is located with certain exceptions eg. services connected to a property/transport of goods and services . VAT must be paid by the local authority to the Revenue Commissioners for all services (including the most commonly procured services) invoiced VAT free from abroad. Local Authorities are required to provide their VAT number to suppliers and self account for Irish VAT on the Reverse Charges Basis for services received where the place of supply is the state.

VAT calculated at the rate applying in Ireland, must be paid to the Revenue Commissioners by the contracting authority which receives such goods or services. An information leaflet entitled **“Procurement of goods and services by State, Local authorities and bodies established by statute”** can be accessed at Revenue web link <http://www.revenue.ie/en/tax/vat/leaflets/state-procurement.html>.

The Principle Contractor (Monaghan County Council) is accountable to the Revenue Authorities for VAT in respect of supplies received from Construction Subcontractors involved in the “erection of buildings , manufacture or treatment of materials”. The Reverse Charge VAT stipulation requires that invoices from subcontractors for construction services should not include VAT. Invoices must contain the statement

“VAT ON THIS SUPPLY TO BE ACCOUNTED FOR BY THE PRINCIPAL CONTRACTOR”

and display the VAT registered number of the subcontractor. (Refer to Appendix VII for further details also www.revenue.ie)

Vat returns VAT3 must be filed with the Revenue by the 19th day (Paper Returns) (23rd for electronic returns) of the month following the end of the taxable period.

(c) Relevant Contracts Tax (RCT) or sub-contractors tax applies to contractors who carry out work on behalf of the principle contractor (Monaghan County Council). Local Authorities who receive construction services (See Appendix VII for definition of Construction services) are principle contractors for RCT purposes and the person who contracts to provide such services is regarded as a subcontractor. RCT is a withholding tax deduction system whereby payments made by principal contractors to subcontractors in respect of relevant operations in the construction, Forestry or Meat Processing industries may be subject to withholding tax at one of three possible rates 0%, 20% or 35%. With effect from 1st January 2012, Revenue introduced a new online “**eRCT**” compliance system which replaced the certificate of authorisation “C2” and RCT47s. Staff engaged in arranging contracts must ensure that a subcontractor is tax compliant before entering in to a new or revised contract, by obtaining an **up to date Tax Clearance Certificate (TCC)** as C2’s are no longer acceptable as proof of compliance from 1st January 2012.

eRCT can be segregated in to four sub headings as follows:-

- i. **Contract Notification**
- ii. **Payment Notification**
- iii. **Deduction Authorisation**
- iv. **Deduction Summary**

i Contract Notification.

Since the introduction of eRCT online system Local Authorities are obliged to notify Revenue on each new construction contract online by providing basic information in relation to the contract. Subcontractors must give sufficient information, in particular name and tax reference number, to the principal to allow the principal to notify Revenue of the contract and identify the subcontractor.

Subcontractors will also be asked to provide proof of identity to the principal eg. a copy of their passport, driver's licence or details of their tax registration. The Local Authority will be obliged to retain documentary evidence of proof of identity. It is the responsibility of staff members who have conducted negotiations and agreed to enter into contracts with new subcontractors to ensure that the necessary RCT taxation requirements are identified and complied with. Staff must complete all sections of the new **"Subcontractor Contract Details Set up Form"** (Appendix VIII) before a supplier code can be entered on the Agresso Financial Management system. Each relevant contract with a new subcontractor must be notified to Revenue online upon entering into the contract. Local Authorities will not be permitted to make a payment to an existing subcontractor under the eRCT system unless the Contract Notification is registered through ROS. Where an existing subcontractor is already set up on the Agresso Financial system as a supplier and whose contract has lapsed or ceased, then the new **Subcontractor Contract Details Set up Form** must also be completed before a new contract can commence. For first time Subcontractors the New Subcontractor Contract Details Set up Form (Appendix VIII) must be completed in conjunction with the existing Supplier Setup form (Appendix IV).

The information required in the New Subcontractor Contract Details Set up Form can be summarized as follows:-

- The date the work commenced.
- The estimated euro value of the contract (Vat exclusive amount as the Local Authority is required to account for Vat on the Reverse Charge basis).

- A description of the contract and nature of the work being carried out.
- Duration of the contract and expected end date of the work.
- A description of Materials, plant and equipment used by the subcontractor.
- The locations where the work will be carried out.

All questions regarding the proposed activities of the Subcontractor with regard to the contract must be answered in full by marking an **X** in the appropriate box. A declaration must be completed and signed by both Principal and Subcontractor stating that the information recorded on the form is correct and that the contract being entered into is not a contract of employment. Further details on the **eRCT** Contract Notification requirements is included in Appendix VIII. Penalties will be imposed by the Revenue for failure to comply with the new mandatory eRCT requirements.

Where a subcontractor's tax reference number is not available to the Local Authority, the subcontractor will be automatically liable to the 35% rate of RCT until such time as they communicate with the Revenue. The Local Authority will be obliged to notify the unregistered subcontractor within 7 days of notifying the contract to the Revenue that:-

- the Revenue are unable to verify their identity
- RCT of 35% will apply to any payments
- they should establish contact with the Revenue with a view of clarifying their identity

ii Payment Notification

Once a Contract Notification has been registered by the Local Authority with Revenue in respect of a relevant contract, the Local Authority must notify the Revenue of its intention to make a payment to the subcontractor in respect of work carried out under the contract. The process of "Payment Notification" requires that

all payments which a Local Authority intends to make **must be notified to the Revenue in advance** of any payment being made to a subcontractor. Revenue will apply penalties to Local Authorities who make payments to subcontractors without prior notification and authorisation from their office. Payment notification can be made through the ROS system at any stage during the week preceding the proposed payment being made.

Where a Local Authority notices that a Payment Notification is incorrect, the notification should be cancelled, and a new notification should be registered. It is not possible to amend a Payment Notification. Payment Notifications may be uploaded in batch format using the Agresso Financial Management System.

iii Deduction Authorisation

Revenue will respond to a Payment Notification and instantaneously issue a "Deduction Authorisation" to the Local Authority through their ROS inbox. A Deduction Authorisation specifically relates to the subcontractor and the payment notified. The Local Authority must give the subcontractor a copy of the Deduction Authorisation, or if the subcontractor is in agreement, provide the details which appear on the Deduction Authorisation for example on a remittance advice. When a Local Authority notifies Revenue of a relevant payment, Revenue will automatically credit the RCT deducted to the subcontractor's tax record.

iv Deduction Summary/Return

After the end of the Local Authority's return period, Revenue will collate the information from the payment notifications for the period and pre-populate a Deduction Summary. The Deduction Summary will show details of each payment notified to the Revenue in the period. A deduction summary will be issued even if no payments have been notified in the period.

On receipt of the Deduction Summary the Local Authority should verify that all payments made to subcontractors during the period are listed on the Deduction

Summary and that all amounts recorded are correct. Unless the Local Authority is required to add payments or amend payments on the Deduction Summary, the Deduction Summary will on the return filing date, be deemed to be the return for the period. Amendments can be made to the details on the Deduction Summary up to the return filing date. The Local Authority must ensure that the RCT liability is paid over to the Revenue by the due date, within 23 days following the end of the return period where it is filed through ROS and within 14 days following the end of the return period where it is not filed electronically. The annual RCT 35 return will no longer be required in the new eRCT system.

(d) Professional Services Withholding Tax (PSWT) is charged at a rate equivalent to the standard rate of income tax (currently 20%) for professional/Consultancy services provided to Monaghan County Council. Basically, all professional services are subject to PSWT, including:

- Services of an architectural, engineering, quantity surveying or surveying nature and related services
- Services of accountancy, auditing or finance and services of financial, economic, marketing, advertising or other consultancies
- Services of a solicitor or barrister or other legal services
- Geological services
- Services of a medical, dental, pharmaceutical, optical, aural or veterinary nature
- Training services provided on behalf of FÁS.

PSWT in Practice

- The Local Authority makes a payment to a professional service provider which fall within the list of specified services.
- The amount paid is reduced by 20% of the total payment (excluding VAT)

- The Local Authority sends the tax withheld, along with details of the service provided to the Revenue.
- The Local Authority completes a **Form F45** detailing the payment and the tax withheld and gives this to the service provider – this will be used by the service provider as evidence of the tax withheld. A credit will be given for the PSWT deducted against the service provider's final tax liability.

The Local Authority is obliged to deduct PSWT from the total Vat exclusive amount of the payment due, including any amount which is paid as a reimbursement of expenses incurred, eg. expenses such as travel/subsistence, postage, printing, stationery, advertising and secretarial services.

PSWT should **not** be deducted from the following expenses, Stamp Duties, Vat charged on Invoice, Land Registry and Mapping fees, Deed of Registration fees, company office fees and court fees.

(e) Tax Reference Number Reporting Requirement

Local Authorities are required to make an annual return to the Revenue Commissioners with effect from 30th June 2011 showing payments to suppliers, individuals, charitable organisations etc. where the amount paid in the tax year exceeds €1,000. (*Statutory Instrument No 273 of 2011 Returns of Payments (Government Departments and Other Bodies) Regulations 2011*) Staff members must ensure that they obtain the tax reference number, the PPS Number in the case of individuals, CHY number for charities, these numbers must be set up on the Supplier record in Agresso before any payment in excess of €1,000 can be arranged.

Payments which are excluded from the requirement to report include:

- Payments which are subject to PAYE and RCT
- Payments of less than €1,000

- Travel and Subsistence Payments
- Pension payments where PAYE has been operated
- Payments paid on behalf of employees, trade union subscriptions, professional bodies payments
- Refunds to employees, educational fees refunds and membership fees

All other forms of payments must be reported annually to the Revenue as laid down in the regulation.

It is the responsibility of staff members who have conducted negotiations and agreed to enter into contracts with suppliers and subcontractors to ensure that all statutory taxation requirements are identified and complied with.

7.2 Disability Requirements

The Department of the Environment, Heritage and Local Government's Sectoral Plan under the Disability Act 2005 was published in December 2006 and outlines the steps to be taken by Local Authorities in relation to improved provision of services to persons with disabilities. Local Authorities are required to ensure that goods and services procured are accessible to persons with disabilities. Local Authority plans should promote universal access to all public spaces, buildings, roads, pavements and services owned and operated by Local Authorities. Plans should provide for disability awareness training and adapting of information systems for people with disabilities.

Monaghan County Council have set up a Disability Act Steering Committee who have published a document "***Making Monaghan Accessible***", this document may be viewed on the Council's Intranet site. Detailed policies and procedures on Accessibility are outlined at web link: - <http://www.monaghan.ie/en/accessibility/>

Queries or issues arising regarding accessible procurement should be addressed to the **Access Officer** who may be contacted by email at: accessofficer@monaghancoco.ie.

The Office of Government Procurement have produced a publication "Procurement and Accessibility" which was commissioned by the National Disability Authority - <http://www.procurement.ie/sites/default/files/procurementandaccessibility.pdf>

The publication aims to:

- increase awareness of the legal requirement under the Disability Act 2005 for public bodies to ensure that services or goods supplied to them are accessible to people with disabilities; and
- guide public bodies on how they can build accessibility into their procurement policies, procedures and practice.

7.3 Environmental Requirements

Local Authorities can make an important contribution to **sustainable** development by opting to purchase goods and services which respect the environment. **Green public procurement** covers such areas as the purchase of energy-efficient lighting, computers and buildings, office equipment made from environmentally sustainable timber, recyclable paper etc. Consideration must be given to the energy usage/cost of operating equipment (eg. motors and pumps-kWh per annum) and the **whole life cycle costs** when assessing equipment for purchase. Whole life cycle costs comprise all costs including acquiring, owning, maintaining and disposing of goods, services or works. The life cycle costs are influenced by such conditions as maintenance patterns, including potential downtime, reliability and lifetime maintenance costs. Contract performance clauses are used to specify how a contract must be carried out. Environmental considerations can be included in contract performance clauses provided they are published in the contract notice or the specifications and comply with EU legislation (*Article 26 of Directive 2004/18/EC and Article 38 of Directive 2004/17/EC.*)

Monaghan County Council operate **ISO 14001 Environmental Management Systems**, contractors and suppliers are advised that when supplying services or materials it will be necessary for them to comply with any procedures put in place in order to comply with the requirements of this standard.

7.4 Insurance and other Statutory Requirements

It is important that Local Authority staff acquiring third party services from contractors and sub contractors ensure that the contractor has **adequate liability insurance** in place to cover a job or contract, before agreement on the contract is completed and that documentary proof of cover is retained for inspection.

Statutory provisions (amended May 2013 by the Supreme Court) relating to minimum pay, legally binding industrial or sectoral agreements and relevant health and safety regulation had to be complied with. Under the terms of the **Registered**

Employment Agreement (REA) (Construction Industry Pensions, Assurance and Sick Pay) all employers in the Construction Industry and Electrical Contracting Industry to whom the agreement applied were legally obliged to provide Pension, Death –in-Service and Sick Pay benefit for all manual/craft workers between the ages of 20 and 65 years (See Registered Employment Agreement at www.labourcourt.ie). Evidence of compliance with Registered Employment Agreements were issued by the CWPS (Phone: 01-5077425) in the format of a “**Letter of Compliance**” and were a requirement in publicly funded contracts for both a main contractor and sub-contracting firms. CWPS developed a hologram which appeared on the top right hand side of the Letter of Compliance. Letters of Compliance were not valid without the hologram with exception of emailed PDF versions. Following a decision of the Supreme Court, **all Registered Employment Agreements ceased to have statutory effect from 9th May 2013**. The judgment has the effect of striking down Registered Employment Agreements put in place under the 1946 Industrial Relations Act. Agreements which set pay and conditions for workers in five sectors including electrical contracting and construction are affected by the Supreme Court judgment. Existing contractual rights of workers in sectors covered by Registered Employment Agreement are unaffected by the ruling. Contractual rights can be altered only by agreement between the parties involved. The most recent statement regarding REA at the following link: <http://constructionprocurement.gov.ie/category/news/>

All Contractors/Hauliers must submit an up to date **Safety Statement** in accordance with the **Safety, Health and Welfare at Work Act, 2005** and all Regulations, Codes of Practice and Guidance arising thereof. Details regarding observance with the Health and Safety Welfare at Work Act 2005 must be retained.

