



**St Helena
Government**

PROCUREMENT REGULATIONS

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PART 1

INTRODUCTION AND SCOPE OF THE REGULATIONS

1 Introduction

- 1.1 These *Procurement Regulations* are intended to ensure value for money is obtained in the purchases of all goods, services and works within a framework of good purchasing practice and public accountability that places decision making at the appropriate level.
- 1.2 All *Officers* responsible for purchasing or disposal must comply with these *Procurement Regulations* and all supporting documentation.
- 1.3 These *Procurement Regulations* are issued by the Financial Secretary, with the approval of the Governor pursuant to, and in accordance with, Section 5 of the Public Financial Ordinance.
- 1.4 These *Procurement Regulations* will be subject to a detailed review at intervals not exceeding three years to ensure that the working arrangements of SHG are conducted in accordance with relevant legislation and current best practice.

2 Interpretation

- 2.1 Words in italics are defined terms, the meaning of which can be found in Part 8 of these *Regulations*.
- 2.2 For the purposes of these *Regulations*, where there is a requirement for communication to be in writing, this shall be deemed to include, where appropriate, other electronic means (e.g. e-mail or e-tendering) as well as hard copy.
- 2.3 The *Regulations* lay down minimum requirements and a more thorough procedure may be appropriate for a particular *Contract*.
- 2.4 In implementing these *Regulations* every *Officer* shall have regard to the Public Finance Ordinance.
- 2.5 In respect of project and programme funding, any decision that would potentially or in reality cause conflict to arise with the external funding partners governance requirements, will require consultation with the external funding partner prior to approval within SHG procurement regulations. Where conflict might arise the need for consultation will be determined by the Financial Secretary.
- 2.6 Should there be any ambiguity in these *Regulations* then the interpretation of the Financial Secretary shall be final.

3 Scope

- 3.1 Any arrangement made by, or on behalf of SHG, that commits, or potentially commits, SHG to pay, or receive, more than £5,000 for the purchase of goods or services must comply with these *Regulations* regardless of how they are funded, other than:
 - a) Contracts of employment which make an individual a direct employee of SHG
 - b) Property transactions including the acquisition, disposal, or transfer of land or buildings.
 - c) Contracts that are entered into in a situation where SHG's Civil Emergency Plan has been activated for the provision of goods or services that are necessary to enable SHG to discharge its responsibilities in such a situation.

- d) Where a *Purchase Order* is being placed to call off goods, services or works under a *Contract* which has been put in place under these or any prior *Regulations*

3.2 All purchases of goods, works or services where the *Total Value* is less than £5,000 are at the discretion of the *Accounting Officer* of the area holding the budget.

4 Officer Responsibilities

4.1 *Officers* responsible for purchasing or disposal must comply with these *Procurement Regulations* and all relevant domestic and international legal requirements.

4.2 *Officers* must ensure that any *Agents*, *Consultants* and contractual partners acting on their behalf also comply.

4.3 All *Officers* are expected to: -

- a) Have regard to the guidance in the supporting *Procurement Services Training Pack*
- b) Take all necessary legal, financial and professional advice.
- c) Treat *Candidates* fairly, equally and open up contract opportunities to a wider market, generally through advertising in some form so as to generate competition.
- d) Declare any personal financial or other interest in a *Contract* via the Declaration of Interest form on the SHG website.
- e) Check whether there is an existing Corporate Contract, Framework Agreement or any other Agreement which can be accessed and provide favourable terms (e.g. Contracts set up by UK Government).
- f) Keep bids confidential.
- g) Complete a written *Contract* or *Purchase Order* before the supply of goods, services or works begin, which should be approved by a suitably authorised person in line with the *Scheme of Delegation* as defined within the *Financial Regulations*.
- h) Appoint a *Contract Manager* with responsibility for ensuring the *Contract* delivers as intended.
- i) Keep appropriate records of dealings with bidders and suppliers.
- j) Pay due regard to the Procurement Policy and Strategy.
- k) Delegation for payment certification must comply with SHG Financial Regulations with a clear log of any delegation to an individual from the *Accounting Officer*.
- l) The *Accounting Officer* must ensure segregation of duties to ensure that a single officer cannot undertake the end to end process.

4.4 The Financial Secretary must ensure that:

- a) *Officers* comply with these regulations. Failure to comply with these regulations could lead to a disciplinary at an individual level, financial loss at a portfolio level and reputational damage at a government level.
- b) Central registers are kept, within the parameters agreed by the *Procurement Board*, of:
 - All *Contracts* entered into within the scope of these regulations; and
 - All *Waivers* to these Regulations
- c) Original, signed contractual documents are kept by *Procurement Services* in a secure central location.

