



**Northern Ireland  
Community Relations Council**

**Procurement Policy and  
Procedure**

**April 2025**

# Document Control

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## 1. Introduction

- 1.1 The policy of the Community Relations Council is to purchase all its goods and services ethically with regard to the need to promote equality of opportunity and sustainability in its procurement process, whilst ensuring that they are both required and suitable for carrying out the purposes of the Community Relations Council. The Community Relations Council aims to ensure that the best value for money (Vfm) is being obtained and that its resources are being used to the greatest benefit.
- 1.2 Unlike the private sector, where money is offered by investors who agree to take risks in order to secure a reward, the money we spend in the public sector are tax receipts from citizens who have no choice but to provide them, and therefore we owe them a greater duty of care in our expenditure.
- 1.3 When proposing to spend Public Money, guidelines must be followed to ensure that the principles of regularity, propriety, probity and value-for-money are achieved. Any proposal must be subject to scrutiny and approval, **prior** to any money being committed.

- 1.4 Competition promotes economy, efficiency and effectiveness in public expenditure. Goods and services should be acquired through competition unless there are convincing reasons to the contrary. Subject to the purchaser's legal obligation, for example under EC rules, the form of competition chosen should be appropriate to the value and complexity of the goods, works or services to be acquired.
- 1.5 All expenditure must be properly authorised by means of delegation limits set out in this document. The Community Relations Council procurement policy seeks to ensure compliance it's with Financial Memorandum Management Statement, Managing Public Money NI and Department of Finance (DOF) Public Procurement Policy and [Procurement Policy Notes](#) as well incorporating relevant guidance from the Central Procurement Directorate, the Department of Finance and Personnel and *The Executive Office Summary Policy and Procedures for the Approval of Departmental Expenditure*
- 1.6 If these requirements are not met the expenditure will be deemed irregular and in some cases illegal. Where there is no legislative requirement for a specific approval (such as by Ministers or the Department of Finance (DoF)) expenditure or resource consumption without the relevant approvals is irregular. If the approver grants retrospective consent to such irregular expenditure, the transaction is treated in the resource accounts as if it had achieved consent in time. When legislation requires a specific approval, any expenditure or resource consumption without such consent is illegal. In such cases retrospective consent cannot confer legality.
- 1.7 Economic appraisals/business cases are decision-making tools designed to help us ensure we are spending money wisely and achieving value for money. A business case/justification is required irrespective of the level of expenditure, with the principles of economic appraisal applied, with appropriate and proportionate effort, to all decisions and proposals for spending or saving public money and grant schemes, before any call for application, and any other decisions or proposals that involve changes in the use of public resources.
- 1.8 Any new expenditure valued at less than £5,000, which is not considered novel, contentious, related to a programme or requiring DoF Supply approval i.e. routine administration expenditure, will not require a formal business case but a proportionate written justification should be held by the respective business area. However all external consultancy expenditure, regardless of value, must be supported by a business case.

- 1.9 Department of Finance current guidance (FD (DOF) 20/09 on the appraisal, evaluation, approval and management of policies, programmes and projects is set out in the NI Guide to Expenditure Appraisal and Evaluation (NIGEAE). It is a ten step approach to simplify the practice of carrying out economic appraisals and evaluations. Standard templates are available to support business case completion that vary depending on the nature and complexity of the expenditure decision/assignment. The correct template can be obtained from the Directorate of Finance, Administration and Personnel (DFAP).
- 1.10 It is important that the resources devoted to the preparation of business cases are proportionate to the scale and importance of the associated objectives and resource consequences. The principle of proportionate effort is set out in FD (DOF) 11/13 and NIGEAE, which stress in particular, that the strategic context within a business case should be kept very brief, focused and normally be no more than two pages
- 1.11 It is critical that appraisals identify and include the total cost consequences of the different options being evaluated and that mutually dependent expenditure is appraised together. For example, an appraisal for the construction of a building must take account of all associated costs arising, such as land purchase, infrastructure, equipment fit-out and the annual running costs. It would be wrong to appraise any of these costs separately, in a piecemeal fashion, since they are interdependent. They must be appraised together to ensure that the total resource consequences of a proposal are identified. Projects must not be split up to avoid exceeding delegations and submission to DoF.
- 1.12 Once any proposal is approved, there are guidelines to follow to ensure the expenditure is incurred in the way proposed and that there are suitable controls to scrutinise and monitor expenditure. The main sources of guidance, in addition to NIGEAE, are found on the Accountability and Financial Management Division (AFMD) website) and are: Managing Public Money Northern Ireland (MPMNI); Dear Accounting Officer (DAO) and Dear Finance Director (FD) letters issued by DoF and Procurement Guidance Notes (PGN) issued by the Central Procurement Directorate (CPD).
- 1.13 MPMNI provides guidance on the principles of dealing with resources within the NI public sector. DAO letters provide advice to Accounting Officers on the specific issues of accountability, regularity and propriety. FD letters address detailed accountability related issues. Procurement Guidance Notes provide advice on specific issues of procurement and contract management that are consistent with the NICS Public Procurement Policy.

## **2. Definitions**

- 2.1 “Public procurement is the process of the acquisition, usually by means of a contractual arrangement after public competition, of goods, services, works and other supplies by the public service”. The public procurement process spans the whole life cycle from initial conception and definition of the needs of the public service through to the end of the useful life of an asset or the end of a contract. Both conventionally funded and more innovative types of funded projects (for example PPP/PFI arrangements with the private sector) are included as are the use of the private sector to deliver services previously delivered directly by the public sector (“contracting out”) and in-house consortia bidding in a public procurement process.
- 2.2 Best value for money (BVFM) is the most advantageous combination of cost, quality and sustainability to meet customer requirements
- 2.3 In this context, cost means consideration of the whole life cost.
- 2.4 Sustainability means economic, social and environmental benefits, considered in the business case, in support of the Programme for Government.
- 2.5 Quality means paying more for higher quality may be justified if the whole life cost is better, eg taking into account maintenance costs, useful life and residual value. The purchaser should determine whether increased benefits justify higher costs.
- 2.6 These definitions are fundamental to the policies outlined in this document.

## **3. Purchasing Policy**

- 3.1 As a publicly funded organisation the Community Relations Council must adhere strictly to public procurement policy and is mindful of audit and accountability requirements, best practice in purchasing should be followed at all times.
- 3.2 As such, the Community Relations Council seeks to act in accordance with guidance as set out by its sponsoring body The Executive Office.
- 3.3 Additionally, the Community Relations Council seeks to act in accordance when appropriate with the Procurement Policy Guidelines issued by

Central Procurement Directorate (CPD) on behalf of the Procurement Board for Northern Ireland.

- 3.4 The Community Relations Council is also mindful of the Department of Finance (DOF) Public Procurement Policy of August 2014 including the Twelve Principles of Public Procurement:

#### **4. The Twelve Principles of Public Procurement**

- 4.1 The twelve principles of public procurement are

**Accountability:**

Effective mechanisms must be in place in order to enable Departmental Accounting Officers and their equivalents in other public bodies to discharge their personal responsibility on issues of procurement risk and expenditure;

**Competitive Supply:**

Procurement should be carried out by competition unless there are convincing reasons to the contrary;

**Consistency:**

Suppliers should, all other things being equal, be able to expect the same general procurement policy across the public sector, in Northern Ireland;

**Effectiveness:**

Public bodies should meet the commercial, regulatory and socioeconomic goals of government in a balanced manner appropriate to the procurement requirement;

**Efficiency:**

Procurement processes should be carried out as cost effectively as possible;

**Fair-dealing:**

Suppliers should be treated fairly and without unfair discrimination, including protection of commercial confidentiality where required. Public bodies should not impose unnecessary burdens or constraints on suppliers or potential suppliers;

**Integration:**

The procurement policy should pay due regard to the Executive's other economic and social policies, rather than cut across them;

**Integrity:**

There should be no corruption or collusion with suppliers or others;

**Informed decision-making:**

Public bodies need to base decisions on accurate information and to monitor requirements to ensure that they are being met;

**Legality:**

Public bodies must conform to European Community and other legal requirements;

**Responsiveness:**

Public bodies should endeavour to meet the aspirations, expectations and needs of the community served by the procurement;

**Transparency:**

Public bodies should ensure that there is openness and clarity on procurement policy and its delivery;

4.2 The Community Relations Council's procurement policy and procedures seeks to balance a number of priorities, including:

- Best Value for Money (bVfm)
- Regularity and Propriety;
- Socially responsible procurement (SRP)
- Equality of Opportunity, and;
- Promoting a healthier and safer community.

**5. Business Cases**

5.1 Business cases are a decision making tool designed to help us ensure we are spending money wisely and achieving value for money.

5.2 The Community Relations Council is required to apply the principles of economic appraisal, with appropriate and proportionate effort, to all decisions and proposals concerning spending or saving public money, and any other decisions or proposals that involve changes in the use of public resources. For example, appraisal must be applied irrespective of whether the relevant public expenditure or resources:

- involve capital or current spending, or both;
- are large or small;

- are above or below delegated limits

- 5.3 Appraisal itself uses up resources. The effort that should go into appraisal and the detail to be considered is a matter for case-by case judgement, but the general principle is that the resources to be devoted to appraisal should be in proportion to the scale or importance of the objectives and resource consequences in question. Judgement of the appropriate effort should take into consideration the totality of the resources involved in a proposal.
- 5.4 **A business case/ justification is required irrespective of the level of expenditure with the principles of economic appraisal applied, with appropriate and proportionate effort, to all decisions and proposals for spending or saving public money,** and any other decisions or proposals that involve changes in the use of public resources.
- 5.5 Whilst many business cases will not require any approvals outside of the business area, staff should be aware that this does not infer a diminution in their quality is acceptable as all could be subject to test drilling by: Departmental Economists; Finance & Corporate Services Division; DoF Supply and Northern Ireland Audit Office (NIAO). All business cases, justifications and related approvals/evaluations should be held for inspection. Signed copies must be shared with the Department in a timely fashion.
- 5.6 It is important to note that where an individual expenditure decision falls within more than one delegation category, the requirements of the lowest limit will apply. For example, if the decision related to Information and Communications Technology (ICT) expenditure which was also considered to be external consultancy, the lower external consultancy delegation would apply, rather than the ICT delegation.
- 5.7 Award of contract, written or verbal, must not be issued until appropriate business case approvals are in place and the respective Business Case and Purchase Order has been duly signed by the appropriately authorised manager given the level of expenditure.
- 5.8 The Better Business Cases NI provides detailed advice to assist business areas in the drafting of business cases, economic appraisals and evaluations.
- 5.9 Based on the Better Business Cases NI guidance, the Community Relations Council will use standard DOF templates that incorporate the 10 key steps outlined therein with the required degree of proportionality for each level of expenditure. These templates are designed to aid and

support the completion of business cases for varying levels of expenditure and the various nature of assignments.

- 5.10 Business case templates can be found on the Community Relations Council DFAP Shared Folder and Annex 9 Where staff are unsure as to which template to use they should seek advice from the Directorate of Finance, Administration and Personnel.
- 5.11 Generally speaking, when preparing business cases for low value Procurements where simple quotes can be sought, and where contracts will be awarded purely on a cost basis, or where there are straight forward non-monetary considerations, quotes may be obtained at the outset and should form the basis of the options identified in the business case /Justification to spend. In cases of normal non-consultancy expenditure. Procurements under £5,000 do not require a business case. Approval to proceed will be by authorisation of a Purchase Order issued from DFAP.
- 5.12 Where the service or product being procured requires that time and effort be spent on a more detailed tender process i.e. developing detailed terms of reference and award criteria, as well as subsequent analysis and assessment of these criteria, the procurement process may not begin until a business case approval has been granted.
- 5.13 In such cases options identified and evaluated in the business case may include (but are not limited to the following):
- Proceed with the procurement from external supplier to meet need.
  - Satisfy need using resources already within the Community Relations Council.
  - Explore the option of meeting need through shared services with other public sector organisations
- 5.14 For each option identified, the costs and benefits (both monetary and non-monetary) should be identified and set out in the appropriate proportional business case (this is determined by level of expenditure).
- 5.15 Once the business case is approved and provided that procurement is the approved option, the procurement process may begin. Tenders must not be awarded for amounts in excess of the amount approved in the respective business case.
- 5.16 Where practical, it may be preferable to group various related procurements under the umbrella of one overarching business case: For

example when seeking approval for running an event or a large project e.g. procurement of ICT equipment and maintenance of same. In these instances all costs must be identified and set out when completing the business case. The benefit of such an approach is the non-requirement to obtain business case approval for each individual procurement element within the project. However, whilst these procurements do not require individual business cases, this does not preclude them from having to satisfy value for money and probity requirements and as such quotes must be sought for each individual procurement element in line with the guidelines

- 5.17 Each business case must be given a unique sequential reference number and have its details recorded on the Business Case Register. The register is maintained by the Governance, Admin, and Assistant Finance Manager.
- 5.18 The Business Case Register will record actual expenditure, projected expenditure for the remainder of the year, projected expenditure for the remainder of the project. Where a project overspend greater than 10% has been identified, then a mitigating action plan and/or a business case addendum should be developed.
- 5.19 The Governance, Admin, and Assistant Finance Manager will review the Business Case Register each quarter and once satisfied file within the quarter end management accounts file.