8. Receipting Process

The main processes involved when receipting goods and services and completing a Goods Received Note (GRN) is to ensure that:-

- a) Goods and services to be received **match the specifications** (Quantity and Price) and other requirements that are recorded on the relevant purchase order.
- b) That the goods and services are of good quality and are **fit for the purpose** for which they were supplied.

Where possible there must be clear **separation of duties** between the raising of a purchase order (PO) and receiving (GRN) for goods and services.

It is important that goods or services are inspected, checked and receipted at the point of delivery without undue delay. Goods which are defective should **not** be receipted (GRN generated on Agresso) and either replaced by or returned to the supplier immediately. Discrepancies against the original purchase order or contract must be identified, recorded, and the Supplier notified, where faulty or excess goods which do not match what was ordered are returned, Monaghan County Council should not suffer the cost of returning the goods.

It is advisable that a member of staff should **not** sign a supplier delivery note or service timesheet for a service, unless they fully understand the nature of the goods or service provided. It may be necessary to obtain professional or technical advice internally or externally before receipting the goods or service. Once a GRN is entered on the Agresso system which matches to a purchase order, the person who has approved the GRN has effectively triggered a decision to pay, subject to a valid invoice being raised by the supplier.

9. Payment Process

Payment for goods, services or works should only occur following a “three way” matching of the (GRN) receipt with a Suppliers Invoice, which is in turn must be verified against what was ordered on the original (PO) Purchase Order. Invoices are generally stamped on receipt and entered on the Agresso Financial System using the “Speedy Reg” facility. They are then distributed to the specific section or department for final approval and sign-off by the respective budget holder or Director of Service. The **original invoice** must then be returned **within 5 days** to Finance Section for payment

It is the responsibility of each Budget Holder to manage relationships with suppliers, to ensure either directly or through their staff, that Suppliers have an up to date “Tax Clearance Certificate” or that Subcontractors have complied with eRct requirements. . Budget Holders are also required to verify that Invoices are received and processed promptly and that they contain all the necessary prescribed information such as;-

- Correct Supplier Name, Address and telephone number
- Supplier Vat and Registration Number
- The Council’s purchase Order Number
- Invoice Number and Date
- Description of Goods or Services, quantities and price
- Delivery details, dispatch number, delivery date and address
- Vat Exclusive Amount, Vat amount by Vat Code and Total invoice amount
- Certification information required e.g. engineering works certificate

Construction subcontractors (Reverse Charge VAT) invoices must contain the statement **“VAT ON THIS SUPPLY TO BE ACCOUNTED FOR BY THE PRINCIPAL CONTRACTOR”** (Refer to section 7.1 (b)).

In order to comply with **Circular Fin 03 2011** regarding prompt payments, all valid supplier invoices received by Local Authorities from 1 July 2011 onwards, must be **paid within 15 days of receipt**. As a result of this directive, staff are required to forward or **return Supplier Invoices** to the Finance Section for processing within **5 days of receipt** to allow adequate time for payment to be arranged. In certain circumstances it may be necessary to return Invoices on a daily basis to allow Finance to match against purchase orders and process payments within the 15 days deadline. Budget Holders must also ensure that in designing, implementing and monitoring their purchasing arrangements that they are fully aware of and compliant with the requirements of the **Prompt Payment of Accounts Act 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations (SI No. 388) 2002** (Refer to Appendix III). These regulations stipulate that an interest penalty will accrue if a supplier is not paid within 30 days of receipt of the invoice by the Local Authority. Compliance with the legislation will largely ensure that payments are processed promptly and that late payment interest penalties are minimised.

It is essential for prompt payment purposes to have an efficient purchasing and receipting process so as to ensure that:

- Goods and services are receipted on Agresso as soon as possible after delivery
- Suppliers are aware of what is required of them and supply it first time on time
- Issues or disputes are identified on delivery and resolved early with suppliers
- Suppliers Invoices match what was ordered and receipted and can be matched for payment purposes with little manual intervention.

Budget Holders must ensure that the **original** invoices are returned as early as possible to the Finance Department for payment once they have signed off on goods and services as having been appropriately received. Copy invoices **should not** be approved unless it can be proven that the original invoice has been lost and cannot be located.

The following procedures refer to **Construction Contract Payments:**

Payments must be made within the time period mentioned in the contract and in compliance with tax clearance and construction tax rules.

Consultants/architects certificate must be certified and approved for payment by the appropriate designated person(s). Official purchase order for payment.

Any variations or extras on a contract must be reported on in advance and approved by the appropriate Director of Service before any commitment is incurred.

Prior to issue of the final certificate on completion of a contract, the architect/consultant shall produce to the appropriate Director of service a detail statement of the final account together with all relevant documentation.

The Director of Finance shall, to the extent he considers it necessary, examine final accounts for contracts, seek explanations and request information in order to determine accuracy of the accounts.

Claims from contractors in respect of matters not clearly within the terms of the contract shall be referred to: -

- The Councils Solicitor for advise on councils legal liability
- The Director of Finance for financial consideration if any before settlement is reached.

If completion of a contract is delayed by more than 2 months of the contract period, it shall be the duty of the responsible employee for the contract to take appropriate action in respect of claim for liquidated damages subject to the approval of the appropriate Director of Services.

All final accounts must be presented in an agreed format for the approval of the County Manager.

Procurement procedures covering the engagement of consultants, contractors and external service providers can be accessed at:-

<http://constructionprocurement.gov.ie/guidance-notes/>

Inter – Departmental charges within Monaghan County Council

The recommended procedure for charges arising as a result of services carried out by one division eg. Housing Services Division on behalf of another internal division eg. Roads Division is to raise an inter-departmental journal to record the transaction. All relevant backup justifying the expense must be advised to the Division being charged in advance of raising the journal and the appropriate job code, account element and categories must be recorded on the journal. The journal must be approved by the budget holder before being forwarded to the Finance Department for processing. This will eliminate the need to raise purchase orders, invoices and cheque payments resulting in a reduction of administration, banking and other unnecessary costs.

10. Non Order Payments

10.1 Low Value Purchase Cards

Low Value Purchase Cards (L.V.P.) are primarily intended for use in purchasing low value routine items thereby eliminating the need for the labour intensive procedure of matching Purchase Order with Goods Receipt Note and Supplier Invoices. LVP cards may only be used to buy items that are authorised for purchase by Monaghan County Council e.g. technical equipment. Budget Holders are responsible for ensuring that expenditure incurred using LVP cards does not exceed authorised limits and that the purchase is justified by a clearly identifiable work related need.

LVP Card Purchasing Process

- a) The LVP card must be presented to the Shop/Store Assistant at time of purchase by the authorised cardholder. Where possible the Job Reference is keyed in by the Shop Assistant (LVP machines) and the cardholder enters his/her Personal Identification Number PIN. An original receipt /invoice /docket issued by the Shop/supplier must support each purchase/credit transaction and should be clearly marked as **“paid”** at time of purchase and signed by cardholder. Where a credit card machine is in operation then the Job Reference must be handwritten on the receipt docket. Receipts should be checked for accuracy before they are signed.

An acceptable receipt must include:

Transaction No.
Supplier Name
Amount
Date
Job Reference
Itemised description of item(s) purchased/Service

Every charged transaction and credit transaction made using the LVP Card must be supported by valid and complete documentation.

- b) The relevant **"PAID"** receipt/invoices/dockets are kept in a folder and forwarded to Section/Area Administrator at the end of each week/month. It is the responsibility of the LVP Cardholder to resolve any disputes with a supplier. Each month's expenditure must be approved by the appropriate Budget Holder, Area Engineer or Administrative Officer.
- c) LVP Cards may only be used for items costing less than **€635**, transaction values over this card limit are prohibited, and a Purchase Order should be raised on Agresso for purchases greater than €635. Segmentation/division of an order is not permitted when using the LVP Card. Do not split a transaction to avoid the single item purchase limit of €635 e.g. by ordering a proportion of a purchase on the LVP card today and the remainder on the Card tomorrow. A monthly spending limit of **€3,809** applies to each card.
- d) LVP Cards must not be loaned or given to anyone else at any time, they should remain in the possession of and are the sole responsibility of the authorised cardholder at all times. The card is intended for use by the named cardholder only and should be kept in a **secure place**. When making purchases the cardholder should be aware of their immediate environment, care should be taken when entering their PIN number, the number should be memorised and known only by the cardholder. The PIN number should not be written down or kept with the card.
- e) The LVP card should not be used to purchase or pay for items/services received **"On Account"** at an earlier date. The card must be presented at time of purchase only by the named cardholder and the relevant receipt docket

marked paid. If the card does not work when presented, the card holder must obtain a Purchase Order Number instead.

- f) It is the responsibility of the LVP Cardholder to ensure that receipts/invoices /dockets for each purchase transaction are made available to and returned promptly to the Section/Area Administrator for control and reconciliation purposes. If the LVP Cardholder has a problem with the goods or service received or the transaction on the statement does not belong to the Cardholder then appropriate credit should be sought by the Cardholder from the supplier/bank. Returns and refunds must be credited to the Cardholders account, cash refunds should not be accepted. The Supplier should provide the Cardholder with a credit transaction slip to verify that credit was given. The Cardholder will be required to return this credit transaction slip to their section or area Administrator as supporting documentation.

- g) The LVP Cardholder has a personal responsibility to ensure proper custody and access to the Card and that all purchases are made for work related purposes only. Where an LVP Card is used on a non working day, a valid reason will be sought from the cardholder and confirmed through examination of the relevant working record.

- h) If an LVP Card is lost or stolen the cardholder should report the missing card to the Section/Area Administrator immediately. The LVP Administrator in Finance, should also be notified so that appropriate action can be taken to cancel or replace the card as required. The LVP Card must be returned to Finance when the named cardholder retires or resigns from his/her employment with Monaghan County Council or is transferred to another section within the Local Authority.

- i) Inappropriate, unauthorised or fraudulent use of an LVP Card may be treated as a disciplinary matter. Failure to observe LVP Card procedures will result in the removal of the LVP facility from the respective cardholder.

LVP Card Administration Procedure

The Local Government Computer Services Board (LGCSB) have developed software (*Version 1.1 Apr. 2007*) to facilitate the management and administration of LVP cards. The LVPC module provides a method of processing the LVPC Bank statement electronically allowing the user to: -

- view details of payments on the statement
- allocate costing information (Job Codes) against the statement
- query expense claims that have been submitted
- facilitates the approval/rejection of claims by the Budget Holder.

Once the monthly statement has been imported on the LVPC system by the Finance administrator the system automatically emails the section or area Administrator informing them that the statement is available for further processing. The Section/Area Administrator then checks the transaction detail on the statement. He/She must ensure that cardholders have returned all supplier paid dockets/receipts and that they are properly coded and approved.

Checks include:-

- Matching “**paid**” dockets and payment receipts to statement transactions. Where an amount appears twice on the statement for the same LVP Card involving one supplier then the implication is that the transaction may be duplicated, this should be checked with the cardholder. Where there are concerns about an amount appearing on a statement please notify the Finance Administrator, who can have that

item withdrawn from the payment, this must be completed within 4 days or it will be deferred until the following month's payment.

- Ensuring that all dockets are signed by the Cardholder and that dockets are marked paid by the supplier.
- Request the Cardholder to provide outstanding Dockets/Receipts and appropriate job references when required.
- Careful consideration should be taken to ensure that there is **no overlap** between the Purchase Order Processing system and the use of LVP Cards. Where low value invoices are received without quoted PO Order numbers then check the LVP statement to ensure that the invoices have not already been paid by LVP Card. If the invoices relate to items on the LVP Statement then they should be marked "PAID". On the other hand, where a purchase order has been raised on a gross and quoted on a Supplier invoice the payment should not be processed by the LVP Cardholder. Purchase orders and Goods Receipt notes are matched against the Supplier Invoice and processed through the Accounts Payable section in Finance. If the Section/Area Administrator is unsure about a particular invoice/receipt docket then they should liaise with the Finance Section to ensure that there is no duplication between the Purchase Order System and LVP Card payments.
- Highlight instances where an invoice/receipt docket indicates a date earlier than the date of the LVP payment for the same transaction by monitoring the Invoice/receipt date and LVP payment dates on the statement. If the date of the Invoice/receipt differs from the date of the LVP Card transaction then an appropriate explanation should be sought from the Cardholder. Items must not be purchased on account with an

LVP Card with a view to settling/paying off the account at a later date.

- Identify and highlight unusual irregularities to Finance for further investigation, duplicate entries, unfamiliar charges etc.

Once all the necessary checks are completed the LVP details (*item*) are submitted to the respective Budget holder, Area Engineer or Administrative Officer for approval, an email is sent notifying the approver that an item has been submitted. The complete approvable item details are contained in the email. When the approver logs onto the system and clicks on the Approvals tab (on the Approvals screen), the list of all their outstanding approvals will become available to them for viewing. For budgetary control purposes job codes are also displayed. Each line represents an approvable item which can be made up of many transactions, by clicking on the Detail button the transactions in the item can be viewed and approved or rejected by Budget Holder. When all LVP items have been processed the information is exported to the Agresso Financial system by the Finance administrator for inclusion in the accounts.

The Section Administrator should maintain a hard copy of all the approved statements and file them with receipt/dockets /invoices on a monthly basis. This information is currently held at section office for audit purposes.