PART 2

OBTAINING QUOTATIONS AND TENDERS

5 Total Value of a Contract

- 5.1 The *Regulations* that need to be followed for each *Contract* depends, in part, on the estimated *Total Value* of the *Contract* (as determined by the relevant *Accounting Officer*) to be let over its entire term including any possible *Extensions*.
- 5.2 For *Contracts* which are on a time and materials basis and it is not possible to make a reasonable estimate of the time or the materials that will be used then for the purpose of these *Regulations* the *Total Value* shall be deemed to be in excess of £75,000.
- 5.3 An *Officer* must not enter into separate *Contracts*, artificially disaggregate or select a method of calculating the *Total Value* in order to avoid or minimise the application of these *Regulations*.

6 Rolling Procurement Plan

- 6.1 For all *Contracts with a Total Value* over £30,000 the relevant *Accounting Officer(s)* shall submit to the Head of Procurement Services, on a quarterly basis and in a format agreed by the *Procurement Board*, a rolling programme of *Contracts* that need tendering or reviewing to take up an *Extension* offer over the next 12 - 18 months.
- 6.2 Additions to the rolling programme of *Contracts* for all procurements of £75,000 and above must:
- a) if project or programme funded through external sources, be agreed through the relevant Project Board or Programme Board. Otherwise;
 - b) be agreed through the relevant Portfolio Advisory Board and the Minister responsible for the service area.
- 6.3 The Head of Procurement Services will review each request for inclusion on the *Rolling Procurement Plan*; and determine the *Procurement Complexity Classification* as either low complexity, medium complexity, high complexity or high complexity with National Importance and place the goods/service/works on the *Rolling Procurement Plan*.
- 6.4 The *Procurement Complexity Classification* is determined by a combination of the answers to the questions asked on the Rolling Procurement Registration Form and the professional skill and judgement of the Head of Procurement Services. The Head of Procurement Services from time to time may consult with the Procurement Board in determining the Classification should he/she feel it beneficial.
- 6.5 Should the Head of Procurement Services consider that any request for inclusion on the *Rolling Procurement Plan* possesses any unusual features, or
- a) raises questions of principle or financial policy; or
 - b) might arouse particular public interest or publicity; or
 - c) concerns a matter of particular importance or sensitivity; or
 - d) it concerns proposals for outsourcing/divestment of existing SHG activity

then they shall proactively inform members of the *Procurement Board* in *Writing* of the matter prior to the determination of the *Procurement Complexity Classification* and placement on the *Rolling Procurement Plan*.

- 6.6 Members of the *Procurement Board* should advise the Head of Procurement within 72 hours should matter give them causes for concern, conflict with other matters which may not be immediately visible to others.
- 6.7 The Head of Procurement Services may revise the *Procurement Complexity Classification* at any time should new information become available.
- 6.8 The *Rolling Procurement Plan* shall be sent in hard copy or by email by Procurement Services to Members of the Procurement Board and other key stakeholders every month.
- 6.9 Members of the *Procurement Board* and other key stakeholders should review the *Rolling Procurement Plan* and advise the Head of Procurement at the earliest opportunity should any of the Procurements listed on the Rolling Procurement Plan either give them causes for concern, conflict with other matters which may not be immediately visible to others or should they disagree with the *Procurement Complexity Classification*.
- 6.10 The *Rolling Procurement Plan*, in a format suitable for publication to the general public, shall be published on the SHG website by Procurement Services and updated monthly unless there are no changes required.

7 Specifications

- 7.1 The *Accounting Officer* must prepare an appropriate *Specification* statement, terms of reference or scope of works which sets out a clear and comprehensive description of the requirements with regard to the goods, services or works to be supplied.
- 7.2 When appropriate, all works, goods and services must be specified by reference to internationally recognised standards with the words “or equivalent” added.
- 7.3 Named products or manufacturers must not be specified unless;
 - a) There is a genuine requirement to be compatible with a named product or there is a compelling reason to do so; and
 - b) Procurement Board has given written approval, which may either be a one off approval or a rolling approval that is time bound not exceeding 2 years.
- 7.4 The *Specification* should be measurable and as far as possible incorporate objective quality and performance criteria to enable those evaluating the *Quotation* or *Tender* to ascertain whether the requirements are being met.
- 7.5 The *Accounting Officer* must obtain appropriate professional and technical advice and assistance in the preparation of the *Specification* to ensure that it is a comprehensive document that expresses SHG’s requirements and protects its interests. For items with procurement complexity which is either medium, high or high with national importance this must include Procurement Services.
- 7.6 Any third party who assists in the preparation of a *Specification* must not;
 - a) be invited to *Tender* for the *Contract*; or
 - b) assist or otherwise collude with any Candidate.
 - c) Circumstances that are deemed to contravene the above must be submitted for review by Procurement Services and if deemed appropriate be approved by the Procurement Board.
- 7.7 Where appropriate, service *Specifications* must incorporate requirements in respect of:
 - a) Professional or Industry accreditations to be held by the *Candidates*