### Project changes

- 5.20 Re-approval of a business case is required in the following circumstances:
- As soon as any substantial change to a project scope is anticipated;
  - When actual outturn is anticipated to be +/- 10% of the approved business case costs. The exception being external consultancy business cases where any anticipated change in the approved costs requires re-approval;
  - If implementation is delayed by more than 24 months; or
  - Once a potential breach of the project approval conditions is anticipated.
- 5.21 Re-approval will be required from an officer with the appropriate authority, if the delegations in Section 7 are exceeded. The Department of Finance, Administration and Personnel will advise on whether a letter, addendum or a revised business case will be required.

### Retrospective Approval

- 5.22 Business Cases should not be used merely as a means to refine the details of a predetermined option, or to provide post hoc justification for decisions or actions already taken.
- 5.23 Where expenditure is incurred or committed, without an approved proportionate business case or justification, it may potentially be considered irregular. Retrospective appraisal and its approval, is regarded as an indication of poor management control/oversight.
- 5.24 Requests for retrospective approval will only be granted in exceptional circumstances and in line with delegated limits.

## **6.0 Thresholds for Quotations and Tenders**

- 6.1 Purchasing procedures set out below must be followed at all times. When buying, the Community Relations Council should ensure it acts legally, transparently and honestly in relation to all of its procurement activities. A series of thresholds have been set, which determine the processes that should be followed.
- 6.2 Purchases up to £5,000 will be classified as procurement expenditure but they are not subject to procurement rules. Buyers must ensure that all purchases up to £5,000 are subject to value for money considerations and comply with Managing Public Money Northern Ireland.
- 6.3 Buyers should ensure that:
- a) the purchase is not covered by an existing framework agreement, call-off contract or ecatalogue;
  - b) the purchase is a one-off requirement;
  - c) the total spend is up to £5,000; and
  - d) the requirement is clearly specified.

Procurement Control Limits for Goods and Non-Construction Services	
Value	Procedure

Up to £5,000	Buyers must demonstrate that value for money has been Secured.
£5,000 to £50,000 (goods and services excluding utilities)  £5,000 to £65,000 (Utilities)	A minimum of two tenders invited by the person authorised to procure for their organisation.
£50,000 to UK Thresholds*	Advertise on eTendersNI.
Above UK Thresholds*	Advertise on eTendersNI  Public Contracts Regulations/Utilities Contracts Regulations apply – advertise on Find a Tender service

\* Please note UK Thresholds are inclusive of VAT.

- 6.4 Please note that these thresholds are **exclusive of VAT**<sup>1</sup>. Invitations to quote and formal tenders should be sent to suppliers of the goods / service required who would be reasonably expected to submit a quote / tender.
- 6.5 In addition to the above thresholds there are UK legislation thresholds for works contracts. All contracts must follow the National guidelines and alongside the requirements of the Community Relations Council's Financial Regulations.
- 6.6 As advice and assistance will be required in these circumstances, this will need to be done well in advance of purchasing deadlines to allow appropriate advertisement in official journals and to allow for response times set out in the legislation.
- 6.7 Purchases up to £5,000 exclusive of VAT  
Such purchases, with the exception of consultancy services, will be classified as procurement expenditure but they are not subject to

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<sup>1</sup> Financial Memorandum Appendix A

procurement rules. Buyers must ensure that these purchases are subject to value for money considerations and Managing Public Money Northern Ireland. When acquiring consultancy services, buyers should first take advice from a Centre of Procurement Expertise (CoPE).

6.8 The PCLs do not apply to certain social and other specific services which do not lend themselves to competitive markets. Further guidance can be found in PPN 02/21 Procurement of Social and Other Specific Services.

6.9 Adherence to this must be monitored and reported to ensure consistency of application.

## 7. Delegated Authority Levels

7.1 The specific delegations for the Community Relations Council are summarised below. The Community Relations Council may approve expenditure up to the limits listed without recourse to the Department. Sponsor Branches' officials must review and approve business cases for expenditure above the delegated limits below.

Type of Expenditure	Delegated Limit (£k)
Goods and Services	30
Capital	10
IT Projects	10
External Consultancy	5
Direct Award Contracts*	30

\* Following advice from CPD.

7.2 The Chief Executive (Accounting Officer) retains overall responsibility for purchasing and for arranging procurements. However, the Chief Executive has delegated the authority to sign off on procurements of goods and services up to the authorisation limits as set out below.

### 7.3 Goods & Services

Value of procurement	Authorisation
Up to £1,000	Programme Directors
Up to £10,000	CEO
Up to £30,000	The Council
Over £30,000 to UK limit <sup>2</sup>	The Council plus prior approval from TEO and CPD

7.4 *Capital Projects*

Value of procurement	Authorisation
From £500 to £1,000	Director of Finance and Administration and Personnel or CEO
From £1,000 - £10,000	CEO
Over £10,000 to UK limit	The Council plus prior approval from TEO and CPD

Per the Community Relations Council Finance Procedures Manual Items costing less than £500 are not treated as capital.

7.5 Where possible, expenditure should be approved by the budget holder. Where this is not the case the approver should seek written confirmation from the budget holder.

7.6 *IT Projects*

Value of procurement	Requirement	Authorisation
Up to £500	Two written quotations/tenders	Director of Finance and Administration and Personnel or CEO
>£5,00 - £5,000	Two written quotations/tenders	CEO
>£5,000 - £10,000	Three written quotations/tenders	Any two of: - Director of Finance and

		Administration and Personnel; - CEO; - Chair.
Over £10,000 to UK limit	Three written quotations/tenders (managed by CPD)	The Council plus prior approval from TEO and CPD

7.7 There are specific guidelines in relation to the appointment of external consultants which are set out in Section 17 of this document.

7.8 There are specific guidelines in relation to the appointment of suppliers via Direct Award Contract which are set out in Section 18.

## 8. **Purchasing Guidelines**

8.1 It is the responsibility of the Governance, Admin, Assistant Finance Manager to ensure that adequate procedures exist to ensure that:

- 1 There is proper authority for all services of the goods supplied;
- 2 There is a service or the good supplied has been performed or has been received before making payment;
- 3 The change accords with the terms of the order to the contract and is arithmetically correct; and
- 4 Payment has not already been made.

### Purchase Orders Guidelines

8.2 Purchase Orders are issued and tracked by the Finance Administration officer. Obtaining a purchase order should not be taken as an approval for expenditure. Detailed guidance is shown in Annex One.

### Guidelines for purchases up to £5,000

- 8.3 Purchases up to £5,000 are classified as procurement expenditure but they are not subject to procurement rules and are never classified as DACs. Purchasers must ensure that all procurements up to £5,000 are subject to value for money (VFM) considerations and the requirements of Managing Public Money Northern Ireland, this includes ensuring that:
- (i) the purchase is not covered by an existing framework agreement, call-off contract or e-catalogue;
  - (ii) the **purchase is a one-off requirement** (i.e. the purchase is not a recurring item which will have a total value greater than £5,000, across the period that it will be required);
  - (iii) **the total spend is up to £5,000**; and
  - (iv) the requirement is clearly specified.
- 8.4 When existing arrangements at (i) are not available, then officials should carry out a price check (which could include internet price checks) with at least two contractors/suppliers to ensure value for money has been achieved. Price checks should be documented and retained on file for audit purposes.
- 8.5 When it is not possible to obtain a price check for purchases below £5,000 the buyer should email the Governance, Admin, and Assistant Finance Manager with an explanation of why a price cannot be obtained. If the Director of Finance, Administration and Personnel is satisfied approval to proceed should be provided. A Purchase Order should then be obtained from the Finance Administration Officer, completed with a justification of need, the email attached and presented to the Accounting Officer for approval.
- 8.6 Purchases without a price check should be logged on the Direct Award Contract log and reported to the Audit and Risk Assurance Committee.
- 8.7 In the **very exceptional circumstance** (e.g. an emergency) when it is not possible to obtain price checks then an order may be placed directly with a contractor/supplier. In these cases, Accounting Officer approval is not required when the total spend is up to £5,000, but the reasons for the action should be recorded and retained for audit purposes. **This derogation does not apply to the procurement of external consultancy services.**

Procurement £5,000 to £50,000 (non-utilities)

- 8.8 Staff who have received the training by CPD are authorised to carry out the procurement of goods and services with a value below £50,000 (excluding VAT), as an alternative to using CPD. Each procurement exercise must be overseen and advised by an authorised member of staff who has attended an awareness seminar organised through CPD. He/she must ensure that a full record of the procurement exercise is retained by the Community Relations Council for future scrutiny and reporting purposes.
- 8.9 CPD have issued guidance/advice to clients and staff on the procurement of goods and services below £50,000 (Annex 6), to assist authorised staff with the procurement procedures to be followed. Under these procedures, procurement is undertaken through a minimum of two tenders invited by the person authorised to procure, only after they have checked that the goods or services they require are not already provided for in an e-catalogue or an existing framework agreement or contract.
- 8.10 However this £50K derogation **does not** apply to external consultancy and construction works and services to be undertaken by the Core Department and its ALBs. **All constructions works and services and all external consultancy valued at over £10,000 (excluding VAT) must be procured through CPD.**

#### Procurement above £50,000

- 8.11 Procurement with a value of £50,000 or more should always be carried out by CPD. The total value of the procurement, i.e. the total estimated spend over the contract's duration (including any possible options to extend) must be taken into account. If this is £50,000 or more (excluding VAT), the procurement should be carried out by CPD. If a number of procurements have to be carried out to meet a single requirement and their estimated aggregate value (i.e. the estimated value of all contracts over their duration) exceeds £50,000, the procurements must be carried out by CPD.

## 9. **Advertising of Contracts**

- 9.1 Where the estimated cost of goods or services to be purchased is greater than £50,000, the Community Relations Council will advertise on eTenders portal and CRC's website. We may also inform and direct prospective suppliers to any advertised tender opportunity.

## **10. Record of Quotations**

10.1 Quotations are generally sought when the procurement of a supply or service will be awarded solely on the basis of cost and there are no other potentially subjective factors to be considered, for example proposed methodology or past experience or other non-monetary cost or benefit. A record should be kept of all quotations received. Telephone quotations, as far as possible, shall be noted by the staff member requesting goods or services and must be followed up by email or fax confirmation. Quotes should be summarised and documentation must be attached to the Purchase Order before presenting it to the Finance Administration Officer.

## **11. Record of Tenders**

11.1 A tender process is generally conducted when the procurement of a supply or a non-consultancy service will not be awarded solely on the basis of cost and the value of the supply or non-consultancy service is greater than £5,000. In such instances other criteria to be considered may include proposed methodology and past experience. It is the responsibility of the tendering panel to devise the most suitable selection and award criteria in order to achieve value for money in the procurement exercise. This must be determined and documented in advance of contacting potential tenderers.

11.2 In such instances a proportional Tender Pack shall be developed and forwarded to suppliers selected. The Community Relations Council may also advertise publicly in a local newspaper and on the Community Relations Council web site.

11.3 Each Tender Pack shall include clear details of the product or service to be tendered with a detailed specification, selection criteria and breakdown of award criteria and associated weightings. All packs should include project timetables

11.4 Tenders received will be date stamped on the outside of the unopened envelope and kept in a specific tender file until the agreed deadline date and time for opening by two people one of whom is not involved in the tender process.

11.5 The tenders must be opened and evaluated by a minimum of two people. Disclosure of any financial or other interest by the staff evaluating the

tender must be made at this stage of the process. Disclosure must be signed off prior to opening tenders

- 11.6 Each tender will be assessed by a panel consisting of at least one member of the Community Relations Council's management team. Each panel member must be deemed to have the necessary expertise and experience to properly evaluate each tender submission. An agreed evaluation form should be completed, signed and dated by the Chair of the assessment panel
- 11.7 Evaluation and award of contract must be in accordance with the award criteria and specification sent to tenderers. ***Tenderers must not be awarded additional marks for going beyond the scope of the original specification.***
- 11.8 The Community Relations Council will seek to obtain best value for money. The lowest, or any tender, need not be accepted, but when the lowest tender is not accepted the reasons should be clearly stated (for future audit examination) on the tender evaluation form. This report shall be completed in respect of each tender exercise completed, detailing the recommendation for preferred supplier arising from the tender process and signed by an appropriately authorised staff member.
- 11.9 A tenderer cannot amend the tender after it has been opened unless examination of the tender reveals qualifications or arithmetic or clerical errors, in which case the firm shall be given opportunity of withdrawing the tender and providing corrective information.
- 11.10 Unsuccessful tenderers must be provided with a proportionate debrief should they make such a request. This may be done verbally or in written format at the tenderer's request. Debriefs should provide tenderers with the reasons why they were unsuccessful and the characteristics and relative advantages of the successful bid. Unsuccessful tenderers should feel that following the debrief process that they are better positioned to bid successfully in the future, however the debrief should not impart commercially sensitive information pertaining to the other tenderers.
- 11.11 Every attempt should be made to obtain the number of tenders and quotations noted section six. However, if under exceptional circumstances the minimum number of quotations or tenders noted is not obtained, the Community Relations Council may permit the procurement to proceed if the Chief Executive is satisfied that every attempt has been made to obtain the relevant number of competitive offers and that Vfm has been achieved. In all such cases, advice will be sought from CPD

and a record placed on the procurement file describing how the decision is consistent with advice from CPD.