The **Internal Audit Section** will carry out audits to ensure that LVP Card procedures are being adhered to and that value for money is being achieved within Monaghan Local Authorities.

10.2 Other Non Order Payments

Petty Cash

Petty Cash refers to small amounts of cash held in specific locations and used to make payments for minor or incidental expenses where it would not be practical to use other methods of payment such as cheque payments. Petty Cash allows local staff to obtain low value items without the requirement to raise purchase orders. The Imprest or float amount for each petty cash location is the maximum cash amount that should be held locally at any given time.

Each Petty Cash transaction should be backed up by a separate petty cash voucher which must set out the following details;-

- Description of the items purchased
- The amount of the transaction
- The date of the transaction
- The name and signature of the person claiming petty cash
- Signature of approver
- Supporting documentation i.e. sales docket, receipt, invoice etc.
- The job code to which the expenditure relates

Petty cash transactions may relate to the reimbursement of cash to staff members who have incurred a minor cost on behalf of a local authority out of their own personal funds or where in exceptional circumstances staff require cash in advance to enable them to purchase low value items. Once cash has been paid from the petty cash box the petty cash approval voucher should be marked "PAID" and all documentary evidence supporting the payment attached to the same voucher.

Where possible there should be clear segregation of duties between the approver of the petty cash expense and the person claiming the expense, no staff member should approve a petty cash voucher in respect of themselves. The Petty Cash box

should be stored in a safe location and keys maintained securely at a separate location by an appointed custodian or member of staff.

A periodical reconciliation of Petty Cash transactions should be maintained on a ledger book or excel spreadsheet. This should capture all the information with regards to receipts and payments in the Petty Cash account. This information should be kept up to date, balanced with the remaining cash and made available to the Internal audit function for inspection purposes. Discrepancies with regard to the loss or theft of petty cash must be notified immediately in writing to the Head of Finance.

Cash and Cheque Lodgement Procedure

This procedure has been implemented to facilitate the lodgement of coins and notes to Bank of Ireland. All lodgements comprising notes, coins and cheques must be placed into specialised “dye sensitive” cash bags/”containers” which are supplied by a third party Security company. Each cash bag is identified by a unique serial number. The contents of each individual cash bag should be checked by two members of staff where possible to verify the accuracy of the lodgement. No more than €20,000 in coins/notes may be placed within any one bag.

For Cheque Lodgements: take lodgement slip with Monaghan County Council account details from BOI lodgement book and place in a separate bag, seal the bag and put the following BOI bank address on the outside of the bag , **To: Bank of Ireland, Cash Centre, College Green, Dublin 2.** It is advisable to take a copy of the lodgement slip (with list of cheque details: Chq No, Customer & Amount) as the bank will no longer return lodgement books or “paying in slips” to Monaghan County Council. The Security company will issue a receipt to Monaghan County Council detailing each bag by serial number and dispatch the cheques to BOI College Green. The bank will confirm receipt of the Cheque lodgement bags by means of confirming serial numbers with the Security company. The bank will sign a duplicate of the receipt issued to Monaghan County Council. The Security company will furnish a copy of this receipt to the Bank for its own records.

For Cash Lodgements: Notes and coins should be placed in a separate bag, with a detail breakdown on an A4 sheet/lodgement slip of the makeup of its contents which is then placed inside the bag, seal the bag and write clearly on the outside :

From: Department/Section/Area (Finance/Planning etc) and **To: Cash TSS**. The notes and coins are sorted by the Security company and lodged to our BOI bank account on the following day.

Monaghan County Council will retain a record (either BOI Lodgement slip/A4 sheet) of the lodgements placed in each bag and the relevant serial number. A copy of the lodgement details must be forwarded to the Banking Clerk in Finance at the earliest opportunity. This information must be retained for control and bank reconciliation purposes. Staff must also ensure that the appropriate Local Authority destination Bank Sort and Account codes are recorded on the Lodgement slip/A4 sheet.

It is very important not to mix cheque lodgements with notes and cash.

Cash and Cheques in Transit between Council Premises Control Procedure

The issuing of the specialised serialised “dye sensitive” Security company cash bags/”containers” to external cash points needs to be carefully monitored and recorded to prevent the possibility of bags being lost or mislaid while in transit between council premises. For control purposes, it will be necessary to maintain a **hard back notebook** which will be maintained at the external cash point and which will follow the cash bags/”containers” while in transit. This will record the date, serial number of cash bag, name of staff members checking contents and sealing cash bag at external cash point, signature of staff member delivering the cash bag to Monaghan County Council cash desk and the signature of the staff member receiving the cash bags at the cash desk in the County Council. This control notebook will be returned to the external cash point immediately and it is vital that it is maintained up to date on a daily basis, responsibility for control of this notebook remains with the external cash point. Any missing or out of sequence serial numbers for the cash bags/”containers” must be reported immediately to management and the internal auditor so that an investigation in to the discrepancy can commence.

A record of Security Company cash bags/"containers" serial numbers issued by Monaghan County Council to external cash points will also be maintained for security purposes.

Franking Machines

Postage costs have in recent years increased at a significant rate , it is important therefore that Budget Holders monitor Franking costs/charges to ensure that usage is necessary and appropriate and that franking is being used for business purposes only.

The staff member responsible for the management of a franking machine must ensure that procedures are in place to control the operation of the machine. This should include storing the machine in a secure location. The Franking machine must be lockable with a key or Code Locked where possible to prevent unauthorised access. A record (Post Book) should be kept detailing Franking machine usage, number and value of items franked, general description of items, remaining value, source department etc. A periodic check / reconciliation should be prepared comparing the post book and machine totals with any differences being investigated and resolved. The Budget Holder approving the replenishment of the franking machine should monitor the frequency of replenishment and usage of the machine.

Mobile Phones

The decision to authorise the issue of a mobile phone or other mobile communication device to an employee should only be made after careful consideration and thorough examination of that employee's responsibilities and duties. Mobile phones should only be made available to employees;

- Whose duties necessitate those officers to be away from their office base on a frequent basis.
- Who need to be contactable for work related purposes or in the event of an emergency.
- Who need to respond immediately to an event where the general public or officers are at risk.

The person to whom a mobile phone has been approved and issued has personal responsibility to ensure proper custody and access to the phone and that calls are made for work related purposes only. It is the responsibility of Managers and budget holders to ensure that mobile phone costs incurred are properly monitored and controlled, are necessary for work purposes and represent value for money. All charges not specifically for work related purposes should be identified, quantified and reimbursed to the relevant Monaghan authority. On approving the mobile phone bill of a staff member the relevant manager should take all reasonable steps to satisfy him/herself as to the appropriateness of any charges on the bill. Economic use of mobile phones should be encouraged at all times, e.g. length of call, time of call, type of phone being called, access to landline, etc. Staff using mobile phones must be aware of the latest Health and Safety regulation and legislation governing the use of mobile phones.

11. EU Directive Requirements

11.1 Introduction

Three different types of contract are identified in EU Directives ;

Works - buildings and civil engineering contracts

Supplies - purchasing of goods and supplies

Services - all of the most commonly procured services, including advertising, property management, cleaning, management consultancy, financial and ICT related services.

Where a local authority has procurements with projected values exceeding EU thresholds (Works contracts more than €5 million, services or supplies contracts greater than €200,000) the high value procurement procedure must be amended to take account of EU Procurement Directives. It is a legal requirement that contracts with estimated values above the EU thresholds be advertised in the OJEU. Current EU thresholds are outlined below and are updated every two years. The most recent thresholds may be checked on the etenders public procurement website

<http://www.etenders.gov.ie/generalprocguide.aspx>

11.2 EU Thresholds

Thresholds (exclusive of VAT) above which advertising of contracts in the Official Journal of the European Union (OJEU) is obligatory, applicable from 1st January 2014 to 31st December 2015

Revised public procurement Directives simplify the threshold provisions by abolishing the two tier system that existed under the former Directives and the Government Procurement Agreement (GPA) of the World Trade Organisation and by rounding the threshold values.

The main advertising thresholds with effect from 1st January 2014 to 31st December 2015 are as follows:

Works		
Contract Notice	€5,186,000	Threshold applies to Government Departments and Offices, Local and Regional Authorities and other public bodies.
Supplies and Services		
Contract Notice	€134,000	Threshold applies to Government Departments and Offices
Contract Notice	€207,000	Threshold applies to Local and Regional Authorities and public bodies outside the Utilities sector.
Utilities		
Works Contracts / Prior Indicative Notice*	€5,186,000	For entities in Utilities sectors covered by GPA
Supplies and Services	€414,000	For entities in Utilities sectors covered by GPA

* Publication of a Prior Indicative Notice (PIN) is no longer obligatory. Authorities with a significant procurement function are encouraged to publish a PIN as an aid to transparency and informing markets. Publication of a PIN (or Buyer Profile) with all of the relevant information, entitles authorities to avail of shortened times for submission of tenders.

For contracts up to EU thresholds publication on the etenders.gov.ie website generally meets national advertising and publicity requirements and significantly reduces the need for expenditure on advertising. Notices can be placed by registering online. The site is a key reference point for potential suppliers and service providers and the service is currently provided at no cost to contracting authorities. The **ERDF** logo is available on the e-tenders website for any projects placing tender notices there.

11.3 Tendering

In general, a Tendering process is required for purchases of supplies and services above €25,000 unless available from stock or on contract with the exception of ICT expenditure, where competitive processes must be used for all purchases, with a value in excess of €10,000. A threshold of €50,000 applies to contracts for works and related services. Tenders are obtained annually (by public advertisement) for the following items and compiled in an “**Official Tender Book**” for Monaghan County Council.

(i) Hire of Plant and Machinery

(ii) Purchase of materials ;-

1. Bitumen products
2. Quarried rock products
3. Road markings
4. Petroleum products
5. Weed killing products & Hedge cutting services
6. Concrete products
7. Ancillary road /water /sewer construction or maintenance products

Note:

A written explanation must be given and approval sought for any purchases of goods or services from suppliers not mentioned on the official tender list.

Tenders may be sought annually (by public advertisement or by request to tender/quote) for the following based on a specification.

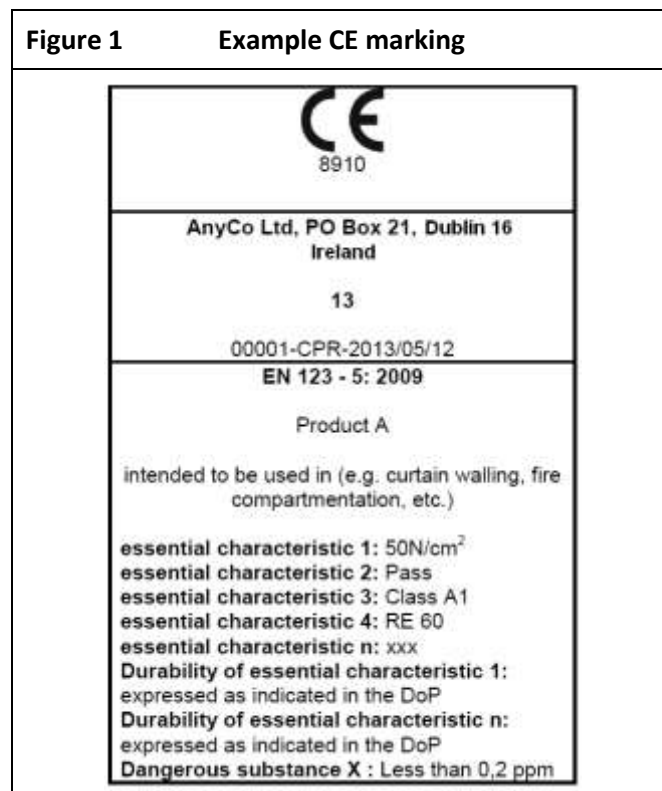
- (i) Continuing annual contracts –specific areas
- (ii) Stationery supplies –general provisions listing

Procurement of timber requirement:-

Following a motion adopted by Monaghan County Council in May 2009 all tender documents for procurement of timber must contain a clause specifying that ***“Monaghan County Council will permit only legal and sustainable timber or FLEGT-licence timber in works carried out by the local authority or on behalf of the local authority”***

Procurement of construction Products CE marking requirement:-

The primary requirement of the Construction Products Regulation (EU) No 305/2011 (CPR) is that from 1st July 2013, manufacturers, when placing a construction product on the market, which is covered by harmonised European product standards, must affix the CE Mark and make a Declaration of Performance for the product.



When procuring products suitable for their intended use in construction works, it is necessary to check the harmonised technical specifications, specifically, the requirements of individual essential characteristics as indicated in the

manufacturer's declaration of performance. Procurers should also check the National Standard Recommendations on the NSAI website at www.n Sai.ie which gives guidance on appropriate minimum performance levels for specific intended uses of products in Ireland. With regard to Building Regulations all works should be carried out using "*proper materials...which are fit for the use for which they are intended and for the conditions in which they are to be used*" to ensure compliance with national rules and Building Regulations.

11.4 Tender Briefing Document

It is recommended that a briefing document is prepared in respect of all tenders. This documentation should include and be clear in respect of the following:

- Background to the Project
 - Assessment of need
- Project objectives
- Functional requirements (e.g. scope of project).
- Spatial requirements (e.g. accommodation requirements including schedule of accommodation in the case of building projects)
- Design requirements
- Service requirements
- Budgetary costs
- Operational policy
- Selection criteria

11.5 Tendering Procedures

The revised EU public sector Directives permit four tendering procedures:-

(i) **Open.** Under this procedure all interested parties may submit tenders. Information on tenderers' capacity and expertise may be sought and only the tenders of those deemed to meet minimum levels (Pass/Fail) of technical and financial/economic capacity and expertise are evaluated against specification and award criteria. If there are minimum requirements it is important that they be made clear in the notice or the request for tenders (RFT) to avoid unqualified bidders incurring the expense of preparing and submitting tenders.