- b) Responsibility for the management, safeguarding and ownership of any data to be held and/or used as part of the *Contract*.
- c) Consultation with service users.
- d) Reporting to SHG on key service metrics e.g., complaints, response times.

7.8 For all procurements with a *Total Value* below £30,000 the *Specifications* shall be agreed, prior to publication, by the *Accounting Officer*.

7.9 For all procurements with a *Total Value* equal to or above £30,000 the *Specifications* shall be agreed, prior to publication, in accordance with the table below.

Complexity Classification	Specification agreed by
Low	Accounting Officer
Medium	Portfolio Advisory Board or Project/Programme Board
High	Portfolio Advisory Board or Project/Programme Board
High (with National Importance)	Portfolio Advisory Board or Project/Programme Board in Consultation with Exco

8 Commencement of Procurement

8.1 No procurements with a *Total Value* below £30,000 may commence or *Contract* be awarded that has not been reviewed and approved by the *Accounting Officer*.

8.2 No procurement with a *Total Value* equal to or over £30,000 may commence or *Contract* be awarded that has not been reviewed by the Head of Procurement Services, and a *Procurement complexity Classification* given.

8.3 For any procurement with a *Total Value* equal to or over £30,000 approval, in the format agreed by the *Procurement Board*, must be sought before the commencement of any procurement or purchase activity in accordance with the table below.

Complexity Classification	Approval Required By
Low	Accounting Officer
Medium	Procurement Services
High	Procurement Board
High (with National Importance)	Procurement Board In Consultation with Exco

- 8.4 In considering whether to approve an item or not the *Accounting Officer, Procurement Services* or *Procurement Board* shall address:
- a) Whether the matter fits with agreed, published corporate strategy / national goals.
 - b) Whether the matter fits the stated business requirement.
 - c) Whether there are any other potential consequences arising from the proposed procurement (impact assessment)
 - d) Whether the specification or Terms of Reference for the matter being procured is fit for purpose. (i.e. robust without buying the “Rolls Royce”)
 - e) Whether a robust procurement process will be followed
 - f) Whether the funding has been appropriately approved.
 - g) Whether the potential savings opportunity is suitably ambitious
 - h) Whether any risk associated with the matter fits within an acceptable risk profile
 - i) Whether any legal considerations are appropriately identified and mitigated
 - j) Any Social, Economic, Ethical or Environmental considerations
- 8.5 For Procurements with a low *Procurement Complexity Classification* the *Accounting Officer* shall use their discretion with regards to which Procurement route is appropriate.
- 8.6 For Procurements with a Medium, High or High (with National Importance) *Procurement complexity Classification* the Head of *Procurement Services* shall determine which procurement process is to be followed based on the type and *Specification* of the proposed *Contract* in accordance with one of the following procurement routes:
- a) Quotations
 - b) Open Tendering
 - c) Via a Standing List
 - d) Single Tenders
 - e) Framework Agreement

9 Managing the Procurement

- 9.1 For all procurements with a *Total Value* below £30,000 the procurement shall be managed and carried out by suitably qualified / experienced *Officers* under the direction and control of the *Accounting Officer*.
- 9.2 For all procurements with a *Total Value* equal to or above £30,000 the procurement shall be managed and carried out by suitably qualified / experienced *Officers* in accordance with the table below.

Complexity Classification	Procurement managed / carried out by
Low	Accounting Officer
Medium	Procurement Services
High	Procurement Services

High (with National Importance)	Procurement Services
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9.3 All procurements should have a clearly defined end to end timeframe for the completion of the procurement. For Procurements with a Medium, High or High (with National Importance) *Procurement Complexity Classification* the end to end timeframe for the completion of the procurement will be evaluated on a case by case basis and will be subject to whether an international procurement is required as well as logistics analysis. For low complexity procurements the default timeline, for planning purposes, should be set at 3 months unless it can be clearly stated why a longer period is necessary. Due to the variable nature of more complex Procurements, timeframes should be determined and agreed with key stakeholders and project teams.