## **12. Post-Tender Negotiations**

12.1 Post-tender negotiations (i.e. after receipt of formal tenders but before signing of contracts) with a view to improving price, delivery or other tender terms can be entered into, provided:

i) It would not put other tenderers at a disadvantage ii) It would not affect their confidence and trust in the Community Relations Council's tendering process.

12.2 In each case, a statement of justification should be approved by the CEO prior to the event, showing:

- i) Background to the procurement
- ii) ii) Reasons for proposing post tender negotiations
- iii) iii) Demonstration of the improved value for money
- iv) Selecting a Supplier

13.1 Supplier selection is based on overall value for money. Whilst price is important, we will always consider quality, reliability, safety, good design, timely delivery, maintenance and after sales support before arriving at a decision which is the most economically advantageous to the Community Relations Council. Where it is deemed necessary, potential suppliers must demonstrate their financial, commercial and technical capability to fully meet the contractual requirements under tender. We will also take account of a company's past performance with reference to contracts of a similar nature, both with the Community Relations Council and other organisations.

13.2 The Community Relations Council will also be looking for a clear demonstration of commitment to equal opportunities in employment, to the environment and to sustaining local economy. For contracts with a value greater than £5,000, we evaluate suppliers on a set of pre-determined factors. These criteria will be set out in our tender documents. The Community Relations Council may ask for references from previous customers, bankers and business information companies and, in some cases, arrange inspection visits to the company and its work sites.

13.3 Where appropriate the Community Relations Council will consider establishing framework agreements up to a maximum of five years.

13.4 The setting up of an agreement is a value for money judgement taking account of the value of the purchases involved and the ability to specify such purchases with sufficient precision upfront. The framework should be capable of establishing a pricing mechanism. Prices should not be fixed but rather there will be a mechanism to establish prices to be applied to particular requirements.

#### 14. **Basis of the Award of Contracts**

14.1 For contracts below the UK threshold, the basis of award must be either the Best combination of Price and Quality (BPQ) or lowest acceptable price.

14.2 For contracts for the supply of standard goods, non-construction services or below threshold construction services and works, the preferred basis of award should be the lowest price or lowest acceptable price. In this context, "standard" means when the goods, services or works can be clearly and simply specified, and are capable of being routinely delivered by a number of suppliers/contractors.

14.3 In seeking bids, purchasers should:

- i. start with the user requirement;
- ii. specify it clearly, bearing in mind that it cannot be extended (though it can be narrowed);
- iii. make reference to recognised standards, where relevant, making provisions for equivalents to be offered where appropriate;
- iv. to leave room for innovation, to the greatest extent possible, describe the requirement in terms of what is to be achieved rather than precisely how the outcome should be constituted;

- v. include economic, social and environmental policy objectives where appropriate;
- vi. avoid specifying any bias directly or indirectly in favour of local suppliers;
- vii. set out how bids will be evaluated;

## **15 Relationships with Suppliers**

15.1 In all dealings with suppliers or potential suppliers, public sector organisations must endeavour to satisfy the twelve guiding principles which govern the administration of public procurement and treat suppliers responsibly

15.2 In its dealings with suppliers the Community Relations Council will strive to:

- be fair, efficient and courteous
- achieve high professional standards in the award of contracts
- publicise clear procurement contact points
- make available as much information for suppliers to respond to the bidding process
- notify the outcome of bids announced promptly
- provide feedback to winners and losers on request on the outcome of the bidding process

15.3 NICRC's suppliers are entitled to receive their payment within the terms, provided their goods or services have met NICRC's contractually agreed specifications. Unreasonably delaying payment benefits NICRC little or not at all financially and it can cause significant cash-flow problems to NICRC's suppliers, especially smaller firms. In addition it generates an unnecessary and unpleasant administrative burden in dealing with irate suppliers, and erodes the atmosphere of mutual trust which NICRC is trying to establish.

15.4 It is the duty of everyone to ensure that the information necessary to generate payment is passed through to the Finance Department as quickly as possible.

- 15.5 Where a supplier has failed to complete the 'paperwork' to the level necessary to allow NICRC to pay, the supplier must be informed of this, and of what the supplier needs to do, as quickly as possible.
- 15.6 If a supplier has failed to supply goods or services to NICRC's satisfaction, and it is thus necessary to withhold payment, this must be reported to the Finance Department, along with all the documentation, irrespective of who or which department placed the original order.
- 15.7 Open communication is vital in order to achieve effective purchasing. Everyone involved in purchasing on behalf of NICRC has the opportunity to contribute to its knowledge, and to benefit from the information held by the Governance, Admin, and Assistant Finance Manager.
- 15.8 In summary, the following must be reported to the Governance, Admin & Assistant Finance Manager :
- any actual or potential unethical approach or inducement, evidence of restrictive practices, possible conflicts of interest;
  - information on illegal or unacceptable practices by a supplier which could be to the NICRC's discredit if it was known to be a customer;
  - failure by a supplier to meet NICRC's requirements, in terms of quality, quantity or delivery;
  - all requests by a supplier to vary the terms of a contract after it has been agreed; and
  - occasions where the prices or other terms offered by a preferred supplier or under a contract appear to be less favourable than is available elsewhere in the marketplace.
- 15.9 In addition, employees are encouraged to report the following:
- new sources of supply, new products or services that may meet NICRC's needs;
  - instances of outstandingly good work by suppliers; and

## **16 Contract Management**

- 16.1 The Community Relations Council regard contractors not delivering contract requirements as a serious matter. It means the public purse is not getting what it is paying for and when things go wrong, the failure can be expensive in financial terms and management time.
- 16.2 Good management of this operational phase of the procurement cycle is therefore critical for the successful delivery of the benefits to the public purse. It ensures that all parties fully meet their respective obligations as efficiently and effectively as possible, in order to meet the business and operational objectives required from the contract.
- 16.3 The guidance concerns activities after the formal award of a contract, although the foundations for contract management are laid in the procurement stages before contract award. Successful contract management is strongly influenced by the Terms and Conditions of Contract, the contract requirements that have been agreed and the understanding between Department and contractor that has been established during the tendering/contract award phase.
- 16.4 All contracts should have a nominated contract manager whose responsibility it is to ensure full compliance with the contract. It is the contract manager's responsibility to ensure that any failure is dealt with promptly and in accordance with the conditions of contract.
- 16.5 The objectives of contract management are to ensure that:-
- value for money is achieved for the taxpayer through full compliance with contract requirements;
  - the Terms and Conditions of Contract are met in full;
  - the goods/services/works provided by the contractor meet the specified requirements including the delivery of equality and sustainable development goals and the Community Relations Council gets what is paying for on time and within budget;
  - documented evidence of good performance is provided to assist in evidencing the achievement of value for money and benefit realisation; and
  - documented evidence of poor/unsatisfactory performance is provided:-
  - to facilitate improvement and to build up a performance history; and
  - In exceptional cases, to permit early recourse to the Department's rights under the default provisions.

- 16.6 Contracts are to be monitored by the contract manager to ensure that the contract continues to perform in a manner consistent with the agreed service levels.
- 16.7 Minor changes and variation to contracts including the services levels are to be approved by those with the appropriate delegated authority to award the contract. Reason and justification for must be clearly documented.
- 16.8 Where the value of a contract is greater than £5,000 and the variation increases the value of the contract by more than 10% then CPD advice must be taken and Accounting Officer approval issued before the variation can be finalised.
- 16.9 The essential aspects of contract management are:-
- all contract managers should hold a contract management initiation meeting at the commencement of the management process to ensure there is a clear and agreed understanding of contract requirements;
  - managing/supervising delivery of the contract – this will include regular monitoring by the contract manager;
  - payment – checking invoices, times, rates, workload and paying for the goods/works/services within the agreed timeframe;
  - certification – confirming that the goods/works/services have been completed/delivered to the required standards and within the contracted timescales.

#### Conflict of Interest

- 16.10 It is the Accounting Officer's responsibility to ensure that there are no conflicts of interest or the perception of bias at any stage. Any connections between a member of staff and a contractor must be formally disclosed and documented at the earliest possible opportunity. The Accounting Officer's should then take (and record) action deemed appropriate in each particular circumstance. Staff should not accept gifts or hospitality from contractors and comply with [DoF The Acceptance of Gifts and Hospitality](#) – Revised guidance on acceptance of gifts and hospitality.
- 16.11 Conflict of interest forms must be signed by the tender evaluation panel members as part of the selection process. When a conflict has been disclosed that person should remove themselves from the evaluation

panel and a replacement appointed by the Governance, Admin, and Assistant Finance Manager.

- 16.12 Before amending or varying an existing contract to the point where the amendment could constitute a new contract, procurement advice should be sought from CPD or the relevant CoPE. Legal advice should also be sought if appropriate. Uncontrolled contract variations are one of the most significant risks to Value for Money and have, in the past, attracted criticism from the Northern Ireland Audit Office and Public Accounts Committee.

#### Dispute Resolution

- 16.13 There may be disagreements over aspects of a contract. It is unlikely that even the best drafted contracts will cater for every possible eventuality. However, not every difference of opinion needs to trigger a dispute between customer and contractor.
- 16.14 Good communication is key to maintaining relationships with contractors and fixing problems. It is imperative that both parties agree there is an issue and work through the problem. How the message is communicated sets the tone for how the dispute will be resolved.
- 16.15 Departments must never terminate a contract or threaten to do so without carefully considering what the contract provides for, and in all cases should take procurement and legal advice. To do otherwise risks breaching the contract, which could result in litigation and a claim for damages.
- 16.16 The Terms and Conditions of Contract should have provision for dispute resolution (e.g. arbitration, adjudication (for construction contracts) or mediation). Procurement and legal advice on the process to be followed should be sought in all cases.

#### Assessment of a Contractor's Performance

- 16.17 The assessment of a contractor's performance is necessary:-
- to ensure that performance meets the customer's requirements as specified;
  - to uncover poor or unsatisfactory performance at the earliest opportunity and to implement immediate corrective action;
  - failure to improve could eventually result in exclusion from future contracts;
  - to protect the Department's investment in the supply or service relationship and to ensure Value for Money is provided through the contractual arrangement thereby protecting the public purse; and

- To provide a historical record of the contractor's performance for future reference. This is particularly necessary where continued unsatisfactory

16.18 Should the contract manager conclude that contract performance is below than what was contracted Annex Five can be used for assessing contractor's performance. The contract manager should then discuss issues with the contract manager

Dealing with Unsatisfactory Performance

16.20 When unsatisfactory performance, which has not been satisfactorily dealt with in the normal course of the contract management process, should be formally notified to the contractor by writing and escalated as shown in the table below:

Instance	Description
First	Formal Written warning of unsatisfactory performance
Second	Performance is again unsatisfactory
Final	Certificate of unsatisfactory performance
Improved Performance	Improved Performance

Termination

16.21 If the contract still has a significant period to run, or if performance is so poor that it cannot be allowed to continue, termination may be considered, otherwise the contractor's performance should continue to be very closely monitored for the remaining period of the contract.

16.22 For the contractor manager to terminate a contract then they must receive authorisation from the Director of Finance, Administration and Personnel and the CEO. **In all instance before a contract is terminated advice must be received from CPD.**

Contract Records

16.23 Records must be kept in accordance with audit requirements and to help guard against fraud.

- 16.24 Management information is essential to help ensure that work is carried out to the required standards and that sufficient controls are in place and documented to give assurances in regard to quality and cost; i.e. that details are correct in terms of volumes, times, skills, rates, any variations, overall cost, and that total expenditure is within budget. This also helps provide historical data and trend analysis for future requirements.
- 16.25 A contracts register is maintained by Governance, Admin, and Assistant Finance Manager. The contract register captures key information for effective contract management. It is reviewed by the Governance, Admin, and Assistant Finance Manager each quarter and filed with the management account pack.

#### Variation in Contract

- 16.26 Variation in contracts are to be managed in a manner consistent with how the contract has been awarded. In all instances the Governance, Admin, and Assistant Finance Manager's advice should be sought and documented on the contract file. The Governance, Admin, and Assistant Finance Manager or the Finance Manager must confirm if the advice of CPS has been sought.
- 16.27 CPD must be contacted by the Finance Manager or the Governance, Admin, and Assistant Finance Manager and their advice documented on file if:
- If a substantial change to a project scope is anticipated;
  - When actual outturn is anticipated to be +/- 10% of the approved business case costs;
  - If implementation is delayed by more than 24 months; or
  - Once a potential breach of the project approval conditions is anticipated.