The Department of Public Expenditure and Reform Circular 10/14 (16/08/2014) in promoting **SMEs** advises that Contracting authorities should use "open" tendering procedures for advertised contracts for supplies and services up to €134,000 in value. To the fullest extent possible, contracting authorities should allow tenderers at the time of tendering only **to declare** that they have the relevant and proportionate capacity which is necessary to undertake the contract.

(ii) **Restricted/Selective.** This is a two-stage process where only those parties who meet minimum requirements in regard to professional or technical capability, experience and expertise and financial capacity to carry out a project are invited to tender.

- As a first step, the requirements of the contracting authority are set out through a contract notice in the OJEU and expressions of interest are invited from potential tenderers. The contract notice may indicate the relevant information to be submitted or the information may be sought via a detailed questionnaire to interested parties.
- The second step involves issuing the complete specifications and tender documents (RFT) with an invitation to submit tenders only to those who possess the requisite level of professional, technical and financial expertise and capacity. It is important to note that, as a basis for pre - qualifying

candidates, only the criteria relating to personal situation, financial capacity, technical capacity, relevant experience, expertise and competency of candidates set out in the revised Directive (Articles 45 to 48 of 2004/18/EC) are permissible. The European Court of Justice and the EU Commission have ruled clearly on this.

Contracting authorities may opt to shortlist qualified candidates if this intention is indicated in the contract notice and the number or range of candidates indicated. Shortlisting of candidates who meet the minimum qualification criteria must be carried out by non - discriminatory and transparent rules and criteria made known to candidates. The Directives require that a number sufficient to ensure adequate competition is invited to submit bids and indicate a minimum of five (provided there is at least this number who meet the qualification criteria) and up to a total of 20.

(iii) **Competitive Dialogue.** This is a procedure, introduced under Article 29 of the revised public sector Directive 2004/18/EC, designed to provide more flexibility in the tendering process for more complex contracts, for example public private partnerships (PPPs). Contracting authorities must advertise their requirements and enter dialogue with interested parties, (pre – qualified on the same basis as for restricted procedure). Through the process of dialogue with a range of candidates, a contracting authority may identify arrangements or solutions which meet its requirements. Provided its intention is indicated in the contract notice or in descriptive documents supplied to candidates, a contracting authority may provide for the procedure to take place in successive stages in order to reduce the number of solutions or proposals being discussed. The reduction must be achieved by reference to the award criteria for the contract.

In conducting the dialogue, contracting authorities must ensure equality of treatment and respect for the intellectual property rights of all candidates. When satisfied about the best means of meeting its requirements, the contracting

authority must specify them and invite at least three candidates to submit tenders. The most economically advantageous tender (MEAT) will then be selected. Aspects of tenders may be clarified or fine tuned provided that there is no distortion of competition or discrimination against any tenderer.

(iv) **Negotiated.** This is an exceptional procedure, which may be used only in the limited circumstances set out in Articles 30 and 31 of the revised public sector Directive. There are two types of negotiated procedure:

(a) *Contracting authorities advertise and negotiate the terms of the contract.*

This process should normally involve the submission of formal tenders by at least three candidates (pre-qualified on the same basis as for the restricted procedure, provided there are at least three who meet the minimum qualification criteria) with negotiation on final terms in a competitive process.

This procedure may be used mainly:

- where the nature of the requirement does not permit overall pricing;
- where it is not possible to specify requirements for a service with sufficient precision to enable tenderers to respond with priced tenders;
- where an open, restricted or competitive dialogue procedure has not attracted acceptable tenders.

(b) *Contracting authorities negotiate, without advertising, the terms of the contract directly with one or more parties.* This is a departure from the core principles of openness, transparency and competition and is a very exceptional procedure. The main instances where this procedure may be used are:

- in cases of extreme urgency;
- when, for technical or artistic reasons or due to the existence of special or exclusive rights, there is only one possible supplier or service provider;
- when an open or restricted procedure has not attracted appropriate tenders (provided all those who submitted tenders are included in the

negotiations and the specifications of the requirement are not altered substantially);

- extension of existing contracts and repeat contracts subject to certain conditions;
- for the purchase of supplies on particularly advantageous terms, from either a supplier definitively winding up a business or the receiver or liquidator of a bankruptcy, an arrangement with creditors or similar legal or regulatory procedure.

Contracting authorities should ensure that the precise circumstances justifying negotiation, as set out in the public sector Directive, exist before deciding on the use of this procedure. It should be noted that definitions of 'exceptions' and 'urgency' are strictly interpreted by the Commission and the Courts. Factors giving rise to urgency must be unforeseeable and outside the control of the contracting authority. Where one of these exemptions is invoked, the contracting authority must be able to justify the use of the exemption. Candidates must always be treated fairly and objectively in negotiations.

Restrictive/Selective Tendering or a pre-selection tendering process will only be permissible subject to the approval of the County Manager or his/her Deputy.

11.6 Advertising Tender

The relevant Director of Service must approve any advertisement be it in abbreviated form in newspapers and / or on the etenders website for tenders arising in their own Directorate. A copy of the notice seeking the tenders should be forwarded to Corporate Affairs. Where a selected number of contractors are being asked to tender for a project, a copy of the list of these, together with the closing date for receipt of the tenders should also be forwarded to Corporate Affairs. The relevant section must raise the purchase order for the advertisement once the cost is known.

The Director of Service decides on the tender closing date and amount of deposit required. A minimum of ten clear working days should be allowed and also adherence to the appropriate time periods set out in the EU Directives. The main **minimum** time-limits, which are reckoned from the date of dispatching the notice to the OJEU, are as follows;-

Open Procedure

- for receipt of tenders: **52 days** (using eTenders for notices **45 days** minimum - using eTenders for notices and tender documents **40 days** minimum)
- if a PIN has been published (using the eTenders for notices rule the minimum time may be reduced to **29 days** but in no circumstances less than **15 days** - using eTenders for notices and tender document rule the minimum time may be reduced to **24 days** but in no circumstances less than **10 days**.)

Restricted, Negotiated and Competitive Dialogue Procedures

- for receipt of expressions of interest / requests to participate: **37 days**;
- for receipt of tenders under restricted procedures: **40 days** from date of issue of invitation to tender, (using eTenders for notices and tender documents **35 days** minimum)
- if a PIN has been published: as a general rule the minimum time for receipt of tenders under the restricted procedure may be reduced to **36 days** but in no circumstances less than **22 days** (*no reduction in times for receipt of expressions of interest*).

- Under a negotiated procedure or in competitive dialogue the time allowed for receipt of tenders may be agreed between the parties involved by mutual agreement but must be at **least 10 days**.

Where **genuine** urgency (*i.e. unforeseeable events outside the control of the contracting authority*) renders these time limits impracticable, shorter time-limits may be applied as follows

- for receipt of expressions of interest, not less than **15 days** from the date of dispatching the notice and
- for receipt of tenders, not less than **10 days** from the date of issue of invitation to tender.

In relation to roads tenders, the closing time may not be extended without the approval of the Roads Division, Dept. of the Environment & Local Government and National Roads Authority as appropriate.

All tender forms from the Council should be sent out from the relevant Director of services section. Intending Tenderers must submit tenders in a sealed envelope, addressed to Administrative Officer, Corporate Affairs, Monaghan County Council, The Glen, Monaghan. The attached label as illustrated in **Appendix XI** should be included in the tender documents being issued. Tenderers should be advised that the label must be completed in full and affixed to the outer envelope containing the tender documents being submitted to the Council. This envelope is appropriately marked

"Tender for: ----project name-----" on top left hand corner of envelope to ensure that it cannot be opened in error in the Council offices.

Additional clarification/information requested by a tenderer must be forwarded to all tenderers by the relevant Director of Services section and must be issued without

delay within a maximum of six days of the request. In order to avoid giving unfair advantage, additional information supplied to one party in response to a request should be supplied to all interested parties if it could be significant in the context of preparing a tender. No other consultation/communication should be held with tenderer.

11.7 Freedom of Information

Reference to the **Freedom of Information Act** should be made in Tender Documentation by insertion of the following paragraph: -

“Monaghan County Council is subject to the provisions of the Freedom of Information (FOI) Acts 1997 and 2003. If you consider that any of the information supplied by you is either commercially sensitive or confidential in nature, this should be highlighted and the reasons for its sensitivity specified. In such cases, the relevant material will, in response to FOI requests are examined in the light of exemptions provided for in the FOI Act.”

11.8 Receipt and Opening of Tenders

The tender of a person or firm shall be delivered in person by the individual or some other person, other than a member or employee of the Council, acting for him or her or such firm to the Administrative Officer, Corporate Affairs, Monaghan County Council in County Buildings, Glen Road Monaghan.(See Tender Label Appendix XI) Tenders can also be sent by prepaid post.

NO OTHER OFFICE is permitted to receive tenders

All tenders are date stamped and time marked on envelope when received.

If a tender arrives late, it is accepted but marked “LATE” and not opened.

Receipts showing date and time received should be issued when a tender is received, if delivered by hand.

Tenders are then placed in the Tender Box, which is kept in the office of Director of Services, Corporate Affairs

A Tender meeting is then held on a designated day for opening of tenders, which is attended by the nominated members of the Council, the Director of Services, Corporate Affairs or his Deputy and a representative of the section seeking the tenders - the department head where possible. The Tenders Committee requires one week's prior notice of each tender opening session

At this meeting each tender is removed from the Tender Box and opened.

- Each one is then signed and dated by the Director of Services and one other person.
- Tenders are then recorded in order of opening on a Tender Control sheet and this sheet is then signed and witnessed by those present at the opening of the tenders.
- Tenders are then placed numbered in order of value on the Tender list sheet. (Column provided)
- The list and tenders are then delivered to the appropriate Director of Service who signs for them.

Where there are special conditions relating to the opening of the tenders the Director of Services, Corporate Affairs must be made aware of these and a copy of opening conditions provided.

Where the advertisement for the tender specifies: -

That the tender should be enclosed in one envelope and *the suitability of the tenderer* enclosed in a different envelope, which is, clearly marked “Suitability of Tenderer”

Then the envelope with “suitability of Tenderer” should be opened first. If this is not satisfactory the envelope with the tender enclosed should not be opened. It is important that Tenders must not be accepted by fax or e-mail for reasons of confidentiality.

11.9 Bills of Quantities

- Only the Bill of Quantities of the lowest suitable tenderer should be opened. If this tender is deemed unsatisfactory at evaluation stage then the next lowest tender Bill of Quantity should be opened. Process is repeated until a satisfactory tender is selected.
- In relation to NRA projects due regard should be had to NRA Procurement Policy Document issued 31/08/00.

This requires that ‘an independent check of all Bills of Quantity shall be carried out. In the case of all contracts of €6.5m or more, an outside firm of Quantity Surveyors and, in the case of smaller contracts should do this check, by an independent team (preferably from another RDO/LA). The Contracting Authority should ensure that the people doing this check have adequate PI cover (Minimum level of indemnity of €6.5m for any one claim)’.

11.10 Evaluation of Tenders

The evaluation and award process must be demonstrably objective and transparent and based solely on the published criteria. It is recommended that award criteria should be clearly indicated in the advertisements or in the tender documentation. Price should be evaluated **exclusive of VAT**.

(i) Where price is the sole criterion, the contract will be awarded to the lowest priced bid complying with the specified requirements.

(ii) Where 'most economically advantageous tender' (**MEAT**) is the basis, the contract must be awarded to the tender which best meets the relevant criteria. In addition to price they will include other criteria relevant to the subject of the contract. For example, they may include running costs, servicing costs, level of after sales service, technical assistance, technical merit, environmental characteristics. The criteria, with the relevant weighting, will have been pre – established and made known to the tenderers, either in the contract notice or the tender documentation .

Tenders must be evaluated objectively and transparently against the published weighted criteria. Objectivity and transparency is best achieved by the use of a scoring system or marking sheet based on the weighted criteria, indicating a comparative assessment of tenders under each criterion. The scoring system must include price and not 'value for money' or 'cost effectiveness' as a specific criterion. Value for money / cost effectiveness / economic advantage is largely the outcome of the completed evaluation. (See Appendix X for sample of a basic scoring system). The criteria may be sub divided for the purpose of scoring if it assists in the evaluation but this must not involve a departure from the pre - established criteria and weighting. Reasons must be recorded for all scores. Summary score sheets and individual detailed records for each tenderer must be maintained.

Under the **restricted procedure**, care should be taken to ensure that the pre-qualification criteria are not used inappropriately in the tender evaluation process. Tenderers will be deemed to have met the minimum requirements in regard to their capacity to perform the contract. Therefore, criteria relating to past experience and track record of the company will not feature at the evaluation stage. Tenders should be assessed solely on the basis of how they meet the award criteria related to the actual project.

In **open or restricted procedures**, the most competitive or advantageous tenderers are frequently asked to make a presentation on their proposals for technical or consultancy projects. These presentations are used as an aid to understanding and for purposes of elaboration and clarification. Any dialogue with tenderers that could be construed as "post tender negotiation" on price, or result in significant changes to criteria or tender specifications, is to be avoided. Such negotiations, outside the exceptional and clearly defined circumstances where EU rules permit, could contravene the EU procurement Directives.

11.11 Conflicts of Interest

Local authorities should be aware of potential conflicts of interest in the tendering process and should take appropriate action to avoid them. Care should be taken to ensure that project specifications and criteria should be as open and generic as possible in order to avoid favoring any one solution or any one party.

11.12 Recommendation and award of Tender

A Director of Services is responsible for overseeing the examination of the tenders and recommending the successful tender.