10 Advertising Requirements

10.1 Where the procurement route is an Invitation to Tender, as per Regulation 11, the, opportunity shall be published on the e-tendering portal, to ensure that;

- a) Public notice of the opportunity is given.
- b) All those registered on the e-tendering portal receive an automated email alerting them to appropriate opportunities as soon as the opportunity is published.
- c) Any member of the public can see the opportunity via the e-tendering portal without the need to create an account or log into the system.
- d) The opportunity is open for sufficient time, depending on the complexity of the anticipated response, to ensure *Candidates* have time to produce a high quality response. The minimum time being as follows.

Complexity Classification	Minimum advertising time
Low	10 working days
Medium	20 working days
High	30 working days
High (with National Importance)	30 working days

- e) The notice expresses the nature and purpose of the opportunity;
- f) It is clear as to where further details may be obtained;
- g) The last date and time when expressions of interest or Tenders should be received is clear,
- h) It is clear how Candidates should submit their response.

10.2 Opportunities may also be highlighted in local media, on a case by case basis, if the Accounting Officer or Head of Procurement Services believe it is advantageous to do so.

11 Competition Requirements

- 11.1 Regardless of Procurement Complexity Classification, where the procurement route requires competition, the competition requirements outlined below shall be followed as a minimum.

Total Value	Minimum Competition Requirement
Up to £5,000	At least 1 <i>Written Quotation</i> (<i>Officers should however ensure the market is regularly tested</i>)
£5,000 to £75,000	At least 3 <i>Written Quotations</i>
Over £75,000	Invitation to <i>Tender</i> with at least 3 responses

- 11.2 *Quotations* obtained via the internet are acceptable so long as the appropriate carriage, insurance, freight and customs duty are fully considered.
- 11.3 Should it not be possible to comply with the above competition requirements due to an insufficient number of suitably qualified *Candidates* being identified then, regardless of the *Procurement Complexity Classification*, the Head of Procurement Services shall review the procurement and may, at his/her discretion, approve a reduced competition requirement.
- 11.4 All Procurements that have not met the competition requirement shall proceed and be reported for information to the *Procurement Board*, by the Head of Procurement Services, at the next available meeting.

12 Preparation and Sending of Documents

- 12.1 All Invitation to *Tender* and requests for *Quotation* documentation shall include a clear specification of requirements, minimum standards, timescales, evaluation criteria and minimum mandatory pre-qualification criteria.
- 12.2 The *Award Criteria* and calculation methodology must be included within the *Invitation to Tender* or *Request for Quotation* documents.
- 12.3 A full set of *Quotation* or *Tender* documents must be available to download electronically or be sent in *Writing where necessary*, to all those *Candidates* who have responded to the invitation.
- 12.4 All *Candidates* invited to submit a *Tender* or *Quotation* must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.
- 12.5 If an amendment to the *Quotation* or *Tender* documents is required during the tender period the amendment must be provided to each recipient of the original *Quotation* or *Tender* documents with a request that the *Officer* conducting the procurement be notified of the receipt of the amendment.

13 Clarification Questions – Pre Tender Return

- 13.1 Prior to the submission of a *Tender* or *Quotation*, interested parties may request clarification about any point in the documentation.
- a) All such requests must be in *Writing*

- b) Any clarification provided must be in *Writing* and copied to all *Candidates* at the same time.

13.2 A *Written* record must be kept of clarification requests and responses provided.

14 Receipt of Quotations and Tenders

14.1 *Quotations* and *Tenders* shall comply and be submitted in accordance with the rules and instructions set out in the request for *Quotation* or *Invitation to Tender*. Those that do not comply shall be deemed non-compliant and rejected without any form of evaluation.

14.2 Prior to the *Closing Date* for the receipt of *Quotations* or *Tenders* the names of *Candidates* must not be disclosed to any other person.

14.3 Only in exceptional circumstances will a *Tender* or *Quotation* be considered that has not been received by the *Closing Date* stipulated. Approval to accept a late *Tender* or *Quotation* must be obtained, in *Writing*, from the Head of Procurement Services. The *Procurement Board* must be notified, at the next available meeting, of all circumstances a late *Tender* or *Quotation* has been accepted giving the reasons for acceptance.

Submission via the e-Tendering Portal

14.4 All *Quotations* and *Tenders* that are advertised overseas, or receive responses from overseas *Candidates*, shall be via the e-Tendering portal.