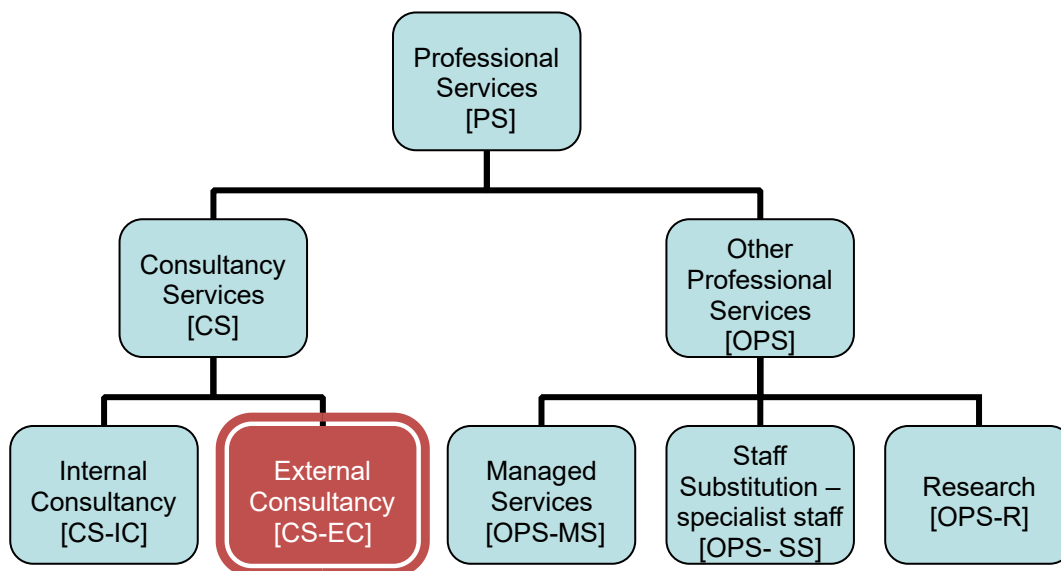
#### Reporting

- 16.28 Staff are asked to report the following to the Finance Manager or Governance, Admin and Assistant Finance Manager :

- i. failure by a supplier to meet The Community Relations Council's requirements, in terms of quality, quantity or delivery;
- ii. all requests by a supplier to vary the terms of a contract after it has been agreed;
- iii. occasions where the prices or other terms offered by a preferred supplier or under a contract appear to be less favourable than is available elsewhere in the marketplace.
- iv. new sources of supply, new products or services that may meet The Community Relations Council's needs;
- v. instances of outstandingly good work by suppliers; and
- vi. ideas for further streamlining and for improving The Community Relations Council's efficiency.

## 17. Professional Services and Appointment of External Consultants

17.1 Professional Services can broadly be classified as follows:



17.2 For clarification and detailed definitions on the above classifications please refer to FD (DOF) 08/17. If you are still unsure as to how

potential expenditure should be classified seek advice from the Governance, Admin, and Assistant Finance Manager

17.3 Professional Services can be defined as unique, infrequent, or technical functions performed by external providers or by specialist internal sources of expertise, and can be sub-divided into two broad categories namely:

- Consultancy Services: ad hoc consulting requirements to provide advice and identify options; and
- Other Professional Services: related to the routine business of a department, steady state operations and the implementation of advice or options identified by consultants.

17.4 External Professional Services should be engaged only after a proportionate business case has been prepared and full consideration has taken place, including consideration of the appropriate use of in-house capacity.

17.5 Special care must be taken when considering the engagement of consultants. With regards to external consultancy, engagement may be appropriate when:

- internal capacity is unavailable to undertake a new area of work (“non-business as usual”);
- independence/objectivity is required and cannot be provided within the NICS (e.g. by departmental Internal Audit, BCS etc);
- specialist knowledge or expertise is unavailable internally; or
- there is a direction to do so arising from legislation or Government policy.

17.6 **Once appointed, external consultancy assignments need to be carefully and actively managed and where appropriate, steps taken to ensure knowledge transfer takes place.**

- 17.7 The Finance Manager and Governance, Admin, and Assistant Finance Manager in must be satisfied that arrangements are in place that will ensure that External Consultancy assignments are properly managed.
- 17.8 Post-Project Evaluations (PPE) should be completed for all assignments to ensure that the objectives of the assignment have been met and lessons learned.
- 17.9 For procurement of all professional services classifications other than **consultancy**, normal procurement procedures and thresholds apply.
- 17.10 Award of a contract for **external consultancy without competition** must in all cases irrespective of value, have **prior approval of the departmental accounting officer**.
- 17.11 It is essential that when procuring services that could be deemed external consultancy that staff refer to FD (DOF) 08/17, to ensure that it is classified correctly and the proper procurement procedure is followed. Where uncertain, it is advisable to contact the Finance Manager or Governance, Admin, Assistant Finance Manager .

<b>Level of expenditure on External Consultancy</b>	<b>Type of business case to be completed</b>	<b>Authorisation(s) required</b>
Up to £5,000	Business Case for external consultancy.	The Community Relations Council Accounting Officer
Above £5,000	DOF Business Case template for external consultancy.	The Community Relations Council Accounting Officer and TEO Accounting Officer

- 17.12 Post-Project Evaluations (PPE) should be completed for all procurements pertaining to professional services to ensure that objectives have been met and lessons learned.

## **18. Personal Data**

18.1 Personal data means any information that relates to an identified or identifiable living subject i.e. staff member, member of the public, customers, etc. It may include an individual's name, address, phone number, date of birth, place of work, dietary preferences, opinions, opinions about them, whether they are members of a trade union, their political beliefs, ethnicity, religion, or sexuality.

18.2 The GDPR gives protection for personal data, and imposes obligations on those who process personal data. The obligations include:

- when their personal data are collected, individuals must be given more information about how it will be used through enhanced privacy notices; and
- individuals will have rights to have their personal data rectified, erased and/or provided to them. As a result, the systems used by organisations must be able to honour these rights.

18.3 A Data Protection Impact Assessment must be conducted as part of the business case process, before the contract is entered into, and ideally at the initial stages of business case and specification development. In all cases advice should be sought from your Data Protection Officer.

18.4 The Community Relations Council will ensure that the specification sets out clearly the roles and responsibilities of the Controller and the Processor (and any Sub-Processors) throughout the period of the contract. The generic standard GDPR clauses must be inserted in the contract schedule 4. The specification must detail:

- the subject matter of the processing;
- details of the duration of the processing;
- the nature and purpose of the processing;
- the type of personal data being processed;
- the categories of the data subjects; and
- the requirement for the Processor to delete or return the personal data at the end of the provision of services.

## **19. Direct Award Contracts:**

- 19.1 A Direct Award Contract (DAC) occurs when a contract is awarded to a service provider or supplier without seeking competitive quotes or tenders.
- 19.2 Purchases up to £5,000 are classified as procurement expenditure but they are not subject to procurement rules and are never classified as DACs Goods or Services procured through a with a value lower than £5,000 where a price check is not possible must be approved by the Accounting Officer and reported to the Audit and Risk Assurance Committee.
- 19.3 Any proposal to procure goods or services through a DAC which has a combined cost greater than £5,000, must be supported by CPD advice.
- 19.4 The Community Relations Council must seek CPD advice by completing a DAC1 form, forwarding it to the Finance Manager or Governance, Admin, & Assistant Finance Manager who will in turn forward it to the CPD.
- 19.5 On receipt of CPD advice, to seek authorisation for the DAC, The Finance Manager or Governance, Admin, Assistant Finance Manager will approach the Accounting Officer with a rationale and justification for the use of DAC prior to any commitment being made.
- 19.6 The Community Relations Council Accounting Officer's approval is required for all DACs. TEO Accounting Officer approval is required for all external consultancy awarded via a DAC irrespective of value.
- 19.7 Type of business case and approval required for DAC's can thus be summarised by the table below:

Value of Direct Award Contract	Type of business case to be completed	Authorisation(s) required
External Consultancy irrespective of value	Appropriate DOF Business Case template.	The Community Relations Council Accounting Officer and The Executive Office Accounting Officer along with advice from CPD.

Up to £4,999	Business Case for appropriate level of expenditure.	The Community Relations Council Accounting Officer.
£5,000 to £30,000	Business Case for appropriate level of expenditure.	The Community Relations Council Accounting Officer along with advice from CPD.
Above £30,000	Appropriate DOF Business Case template.	The Community Relations Council Accounting Officer and TEO Accounting Officer along with advice from CPD.

#### DAC Reporting process

- 19.8 Details of all DACs entered into ALBs must be reported on a quarterly basis to the Department in an annex to their Assurance Statements. These DAC details will also be tabled at the Departmental Audit and Risk Assurance Committee (ARAC) meetings.
- 19.9 When completing the DAC information for the quarterly Assurance Statements, business areas and ALBs are required to state whether any DAC exceeding £30,000, was awarded in either (1) the public interest or (2) In compliance with Regulation 32 of the Public Contracts Regulations 2015.
- 19.10 To facilitate effective recording and reporting of direct award contracts, all such contracts are recorded in the direct award contracts log and assigned a reference number. The reference number will be matched to the CPD advice and accounting officer approval to proceed.
- 19.11 The Community Relations Council is responsible for establishing the contracts for all DAC's valued below £30,000. This will include notifying Account NI of their details (if on Account NI)
- 19.12 DACs greater than £30K will be published monthly on the CPD website.

## 20. Post project evaluations

- 20.1 A Post Project Evaluation (PPE) compares outturn against estimated costs and benefits, and reviews success in achieving objectives. Evaluation plays an important role, and similar to appraisal, is not optional. It is designed to ensure that the lessons learned are fed back into the decision-making process.
- 20.2 A PPE should be conducted as soon as possible after project closure and no later than 6 to 12 months from this date. It should be led by an individual independent of the Project Board and Project Team and should be conducted in line with NIGEAE's Evaluation Guidance for Economic Appraisals. Templates are available to aid the completion of PPEs in Annex Three.
- 20.3 The planned completion date for post project evaluations (PPEs) must be included in the business case within the Monitoring and Evaluation Arrangements section of the case.
- 20.4 Where the completion of a PPE was a condition of DoF approval, it should be submitted to Finance where it will be reviewed at Grade 7 level and forwarded to DoF, in line with the terms and conditions of their approval letter. If there are significant issues arising or any lessons to be learned when completing PPE's, the relevant template should be completed and forwarded to TEO Finance contacts listed in Appendix 1. This will then be shared with other Departments to help inform decision making and project management generally.
- 20.5 Failure to complete a PPE, or long delays in its completion, is indicative of weak internal control and could lead to an investigation by DoF and possibly NIAO.

## 21 Other Expenditure

- 21.1 The Community Relations Council will not be committed to any purchases made without a purchase order, except for such items as recurring charges for utilities, other routine costs or where a contract exists.
- 21.2 The Community Relations Council shall obtain the approval of The Executive Office and DOF before incurring any expenditure for any purpose which is or might be considered novel or contentious, or which has or could have significant future cost implications, including on staff

benefits. Likewise the above approval is required prior to the Community Relations Council making any significant change in the scale of operation or funding of any initiative or scheme previously approved by The Executive Office or prior to making any change of policy or practise which has wider financial implications or which might significantly affect the future level of resources required.

## **22 Taxation**

22.1 The Community Relations Council will:

- a. base procurement decisions independent of any tax advantages that may arise from a particular bid;
  
- a. Ensure that transactions that give rise to questions of propriety of tax arrangements are brought to the Community Relations Council Accounting Officer's or, if necessary, The Executive Office Accounting Officer attention.

## **23 Payments in Advance**

23.1 It is not good value for money for public sector organisations to act as a source of finance to contractors who have access to other forms of loan finance. So advance payments to contractors (i.e. payments made before equivalent value is received in return) should be exceptional, and should only be considered if a good value for money case can be made for them, e.g. a price discount commensurate with the time value of the funds in question. Even then, as advance payments lead to higher NICF financing costs, such payments are novel and contentious and usually require specific DOF approval.

23.2 Exceptions to these guidelines include the following examples:

- i) service and maintenance contracts which require payment when the contract commences, provided that the service is available and can be called on from the date of payment;
- ii) payments for activities carried out by, or on behalf of a public sector funder, e.g. grant in aid to NDPBs or grants to small voluntary or community bodies where the recipient needs working capital to carry out the commitment for which the grant is paid;

- iii) minor services such as training courses, conference bookings or magazine subscriptions, where local discretion is acceptable; and
- iv) prepayments up a modest limit agreed with DOF, where a value for money assessment demonstrates clear advantage in early payment.

## **24 Terms and Conditions of Supply and Contract Management**

- 24.1 The standard Conditions of Contract are generic and must be applied to all contracts for supplies and services awarded by Community Relations Council.
- 24.2 When developing the tender documentation for contracts the documents should be presented in a standard format. This will enable suppliers to become familiar with documentation layout and enable them to find the relevant information.
- 24.3 The standard format tender documentation must include:
- instructions to tenderers;
  - the standard Conditions of Contract which includes:
  - a specification schedule detailing the specific requirements of each contract;
  - a pricing schedule containing proposed payment profiles;
  - a contract management/monitoring schedule detailing contract management/monitoring arrangements.
- 24.4 By following the CPD guidance '*Advice to Clients and Staff on the Procurement of Goods and Services below £30,000' (August 2018)*; will ensure compliance with the above requirements.

