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Procurement Aide Memoire for Applicants and Grant Recipients

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Introduction

Please note the following table is an 'aide memoire' which outlines the *minimum* procurement documents that should be retained for ESIF Monitoring and Audit purposes for all ERDF and ESF Procurements.

For ERDF projects, there are a number of 'Core Documents' which will need to be submitted to DCLG during the various points of a Procurement which your MA Contact will liaise with you on. For ease these have been highlighted and numbered in the table below, all remaining documents referred to are to be retained by the Applicant/Grant Recipient.

For ESF projects, some of the evidence advised in this document may be requested by DWP, otherwise this is an optional guide for applicants regarding document requirements and what they could be expected to provide during any level of audit.

This document can be used:

- At the outset of any new Procurement to scope out and plan the process
- To check that key documents and evidence is in place as the Procurement progresses for the entire Procurement Lifecycle
- To plan and prepare for Audit and verification visits

This document does not need to be completed and sent to DCLG or DWP, it is merely a guide to support Applicants and Grant Recipients to maintain a robust audit trail during the life of the project and to prepare for Audit and Verification.

For any procurement which took place before the 26 February 2015, please refer to the Procurement Guidance in place at the time and refer to Annex 5 in the ESIF National Procurement Requirements (ESIF-GN-1-001).

This is a single document covering all levels of Procurement (Sub OJEU and OJEU). Not all of the sections will apply to every procurement as this is just a guide and the size and complexity of the procurement will influence the level of audit trail required. This should be used as a guide, and the relevant sections used as appropriate, alongside the ESIF National Procurement Requirements which can be found on the GOV.UK website.

Please note the following is intended as a guide only and should not be substituted for the Grant Recipients own Independent Legal Advice

The following areas should be considered when undertaking Procurements and compiling the Audit trail:

- It is the Grant Recipient's Responsibility to collect and keep records for Audit and Verification in line with the ESIF 14-20 Document Retention Requirements

- In the event that the procurement process is carried out by an external consultant on behalf of the Grant Recipient, it is the Grant Recipient's responsibility to ensure that a full audit trail of the Procurement process and documentation is retained and available for Audit and verification
- Where a Grant Recipient/Applicant is using a framework that was set up by another organisation, the procurement of the underlying framework may still be checked and it's essential that the Grant Recipient/Applicant has access to the relevant framework audit trail documentation, as well as the full call off audit trail.
- In the event that a Project/Procurement Officer leaves the organisation, it is the Grant Recipient's responsibility to ensure that there are contingencies in place and robust systems and files to outline and verify the full Procurement Processes followed
- To ensure continuity and resilience when using e-procurement systems for ESIF projects, screen shots of core documentation should be taken and all evidence placed on a procurement/project audit file

Section 1: Procurement structure, policy and planning

This is a general section which should be considered at the start of the ESIF project and updated if the circumstances of the organisation have changed during the course of undertaking new procurements.

Procurement /Evidence on file?	Y/N	To Note
• Copy of Applicant/Grant Recipient's own **Procurement Policy (1)**including structure chart /job descriptions of those involved in the procurement policy (delegations of authority)		• ERDF Regulations/ERDF Procurement Law Guidelines should be incorporated into/reflected in Procurement Policy • Refer to Chapter 2 and 5 of the ESIF National Procurement Requirements
• Are you a Contracting Authority?		• Written confirmation on file to outline status – particularly where you feel you are not a Contracting Authority • Either within the definition of a "Contracting Authority" under regulation 2 (1)of the Public Contracts Regulations 2015 (PCR 2015)OR if outside of the scope, consider 'Treaty Principles' • Type of Contracting Authority
• **Procurement Plan (2)**		• Best practice is to outline each of the Procurements planned for your project, covering each of the key stages outlined in chapters 4 and 5 of the ESIF National Procurement Requirements. • Include timescales for each stage of the process and identifying a person who is responsible for the day to day delivery of the

		procurement as well as the person who will be responsible for carrying out the gateway checks at the end of each stage of the procurement.