14.5 The electronic tender box shall be locked so that no one is able to see the identity of any of the *Candidates* submitting a response, or the content of any response, prior to the *Closing Date* of the *Quotation/Tender*.

14.6 After the *Closing Date* Procurement Services shall open the electronic tender box, download the responses and make them available to Officers responsible for the evaluation.

14.7 The e-Tendering portal shall act as proof as to the date and time the *Quotations* or *Tenders* was received and the details of the *Candidates* submission.

Submission in hard copy

14.8 Hard-copy *Quotations* or *Tenders* shall be returned before the *Closing Date* as per the table below in a sealed envelope marked tender for the *services/works*.

Complexity Classification	Returned to
Low	Accounting Officer
Medium	Procurement Services
High	Procurement Services
High (with National Importance)	Procurement Services

14.9 The *Accounting Officer* or *Procurement Services*, depending on who receives the bids, shall be responsible for the safekeeping of *Quotations* and *Tenders* until the appointed time of opening.

14.10 *Quotations* or *Tenders* returned shall:

- a) on receipt, be date and time stamped and be recorded on the tender log so as to subsequently verify the date and precise time it was received; and
- b) be unopened and held securely in a locked cabinet so as to adequately protect and guard against amendment of its contents until such time as the Quotations or Tenders are officially opened.

Submission by email

- 14.11 All *Quotations* or *Tenders* returned via email shall be sent to the email central *Quotations* or *Tenders* return e-mail address.
- 14.12 *Quotations* or *Tenders* returned shall, on receipt,:
- a) be held securely in electronic form with the contents of the email unopened until such time as the *Quotations* or *Tenders* are officially opened; and
 - b) be acknowledged in the form of an email back to the Candidate.
- 14.13 The date and time stamp of the email containing the *Quotations* or *Tenders* shall act as proof as to the date and time the *Quotations* or *Tenders* was received.

15 Opening of Quotations and Tenders

- 15.1 All *Quotations* and *Tenders* that are not submitted via the e-Tendering Portal must be opened at the same time and only after the *Closing Date*.
- 15.2 *Tenders* must be opened in the presence of at least two *Officers* neither of whom can be involved in the direct management or supervision of the *Contract*.
- 15.3 Upon opening, a summary of the main terms of each *Tender* (such as *Tender* sum, construction period, etc) must be recorded in the *Tender Record Log*. The summary must be initialled by those present at the opening.

16 Evaluation of Quotations and Tenders

- 16.1 *Quotations* and *Tenders* must be evaluated and awarded in accordance with the *Award Criteria*. During this process, *Officers* conducting the evaluation shall ensure that submitted *Quotation* and *Tender* sums are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 16.2 The arithmetic in compliant *Quotations* and *Tenders* must be checked. If arithmetical errors are found they should be notified to the *Candidate*, who should confirm which is correct or withdraw their *Tender*. Specific reasons for any significantly low tender bids should be explicitly reviewed and documented as part of the tender evaluation process.
- 16.3 Any material or information provided by a *Candidate* in response to a request for *Quotation* or *Tender* that is not to be evaluated in accordance with the *Award Criteria* should not influence the *Award Decision* in any way.
- 16.4 Only information provided by a *Candidate* in response to a request for *Quotation* or *Tender* should be used in the evaluation of the *Quotation* or *Tender*. *Officers* must not make assumptions about a *Candidates* capability or say "but I know they can do this".
- 16.5 Final validation of scores must be undertaken as follows
- a) For low complexity procurements this will be the Accounting Officer.
 - b) For Medium complexity Procurements this will be Procurement Services and
 - c) for both High complexity Procurements and High complexity Procurements with National Importance this will be undertaken by Procurement Services.

17 Suitability of Candidates

- 17.1 All *Candidates* responding to an *Invitation to Tender* shall be suitably assessed by the *Officers* conducting the evaluation prior to the *Award Recommendation* detailed in Regulation 21.
- 17.2 The assessment process following submission of the *Invitation to Tender* shall be detailed in the *Invitation to Tender* and establish that the *Candidates* have, on a *Tender by Tender* basis, appropriate:
- a) Economic and financial credentials
 - b) Ethical and environmental credentials
 - c) Technical credentials
 - d) Capacity to fulfil current and future requirements
 - e) Ability to fulfil the current and future requirements
 - f) Genuine willingness to fulfil current and future requirements
- 17.3 Regardless of the Procurement Complexity or Total Value;
- a) Should the assessment in Regulation 17.2 call into question the appropriateness of a *Candidate*; or
 - b) should there be evidence of previous *Poor Performance* by a *Candidate* in supplying goods, services or works to the Authority, arising within the previous 3 years; or
 - c) additional information about the suitability of a *Candidate* becomes available;
- the *Head of Procurement Services* and/or the *Accounting Officer* may recommend to the *Procurement Board* that the *Candidates* submission is rejected at any stage prior to the *Contract* being signed.

