

BGP2 PROCUREMENT GUIDANCE NOTES

Whilst the information below is aimed to be helpful guidance to assist the Grant Recipient when considering their procurement obligations, Grant recipients should be aware that the funding is from the European Regional Development Fund and is subject to the Public Procurement Regulations. Grant Recipients are advised to refer to the ESIF Guidance for full guidance as to the extent of the regulations they are subject to and if necessary obtain independent procurement advice. Assuming that the Grant Recipient is not a contracting authority, they will still be required to comply with the National Rules, details of which are contained within European Union Procurement Law Guidance.

It must be noted that the procurement process, through direct award, quotations or tenders can be commenced at your own risk and should not be reliant upon receipt of the grant, but the Grant Applicant must not enter into any financial or contractual arrangement with those bidders before the awarding of the grant and most definitely not before the date that the Funding Agreement is signed by the Grant Recipient. To be clear, any expenditure prior to the date that the Funding Agreement is signed, dated and returned cannot be claimed.

As this programme is managed by Birmingham City Council, a minimum of three written quotations are secured and provided with your application for all expenditure* above £1,000 along with evidence the relevant process below has been followed. It is seen by Birmingham City Council as a good practice that should be adopted to show that a single quotation has not been accepted and the relevant procurement competition process explained below has been adopted. This may, in the event of an audit by ERDF, which could take place over a 10 year period, provide some safeguard to your decision made on procurement in the longer term. For all expenditure, the suppliers must not be persons or businesses connected to your business, directors or shareholders.

*One item or the sum of many items from one supplier

BGP2 Procurement Requirements

Value of contract	Minimum Procedure	Advertising Required
£0 - £1,000	Direct award - A written quote or price sought from relevant supplier against a clear specification	None
£25,000 - £181,302 (services) and £4.5m (works)	<p>The advert needs to incorporate or direct any interested party to the following information:</p> <ul style="list-style-type: none"> • Details of the opportunity • What is required from all interested parties • How successful candidate will be chosen • Deadline and details of how to apply <p>Justification will also be required to demonstrate that the contract award is in line with the advert</p>	Advertise the opportunity on the grant recipients/or other appropriate website for 10 days.
£1,001 - £181,302 (supplies)	3 written quotes or prices sought from relevant suppliers against a clear specification	None
£1,001 - £24,999 (services) and (works)	Justification that a reasonable decision has been made on the basis of the quotes/prices	
Over £181,302 (services and supplies) and £4.5m (works).	<p>The advert needs to incorporate or direct any interested party to the following information:</p> <ul style="list-style-type: none"> • Details of the opportunity • What is required from all interested parties • How successful candidate will be chosen • Deadline and details of how to apply <p>Adhere to the Guidance on Identifying, Managing and Monitoring Conflicts of Interest within ERDF and ESF, and submit a declaration to MHCLG or DWP;</p> <p>Impartially assess each bid against the same criteria and demonstrate this through use of a score/evaluation sheet; and</p> <p>Provide evidence to demonstrate that the winning bidder has been selected on merit – as a minimum this should include a rationale behind the decision to award</p>	Advertise the opportunity on the grant recipients/or other appropriate website for 10 days.
<p>For all expenditure, the suppliers must not be persons or businesses connected to your business, directors or shareholders.</p> <p>Complete section 9. Project Costs, provide evidence: List each project expenditure item and your preferred quotes business name and give a brief reason for your selection in each case.</p> <p>Breakdown of spend per category: Purchase of capital equipment, Relocation/Expansion/Start-Up Cost, New Product Development, Market development and Building Information Modelling (BIM)</p> <p>The supporting proposals, tender documentation or three quotes for each item* above £1,000 relating to expenditure as listed in the project costs as explained in this document. These files need to be named in accordance to the different expenditure listed in the table under the Expenditure fields. This will assist in determining if the procurement requirements have been met.</p> <p>*one item or the sum of many items from one supplier</p>		