



<b>Subject:</b>	Procurement Contract Award Criteria
<b>Date:</b>	22 <sup>nd</sup> March 2019
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects Ronan Cregan, Deputy Chief Executive and Director of Finance and Resources
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<b>Restricted Reports</b>	
<b>Is this report restricted?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>If Yes, when will the report become unrestricted?</b>	
<b>After Committee Decision</b>	<input type="checkbox"/>
<b>After Council Decision</b>	<input type="checkbox"/>
<b>Some time in the future</b>	<input type="checkbox"/>
<b>Never</b>	<input type="checkbox"/>

<b>Call-in</b>	
<b>Is the decision eligible for Call-in?</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	This report updates Members on the basis on which the Council awards contracts i.e. the Contract Award Criteria
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee is asked to <ul style="list-style-type: none"><li>• note the contents of this report.</li></ul>

<b>3.0</b>	<b>Main report</b>
3.1	All procurement exercises carried out by officers on behalf of the Council are subject to, and must comply with, all the statutory requirements of public procurement legislation and with corporate governance. The legal framework in relation to procurement is made up of a number of different elements including EU legislation ( <i>EU Public Contract Directive 2014</i> implemented in the UK by the <i>Public Procurement Regulations 2015 ('The Regulations')</i> ), Northern Ireland legislation and the general law of contract. The Council's corporate procurement processes and governance is compliant with the legislation and follows best practice.
3.2	Evaluation or Award criteria are the criteria used to assess procurement submissions to decide which supplier best meets the council need and thus which supplier is awarded the contract. Officers ensure that Council need is clearly and concisely detailed on the specification, which, in line with Council governance <sup>1</sup> must also include award criteria. This criteria, and only this criteria is used to then assess and award the contract.
3.3	As per <i>The Regulations</i> , and the Department of Finance (NI) procurement guidance <sup>2</sup> , the Council had adopted, and embedded in corporate governance <sup>3</sup> that contract award criteria is based on the <i>Most Economically Advantageous Tender (MEAT)</i> . The application of <i>MEAT</i> enables the Council to take account of quality criteria i.e. those that reflect qualitative, technical and sustainable aspects of the bid as well as cost, and is done using a Price: Quality Ratio, where 'weighting' is applied to each element. The weighting is influenced by a number of factors including the complexity of the procurement exercise, the state of the market place, the importance of the supplies/ service, and the degree of creativity or flexibility that is required in its execution. For example the more complex the project, the more difficult the project will be to manage and control; the more unusual the project the harder it will be to make predictions about resource levels and the skill required of the supplier. Experience, technical competence, management skill and management systems will take on a far more significant level of importance for complex projects. For the price/quality mechanisms to reflect this, quality should carry a heavier weight than price.
3.4	Because of the individual nature of procurements there is no hard and fast rule in relation to ratios however Appendix 1 provides examples based on best practice and HM treasury guidance <sup>4</sup> and should be applies based on specific contract requirements.
3.5	<b><u>Financial &amp; Resource Implications</u></b> There are no financial or resource implications

<sup>1</sup> Belfast City Council Financial Regulations 2015 K4

<sup>2</sup> Department of Finance Procurement Guidance Note 04/2016

<sup>3</sup> Belfast City Council Financial regulations 2015 K7

<sup>4</sup> [http://www.audit-scotland.gov.uk/foi/docs/procurement\\_handbook.pdf](http://www.audit-scotland.gov.uk/foi/docs/procurement_handbook.pdf)

3.6	<b><u>Equality or Good Relations Implications/Rural Needs Assessment</u></b> There are no direct equality implications
4.0	<b>Appendices – Documents Attached</b>
	Appendix 1 – Examples of Indicative Price Quality Ratio