18 Clarification Questions – Post Tender Return

- 18.1 The *Tender or Quotation* Evaluators may seek post *Tender* clarifications from *Candidates* when these are material to identifying the successful *Tender or Quotation* but these must be documented, together with the responses received, and accompany the evaluation report.
- 18.2 The clarification procedure shall be managed in such a way so as not to give any *Candidate* an unfair advantage over other *Candidates* by allowing the *Candidate* to revise or enhance its original *Quotation or Tender*. This includes an initially unacceptably low priced bid being revised upwards, unless it is a clear typing or calculation error which requires clarification.

19 Abnormally low or high Quotations or Tenders

- 19.1 Tender evaluations should include an explicit consideration of the tender value compared to the mean value of all supplied tenders. Specific reasons for any significantly low tender bids should be explicitly reviewed and documented as part of the tender evaluation process.
- 19.2 The Head of Procurement Services may determine that a significantly low value tender bid be removed from the evaluation process entirely, should there be strong economic evidence to suggest a lack of financial awareness relating to the project and/or a clear lack of cost appreciation by the bidder.
- 19.3 The Head of Procurement Services may determine that a significantly high value tender bid be removed from the evaluation process entirely should the bid be greater than 200% of the arithmetical average of all other bids received (after any significantly low bids have been removed in accordance with Regulation 19.2).

20 Negotiation

- 20.1 Post *Tender/Quotation* negotiation, with a view to obtaining adjustments in price, delivery or content is permitted, so long as;
- a) Negotiation is conducted with all Candidates who have a realistic possibility of winning the evaluation.
 - b) A negotiation strategy is developed and agreed prior to the negotiation session.
 - c) A team of at least two Officers, one of whom must represent the business area concerned and be able to provide appropriate technical input and one who is independent to the business area and who is experienced in commercial negotiation.
 - d) The negotiation does not materially change the scope of the original Procurement or the *Candidates* response to the request for Quotation / Tender
- 20.2 Under no circumstances shall any *Officer* use the negotiations as an opportunity to trade-off one *Candidates* prices against other *Candidates* prices in order to obtain lower prices.
- 20.3 It is also permissible to use the following tools/techniques to achieve best value
- a) Direct negotiation to a target price or available budget
 - b) Best and Final Offer
 - c) Reverse e-auctions

21 Award of Contract

- 21.1 All *Contracts* must be awarded to the *Candidate* who obtains the highest score in the evaluation of the *Award Criteria*.
- 21.2 All *Contracts* must be awarded on the basis of the specification provided within the Quotation or ITT pack, without material adjustment.
- 21.3 An *Award Recommendation*, in the format agreed by the *Procurement Board*, must be documented in accordance with the table below.

Complexity Classification	Award Recommendation
Low	Accounting Officer
Medium	Procurement Services
High	Procurement Services
High (with National Importance)	Procurement Services

- 21.4 The *Award Recommendation* shall contain a declaration by the *Accounting Officer* or *Head of Procurement Services*, as appropriate, that they have ensured all relevant aspects of these *Regulations* have been complied with in connection to the *Contract* being awarded.
- 21.5 Approval, in the format agreed by the *Procurement Board*, must be sought before the *Award* of any *Contract* in accordance with the table below;

Complexity Classification	Approval Required By
Low	Accounting Officer
Medium	Head of Procurement Services
High	Procurement Board
High (with National Importance)	EXCO (on the Recommendation of Procurement Board)

- 21.6 Additionally, should the *Quotation* or *Tender* sum be the greater of £5,000 or 10% more than that detailed in the Rolling Procurement, the *Award decision* shall be referred to the *Procurement Board*.
- 21.7 In considering the *Award Recommendation* the *Officer* or *Procurement Board* must assure themselves the *Award Recommendation* is sound and based on good technical and commercial grounds, consider all the information presented and obtain any further information that they may require. The *Officer* or the *Procurement Board* must then:
- a) Accept or reject the Award Recommendation; or
 - b) Request further information to allow the acceptance or rejection of the Award Recommendation; or
 - c) Request the Tender/Quotation be re-evaluated (but not change the Award Criteria); or
 - d) if they consider that no *Quotations/Tenders* is satisfactory, refuse to accept any *Quotations/Tenders* and inform the *Accounting Officer* and Head of Procurement accordingly.
- 21.8 Where the *Accounting Officer* or the *Procurement Board* does not accept the *Award recommendation*, it must ensure that its reasons are clearly documented and kept as part of the tender register.