The recommendation of successful tender should take the form of a written report, which will set out:

- a) Method of Tendering and subject matter of contract.

- b) The names and addresses of those who tendered and the amounts involved.
- c) Reasons for rejecting abnormally low tenders.
- d) Statement that:
 - 1. Contractors Tax Clearance Certificates, Current Insurance cover (prior approval of Irish Public Bodies obtained) and Bonds (checked by legal advisor) have been examined and are in order.
 - 2. Evidence that Safety statements and codes of practice will be adhered to, that provision has been made for persons with disabilities and employee regulations and legislation will be complied with. (See Section 7 Procurement Requirements)
 - 3. Verification that the contractors have both the technical and financial capacity to meet the requirements of the Tender.
- e) A recommendation as to which tender should be accepted and the reason for acceptance.
- f) Documentation of award procedures if conducted electronically.
- g) Any other comments necessary.

There is a legal requirement for a **“standstill period”** (14-16 calendar days) between the notification of intent to award the contract to a preferred tenderer and the final conclusion of the contract. (See section **11.13 EU Remedies Directive**). Once the standstill period has expired a Manager’s / Delegated Officers Order is prepared for tender award (See Appendix VI). (Where lowest tender is not successful, reason must be stated in the Order).

The successful contractor is written to, informing him that a Manager’s order has been made and requesting confirmation of compliance with any other outstanding contractual requirements.

The Director of services or his delegated officer must be satisfied that all documentation ((Section 11.12 (d)) is in order and to the councils' satisfaction prior to preparation of contract documents by the councils' legal advisor.

When all is in order, contract documents (in duplicate) are signed by the contractor, County Manager, Mayor of the council and then are sealed by the council. A Copy is given to the Contactor and original retained by the council.

Unsuccessful tenderers are informed by relevant Director of Services, in writing, of the decision in regard to their own Tender without delay. Deposits are refunded to them within three months where a bona fide tender was submitted before the closing date for the receipt of tenders and not subsequently withdrawn. In general, Tender details should be treated as being **strictly confidential** between tenderer and Monaghan County Council. Under the public procurement Directives, contracting authorities are required to provide certain information on contracts above the EU thresholds.

Two particular provisions on disclosure of information in the procurement Directives require that:

- any eliminated candidate or tenderer who requests it must be informed promptly (within 15 days) of the reasons for rejection and of the characteristics and relative advantages of the successful tenderer as well as the name of the successful tenderer
- certain information on the contract awarded (or framework agreement concluded), including the name of the successful contractor(s) and the price, or range of prices, paid, must be submitted for publication in the EU Journal not more than 48 calendar days after the award. The information must be set out in accordance with the relevant model notice annexed to the Directives.

11.13 Unsuccessful Tenderers - EU Remedies Directive

The EU Remedies Directive came into effect on 20th December 2009, the directive outlines the avenues open to unsuccessful tenderers to challenge the decision made by the contracting authority. The Directive imposes an obligation for a **“standstill period”** (14-16 calendar days) between the notification of intent to award the contract to a preferred tenderer and the conclusion of the contract. A reviewable contract may not be concluded before the expiry of the chosen standstill period. The standstill period allows unsuccessful tenderers an opportunity to have an award decision set aside and it begins on the day after the day on which each tenderer and candidate concerned is sent a notice of the outcome of his or her tender or application.

The new Directive also requires the contracting authority to provide unsuccessful tenderers with “relevant information” to enable them to seek an effective review.

Relevant information includes among other things:-

- A summary of the reasons for the rejection of his or her tender.
- The characteristics and relative advantages of the tender selected,
- The name of the successful tenderer, or, in the case of a framework agreement, the names of the parties to it,
- The score obtained by the unsuccessful tenderer concerned,
- The score obtained by the successful tenderer, in respect of each criterion assessed by the contracting authority.
- The exact standstill period being applied to the contract

(Refer to Appendix XII - Notice to Unsuccessful Tenderers – Award Decision)

However, a contracting authority may decide to withhold any information if the release of such information

- would impede law enforcement,
- would otherwise be contrary to the public interest,

- would prejudice the legitimate commercial interests economic operators, whether public or private, or
- might prejudice fair competition between economic operators whether public or private.

The standstill period applies to contracts in excess of EU thresholds where publication in OJEC is a requirement. However, it is **advisable to allow a certain standstill period for all contracts**, regardless of value to ensure that any queries an unsuccessful tenderer may have, can be addressed. The standstill minimum period is 14 calendar days when the notice is sent electronically and 16 days days when it is sent by other means, eg post. Tender documentation should include a statement indicating the need for an appropriate interval after the award decision is notified and before a formal contract is put in place.

An eligible person may apply to the High Court to review a decision to award a contract to a particular tenderer or candidate. The normal timeframe for seeking a review is within thirty days of knowing the information. Many public bodies are moving to 30 day standstill periods which reduces the risk of legal challenge as the normal timescale for seeking legal review.

11.14 Voluntary Debriefing

Due to the risk of extension of the Standstill Period through the provision of “NEW” information, it is recommended that personal debriefings should be avoided where possible or strictly limited to what is included in the letters of notification. A voluntary debriefing can give unsuccessful tenderers an objective assessment of the comparative strengths and weaknesses of their tenders having due regard to commercial sensitivity and the need to avoid compromising the rights or competitive situation of other tenderers. There are important benefits from giving constructive feedback to unsuccessful bidders.

For local authorities it can

- identify ways of improving the process for the future
- encourage better bids in the future
- help establish the public sector as a fair, open and ethical buyer and
- encourage continued participation by suppliers which promotes competition.

For tenderers it can

- generate confidence and reassurance about the integrity of the process
- help improve future performance
- help them understand and operate the different procedures and practices that might apply in the public sector.

11.15 Retention of Documents

- All tender documentation must be retained for at least **five years**, or until the period specified in legislation has expired, and shall be produced for inspection by the Local Government Auditor or Internal Auditor if so required.
- The original of each advertisement (National and European Journal) for NRA and EU funded projects must be kept on file for inspection at Audit.

11.16 Panels and Lists

Approved lists or panels can be operated where a contracting authority may have multiple requirements for similar categories of expenditure below the EU thresholds such as minor civil works, engineering/architectural services, training etc. Panels must not be used to award European value contracts in the public sector.

Basic rules for the operation of panels include;-

- Panels should be advertised on an annual basis.
- Information must be sought on the financial/technical capacity using either selection criteria or questionnaires for suppliers who wish to access the panel. Information supplied should be kept up to date.
- The number invited should ensure adequate competition and include at least five if available.
- Selection of suitable suppliers for the panel list may be in accordance with
 - Application of specific criteria, based on available information
 - Random selection
 - By rotation
 - Or combination of all three
- Procedures should be documented, objective, transparent and proportionate.

From a budgetary control perspective it is important to monitor expenditure by job and per supplier on panels.

11.17 Framework Agreements

Directive 2004/18/EC, Article 1(5), defines a framework agreement as “an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.” Frameworks can only be established following a competitive tendering process and can be used for supplies, works or services. It is necessary to advertise a Framework Agreement in the Official Journal of the European Union (OJEU) if it is estimated the total maximum value over its lifetime exceeds the relevant EU threshold. The agreement should specify clearly the nature and scope of future contracts to be awarded and the terms applicable to them. The maximum

duration of a framework agreement is **four years**, although in exceptional circumstances a longer period can be justified.

Frameworks can be created with one supplier only, or as multi-supplier frameworks with at least three suppliers where available. Where there is a multi-supplier framework individual contracts may be awarded by identifying the MEAT, by reference to the original tenders, using the “cascade method”, whereby the first ranked supplier is contacted and if they meet the requirements, are awarded the contract, and if not, the next ranked is consulted and so on, until a contract is awarded. The option of conducting a **mini-competition** between all the suppliers in the framework who are capable of delivering the contract is also available. The invitation to tender should allow sufficient time to suppliers to prepare written offers, a minimum period of ten days should be allowed. **E-auctions** may also be used in this instance. When running a mini-competition, it is important to note that the relevant EU Treaty provisions and principles still apply and Authorities must be careful to ensure that nothing is done which is discriminatory, improper or which distorts competition. An award notice should be published in the OJEU (within 48 days of award of the framework agreement) indicating the successful entrants to the framework agreement.

12. Fixed Asset Acquisition and Disposal procedures

Fixed Assets Acquisition procedures

The acquisition of Fixed Assets is subject to the same rules and procedures as normal traded goods or services however, more rigorous rules apply to the notification and recording of fixed assets on the Agresso Financial Management System which includes the Fixed Asset Register.

Fixed assets include items such as:

- land, housing, demountable homes, traveller accommodation, parks or recreational areas
- roads, buildings, libraries, museum, offices and other structures
- Water supply plant, waste water treatment plant and public conveniences
- Movable or immovable plant, machinery, apparatus and vehicles
- Office equipment, computers, furniture, fixtures and fittings

It is the responsibility of staff acquiring plant and equipment and other fixed assets to inform the Finance Department of the transaction so that the asset can be recorded on the Fixed Asset Register. New or second hand plant and equipment purchases are recorded in the Fixed Asset Register, if the asset meets the capitalisation threshold. Monaghan County Council capitalises moveable equipment and separately acquired fixed equipment with an original unit cost of €5,000 or more and an expected useful life of greater than five years.

Upon receipt of the invoice from the supplier and completion of Goods Received Note the Finance Dept completes a three way match with the original purchase order document and prepares the invoice for payment. It is extremely important that the invoice for any newly acquired or second hand asset is coded to the appropriate fixed assets suspense account element range between 13000 and 14399 on the Agresso Financial Management system. These accounts are temporary holding

accounts and are cleared out on a regular basis to the Fixed Asset Register. Fixed assets must **not** be coded to jobs or revenue account elements which are not captured within the account element range 13000-14399.

Fixed assets are valued at actual cost or, if the cost is not readily determined, at estimated final cost which should be verified with a council engineer working within the appropriate department or division. Acquisition cost includes the purchase price or construction cost, as well as all costs incurred to place an asset in its intended location and in an operable condition. Such costs associated with an asset include:

- freight and transportation charges
- installation costs
- site preparation expenditures
- professional fees (including title costs and surveying fees if appropriate)
- legal costs directly attributable to asset acquisition, and
- in case of land, roads and buildings the cost of necessary easements and right-of-ways.

The acquisition of new assets can take two forms:-

- Purchased Assets - Recorded at invoice or contract price plus all other associated costs.
- Trade-ins - The cost of the new asset is the sum of the cash expended plus the cash equivalent of the value of old asset given in exchange. Value placed on the old asset may be trade-in allowance or estimated fair value at the time of trade-in.

This procedure includes the proper care, maintenance, control, and reasonable safeguards to prevent loss, damage or theft of such equipment and other fixed assets. A detailed record or register of assets acquired should be maintained by the respective services department for stocktaking and insurance purposes. The Asset control sheet should be maintained in the Department or Section in which the asset

is located and a copy sent to the Finance Department. Assets should be used for Local Authority purposes only and in accordance with council procedures, safety policies and regulations.

Fixed Assets Disposal procedures

Local Authority staff involved in the disposal of assets must;

- Obtain from the appropriate authority prior approval for disposal. Refer to Appendix V **Schedule 15** Local Government Act 2001 regarding completion of Managers order before land may be disposed.
- Fully document the reasons for disposal eg asset no longer required by Local Authority, surplus to current and future requirements, asset is unserviceable or beyond economic repair, the technology is obsolete or inefficient.
- Record the estimated value of the asset being disposed and document basis for estimate. Engage specific expertise where appropriate in particular where property (Land/Buildings) is being disposed of. The disposal or letting of property should be dealt with by competitive tendering or by auction. This approach provides a disposal mechanism which is both transparent and is likely to achieve a fair price.
- For assets with an estimated value greater than €50,000, bids should be sought by public advertisement/tendering process/auction.
- For assets with an estimated value less than €50,000 a minimum of three competitive bids based on a detailed description of the asset should be secured.
- Once a successful bidder has been identified, formal disposal approval from the appropriate authority should be sought.

The Finance Department must be notified of Disposals occurring during the year by forwarding completed copy of Asset Control sheet to the Finance Department so that the Fixed assets register can be amended and financial records updated .

Fixed Asset Accounting

Asset Control Sheet

This form must be used to record all Plant, Machinery & Equipment purchased, in store, transferred relocated, sold or disposed of. A copy of this form must be maintained in the Department where the asset is located. The Finance Department must receive a copy of this form when a new asset is purchased and when an obsolete asset is disposed of, sold or traded in.

Purchased Asset Details:

Description of Asset: _____

Date purchased: _____ Suspense Account Element: 13000-14399 : _____

Purchase Order Reference _____ Total cost incl. delivery Charges € _____

Supplier Reference/Invoice No: _____

Manufacturer: _____ Model no : _____

Registration Number : _____ Colour/Marks : _____

Location of Equipment: _____

Staff member responsible for asset security: _____

Department Approval: _____ Dept. Reference: _____

Disposal of Asset

Date of Disposal: _____

Sold / Traded-in Customer: _____ Sale or Trade-in Value € _____

Scrapped/destroyed Authorised by: _____ Value/Cost € _____

Stolen/Lost Reported for Insurance purposes Value € _____

Other _____

Note: Refer to Procurement Procedures, Disposal of Assets Section, regarding requirements for Managers Order and procedures for obtaining appropriate authority and prior approval for disposal of assets.