Section 2: Procurement route

The documents outlined below should be held as a minimum for *each* Procurement within your ESIF Projects where appropriate.

Documents to be forwarded to DCLG (as well as retained by the Grant Recipient as part of the full Audit Trail) are highlighted and numbered for ease.

Procurement /Evidence on file?	Y/N	To Note
• Record of estimate of contract value for entire duration of contract (including possible extensions, inflation and uplifts)		• Should be consistent with the financial profile approved in the ESIF application form. • Ensure that there is evidence in place- usually the basis for valuation to be able to demonstrate that contracts have not been artificially split to bring them below threshold or there has been other amendment post award/negotiation which is not compatible with transparency/equal treatment. • **Refer to Chapter 5- Page 22 ESIF National Procurement Requirements in relation to undertaking a valuation**
• Explanation of Procurement procedure selected with justification: ➢ Open ➢ Restricted procedure ➢ Competitive Procedure with negotiation (negotiated procedure) ➢ Competitive Dialogue ➢ Innovation Partnership		• The tendering procedure selected should be proportionate and appropriate for the contract type and value • Where Single Tender (STA) has been identified- justification must be provided and should be in line with the requirements and the form in Annex 2 of the **ESIF National Procurement Requirements. This must be completed and provided to the MA for the file** • Where a procedure other than the

➢ Negotiated Procedure without prior publication (STA) ➢ Framework ➢ Dynamic Purchasing System		open or restricted procedure is used for above threshold procurements, there should be an audit trail explaining the decision taken

Section 3: Procurement advertising

Procurement /Evidence on file?	Y/N	To Note
• Copy of Prior Information Notice if applicable		• Time limits can be reduced to 10 days under a restricted procedure in some circumstances. • Refer to the timescales in Chapter 5, pages 28-29 in the **ESIF National Procurement Requirements.**
• **Copy of OJEU Contract Notice (3)** with reference number if applicable and subsequent modifications (where relevant) together with evidence of communication to tenderers.		• Should contain selection criteria, sub-criteria and any weightings • Should contain award criteria, sub criteria and any weightings
• Copy of Advert/Tender Specification (if below threshold/subject to EC Treaty principles) and subsequent modifications, together with evidence of communication to tenderers		• Where applicable this should include selection and award criteria and budget estimation • Part 4 of PCR 2015 • in the day to day delivery • Ensure sufficient level of advertising has been undertaken and calls for tender are circulated widely enough to ensure real competition for contracts • Ensure that Treaty Principles have been respected.
• List and evidence of 3 quotes sought and received **<** £25k		• Demonstrate value for money and evidence where 3 written quotes have been sought • Particularly important to retain evidence where 3 quotes were sought but only 1 or 2 were received

Section 4: Procurement selection stage

Procurement /Evidence on file?	Y/N	To Note
• List of EOI's received and PQQs issued		• All dates should be noted and retained for evidence • Ensure correct timescales are adhered to
• **PQQ Template (including selection criteria) (4)**		• Should include selection criteria • Timetable for return should be clear, meet Public Procurement Law requirements where applicable and followed at all times • Selection criteria should establish whether bidders have the capability to deliver the contract (for example experience and qualifications). Must be proportionate with the requirements of the specification.
• **Signed PQQ Tender Receipt Log (5)**		• **Each PQQ should be marked with the Date/time received** • Late bids/bids which don't meet requirements should be rejected
• Copies of ALL PQQs as received		• All PQQs must be retained, and not just those which are progressed through to tender stage
• **PQQ Scoring Matrix (6)**		• Only information set out in the PQQs should be considered • Criteria/Weightings should not be amended post publication

• Copy of all PQQ completed score sheets, dated and signed by at least two people and records of any moderation process, **(including a moderated PQQ summary score sheet) (7)**		• Any amendments to scores must be dated and signed by two members of staff accompanied by a file note with justification • Evaluation process must be transparent and ensure the transparency principles
• Copy of decisions adopted in relation to the Composition of PQQ Evaluation scoring panel		
• Copies of feedback letters with PQQ scores		