22 Preferred Bidder

- 22.1 Following the *Award Decision* to award a *Contract* to the successful *Candidate* the successful *Candidate* shall have the status of *Preferred Bidder*.
- 22.2 The second placed *Candidate* shall have the status of *Reserve Bidder*.
- 22.3 *Written* notification must be sent to the *Preferred Bidder* and *Reserve Bidder*, within 5 working days of the *Award Decision* being made, informing them of our intent to award the *Contract* to the *Preferred Bidder* subject to being able to successfully conclude a mutually agreeable *Contract*.
- 22.4 *Written* notification of rejection of a *Quotation/Tender* must be sent to all other *Candidates*, within 5 working days, with the offer of feedback on why the *Quotation/Tender* was rejected to help them identify why their *Quotation/Tender* was not successful.
- 22.5 The *Accounting Officer* shall work with the *Preferred Bidder* to complete the legal and any Commercial, Technical or Operational arrangements to develop a mutually agreeable *Contract* that is capable of signature in accordance with Regulation 33.
- 22.6 The *Preferred Bidder* status of a *Candidate* shall end when;

- a) the *Contract* has been signed by both parties; or.
 - b) after all reasonable efforts have been made, it has not been possible to reach a mutually agreeable *Contract* with the *Preferred Bidder*. In such a case the *Accounting Officer* shall inform the person or board that originally made the *Award Decision* that it has not been possible to reach a mutually agreeable *Contract* and seek approval from the Procurement Board to make the *Reserve Bidder* the *Preferred Bidder*.
- 22.7 If a *Contract* requires a guarantee or bond the guarantors must be notified by the *Accounting Officer* who must ensure that, after taking appropriate *Legal Advice*, the guarantee or bond is duly executed.
- 22.8 A record of the *Contract* must be placed on the SHG *Contract Register* by Procurement Services.

PART 3

REGULATIONS SPECIFIC TO DIFFERENT TYPES OF PROCUREMENT

23 Regulations specific to Open Tendering / Requests for Quotations

- 23.1 Open Tendering shall be the default method of obtaining requests for *Quotations / Tenders* where there are a number of suppliers readily available.
- 23.2 Where the competition requirements are not met due to insufficient *Candidates* responding to an open advertisement for a request for *Quotation* or *Invitation to Tender* the Head of Procurement Services may authorise the Procurement to continue provided he/she is satisfied that every effort has been made to comply with the *Regulations* and *Value for Money* criteria will be satisfied.

24 Regulations specific to Selective Tendering

- 24.1 Selective Tendering shall apply where requests for *Quotations* or *Invitations to Tender* for a *Contract* are to be limited to those *Candidates* whose names are included on an approved *Standing List*.
- 24.2 The establishment of a *Standing List* for a category of expenditure may be agreed by the *Procurement Board* when;
- a) there are a small number of *Candidates* available; and
 - b) *Procurement Board* considers greater *Value for Money* would not be achieved by Open Tendering.
- 24.3 At least 4 weeks before a list is first compiled, notices inviting applications for inclusion in the list shall be published in accordance with the advertising requirements of these *Regulations*.
- 24.4 *Candidates* wishing to have their details added to a list may also apply to the *Head of Procurement Services* at any time. The names of those meeting the pre-qualification requirements will be added to the list and the updated list published.
- 24.5 The *Standing List* shall:
- a) contain the names of *Candidates* that have successfully met, and continue to meet, the prequalification criteria agreed between the relevant *Accounting Officer* and *Head of Procurement Services*
 - b) indicate in respect of a *Candidate*, the categories of *Contract* and the maximum *Total Values* or amounts in respect of those categories for which approval has been given.
- 24.6 Requests for *Quotations* or *Invitations to Tender* for a *Contract* using the *Standing List* must be sent to all those *Candidates* who are on the list within the relevant category, amount or value.
- 24.7 *Standing Lists* shall be reviewed by the *Head of Procurement Services* at regular intervals, not to exceed 2 years. At least four weeks before each review each *Candidate* whose name appears in the list shall be asked whether (s)he wishes their name to remain therein and notices inviting applications for inclusion in the list shall be published in the manner detailed within these *Regulations*.
- 24.8 *Procurement Board* may remove *Candidates* from the *Standing List* should they;
- a) Subsequently be unable to meet the prequalification criteria; or
 - b) Fail to meet reasonable performance expectations.
- 24.9 All *Standing Lists* shall be published on the SHG website and updated at regular intervals not exceeding 3 months.