Finance Department use only

Updated on Agresso: _____

Asset Reference on Fixed Asset Register: _____ Asset Group: _____

13. Glossary of Terms

B2B	Business to Business
CIF	Construction Industry Federation
CWPS	Construction Workers Pension Scheme
EU	European Union
FMS	Agresso Financial Management System
GPA	Government Procurement Agreement
GRN	Goods Received Note
ICA	Intra Community Acquisition
IPBMI	Irish Public Bodies Mutual Insurances
kWh	Kilowatt hours
LVP	Low Value Purchase
NPO	National Procurement Office
NPS	National Procurement Service
NRA	National Roads Authority
MEAT	Most Economically Advantageous Tender
NPPPU	National Public Procurement Policy Unit
OGP	Office of Government Procurement
OJEU	Official Journal of the European Union
OPW	Office of Public Works
PO	Purchase Order
PPP	Public Private Partnership

Glossary of Terms continued

PIN	Prior Indicative Notice
PSWT	Professional Services Withholding Tax
RCT	Relevant Contracts Tax
REA	Registered Employment Agreement
RFT	Request for Tenders
SMEs	Small and Medium Sized Enterprises
TCC	Tax Clearance Certificate
VAT	Value Added Tax
VFM	Value for money

14. Detail Procurement Guidelines

Guidance on various aspects of public procurement, including guidelines on national and EU public procurement procedures can be obtained on the following website;-

<http://www.etenders.gov.ie/generalprocguide.aspx>

- 1. Public Procurement Guidelines - Competitive Process**
- 2. Capital Works Management Framework**
- 3. EU Thresholds 2012-2014**
- 4. Guidance on Framework Agreements**
- 5. Guidelines on Use of Generic ICT Specifications**
- 6. Guidelines for the Engagement of Consultants by the Civil Service**
- 7. "Quigley Report" Guidance**
- 8. Capital Appraisal Guidelines**
- 9. Guidance Note on engaging Advertising, Public Relations & Creative Design Services**
- 10. Ethics in Public Procurement**
- 11. EU Public Procurement Directives link**
- 13. "Buying Green" Handbook**
- 14. Environmental Considerations in Public Procurement**
- 15. Quick Guide to eAuctions**
- 16. Public Procurement Checklist**
- 17. Frequently Asked Questions**
- 18. Green Public Procurement in Europe**
- 19. Guide to Public Sector Aggregation in Ireland**
- 20. Framework For Corporate Plans Consultancy: Users Guide 2008**
- 21. Market Supply Analysis - Guidance Note**
- 22. European Court of Justice Case Law & other Legal Opinion**
- 23. Buying Innovation: The 10 Step Guide to SMART Procurement and SME Access to Public Contracts**

24. Circular 10/14 & Guidance on measures to facilitate participation of SMEs in public procurement

25. Green Tenders - An Action Plan on Green Public Procurement

Appendix I

Purchase Order Approval Financial Limits by Grade (Agresso)

Note: Approver must be linked to budget holder

Grade	Position	Approval Limit Expenditure €
Grade III	Clerical Officer	1,000
Grade IV	Asst. Staff Officer	1,000
Grade V	Staff Officer	10,000
Grade VI	Senior Staff Officer	40,000
Grade VII	Administrative Officer	50,000
Grade VIII	Senior Executive Officer	200,000
Senior Management	Director Of Service	500,000
County Manager	County Manager	500,000 +

Note: Directors of Service may have their approval limits adjusted on prior authorisation from the County Manager

Appendix II

ERDF: OVERSEEING PROJECT -STAFFING STRUCTURE

The following are the key senior staff responsible for the management of this ERDF co-financed project: -

Director of Services: _____

Administrative Staff

Grade	Name	Responsibilities*
Senior Executive Officer		
Administrative Officer		
Senior Staff Officer		
Staff Officer		
Assistant Staff Officer		
Clerical Officer		

Professional/ Technical Staff

Grade	Name	Responsibilities*
Senior Engineer/Planner		
Senior Executive Engineer/Planner		
Executive Engineer/Planner		
Executive Technician		
Technician Grade 11 Technician Grade 1		

PROJECT – Site Management staff

Grade	Name	Responsibilities*
Resident Engineer		
Assistant Resident engineer		
Site technician level 1		
Site technician level 2 Officer		
Clerical Officer		

*The staff member's specific tasks in relation to financial management and control procedures

4.0 MONITORING AND CONTROL OF EXPENDITURE

The following constitutes eligible expenditure for the purposes ERDF co-financing: _

Contract Expenditure Costs	Contract costs directly attributable to the project
Direct Labor Costs	The cost of direct labour by council employees, supported by wage rates, timesheets, diaries which demonstrates that the cost is directly attributable and charged to the project
Machinery hire / discharges	The cost of hired plant/machinery or Monaghan's machinery discharge rates supported by hireage/discharge rates in annual tender price list
Direct materials cost	Cost of materials consumed on project supported by unit costs per annual tender list and delivery dockets which demonstrates that the materials were actually received, used and charged
Direct Expenses / Overheads	Other expenses related to project, supported by probative documentary evidence, which demonstrates that the cost is appropriate, attributable and charged. ie. travel cost based on claim per authorized mileage rates

Checklist:-

- Expenditure must be in **accordance with EU regulation EC 1685/2000**, which details 12 expenditure eligibility rules
- Maintenance and retention of all payroll costs. Record of timesheets not sufficient for payment to employees who divide their time between different jobs. Diary of times and work carried out must be documented and kept on file.

- Internal Control Procedures (supervision, segregation of duties) in place to ensure that payments are not made before delivery/ transactions are carried out should be detailed.
- Cross referencing of expenditure with income details.
- Standard checking to ensure no duplicate claims are made and that transactions are separately identifiable.
- Maintenance of Checklists for completion of Claim.
- Ongoing observance of eligibility rules.
- Maintenance of a scheme file
- Verification of deliverables against plans, invoices, expert reports etc and, where appropriate, on the spot checks.
- Presence of supporting documentation for accounting records including retention of copy invoices where necessary.
- Completion of Form B1 as required involving verification and certification of expenditure.
- Completion of Final Account checklist.
- A clear audit trail is represented in the Agresso Financial Management System through its reporting facilities.
- All supporting documentation will be retained in accordance with Article 38.6 of Council Regulation (EC) 1260/99 (For a period of three years after the closure of the programme).
- Internal Audit will carry out systems based audits, as required under the cascade agreements
- Checking that the project complies with EU funding criteria and that appropriate national co-funding has been made available.

Eligible Expenditure

Commission Regulation EC No. 1685/2000 sets out rules detailing type of expenditure that can be co-financed under the Structural funds. The rules cover areas which have proved the most problematic to judge in terms of eligibility under the structural funds and are designed to eliminate uncertainties over what is or is not eligible.

The regulation condenses the existing regulations into the following 12 headings:

1. Expenditure actually paid out
2. Accounting treatment of receipts
3. Financial and other charges and legal expenses
4. Purchase of second hand equipment
5. Purchase of land
6. Purchase of real estate
7. VAT and other taxes and charges
8. Venture capital and loan funds
9. Guarantee funds
10. Leasing
11. Costs incurred in managing and implementing the Structural funds
12. Eligibility of operations depending on location.

Further detail – access - <http://eustructuralfunds.gov.ie/nsrf-2007-2013/>

Appendix III : Prompt Payment Of Accounts

- 1) The provisions of the Prompt payment of Accounts Act 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations (SI No. 388) 2002 applies to all purchases of goods or services supplied in the local authority sector.
- 2) Payment to suppliers for commercial transactions **must** be made **within 30 days** of receipt of the invoice, unless an alternative payment period is specified in an agreed contract. If the invoice is not paid within this time frame an interest penalty will accrue.
- 3) All invoices must be date stamped with date of receipt. This is the date, which starts the clock ticking, in determining if a liability to payment of interest arises. All Plant Hire documents must be accompanied by an appropriate invoice.
- 4) On receipt of an invoice it must be checked to ensure that it is adequate and sufficiently accurate. Where it is found to be deficient in either of these respects it must returned to the supplier, accompanied by a written statement outlining the defects. Copies of such letters with copy invoices, should be carefully retained for Audit purposes. The dates for payment of returned, corrected or replacement invoices must then be complied with. The payment period starts to run again from the date the supplier provides the information requested or amends the invoice.
- 5) In a case of a dispute, written evidence must be kept for audit purposes. When the dispute is resolved, the invoice should be re-stamped and a copy of the correspondence should be attached.
- 6) In any situation where credit terms greater than those provided for under the legislation are negotiated with a supplier, these should be advised to the Finance Director.
- 7) It is Council policy to comply with the provisions of the Act and Regulations. Each section must therefore ensure that it has an adequate system in place, for monitoring the payment of each valid invoice by its prescribed payment date.

- 8) If a situation arises where the prescribed payment date is not met, an interest payment becomes due. The regulations provide that unless otherwise specified in an agreed contract, the interest rate will be the European Central Bank main refinancing rate plus 8 percentage points. The ECB rates in force on 1st January and 1st July apply for the following six months in each year. **From the 1st January 2014, the late payment interest rate is 8.25% per annum (that is based on an ECB rate of 0.25% as at 1st January 2014, plus the margin of 8%). That rate equates to a daily rate of 0.023% per day.** Penalty interest due for late payments should be calculated on a daily basis. The ECB rate can be checked on the Central Bank and Financial Services Authority of Ireland website: www.centralbank.ie. Any such situation must be specifically accounted for and should be brought immediately to the attention of the Finance Director, who shall arrange for the calculation and charging of the interest sum and for the issue of the relevant interest penalty notice. Where the payment of prompt payment interest arises the purchase order is processed by the relevant section.
- 9) The 1997 Act placed a specific obligation on the Local Government Auditor to monitor compliance with its provisions.
- 10) The conditions for public tenders and contracts should state the legal obligation on main contractors to pay their subcontractors and suppliers in accordance with the Prompt Payment of Accounts Act, 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulations 2002.

Further details on the Prompt Payment Act 1997 and E.C.(Late Payment in Commercial Transactions) Regulations 2002 can be accessed on following websites:-

<http://acts2.oireachtas.ie/zza31y1997.1.html>

<http://www.entemp.ie/enterprise/smes/latepay.htm>

Appendix IV : Supplier Set Up Form

SUPPLIER SETUP/AMENDMENT REQUEST FORM
Enter Name of Section/Town Council _____
Completed by: _____

SETUP TYPE	1 or	Setup (New)	<input type="checkbox"/>	Supplier Number
	2	Amendment		

Please indicate category of supplier:
NB. This box must be completed

1. Normal Trade Supplier
2. Staff / Member
3. Higher Education Grants
4. Other Grants (Housing/amenity/private wells etc.
5. Other Local Authorities
6. Revenue Commissioners
7. Payrol Deductions

If a Trade Creditor please indicate type: *
(a, b or c, see below)

Have you requested a Tax Clearance Certificate and PPSN No. ?

** Types of trader*

Yes No

a. Sub - Contractor **

b. Withholding Payment Supplier (Professional/ legal consultancy fee)

c. Normal Payment Supplier

**** N.B. From 1st Jan. 2012, staff must complete all sections of the new "Subcontractor Contract Details Set up Form". Subcontractors must provide proof of identity to the Local Authority eg. a copy of their passport, driver's licence which must be witnessed and verified by a Council Staff member.**

Have you completed the Subcontractor Contract Details Set up Form

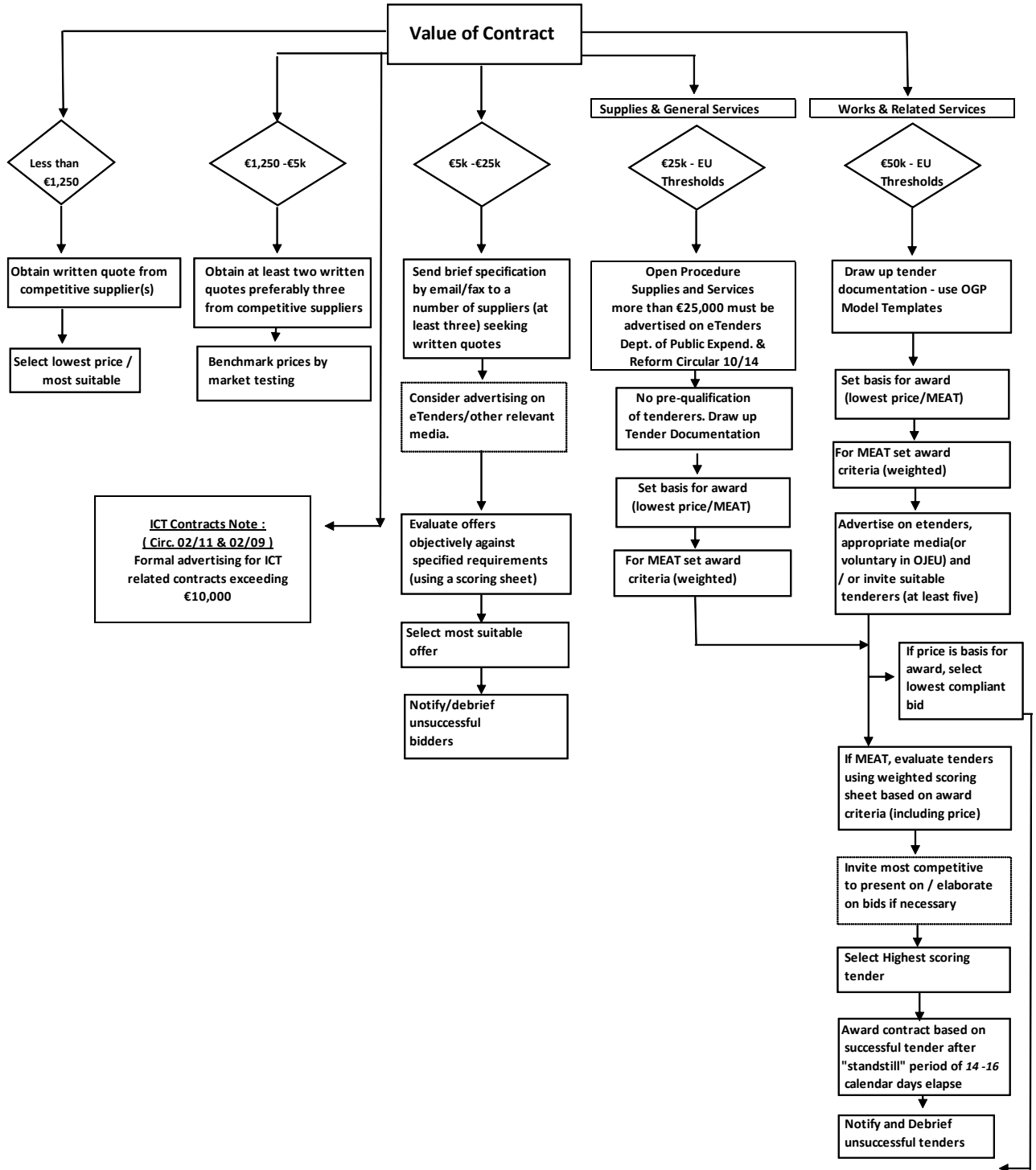
Yes No

Brief description of goods supplied/type of service or fee:

Supplier Name:	
Address 1:	
Address 2:	
Address 3:	
Address 4:	
Contact Name	
Position in Company	
Phone No:	
Mobile No:	
Fax No:	
e-mail Address:	
Company Reg. No	
V.A.T. Registration No:	
PPSN No:	
IBAN No: (Bank Details)	
BIC No: (Bank Details)	

Please ensure that this form is fully completed. For further information contact Finance Section Extn. 231

Appendix V : Steps in conducting a Competitive Process for contracts below EU thresholds



Appendix VI : Managers Order

Section 151 of the Local Government Act 2001 outlines the following;-

“(1) The manager shall in carrying out the executive functions for each local authority for which he or she is manager act by a written order signed and dated by him or her in respect of the functions to which this section applies.