## **25 Ethical Code**

- 25.1 In all dealings with suppliers and potential suppliers, the Community Relations Council will seek to preserve the highest standards of integrity, objectivity, fairness, efficiency, courtesy and professionalism and will look to suppliers to set similar standards. In applying this principle, those purchasing on behalf of the Community Relations Council should follow the guidance set out below.

- 25.2 Declaration of Interest: There is a general duty to disclose at the earliest possible stage any financial or other interest that the person may have in any transaction, or proposed transaction, between the Community Relations Council and a third party. The disclosure of such interest should be made on the Declaration of Interest Form.
- 25.3 Confidentiality and Accuracy of Information: The confidentiality of information received in the course of purchasing and procurement transactions should be respected and should never be used for personal gain; information given in the course of duty should be true and fair and never designed to mislead. Tender documents etc. must be marked with appropriate protective markings and stored in accordance with the Community Relations Council information policy. Staff members not involved in the procurement process should not have unrestricted access to commercially sensitive information.
- 25.4 Competition: While bearing in mind the advantages to the Community Relations Council of maintaining a continuing relationship with a Contractor, any arrangement which, in the long term, prevents the effective operation of fair competition should be avoided.
- 25.5 Business Gifts: Business gifts, other than items of very small intrinsic value such as business diaries, mugs or calendars, etc. should not be accepted. Where such gifts are accepted they should be recorded on the Gifts and Hospitality Register.
- 25.6 Hospitality: As a general rule, hospitality should not be accepted. Modest hospitality such as coffee or lunch is an accepted courtesy of a business relationship. However, the recipient should not allow him/herself to reach a position whereby he/she might be deemed by others to have been influenced in making a business decision as a consequence of accepting such hospitality. If in any doubt about the appropriateness of an offer of hospitality please refer to the CEO for advice. All hospitality whether accepted or declined must be recorded on a Community Relations Council Gifts and Hospitality Register. Where hospitality relates to travel outside of Ireland or the UK then that should be recorded on a International Travel Register.
- 25.7 Inducement: No person acting on behalf of the Community Relations Council may accept any inducement from any Supplier or potential Supplier or their agents.
- 25.8 Serious breaches of Community Relations Council's procurement policy will be dealt with under Community Relations Council's disciplinary policy and procedures.

25.9 Conflicts of interest: When dealing with suppliers, potential conflicts of interest can sometimes arise. The supplier company may employ spouses or other relatives or personal friendships may grow over time. Such potential conflicts must be reported to a member of the DFAP Directorate or the CEO as soon as they are identified. They will not normally prevent The Community Relations Council from trading with the company concerned, but it may be in everybody's interests to arrange for the expenditure to be handled by someone else.

25.10 Anti-competitive behaviour - From time to time, buyers may become aware of supplier organisations apparently acting in concert to fix prices or to divide up markets. More rarely, there may be arrangements between buyers from different organisations designed to put pressure on suppliers. Any such arrangement is illegal unless specifically cleared by the Restrictive Practices Court. Any such suspicions must be reported (with any supporting evidence) to Governance, Admin, and Assistant Finance Manager who will investigate and if necessary pass the information to the Office of Fair Trading.

25.11 "Whistleblowers" - It is The Community Relations Council's policy to support, to protect and, where possible, to preserve the anonymity, of any of its employees that report apparently questionable activity, even if their fears subsequently prove to be unfounded. Early reporting is essential, so that, where necessary, legal advice can be taken and both the individual and The Community Relations Council are protected.

25.12 The following must be reported to the CEO:

- i. Any actual or potential unethical approach or inducement, evidence of restrictive practices, possible conflicts;
- ii. failure by a supplier to meet The Community Relations Council's requirements, in terms of quality, quantity or delivery;
- iii. all requests by a supplier to vary the terms of a contract after it has been agreed.

## 26 Social Considerations

26.1 The Community Relations Council recognises that public procurement can contribute positively to the delivery of greater equality and social inclusion as well as broader sustainability goals. the Community Relations Council

will seek to integrate social considerations can be included in the procurement process provided that they relate to the subject matter of the contract or the performance of the contract.

- 26.2 Social considerations can be incorporated into public procurement processes and contracts by using award criteria linked to the subject matter of the contract; and/or using contract performance clauses linked to the subject matter of the contract.
- 26.3 Award criteria and contract performance clauses shall be considered to be linked to the subject matter where they relate to the works, supplies or services to be provided in any respect and at any stage of their life cycle, including factors involved in the specific process of production, provision or trading of those works, supplies or services; or a specific process for another stage of their life cycle, even where such factors do not form part of their material substance.
- 26.4 Contract performance clauses set out how the contract must be performed. They identify mandatory requirements that successful bidders must accept and must be delivered when the contract is awarded to them.
- 26.5 Contracts must not be awarded to bidders who do not accept contract performance clauses.
- 26.6 The appropriate time to consider social consideration is when drafting the tender documents. Specifications must clearly describe the procurement requirements so that contractors can decide whether they wish to bid or not. Therefore, the specification impacts on the level of competition.
- 26.7 The selection stage of the procurement process focuses on identifying the Contractor's ability to deliver the contract in relation to economic and financial standing and technical knowledge and ability. Contractors failing to demonstrate that they meet these minimum requirements will be excluded.
- 26.8 The delivery of social considerations in contracts is not yet well established. To select Contractors based on their previous experience of delivering social considerations is likely to limit competition. It is recommended that selection on the basis of previous experience of social considerations is not undertaken at this time. This recommendation will be kept under review.
- 26.9 When evaluating the quality of tenders, CPNI will use predetermined award criteria, published in advance. This may include price, cost and the value for money. If the the Community Relations Council has identified social considerations as part of the subject matter of the contract, the

Community Relations Council may include social criteria as part of the award criteria.

26.10 Social award criteria may be applied provided they:

- are linked to the subject matter of the contract
- do not confer unrestricted freedom of choice on COMMUNITY RELATIONS COUNCIL;
- are set out in the contract notice or tender documentation; and
- comply with the fundamental principles of all applicable law.

## 27 Small and Medium Sized Enterprise and Social Economy Enterprises

27.1 In the NI context, the commonly used definition is that **Small and Medium Sized Enterprise (SME)** have less than 250 employees. The table below shows the sub-categories of SMEs ranging from micro to small and medium-sized enterprises as defined by the Department of Enterprise Trade and Investment (DETI).

Enterprise Category	Number of Employees
Micro (a sub-set of small)	< 10
Small	< 50
Medium sized	50 < 250
Large	250+

27.2 The definition of an **Social Economy Enterprises (SEE)**, as used across Government Departments, includes those organisations “whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.” Examples of such organisations include credit unions, housing associations, local enterprise agencies, community businesses, co-operatives, employee-owned businesses, community development finance initiatives, social entrepreneurs and social firms.

27.3 SMEs/SEE perceive that there are barriers when trying to win a public sector contract. These include but are not limit to:

- Not being able to source information about opportunities, including subcontracting opportunities
- A belief that the processes involved in bidding are unnecessarily complex and costly
- Not understanding the requirement fully
- Current trends in Government procurement
- Not receiving feedback
- Cash flow difficulties
- Maybe unable to get through mandatory checks such as track record or audited accounts.

27.4 Mitigating actions that the Community Relations Council will seek to take include but are not limited to:

- Make requirements clear and unambiguous, and avoid jargon.
- Focus on the outcomes and not on how they are to be delivered
- Avoid over-specifying requirements
- Where appropriate, only specify standards or equivalents that are relevant
- Be clear on what the supplier has to do in responding to the requirement: the types of information required, the format of the response, and the deadline for receipt; and
- Provide a contact point for suppliers requiring further information.
- Ensure the contact point is staffed, ideally by the same people, and all enquiries get a response.
- Do not value public sector experience higher than that gained in the private sector.
- For goods and services, the turnover and insurance levels should be set with reference to the value of the contract and the degree of risk of each contract rather than using standard terms.
- Aim to pay suppliers with 10 workings days and pay all suppliers within 30 days.
- Provide helpful and comprehensive feedback

## **Annex 1 – Procurement Guidance for less than £5,000**

### **Purchase Orders (PO)**

#### **Overview**

PO's are a critical document for the Community Relations Council when procuring goods and services. They form the contract between us and the supplier, define the goods ordered and the level of service to be purchased. As such they are a critical document in the procurement process and the accuracy of PO's is paramount:

Steps to be completed in preparation of PO's:

- Purchase orders to identify:
  - The supplier
  - Good/Service requested
  - Quantity Good/Service requested
  - Identification of business need
  - Terms of service
  - Dates of delivery
  - Cost
  - VAT

- A pro forma is currently in place that discloses standard the Community Relations Council details such as address, contact details, etc.
- PO's are to be allocated a sequential number and tracked accordingly
- **If a contract or an agreement is in place the invoice is to be supported by reference to that contract rather than the PO.**
- Once a PO has been prepared by the administration team it is to be returned to the **head of the department/line manager** ordering the goods to be signed off, in compliance with the approved authority level, for delivery to the supplier.
- Once signed the PO is returned to the administration team to be sent to the supplier.

### Process Steps

1. The purchase order log is held by the Finance Officer;
2. When programmes within CRC intend purchasing goods or services from a supplier they should obtain a purchase order from the Finance Officer to complete. This should be taken as an opportunity pose any questions that you may have in advance of start the purchase process. Please note that obtaining a purchase order should not be taken as an approval for spend to occur and staff should confirm approval to spend with their Line Manager or CEO;
3. On obtaining a purchase order staff should fill in all the relevant details and ensure that both the purchaser and approval boxes on the order are signed by the appropriate staff members prior to purchasing occurring.;
4. The completed purchase order and supporting documentation should then be returned to the Finance Officer;
5. When the suppliers invoice arrives with the Community Relations Council the invoice will be matched to the purchase order and the two documents compared for discrepancies/differences by DFAP;
6. DFAP will seek confirmation from the purchase order approver that the goods/services have been received per the purchase order and the invoice at the charges agreed and detailed. DFAP will require an explanation for any discrepancies/differences;
7. To help ensure CRCs compliance with the Department of Finance's prompt payment requirement, if an invoice cannot be paid then DFAP require a brief (one or two sentences) explanation why that it ; and
8. DFAP will then be in a position to begin payment process.

**Contract Performance Evaluation**

**Title of Project/Contract Ref:**

**Name of Supplier Appointed:**

**Contract Budget:**

**Prepared By:**

**Approved By:**

**Signed:**

**Signed:**

**Date:**

**Date:**

---

**Section 1: Background**

Provide a brief description of the contract including:

- What was the purpose of the contract?
- Summary of contract initiation meeting?
- Summary of minor variations?

---

## Section 2: Assessment of Costs

This section should provide a comparison of the actual costs of the assignment with the contract costs to date.

Where the project variation between contract value and actual costs is greater than 10%, CPD advice should be sought.

<b>Expected Cost to date</b>	<input type="text"/>	<b>Actual Cost to date</b>	<input type="text"/>
			<input type="text"/>

**Percentage variation between expected cost and actual cost.**

<b>Contract Budget</b>	<input type="text"/>	<b>Revised Contract Budget</b>	<input type="text"/>
			<input type="text"/>

**Percentage variation between expected cost and actual cost.**

**Explanation of variation in costs:**

---

## Section 3: Review of Service Levels

This section should provide a review of actual contract performance against expected contract performance by reviewing the agreed service levels in the contracts.

---

## Section 4: Assessment of Benefits

This section should provide detail on the benefits provided by contract by reviewing the objectives contained in the relevant business plan:

- Were the deliverables achieved within the timescale specified in the contract?
  - Reasons for any delays and the impact on expected benefits should be explained.
  - Was the assignment used for the purpose originally intended?
- 

## **Section 6: Conclusions and Recommendations**

### **Actions**

Summarise mitigating actions that should be taken at this stage for example:

- CPD advice is contract is to be varied
- Addendum to the Business Pan
- Active Contract Management

### **Conclusions**

Provide a summary of how well the contract is performance

### **Recommendations**

Provide a summary of the lessons learnt and provide details on how these will be disseminated within the Community Relations Council.

---

**POST PROJECT EVALUATION (NON CONSULTANCY)**

**Title of Assignment:**

**Name of Supplier Appointed:**

**Cost of Assignment:**

**Prepared By:**

**Approved By:**

**Signed:**

**Signed:**

**Date:**

**Date:**

---

**Section 1: Background**

Provide a brief description of the assignment including:

- What was the purpose of the assignment?
- What was the need for the assignment?
- Who was the appointed supplier and when were they appointed?

**Section 2: Assessment of Costs**

This section should provide a comparison of the actual costs of the assignment with the agreed contract value.

Where the variation between contract value and actual costs is greater than 10%, an explanation for the variation must be provided. [Note where actual costs exceed the cost approved by DFP by more than 10%, then DFP must be informed].