Section 5: Procurement award stage (Restricted / Open Procedure)

Procurement /Evidence on file?	Y/N	To Note
• List of all ITTs issued		• All dates should be noted and retained for evidence
• Copies of all Tender documents issued, **including Invitation to Tender (ITT) specification including clear award criteria (8)**		• Should include blank ITT Form showing the award criteria • Timetable for return should be clear, in line with Regulations 27-31 and followed at all times • Ensure any variance to timescales (special grounds) is accompanied by a full audit trail • Award criteria should be specific to how the bidder intends to deliver the contract (for example cost, quality, timescale). Must be objective, related to the subject matter and proportionate and transparent.
• **Signed Tender Receipt Log for all tenders received (including time and date of all tenders) (9)**		• Tender receipt and opening record should be retained indicating number of tenders, the amounts bid and the reasons for any withdrawals (should be signed, dated and timed by those present - at least two people)
• Copies of <u>all</u> Tenders as received		• All tenders must be retained, not just the winning tender
• **Tender scoring/evaluation matrix (10)**		• Copies of the Assessment scoring guidelines (quality) should be available • Formulae for scoring (price) • Evidence that checks on Arithmetic

		correctness have been undertaken
• Copy of Tender completed score-sheets, dated and signed by two people including assessment/moderation process **(including a moderated Tender summary score sheet) (11)**		• For restricted (or two-stage) procedures, selection and award criteria should not be duplicated • Where scores have been moderated there should be a clear audit trail of this and the relevant justification
• Copy of decisions adopted in relation to the Composition of Evaluation Committee		
• Copies of minutes of the tender Evaluation committee		• Particularly relevant where the award is based on MEAT criteria (most economically advantageous tender) and winning bidder was not the cheapest or the one with the highest score
• Copies of Correspondence (ITT questions and answers)		• To include a log of 'questions and answers' received from tenderers and communication to the remaining bidders within the deadline to ensure openness and transparency
• If any interviews /written clarification took place, records of questions asked and responses.		• Did the ITT include the prospect of interviews/written clarification? • If further evaluation took place-retain copies of score sheets • Scores pre and post interview should be retained
• Decision Papers i.e. board minutes in relation to award of contract		
• **Copy of Tender Evaluation Report (12)**		
• Copies of letters to unsuccessful tenderers giving an appropriate		• This should include all of the relevant information set out in Regulation 86 of

standstill period (if appropriate i.e. OJEU) **(one example of Standstill letter to be provided to DCLG) (13)**		the Public Contracts Regulations 2015
• Information on possible allegations/complaints (and any possible subsequent legal proceeding)		
• **Copy of award letter (14)** and the signed contract		• To include name of winning bidder and basis for award
• **Copy of OJEU award notice with reference number (14)**		• This should include evidence that the notice was published within the required timescales set out in Regulation 50 of the Public Contracts Regulations 2015
• Record of any variations/amendments with the successful bidder post award		• Any decisions or amendments taken following the award of the contract should be clearly documented and should take account of Regulation 72 of the Public Contracts Regulations 2015

Section 6: Framework Agreements (FA) and Dynamic Purchasing Systems (DPS)

Procurement /Evidence on file?	Y/N	To Note
• If the framework you are using has been established by another CA, confirm you are in receipt of the full audit trail		• It's essential that the core framework documentation is available to you in the event of an audit, even if it belongs to another organisation.
• Evidence to confirm that you are permitted to use the framework/DPS -i.e. named within the OJEU Notice		
• Evidence to confirm that contractors/suppliers were appointed to the project within the *term of the framework* Agreement/joined the DPS during its validity		• The contract must have been let while the framework was in date. Framework agreements normally have a standard life of 4 years
• Evidence to confirm how contractors/suppliers were appointed and that this was in accordance with the framework/DPS selection and exclusion criteria		• The award of the contract underneath the framework/using a DPS will be tested and a full suite of documentation will be required depending on the route followed