(2) This section applies to every executive function which-

- a) is required by this or any other enactment to be done by order of a manager,
- b) is mentioned in **Schedule 15** (See below)
- c) is designated by order made by the Minister under subsection (9), or
- d) is considered by the manager to be of sufficient importance to be done by order.”

Local Government Act 2001

SCHEDULE 15

Functions to be done by Manager’s Order

1. A decision on an application under any enactment for a grant of a permission, approval, permit, consent, certificate, licence or other form of statutory authorization.
2. A statutory notice served under the provisions of any enactment requiring compliance with such enactment.
3. A decision to take legal proceedings.
4. The acquisition or disposal of land or an agreement regarding the use of land.
5. The letting of a dwelling.
6. The acceptance of a tender.
7. The award of grants, loans or other financial assistance.
8. The appointment of staff.

Appendix VII : Reverse Charge VAT on Construction Services

The “Reverse Charge” applies to Principal Contractors and Subcontractors involved in Construction Services (see definition below) to which Relevant Contracts Tax (RCT) applies (but excluding haulage for hire).Local Authorities who receive construction services are principle contractors for RCT purposes and the person who contracts to provide such services is regarded as a subcontractor.

Invoices from subcontractors for construction services should **not** include VAT (Invoice net of VAT). Invoices should contain the statement **“VAT ON THIS SUPPLY TO BE ACCOUNTED FOR BY THE PRINCIPAL CONTRACTOR”** and display the VAT registered number of the subcontractor. No VAT should be paid over to subcontractors on invoices issued on or after the 1st September 2008. Instead of paying VAT to the subcontractor, the Local Authority will now account for the VAT liability on the subcontractors supplies directly to the Revenue on the bi-monthly VAT return. Where RCT is deducted it should be calculated on the **VAT exclusive** amount. The “two-thirds rule” does not apply where the Reverse charge applies.

Definition of Construction Operations (Sec 530 Tax Consolidation Act 1997)

“construction operations” means operations of any of the following descriptions-

- a) The construction, alteration, repair, extension, demolition or dismantling of buildings or structures,
- b) The construction, alteration, repair, extension or demolition of any works forming, or to form, part of the land, including walls, roadworks, powerlines,(telecommunication apparatus,) aircraft runways, docks and harbours, railways, inland waterways, pipelines, reservoirs, water mains, wells, sewers, industrial plant and installations for purposes of land drainage,
- c) The installation in any building or structure of systems of heating, lighting, air-conditioning, soundproofing, ventilation, power supply, drainage, sanitation, water supply, burglar or fire protection,

- d) The external cleaning of buildings (other than cleaning of any part of a building in the course of normal maintenance) or the internal cleaning of buildings and structures, in so far as carried out in the course of their construction, alteration, extension, repair or restoration,
- e) Operations which form an integral part of, or are preparatory to, or are rendering complete such operations as are described in paragraphs (a) to (d), including site clearance, earth moving, excavation, tunnelling and boring, laying of foundations, erection of scaffolding, site restoration, landscaping and the provision of roadways and other access works,
- f) Operations which form an integral part of, or are preparatory to, or are rendering complete, the drilling for or extraction of minerals, oil, natural gas or the exploration for, or exploitation of, natural resources,
- g) The haulage for hire of materials, machinery or plant for use, whether used or not, in any of the construction operations referred to in paragraphs (a) to (f).

Appendix VIII : eRCT Contract Notification Requirements

Contract Notification requires much of the detail that was requested on the RCT1 form which was abolished on 31st December 2011. This information must be pre-loaded on to Agresso FMS and the files updated on to the Revenue online system (ROS). **It is the responsibility of staff members who have conducted negotiations and agreed to enter into contracts with new subcontractors to ensure that the necessary RCT taxation requirements are identified and complied with. Staff must complete all sections of the new “Subcontractor Contract Details Set up Form” before a supplier code can be entered on the Agresso Financial Management system.** Each relevant contract with a new subcontractor must be notified to Revenue online upon entering into the contract. Subcontractors must give sufficient information to the Local Authority in relation to the contract, in particular name and tax reference number so that Revenue can identify the subcontractor. Subcontractors must provide **proof of identity** to the Local Authority eg. a copy of their passport, driver’s licence or details of their tax registration and documentary evidence of the identity must be retained in a secure file as documentary evidence of proof of identity. As part of the Contract Notification process the Local Authority as Principal contractor will be required to enter:

- A declaration by the Local Authority that the contract they are entering into is not a contract of employment.
- The subcontractors name and tax reference number.
- Confirmation on whether the subcontractor has a fixed place of business in the state.
- Sector of business, construction, forestry.
- The nature of the work.
- The locations where the work will be carried out.
- The date the work commenced.(Start date cannot be later than the date the contract is registered).
- The end date of the work. (End date cannot occur before the date the contract is registered).

- The estimated value of the contract (Vat exclusive amount as the Local Authority is required to account for Vat on the Reverse Charge basis).

Where a Local Authority attempts to register a new contract and the Subcontractors tax reference does not match the Revenue reference number, the contract notification will fail. The Contract notification should be amended to the correct tax reference number, or if the Local Authority cannot verify the subcontractor's tax reference then this fact must be identified on the Contract notification by ticking the relevant box.

Once this box is ticked, the Revenue will require the Local Authority to provide further information:-

- The subcontractors address
- The subcontractors contact information (Mandatory to provide one of the following, phone number, mobile number or an email address)
- If the subcontractor is registered for tax in another country, information required includes the name of the country that the individual is registered in and their tax registration number in that country.
- Where the subcontractor is an individual , the individuals date of birth
- Where the subcontractor is a partnership, the name and date of birth of the precedent partner.
- Where the subcontractor is a company, the CRO reference number.

Where a subcontractors tax reference number is not available, the subcontractor will be subject automatically to the 35% rate of RCT until they engage with the Revenue Commissioners. The Revenue will use the information provided by the Local Authority to establish contact with the subcontractor.

The Local Authority will also be **obliged to notify the unregistered subcontractor in writing within 7 days** of notifying the contract to the Revenue or before making a payment to the subcontractor, whichever is earlier, that:

- Revenue are unable to verify their identity
- RCT at 35% will apply to any payment to that subcontractor, and
- The subcontractor should contact Revenue with a view to clarifying their identity.

The **Subcontractor Contract Details Set up Form** for RCT purposes is included on following page :-

Subcontractor Contract Details Set up Form:

Date on which contract will commence: Contract Value: €

Description of contract:

Duration of Contract:

Materials Plant/Equipment provided by the subcontractor:

Address of site where contract will be carried out:

All questions must be answered. Please X the appropriate box

NB –PHOTOGRAPHIC ID MUST BE VERIFIED AND SUBMITTED WITH FORM

Will the Subcontractor:

	YES	NO
-Supply materials?	<input type="checkbox"/>	<input type="checkbox"/>
- Provide plant and machinery necessary for the job other than hand tools?	<input type="checkbox"/>	<input type="checkbox"/>
- Engage helpers, subcontractors at his/her own expense?	<input type="checkbox"/>	<input type="checkbox"/>
- Receive an agreed contract payment(s) without entitlement to pay for overtime, holidays country money, travel and subsistence or other expenses payment?	<input type="checkbox"/>	<input type="checkbox"/>
- Be excluded from the industry pension and sick pay schemes, if a sole trader?	<input type="checkbox"/>	<input type="checkbox"/>
- Organise his/her own transport to and from sites?	<input type="checkbox"/>	<input type="checkbox"/>

Does the Subcontractor:

- Have a fixed place of business to take orders, bookings for contracts, store materials and equipment etc?	<input type="checkbox"/>	<input type="checkbox"/>
- Cost and agree prices for jobs?	<input type="checkbox"/>	<input type="checkbox"/>
- Provide his/her own insurance cover as appropriate e.g. public liability etc?	<input type="checkbox"/>	<input type="checkbox"/>

Is the Subcontractor:

- Free to choose the method to be employed in carrying out the work without the direction or control of the site foreman/overseer? (Note – Exception Construction Sector)	<input type="checkbox"/>	<input type="checkbox"/>
- In business on his or her own account and able to provide the same services concurrently to others?	<input type="checkbox"/>	<input type="checkbox"/>
- Exposed to financial risk including bearing the cost of making good faulty/substandard work and overruns?	<input type="checkbox"/>	<input type="checkbox"/>
- Registered for Value Added Tax if appropriate?	<input type="checkbox"/>	<input type="checkbox"/>

Declaration:

We declare that:

to the best of our knowledge and belief all of the particulars given by us in this form are correctly stated.

We have read and understand the guidelines contained in the Code of Practice for Determining Employment or Self-Employment status of individuals on the distinction between a contract of Employment (employee) and relevant contract (self-employed).

Having regard to the guidelines referred to in (ii) above we have satisfied ourselves that in our opinion the contract (described above) which we propose to enter into is **NOT** a contract of employment

Signature of Principal Contractor

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	D	M	M	Y	Y

Signature of Subcontractor

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D	D	M	M	Y	Y

Appendix IX : Ethics in Public Procurement (Extract)

1. Introduction

The purpose of this note is to provide information to assist public sector buyers to conduct purchasing in a way that satisfies probity and accountability requirements and to offer a framework within which contracting authorities may wish to draw up more detailed internal procurement procedures relevant to their own activities.

These guidelines do not purport to be a legal interpretation of the relevant legislation or Circulars. Accordingly, contracting authorities should familiarise themselves thoroughly with the provisions applying.

2. Guiding Principles

It is very important that the public procurement function is discharged with probity, transparency and accountability in a manner that secures best value for public money.

Probity requires the purchasing process to be conducted

- ethically;
- honestly; and
- with fairness to all participants

Transparency and *accountability* require that the basis for decisions is demonstrably clear and objective and that the purchaser is held to account for the conduct of the procurement process.

Contracting authorities must be cost effective and efficient in the use of resources while upholding the highest standards of integrity. Procurement practices are subject to audit and scrutiny under the Comptroller and Auditor General (Amendment) Act 1993 and Accounting Officers are publicly accountable for expenditure incurred.

Management in contracting authorities should ensure that there is an appropriate focus on good practice in purchasing and, where there is a significant procurement

function, that procedures are in place to ensure compliance with all relevant guidelines.

3. Probity

In the context of procurement, the aim should be that individuals and organisations are trusted and respected by those with whom they deal and that business is conducted by all parties not only efficiently but in a fair and reasonable manner. Some of the practical implications of ensuring probity in procurement are set out in the following sub-sections.

3.1 Legality

There is an obligation on officials to exercise their powers lawfully. Officers must be aware of the provisions of the various Acts, Directives, regulations, policies and procedures that are relevant to their function. Compliance with national and EU legal requirements is a duty owed to contractors, suppliers, and service-providers by awarding authorities. Contractors, suppliers, and service-providers who have been treated unfairly or whose rights have been infringed in the public procurement process have a right to legal redress under EU remedies Directives.

If officials are unsure of the legal, policy or procedural requirements, they must seek advice from their line managers.

Monaghan County Council's Internal Audit have a detailed policy statement on Fraud Prevention and Fraud Contingency Plan which may be accessed at: <http://lanet-monaghan/Intranet/Documents/Internal%20Audit%20Unit/monaghan%20fraud%20plan%20adopted%202014.doc>

3.2 Disclosure of Interest

Any form of personal interest which may impinge, or might reasonably be deemed by others to impinge, on a public official's impartiality in any matter relevant to his or her duties should be disclosed in writing to line management. Personal interest includes an interest of a relative or connected person. Line management must then decide if the exercise should be dealt with by another member of staff or seek further advice.

3.3 Gifts

Public officials should not accept benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity. The actions of public officials must be above suspicion and not give rise to any actual or

potential conflict of interest and their dealings with commercial and other interests should bear the closest possible scrutiny.