<b>Expected Cost</b>	<input type="text"/>	<b>Actual Cost</b>	<input type="text"/>
<b>Percentage variation between expected cost and actual cost.</b>			<input type="text"/>

**Explanation of variation in costs:**

---

**Section 3: Assessment of Deliverables**

This section should provide detail on what was delivered by the project provider. The extent to which projected deliverables, as outlined in the Terms of Reference, were met by the supplier, and the quality should be assessed.

---

**Section 4: Assessment of Benefits**

This section should provide detail on the benefits provided by the assignment. For example:

- Were the deliverables achieved within the timescale specified in the contract?
  - Reasons for any delays and the impact on expected benefits should be explained.
  - Was the assignment used for the purpose originally intended?
  - How were the outputs delivered by the assignment used?
- 

**Section 5: Assessment of Project Management Arrangements**

This section should provide an assessment of the project management arrangements. For example:

- Were the monitoring arrangements put in place to manage the project provider satisfactory?
  - Was there an opportunity to influence performance interim stages?
  - Was the project managed effectively?
- 

**Section 6: Conclusions and Recommendations**

**Conclusions**

Provide a summary of what value was added by this assignment and assess whether, on balance, value for money was achieved.

**Recommendations**

Provide a summary of the lessons learnt and provide details on how these will be disseminated within the Department/Agency.

**DAC PROCESS MAP Annex 4**

## Business Case

Complete a business case and obtain appropriate approval.

### CPD Advice

Seek advice from a CPD proportionate to the value of the DAC completing the CPD DAC form

### Approval

Between £5 k - £30K the Accounting Officer should issue approval based on CPD advice. Above £30K the Departmental Accounting Officer approval should be obtained. Departmental Accounting Officer advice required in all cases of DACs for external consultants.

**Negotiate** with the supplier to ensure value for money led by CPD.

DAC awarded by CPD using appropriate **Conditions of Contract**.

If the value of the DAC is above the **UK EU threshold** consider publishing a VEAT Notice in the OJEU prior to award and once awarded publish a Contract Award Notice in the OJEU. If the DAC is above £30k (£50k for Utilities) publish it on the

Keep a written **record** of the DAC setting out the reasons and justification

**Sample Contractor Assessment Form**

Contract Title.....

Contract Ref.....

Name of person completing Assessment .....

Signature.....

Date.....

Countersigned by (Name).....

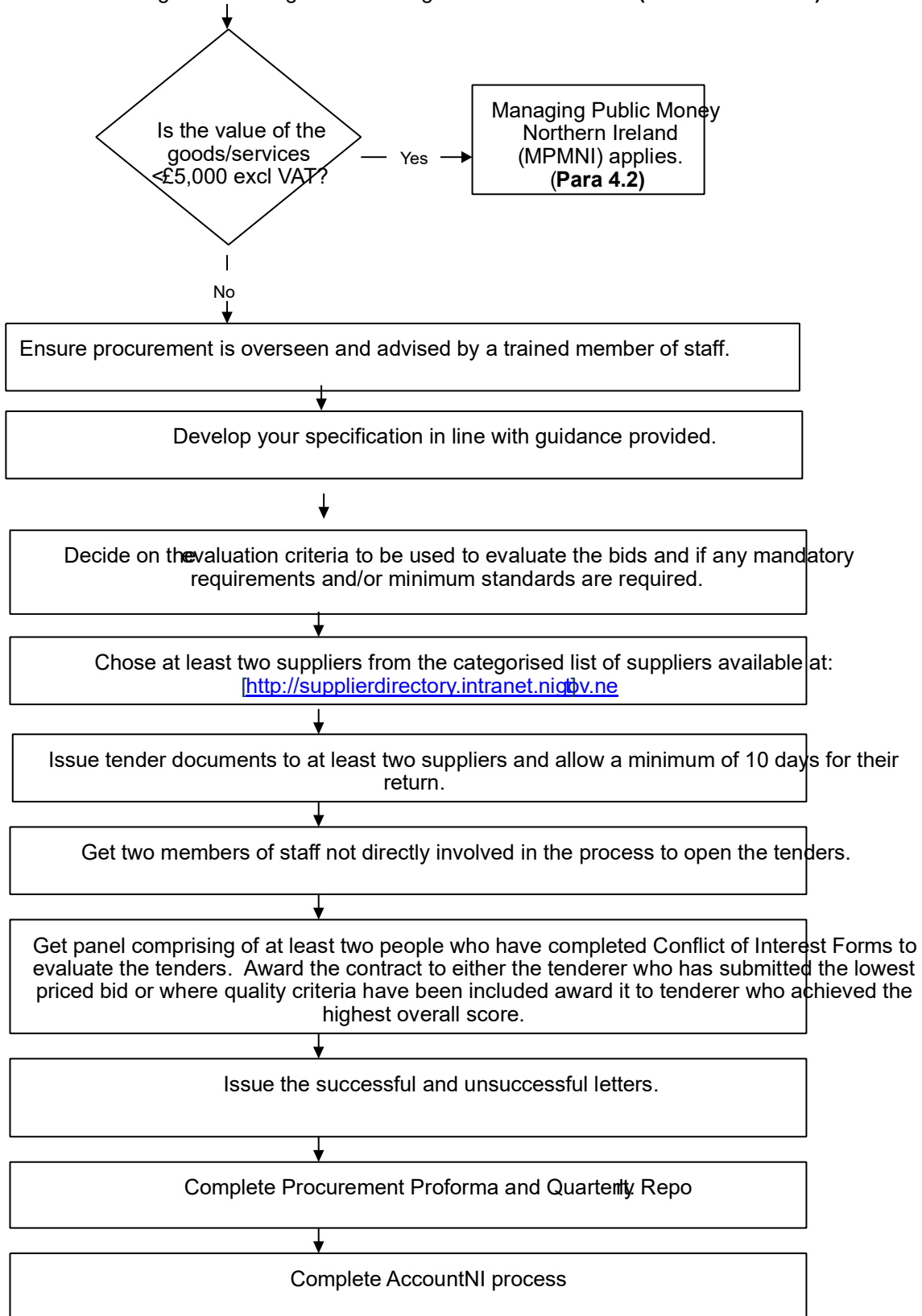
signature .....

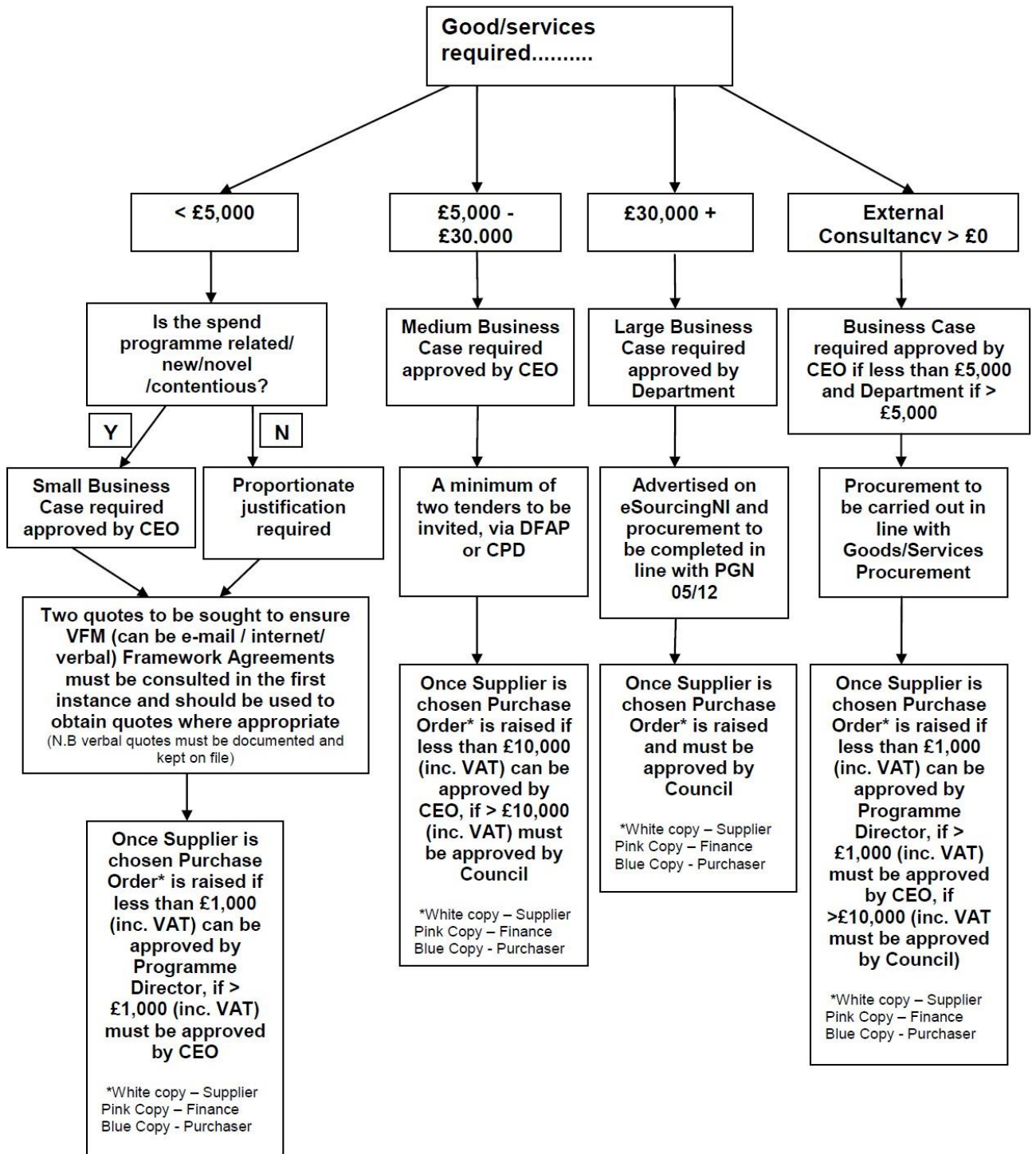
Ref	Category	Weighting	Scale of Satisfaction	Weighted Score	Comments as appropriate
	<b>AVAILABILITY and DELIVERY</b>				
1	Availability of Goods				
2	Prompt Delivery /Adherence to Delivery Times				
3	Complete and Accurate Deliveries				
	<b>Quality</b>				
4	Ease of Contract /Resolution of Queries				
5	Transportation and unloading of Goods				
6	Packing/Protection of Goods/and Environmental aspects				
7	Quality on Receipt & Prompt Replacement of Damaged Items				
8	Quality in service /Suitability for Purpose				
	<b>Finance and Administration</b>				
9	Accuracy of invoices /standard of supporting Documentation				
10	Invoices submitted promptly				
	<b>Completion</b>				
11	Adherence to response Times				
12	Work Completed Expeditiously				
13	Ease of Contract/ Resolution of Queries				
	<b>Service Provided</b>				
14	Quality on initial completion				
15	Quality of work or service on Final Completion				
16	Competency /skills of workforce & Suitability of plant				
17	Health and Safety- Equipment /Procedures/Working Method				

## LOW VALUE PROCUREMENT FLOWCHART

After having established the goods/services required are <£30,000 excl VAT (<£10,000 excl VAT for external consultancy), completed a proportionate business case and obtained written approval for the expenditure, check if the goods/services are already provided for in an e-

catalogue or existing framework agreement or contract. **(Sections 3 and 4)**





*Notes for completion: The GDPR generic standard clauses may be adapted to fit existing contract templates but you are advised to seek CoPE and/or legal advice when doing this.*

**GDPR CLAUSE DEFINITIONS:**

**Data Protection Legislation:** (i) the GDPR, the LED and any applicable national implementing Laws as amended from time to time (ii) the DPA 2018 [subject to Royal Assent] to the extent that it relates to processing of personal data and privacy; (iii) all applicable Law about the processing of personal data and privacy.

**Data Protection Impact Assessment:** an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data.

**Controller, Processor, Data Subject, Personal Data, Personal Data Breach, Data Protection Officer** take the meaning given in the GDPR.

**Data Loss Event:** any event that results, or may result, in unauthorised access to Personal Data held by the Contractor under this Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Agreement, including any Personal Data Breach.

**Data Subject Access Request:** a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

**DPA 2018:** Data Protection Act 2018

**GDPR:** the General Data Protection Regulation (*Regulation (EU) 2016/679*)

**LED:** Law Enforcement Directive (*Directive (EU) 2016/680*)

**Protective Measures:** appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of such measures adopted by it.

**Sub-processor:** any third Party appointed to process Personal Data on behalf of the Contractor related to this Agreement.

**1. DATA PROTECTION**

1.1 The Parties acknowledge that for the purposes of the Data Protection Legislation, the Client is the Controller and the Contractor is the Processor. The only processing that the

Contractor is authorised to do is listed in Schedule [X] by the Client and may not be determined by the Contractor.

- 1.2 The Contractor shall notify the Client immediately if it considers that any of the Client's instructions infringe the Data Protection Legislation.
- 1.3 The Contractor shall provide all reasonable assistance to the Client in meeting its GDPR obligations in relation to the security of processing, the notification of personal data breaches and data protection impact assessments;  
Such assistance may, at the discretion of the Client, include:
- (a) a systematic description of the envisaged processing operations and the purpose of the processing;
  - (b) an assessment of the necessity and proportionality of the processing operations in relation to the Services;
  - (c) an assessment of the risks to the rights and freedoms of Data Subjects; and
  - (d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 1.4 The Contractor shall provide all reasonable assistance to the Client in providing subject access and allowing data subjects to exercise their rights under the GDPR.
- 1.5 The client agrees to submit to audits and inspections, including the Client's designated auditors.
- 1.6 The client agrees to provide the controller with whatever information it needs to ensure that both the Client and the Contractor are meeting their Article 28 obligations, and tell the controller immediately if it is asked to do something infringing the Data Protection Legislation.
- 1.7 The Contractor shall, in relation to any Personal Data processed in connection with its obligations under this Agreement:
- (a) process that Personal Data only in accordance with Schedule [X], unless the Contractor is required to do otherwise by Law. If it is so required the Contractor shall promptly notify the Client before processing the Personal Data unless prohibited by Law;
  - (b) ensure that it has in place Protective Measures, which are available to be reviewed and approved by the Client as appropriate to protect against a Data Loss Event having taken account of the:

- (i) nature of the data to be protected;
  - (ii) harm that might result from a Data Loss Event;
  - (iii) state of technological development; and
  - (iv) cost of implementing any measures;
- (c) ensure that:
- (i) the Contractor Personnel do not process Personal Data except in accordance with this Agreement (and in particular Schedule X);
  - (ii) it takes all reasonable steps to ensure the reliability and integrity of any Contractor Personnel who have access to the Personal Data and ensure that they:
    - (A) are aware of and comply with the Contractor's duties under this clause;
    - (B) are subject to appropriate confidentiality undertakings with the Contractor or any Sub-processor;
    - (C) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third Party unless directed in writing to do so by the Client or as otherwise permitted by this Agreement; and
    - (D) have undergone adequate training in the use, care, protection and handling of Personal Data;
- (d) not transfer Personal Data outside of the EU unless the prior written consent of the Client has been obtained and the following conditions are fulfilled:
- (i) the Client or the Contractor has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Client;
  - (ii) the Data Subject has enforceable rights and effective legal remedies;
  - (iii) the Contractor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Client in meeting its obligations); and

- (iv) the Contractor complies with any reasonable instructions notified to it in advance by the Client with respect to the processing of the Personal Data;
- (e) at the written direction of the Client, delete or return Personal Data (and any copies of it) to the Client on termination of the Agreement unless the Contractor is required by Law to retain the Personal Data.

1.8 Subject to clause 1.6 the Contractor shall notify the Client immediately if it:

- (a) receives a Data Subject Access Request (or purported Data Subject Access Request);
- (b) receives a request to rectify, block or erase any Personal Data;
- (c) receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
- (d) receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Agreement;
- (e) receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
- (f) becomes aware of a Data Loss Event.

1.9 The Contractor's obligation to notify under clause 1.5 shall include the provision of further information to the Client in phases, as details become available.

1.10 Taking into account the nature of the processing, the Contractor shall provide the Client with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under clause 1.5 (and insofar as possible within the timescales reasonably required by the Client) including by promptly providing:

- (a) the Client with full details and copies of the complaint, communication or request;
- (b) such assistance as is reasonably requested by the Client to enable the Client to comply with a Data Subject Access Request within the relevant timescales set out in the Data Protection Legislation;
- (c) the Client, at its request, with any Personal Data it holds in relation to a Data Subject;
- (d) assistance as requested by the Client following any Data Loss Event;

- (e) assistance as requested by the Client with respect to any request from the Information Commissioner's Office, or any consultation by the Client with the Information Commissioner's Office.
- 1.11 The Contractor shall maintain complete and accurate records and information to demonstrate its compliance with this clause. This requirement does not apply where the Contractor employs fewer than 250 staff, unless:
  - (a) the Client determines that the processing is not occasional;
  - (b) the Client determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; and
  - (c) the Client determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 1.12 The Contractor shall designate a data protection officer if required by the Data Protection Legislation.
- 1.13 Before allowing any Sub-processor to process any Personal Data related to this Agreement, the Contractor must:
  - (a) notify the Client in writing of the intended Sub-processor and processing;
  - (b) obtain the written consent of the Client;
  - (c) enter into a written agreement with the Sub-processor which give effect to the terms set out in this clause [X] such that they apply to the Sub-processor; and
  - (d) provide the Client with such information regarding the Sub-processor as the Client may reasonably require.
- 1.14 The Contractor shall remain fully liable for all acts or omissions of any Sub-processor.
- 1.15 The Client may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Agreement).
- 1.16 The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Client may on not less than 30 Working Days' notice to the Contractor amend this agreement to ensure that it complies with any guidance issued by the Information Commissioner's Office.

**Schedule [X] Processing, Personal Data and Data Subjects**

1. The Contractor shall comply with any further written instructions with respect to processing by the Client.
  
2. Any such further instructions shall be incorporated into this Schedule.

Description	Details
Subject matter of the processing	This should be a high level, short description of what the processing is about ie its subject matter]
Duration of the processing	[Clearly set out the duration of the processing including dates]
Nature and purpose of the processing	<p>[Please be as specific as possible, but make sure that you cover all intended purposes</p> <p>The nature of the processing means any operation such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction erasure or destruction of data (whether or not by automated means) etc.</p> <p>The purpose might include: employment processing, statutory obligation, recruitment assessment</p>
Type of Personal Data	Examples here include: name, address, date of birth, NI Data number, telephone number, pay, images, biometric data etc]
Categories of Data Subject	Examples include: Staff (including volunteers, agents, and temporary workers), customers/ clients, suppliers, patients students / pupils, members of the public, users of particular website etc describing how long the data will be retained for, how it be returned or destroyed
Preventative Measure	To be completed by Contractor Itemised description of control in place to ensure compliance with Data Protection Legislation and to prevent a data breach.



Department of

**Finance**

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**Airgeadais**

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## BUSINESS CASE PRO FORMA FOR MINOR EXPENDITURE

<b>PROJECT TITLE</b>	
<b>SPONSORING DEPARTMENT</b>	
<b>AGENCY / ALB / NDPB (IF APPLICABLE)</b>	
<b>SENIOR RESPONSIBLE OWNER</b>	
<b>EST. CAPITAL COST (INCLUDING OB &amp; INFLATION)</b>	
<b>EST. REVENUE COST (INCLUDING INFLATION)</b>	

	SIGNED	DATE
<b>PROJECT MANAGER</b>		
<b>APPROVING OFFICER / GRADE</b>		

### **PROPORTIONATE EFFORT & GUIDANCE**

- Proportionate effort should be used throughout commensurate with the level of expenditure. **The level of detail provided should be based on the judgement of the appraiser**; however, all questions should be answered.
- By addressing the points below, the general principles of appraisal are applied, and a suitable analysis is made to aid decision-making and deliver a value for money (VfM) solution.
- For detailed guidance on business cases and expenditure appraisal, consult the [Better Business Case Guidance for NI](#) or seek advice from relevant professionals within your department.

This pro forma can be used for relatively small and routine expenditure, where options are limited, and the expenditure decision is straightforward. If an options appraisal is required to determine the best VfM option, then the OBC pro forma (for moderate expenditure) or OBC template (for major expenditure) can be used.

## Purpose

What is the purpose of this business case?

Purpose

## Strategic Case

1. What is the main policy/strategic driver behind the proposal? E.g. Departmental Strategies/Programme for Government, the Climate Change Act etc.
2. Why is the expenditure required – i.e. the case for change?
3. What would happen if the product / service was not provided? What would be the impact on the business / organisation?
4. What are the spending objectives of the proposal?  
Is the project expected to have a notable environmental impact? If so, what is being done to mitigate any negative impacts?<sup>2</sup>

Strategic Case
1.
2.
3.
4.
5.

---

<sup>2</sup> See [Incorporating Environmental and Climate Considerations into Business Cases](#) for further advice.

### **Economic Case**

1. Are there any alternatives to providing the product / service, which would result in the same impacts? Why were these alternatives rejected?
2. What are the expected capital and revenue costs and how have these been determined?
3. How has VfM been achieved in selecting the proposed product / service?

<b>Economic Case</b>
1.
2.
3.

### **Commercial Case**

1. Is there a procurement exercise required for the proposal? If so, please provide details of the procurement strategy and associated timeframes.

Note, there is no need to complete if no procurement exercise is required.

<b>Commercial Case</b>
1.

### **Financial Case**

1. What expenditure is needed for this project?
2. Is this level of funding affordable?

<b>Financial Case</b>
1.
2.

## Management Case

1. What are the arrangements for delivery, monitoring and evaluation? Specifically, monitoring and evaluation activity should focus on: How much did we do? How well did we do it? Is anyone better off as a result?

Management Case
1.



## BUSINESS CASE PRO FORMA FOR MODERATE EXPENDITURE

<b>PROJECT TITLE</b>	
<b>SPONSORING DEPARTMENT</b>	
<b>AGENCY / ALB / NDPB (IF APPLICABLE)</b>	
<b>SENIOR RESPONSIBLE OWNER</b>	
<b>EST. CAPITAL COST (INCLUDING OB &amp; INFLATION)</b>	
<b>EST. REVENUE COST (INCLUDING INFLATION)</b>	

	<b>SIGNED</b>	<b>DATE</b>
<b>PROJECT MANAGER</b>		
<b>APPROVING OFFICER / GRADE</b>		

### **PROPORTIONATE EFFORT, ADVICE & GUIDANCE**

- The business case pro forma is based on HM Treasury Better Business Cases guidance and follows the Five Case Model for preparing business cases.
- This pro forma is designed for general projects with moderate expenditure. Other pro formas, for minor spend or more specific projects, as well as a Business Case template for major expenditure can be found [here](#).
- If your expenditure decision exceeds £50M you must secure DoF approval to a Strategic Outline Case (SOC) before embarking on an OBC. In this case, DoFs Business Case template for major expenditure is likely to be more appropriate at OBC stage. You are advised to check whether your own Department has a lower internal delegated limit for SOC approval.
- Proportionate effort should be used throughout, commensurate with the level of expenditure and how complex, novel or contentious the proposal is. The level of detail provided should be based on the judgement of the appraiser.
- Text boxes can be expanded depending on the level of detail required.
- For detailed guidance on business cases and expenditure appraisal, consult the [Better Business Case NI website](#) or seek advice from relevant professionals within your department.
- It is important to note that workshops are likely to be required to develop the business case, as outlined in guidance. Under the standalone OBC guidance appraisers may wish to consider amalgamating workshops 1 and 2.
- The workshop reports should be saved and made available on request.

## BACKGROUND TO THE PROJECT

- Please summarise the background to the project, the purpose of the business case, and the expenditure for which approval is being sought.

### Background

## STRATEGIC CASE

*Please refer to Pages 17-26 of the [HMT Better Business Cases Guidance for Projects](#) when completing this section.*

### Ascertain the Strategic Fit and Agree the Strategic Context

Please provide details on:

- The nature and work of the organisation within which this project is taking place if not central Government.
- How the project links to existing policies / strategies including the Programme for Government, New Decade New Approach, the Climate Change Act and draft Carbon Budget requirements.
- Any notable changes since SOC (if applicable).

### Strategic Fit /Strategic Context

## Workshop 1 – Case for Change

Please refer to page 26 of the [HMT Better Business Case Guidance for Projects](#).

### **Case for Change**

#### **Existing arrangements and Business Needs**

- Describe the existing arrangements that are in place (i.e., business as usual/ what is currently provided). This may include, but not be limited to throughput and turnover, existing costs, asset availability / utilisation and condition.
- Describe deficiencies associated with the current provision and the implications if the project does not proceed.
- Include suitable quantification of the nature and level of future needs/demands – future projections should be supported by evidence of historical demand over the past 3-5 years.
- Provide details around the service gap (i.e., the difference between current provision and where the business wants to be in line with the spending objectives of this proposal).

Existing Arrangements and Business Needs

#### **Determine potential business scope and key service requirements**

Identify potential service improvements. When doing this, it is useful to classify needs / requirements based on the following hierarchy:

- The 'Essential' requirements without which the project would not be judged to be a success.
- The 'Desirable' requirements which the project may justify extra expenditure on a value for money basis.
- The 'Optional' requirements, which the project may justify on a marginal low cost and affordability basis.

Range	Essential	Desirable	Optional
Potential scope			
Key service requirements			

### **Spending objectives for the project**

- Specify spending objectives for the project that focus on the rationale and drivers for further intervention and the key outcomes and benefits we are seeking to achieve in support of the organisation's business strategy. See page 21 of [HMTs guidance](#).
- This can be linked to Outcomes Based Accountability (OBA) - [PfG and Outcomes based working guidance](#)

#	Objective	Linked Targets
1.		
2.		
3.		
4.		

### **Determine constraints and dependencies**

#### **Constraints**

- Specify any constraints that have been placed on the project. Constraints are the external conditions over which the project has little or no control. This may include, but not be limited to affordability; spatial; legislative; timing; legal, technological constraints etc.