It is not possible to give guidelines for every conceivable situation that may arise but if a doubt arises about a particular situation line management should be consulted. The following general guidelines provide a framework within which decisions in this area can be made or local rules formulated:

- Gifts must never be solicited, directly or indirectly.
- Subject to local rules, an official may accept and retain gifts of low intrinsic value. Any gift of more significant value should be refused. The policy of the contracting authority and the ethical rules that apply to public officials should be explained to the donor so that reasons for refusal are not misunderstood or offence caused. Particular care should be taken in relation to offers of gifts from donors who stand to derive a personal or commercial benefit from their relationship with the contracting authority concerned.
- Cash, gift cheques or any vouchers that may be exchanged for cash may not be accepted regardless of the amount.
- Public purchasers must never solicit sponsorship for social, sporting, charitable or similar organisations or events from contractors, suppliers or service providers. Where such sponsorship is offered, it may only be accepted when expressly approved in writing by management. (This is not intended to relate to instances of appropriate and acceptable sponsorship of projects or activities which are related to a contracting authority's official activities and are otherwise in accord with public procurement rules).
- Public purchasers must not seek or accept special facilities or discounts on private purchases from contractors, suppliers or service providers with whom they have official dealings.

It should be noted that the Prevention of Corruption Acts 1889 to 2001, as amended by the **Ethics in Public Office Act 1995**, provide that money, gifts or other consideration received by a public official from a person holding or seeking to obtain a contract from a public body is deemed to have been received corruptly unless the contrary is proved.

3.4 Hospitality

Normal business practice may occasionally justify accepting routine / modest hospitality from suppliers provided that:

- The frequency and scale of hospitality is not allowed by the recipient to reach a position whereby he or she might be, or might be reasonably deemed by others to have been, influenced in making a business decision as a consequence of such hospitality.
- The number of officers availing of the hospitality is kept to a minimum.
- Invitations do not include provisions deemed to be excessive, such as significant travel, overnight accommodation or trips abroad.
- Availing of the hospitality does not identify the contracting authority in a public way with any particular contractor, supplier or service provider.

Under the Civil Service Code of Standards and Behaviour, which applies to central government departments and offices, offers of hospitality should be reported to line management. Particular care should be taken where suppliers are in the process of tendering for business. In this regard there should be no acceptance of gifts or hospitality from contractors, suppliers or service providers involved in a current tendering process.

4.0 Transparency and Accountability

Procurement transactions and decisions must in all respects be fair, equitable and ensure value for money. Contracting authorities must be able to justify decisions made and actions taken.

In organising the procurement function, management in contracting authorities must ensure appropriate separation of duties within the procurement cycle. For example, insofar as possible, ordering and receiving goods and services should be distinct from payment for goods and services.

Accurate written records (including computer records) are essential in demonstrating that proper ethical standards have been observed. Therefore, appropriate records should be maintained throughout the purchasing process. These records should provide an audit trail of the reasons for making a particular

procurement decision. The type and detail of information that is recorded should be specified in local procedural guidelines and will depend on the complexity or sensitivity of the particular purchasing issue.

5.0 Confidentiality of Information

The basic rule is that commercially sensitive information must be kept secure and never used for personal gain or to prejudice fair competition. Information on individual contracts must not be given to the media or any other enquirer (except the individual contractor concerned), without the authority of line management.

Source: National Public Procurement Policy Unit / Government Contracts Committee

Appendix X

Sample Score Sheet for evaluation of tenders – for the delivery and management of a service.

Award Criteria	Quality of proposal for providing service detailed at xxxx of RFT.	Management & service structure proposed	Expertise and skills of personnel assigned to this project	Timeframe for delivery	Proposed Cost of providing service	Total marks awarded
Total Marks Available	70	30	30	20	50	200
Company A	60	24	22	12	30	148
Company B	62	30	27	15	42	176
Company C	49	11	12	15	25	112
Company D	55	22	25	14	40	156
Company E	60	25	16	15	40	156

Appendix XI Example of Tender label

This label should be affixed to the outer envelope containing the tender documents being submitted to Monaghan County Council

TENDER FOR:

**To: Administrative Officer,
 Corporate Affairs
 Monaghan County Council,
 County Offices, The Glen,
 Monaghan.**

Closing Date: (to be inserted by Section prior to issue)

Submitted by:

(Insert name of Company submitting
tender and contact telephone number)

APPENDIX XII Notice to Unsuccessful Tenderers – Award Decision

[Date]

Ref:.....

Dear Sir/Madam,

Further to your tender for the above, I wish to inform you that the evaluation process has just been completed. I regret to inform you that your tender has not been selected for contract award and is unsuccessful.

The features and characteristics of the successful tender show the following as against your tender:

- **Criterion A**
The successful tenderer
- **Criterion B**
The successful tenderer
- **Criterion C**
The successful tenderer
- **Criterion D**
The successful tenderer

A summary of the **reasons for the rejection** of your tender includes the following:

The name of the successful tenderer is

The scores awarded to your tender and to the successful tender respectively are shown overleaf.

Conclusion of Contract

It is anticipated that a contract will be concluded with the successful tenderer following the expiry of the **14 calendar-day standstill period** chosen for this contract in respect of notification electronically.¹ This standstill period will commence on ***the day after*** the date of issue of this Notification of Award Decision. Following the conclusion of the contract, an award notice will be despatched to the Official Journal of the EU.

I would like to take this opportunity to thank you most sincerely for your participation in the competition and to wish you every success in the future.

Yours.....

(your name)
(name of Local Authority)

(Refer to scores next page)

¹ 16 calendar-days if notification is by post.

SCORES OBTAINED

Award Criterion		Maximum Score Available	Your Score	Score of successful Tenderer
(A)	Criterion A			
(B)	Criterion B			
(C)	Criterion C			
(D)	Criterion D			
Total Score				

APPENDIX XIII : Summary of Measures by Contracting Authorities to Facilitate the Participation of SMEs in Public Procurement : Dept. of Public Expenditure and Reform Circular 10/14 dated 16th April 2014:

1. **Market Analysis:** Public sector buyers are instructed to undertake market analysis prior to tendering in order to better understand the range of goods and services on offer, the competitive landscape, and the specific capabilities of SMEs etc.
2. **Sub-dividing Contracts into Lots:** Buyers should, where reasonable and without compromising efficiency and value for money, consider breaking contracts into lots, enabling smaller businesses to compete for these elements.
3. **Consortium Bids:** Buyers to encourage informal groupings of suppliers to bid where possible as consortia in compliance with relevant competition law.
4. **Less use of “restricted” tendering and greater use of “open” tendering:** Buyers should use open tendering for contracts below €134,000 (exclusive of VAT) in the case of advertised contracts for general goods and services. In the case of advertised contracts for works and works related services separate guidance in relation to thresholds will issue shortly. Above these levels buyers should decide which tendering procedure is most appropriate in each case.
5. **Capacity Requirements:**
 - Buyers should ensure that any capacity levels set for candidates/tenderers are relevant and proportionate to the circumstances of a particular contract.
 - Where experience is specified as a qualifying or competitive criterion, it should not be framed in such a way as to unduly narrow a field of eligible tenderers by specifying an exact work type or industry.
6. **Turnover requirements:**
 - In assessing the capacity of a supplier to do a job, buyers, as a matter of general policy, should not for routine (e.g. low-value, high volume) goods and services competitions set company turnover requirements at more than twice the estimated contract value. This is in line with revised European rules and is designed to support SME involvement in public procurement.
 - For non-routine or high risk or bespoke services and/or goods competitions it may be necessary to apply higher requirements.
7. **Innovation :** Buyers should, where possible and appropriate, encourage new and innovative solutions by indicating in tender documents where they are prepared to accept reasonable variants to the specifications.
8. **Framework Agreements :** Breaking framework agreements into lots can be an effective way of opening up opportunities to SMEs. Depending upon requirements, framework agreements can be divided into lots on the basis of geography, specialism and/or value.
9. **eTenders assisting SMEs :** The OGP will continue to promote the optimum use of the eTenders portal as a tool for facilitating the involvement of SMEs in public sector procurement.

- 9.1 Advertising of contract opportunities to promote SME participation:** Buyers continue to be required to advertise all contracts for supplies and services with an estimated value of €25,000 (exclusive of VAT) and upwards on www.etenders.gov.ie. The advertising threshold for works and works related services remains at €50,000 (exclusive of VAT).
- 9.2 Publication of Contract Award Notices :** Buyers are required to publish all Contract Award Notices over €25,000 on the eTenders website on completion of the award. This provision will be effective from 1 August 2014.
- 9.3 Registration and Email Alerts :** OGP encourages suppliers to register with accurate company information on www.etenders.gov.ie to ensure maximum exposure to tendering opportunities within their sector.
- 9.4 Supplier Data Bank :** In relation to goods and services, buyers should encourage suppliers to upload their business details (tax clearance, insurance, health and safety and financial data) on the eTenders system. This data will automatically reload when the supplier revisits the site to tender for other contracts. This facility is aimed at easing the administrative burden of suppliers competing in multiple tenders.
- 9.5 PINs :** Buyers should communicate long term purchasing plans to the market as early as possible by publishing Prior Information Notices (PINs) on the eTenders website.
- 9.6 Requests for Tenders/Expressions of Interest (RFTs/ EOIs):** Buyers should publish RFTs or EOIs on eTenders for direct downloading by suppliers.
- 9.7 Online submission of Tenders :** For goods and services buyers should promote the online submission of tenders by suppliers as the norm as a means of simplifying the tendering process and reducing the costs of tendering.
- 10. Insurance :** Buyers should only require such types and levels of insurance which are proportionate and reasonable in the context of the particular contract. Factors which may be considered by buyers for the supply of goods and general services should include: the risks involved, the value of the contract and the subject matter of the contract.
- 11. Life Cycle Costs :** Where the award of contract on the basis of the most economically advantageous tender (MEAT), the buyer where appropriate should take into account not just the current but the whole life-cycle costs.
- 12. No Charging for Tendering Opportunities:** Buyers must not use arrangements which involve candidates/ tenderers having to pay so as to access competitions for public contracts.
- 13. Feedback:** For contracts above EU thresholds for which advertising of contracts in the Official Journal of the EU is obligatory, buyers are required to give appropriate feedback to companies who have participated in a public procurement competition. For all other contracts buyers are strongly encouraged to provide written feedback as a matter of good practice.

Circular 10/2014 is available to download from the Office of Government Procurement's website, www.procurement.ie.

APPENDIX XIV : INTERREG IVA Procurement Thresholds - Requirements

The thresholds for the INTERREG IVA Programme, which are set out below, have been based on the guidelines applied by the European Commission and the Member States and sourced from the SEUPB. Procurement rules are complex; if there are any doubts about the application of procurement rules, Lead Partners should seek advice. The Lead Partner must obtain written quotations for goods and services as follows:

ESTIMATED VALUE OF ORDER (excluding VAT)	QUOTATIONS/ TENDERS REQUIRED	MINIMUM DOCUMENTATION TO RETAIN
<u>BELOW EU THRESHOLDS</u>		
UP TO €200 (£200)	For contracts of goods and services of up to £200 / €200, evidence of a price-check or quotations is not required providing the costs incurred for the goods and services can be considered reasonable. Therefore, for example, miscellaneous items of stationery can be purchased from a competent supplier without obtaining a price-check or quotes. Depending on the goods / services under question, the project promoter may still wish to obtain a price-check or quotes to satisfy itself that value for public money is being obtained, and it would be considered good practice to do this occasionally. Care should be taken to ensure that contracts for goods and services are not being deliberately disaggregated to bring them under the £200/€200 limit, if this is seen to be happening, the resulting expenditure will be deemed ineligible.	
€200 to €5,000 (£200 to £5,000)	A “price-check” in advance of the contract award with at least 2 competent suppliers who ordinarily supply relevant service to ensure that value for money has been achieved.	<ol style="list-style-type: none"> 1. A price-check can take the form of an oral or written quote, internet check, leaflet, or similar 2. Details of price-checks, should be documented and retained on file for audit purposes. 3. The relevant checklist at Annex2 must be completed and signed

(INTERREG IVA Programme: Guidance Note on Procurement and Tendering

G4/IIVA:Source:http://www.seupb.eu/Libraries/INTERREG_IVA_Reports_Pubs/INTERREG_IVA_Guidance_Note_4_-_Procurement_and_Tendering.sflb.ashx

ESTIMATED VALUE OF ORDER (excluding VAT)	QUOTATIONS/ TENDERS REQUIRED	MINIMUM DOCUMENTATION TO RETAIN
€5,000.01 to €25,000 (£5,000.01 to £25,000)	A minimum of 3 written quotations sought from competent suppliers who ordinarily supply the relevant service.	<ol style="list-style-type: none"> 1. Evidence that appropriate number of quotations were sought from prospective bidders/suppliers. 2. Documentation and/or Terms of Reference sent to all potential bidders/suppliers. 3. All tenders/quotes received and evidence they were received within the specified timeframe (date stamped). 4. Documented evidence of assessment of quotes or where tenders were sought include; signed scoring matrix, minutes of discussion and names of assessment panel members. 5. Correspondence with the successful and unsuccessful bidders/suppliers. 6. Contract or equivalent awarded to winning tender. 7. Documented changes or addendums to contract.
€25,000.01 to € EU threshold (£25,000.01 to £EU threshold)	<p>Full Tender Action</p> <ol style="list-style-type: none"> 1. Advertisement as detailed in documentation 2. In Ireland tenders greater than €25,000 for supply and services contracts and greater than €50,000 for works contracts must be placed on eTenders website. 	<p>As 1 – 7 above and in addition:</p> <p>8. Copy of advertisements in one or more of the following national procurement websites:</p> <p>NI – eSourcingNI Ireland – eTenders Scotland – Public Contracts Scotland And/or regional press.</p>