Constraints

#### **Dependencies**

- Identify any dependencies outside the scope of the project upon which the ultimate success of the project is dependent, including inter-dependencies between other programmes and projects and external dependencies outside the project environment.

Dependencies

**Environmental Screening Process**

See the Supplementary BC Guidance on [Incorporating Environmental and Climate Considerations into Business Cases](#)

Consider the potential environmental impact of the project by answering the screening questions below.

<b>Environmental Consideration</b>	<b>Impact</b>	<b>Monetisable</b>	<b>Quantifiable</b>	<b>Qualitative</b>	<b>Risk in need of mitigation</b>
Use or management of land?					
The atmosphere/ climate?					
Inland, coastal or marine water body?					
Biodiversity?					
The supply of raw materials from natural sources?					
Outdoor recreation?					
<b>Where relevant, provide more info within these sections of the BC</b>		<b>Economic Appraisal</b>	<b>Non-monetary analysis</b>	<b>Non-monetary analysis</b>	<b>Risk Appraisal</b>

If you have answered yes to one or more of the questions above, you should consider page 11 of the Supplementary Guidance and action appropriately.

**THE STRATEGIC CASE SECTION OF THE OBC HAS BEEN COMPLETED AND MUST BE KEPT UNDER REVIEW**

## ECONOMIC CASE

Please refer to Pages 27-61 of the [HMT Better Business Cases Guidance for Projects](#) when completing this section.

### Workshop 2 – Identifying and Assessing the Options

Please refer to page 39 of [the HMT Better Business Case Guidance for Projects](#).

#### **Agree Critical Success Factors (CSFs)**

- Identify and agree the CSFs for the project - These are the attributes essential for successful delivery of the project.
- The critical success factors for the project must be crucial, not merely desirable, and not set at a level that could exclude important options at an early stage of identification and appraisal.
- Five basic CSFs which should be considered for all proposals are: strategic fit and business needs; potential VFM; supplier capacity and capability; potential affordability and potential achievability.
- In some cases one or two more may be added, but if a proposal's objectives, constraints and dependencies are correctly understood this is rarely the case. At most the number should not exceed seven.

#### **Critical Success Factors**

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### **Determine the long-list of options**

- Identify a wide range of possible options for achieving the project's business needs, potential scope and service requirements, and undertake an assessment of how well each option meets the spending objectives and critical success factors agreed for the project.
- Use the Options Framework template on the [Better Business Cases NI website](#) to identify the long-list of options – key dimensions include Scope (What?), Service Solution (How?), Service Delivery (Who?), Service Implementation (When?) and Funding. It is important that these key dimensions are considered in sequence, as this prevents the long-list becoming unmanageable with a large combination of options which is not necessary.
- The long-list must include the Business As Usual and a realistic Do Minimum
- **Pages 29-35 of the [HMT Better Business Case Guide](#) will provide further information on the options framework.**

### **Recommend a preferred way forward**

- Use the completed options framework template from above to arrive at an options shortlist.
- There must be at least 4 short-listed options – BAU, Do Minimum, the recommended preferred way forward and one or two other options which would be more or less ambitious than the recommended option.
- Note the preferred way forward at this stage will not necessarily be the preferred option, which is identified later from appraisal of shortlisted options (in terms of costs, benefits, risks).

### **Shortlisting Options**

### **Workshop 3 – Assessing the Short-listed Options**

Please refer to pages 60-61 of [the HMT Better Business Case Guidance for Projects](#).

**Note:** Given the nature of the workshop and stakeholders involved, it may also be useful to include discussions around the financial model and appraisals as part of this workshop.

**Prepare the economic appraisals for shortlisted options**

It is good practice to do the following when calculating the monetary costs and benefits for the short-listed options:

- Include all monetary costs/benefits arising from the project (inclusive of public, private and third sectors)
- Include tables that show a detailed breakdown of total monetary costs/benefits by individual cost/benefit line.
- Provide a clear explanation of assumptions. For example, what calculations did you make for each cost/benefit line and why? What evidence did you use to come up with these assumptions?
- Calculate the Net Present Social Value/Cost (NPSV/NPSC) (an excel template for this can be found [here](#)). Formula should be used to show the derivation of the cost estimates, and these should be easily reconciled with the assumptions summary tab. Excel sheets should accompany this pro forma.
- Optimism Bias (OB) should be included where appropriate in NPSV/NPSC calculations. Use [OB calculators](#) if required and follow guidance.
- The effects of general inflation must be excluded from the NPSVs/NPSCs i.e., prices should be in real terms.
- The appraisal period must be based on the useful life of the asset or the duration of the level of service to be provided.

Monetary Impacts Summary Table				
Option	Total Capital Cost	Total Operating Cost	Total Monetary Benefits	NPSV/NPSC

**Undertake non-monetary impacts appraisal**

- Undertake an appraisal of the quantifiable and qualitative impacts and explain why these are important enough to affect the decision for the ranking of the options. A template for this can be found on the [Better Business Cases website](#).
- Where possible, avoid defining impacts that cannot be measured, assessed, or evaluated in any realistic way because there is no established evidence base. Both the quantifiable and qualitative impacts must be recorded in the Benefits Realisation Plan.

Non-Monetary Impact Appraisal

### **Undertake risk appraisal**

- Identify and quantify the risks and mitigations associated with the short-listed options. The probability of each risk occurring and its likely impact should be assessed, along with an overall risk rating. A template for this can be found on the [Better Business Cases website](#).
- Project managers should ensure a risk register is developed from the beginning of the project, this should be updated and reviewed on a regular basis.

### **Risk Appraisal**

### **Undertake sensitivity analysis**

#### **Sensitivity Analysis**

- Sensitivity analysis is used to test the vulnerability of options to future uncertainties. It involves testing the ranking of the options by changing some of the key assumptions, for example switching values/scenarios for costs and the delivery of benefits.
- Sensitivity analysis may not change the preferred option. However, if small changes in the assumptions alter the ranking, it is an indication that the investment process should proceed cautiously, because it has non-robust elements in it.
- This analysis should be undertaken in two stages, switching values and then scenario analysis looking at best and worst possible outcomes. See [HMT guidance](#), (pages 58-59) for information on both and an explanation about interpreting results.

### **Sensitivity Analysis**

### **Identifying the preferred option**

- Conclusions should be drawn on each of the different options, considered in terms of cost, benefit, risk and its ability to meet the spending objectives – a summary table like the one below may be useful.
- Preferred option should be identified and justified.

	Option 1	Option 2	Option 3	Option 4
<b>Description</b>				
<b>Net Present Social Cost/Net Present Social Value</b>				
<b>Monetised Benefit-Cost Ratio<sup>1</sup> (if applicable)</b>				
<b>NPSC/NPSV Options Rank</b>				
<b>Non-Monetary Impacts Score</b>				
<b>Non-Monetary Impacts Options Rank</b>				
<b>Risks Score</b>				
<b>Risk Assessment Options Rank</b>				
<b>Overall Rank/Conclusion</b>				

<b>Identifying the Preferred Option</b>

**THE ECONOMIC CASE SECTION OF THE OBC HAS BEEN COMPLETED AND MUST BE KEPT UNDER REVIEW.**

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<sup>1</sup> A BCR should only be calculated for monetised costs and benefits (i.e., it is not appropriate to include non-monetary impacts in this calculation).

## COMMERCIAL CASE

Please refer to Pages 61-69 of the [HMT Better Business Cases Guidance for Projects](#) when completing this section.

### Workshop 4 – Developing the Deals

For further details on the purpose, objectives, key participants and outputs of workshop 4, please refer to pages 68-69 of [the HMT Better Business Case Guidance for Projects](#).

#### **Determine procurement strategy**

- Determine the procurement strategy and possible procurement routes for the project's key outputs and activities.
- Key considerations are the choice of procurement method and the degree to which early consultation with the supply side is required; and the extent to which the organisation should be acting as a single procurement entity or procuring more collaboratively with other public bodies.
- Please outline or append the procurement strategy.
- Note, there is no need to complete if no procurement exercise is required.

#### **Procurement Strategy**

#### **Determine service streams and required outputs**

- Identify and summarise the project's required services and outputs and the potential implementation timescales required.
- The project plan for the procurement of its key outputs and activities should be outlined and/or attached to the Project Business Case.

#### **Service streams and required outputs**

### **Outline potential risk apportionment**

- Identify how the service risks in the Design, Build, Funding and Operational (DBFO) phases of the project may be apportioned between the public and private sectors.
- The intention is to optimise the allocation and sharing of risk. Specific risks should be allocated to the party best able to manage it.

#### **Risk Apportionment**

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### **Outline potential payment mechanisms**

- Identify how the project intends to make payment for its key services and outputs over the expected lifespan of the contract(s).
- Payment mechanisms should incentivise the service provider to provide Value for Money over the lifespan of the project.
- **Payment mechanisms for the: pre-delivery phase; operational phase; and extension phase are discussed in more detail on pages 64-66 of the [HMT Better Business Cases Guide](#).**

#### **Payment Mechanisms**

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### **Ascertain contractual issues and accountancy treatment**

- Outline the contractual arrangements for the project, including the use of a particular contract, the key contractual issues for the Deal and its accountancy treatment and personnel implications.

#### **Contractual issues and accountancy treatment**

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**THE COMMERCIAL CASE SECTION OF THE OBC HAS BEEN COMPLETED AND MUST BE KEPT UNDER REVIEW.**

## FINANCIAL CASE

*Please refer to Pages 69-76 of the [HMT Better Business Cases Guidance for Projects](#) when completing this section.*

### Workshop

Please note that there is no specific requirement for a further workshop to take place under the financial case. Nevertheless, given the nature and stakeholders involved in Workshop 3, discussions around the financial model and appraisals could take place at that stage.

### **Prepare financial model and financial appraisals**

- Ascertain the affordability and funding requirements of the preferred option and demonstrate that the recommended project is affordable.
- The financial appraisals focus on the affordability and fundability of the project. The costs and benefits appraised in the financial case reflect an accountancy-based perspective.
- A Budget statement; Cash flow statement; and Funding statement should be included as part of this appraisal.
- The financial appraisal should result in a clear understanding of:
  - the capital and revenue implications of the project;
  - any financial contingencies (for example, for inflation) on top of any adjustments made in the Economic Case; the impact on the income and expenditure account and the organisation's charges for services (if applicable);
  - the impact on the budget, other sources of available funding and any shortfalls;
  - the impact of the project on the organisation's balance sheet; and
  - evidence of commissioner and stakeholder support (if required).
- An affordability template is available on the [BBC NI website](#).

### Financial Model and Appraisal

**THE FINANCIAL CASE SECTION OF THE OBC HAS BEEN COMPLETED AND MUST BE KEPT UNDER REVIEW.**

## MANAGEMENT CASE

Please refer to Pages 76-85 of the [HMT Better Business Cases Guidance for Projects](#) when completing this section.

### Workshop 5 – Successful Delivery Arrangements

For further details on the purpose, objectives, key participants and outputs of this workshop, please refer to page 84 of the [HMT Better Business Case Guidance for Projects](#).

#### **Plan project management**

- Put in place the strategy, framework and plans for successful project delivery through the development of the Project Framework and Project Plan.
- The appointment of the Senior Responsible Owner as well as the use of any specialist advisers should also be discussed.

#### **Project Management**

#### **Plan change management**

- Put in place the strategy, framework and plans required for managing change.
- This should include a change management strategy (linked to benefits realisation), a change management framework (to manage anticipated and unexpected change) and a change management plan (to explain what will be delivered by whom and when in terms of underlying activities).

#### **Managing Change**

### **Plan benefits realisation**

- Put in place the management arrangements required to ensure that the project delivers its anticipated benefits, including: Benefits realisation strategy; Benefits realisation framework; and Benefits register/Benefits Realisation Plan (BRP).
- All the benefits identified in the strategic case and economic case sections of the OBC must be accounted for within the benefits register/BRP.
- The benefits register should be updated and reviewed continuously throughout the course of the project.
- A benefit profile template can be found on the [Better Business Cases NI](#) website.

### **Benefits Realisation**

### **Plan risk management**

- Put in place arrangements for managing and mitigating risks during the key phases of the project.
- A risk management framework should be established, within which risks are identified, mitigated and managed.
- All the risks identified in the strategic case and economic case sections of the OBC must be accounted for within the risk register/log.
- The risk register/log should be updated and reviewed continuously throughout the course of the project.
- A risk register/log template can be found on the [DoF website](#).

### **Risk Management**

### **Plan Post-Project Evaluation**

- Put in place the necessary arrangements for Project Assurance (for example Gateway Reviews), Monitoring and Evaluation.
- To ensure an independent and objective approach, evaluations should be led by individuals or teams who have had no responsibility for or involvement in the management or implementation of the proposal under consideration.

### **Project Assurance and Evaluation Arrangements**

**THE MANAGEMENT CASE SECTION OF THE OBC HAS BEEN  
COMPLETED AND MUST BE KEPT UNDER REVIEW.**