25 Regulations specific to Single Tenders

25.1 Regardless of the *Procurement Complexity Classification*, approval to use of this procedure must be obtained, as detailed in the table below.

Total Value	Approval by
£5,000 to £75,000	Head of Procurement Services
Over £75,000	Procurement Board

25.2 The use of this procedure to award a *Contract* directly to a *Candidate* without genuine competition shall only be used if it can be demonstrated one more of the following conditions can be met.

- a) An unforeseen Emergency involving danger to life or health or serious damage to property that requires goods or services to be obtained more urgently than would be possible if genuine competition was obtained.
- b) The goods or services can, for technical reasons, only be obtained from one supplier.
- c) Acquiring goods or services from a different supplier would result in incompatibility with existing goods or services or disproportionate technical difficulties.
- d) Where funding from an external body is time limited or includes a recommendation as to the supplier.

25.3 A lack of time to complete a procurement caused by inadequate forward planning is not a justified reason to use this procedure.

26 Regulations specific to Local Framework Agreements

26.1 The establishment of a Local Framework Agreement requires the approval of the Procurement Board regardless of the *Total Value* or *Procurement Complexity Classification*.

26.2 Local Framework Agreements must only be used;

- a) for low value Goods (typically each item being less than £10 but the *Total Value* of goods bought under the Local Framework Agreement being greater than £5,000); and
- b) When the price of the goods changes on a day to day basis (typically food items or any other items typically bought on the high street); and
- c) When there are a number of suppliers of the goods.

26.3 *Local Framework Agreements* must not be for longer than 3 years.

26.4 At the time and point of sale the relevant *Officer* may choose which *Candidate(s)* on the *Local Framework Agreement* offers the most economically advantageous option(s).

27 Regulations specific to Medical & Vet Supplies

27.1 Procurement of *Medical Supplies* (as defined) of any value is not subject to the provisions of these *Regulations* provided that, for every new item added to the Health and Social Care Portfolio Formulary, at least three written quotations are obtained prior to the initial procurement. Market

testing for every formulary item must be undertaken at least every 2 years. In all instances, the Tender or quotation which offers the best value for money should be accepted.

28 Regulations specific to the procurement of Management Consultants

- 28.1 The *Accounting Officer* should consider whether the requirement is;
- a) A *Contract* for services with a Company or Individual that is required to deliver a service or outcome for a fixed or variable fee; or
 - b) A *Contract* of Employment with an individual who provides a service or outcome on a day rate.
- 28.2 All procurement of management consultants, via the *Contract* for services route, must be carried out in accordance with these *Regulations*.
- 28.3 All procurement of management consultants, via the *Contract* of employment route, must be carried out in full consultation with the Human Resources section and in accordance with HR policies and procedures rather than these *Regulations*.

29 Regulations specific to Framework Agreements

- 29.1 The use of a *Framework Agreement* put in place by a UK public sector body requires the approval of the Head of Procurement regardless of the *Total Value* or *Procurement Complexity Classification*.
- 29.2 The use of this procedure shall only be used if it can be demonstrated all of the following conditions can be met:
- a) SHG is granted access to the *Framework Agreement* and signs an access agreement or similar document or the suppliers on the agreement are happy to operate in principle to the framework terms with SHG.
 - b) The method to select the supplier from the *Framework Agreement* is in accordance with the procedures detailed within the *Framework Agreement*.
 - c) Best value can be obtained over other Procurement routes.

30 Regulations specific to the Purchase of used Goods on Advantageous Terms

30.1 For the purchase of used Goods on particularly advantageous terms from either;

- a) a supplier which is winding up its business activities; or
- b) the liquidator in an insolvency procedure; or
- c) an arrangement with creditors

the *Procurement Board*, following technical expert approval of the goods being fit for purpose, has the Authority to agree to such a purchase or, in the event of an auction, submit a bid without advertising or competition provided that the Board is satisfied that the used Goods:

- a) Meet the strategic and operational business requirements of SHG and are not simply being purchased because they are offered on advantageous terms; and
- b) Are fit for purpose; and
- c) Are of reasonable quality (considering the age and price to be paid); and
- d) Offer SHG better value for money compared with buying the items new from a recognised supplier.

30.2 Every effort should be made to ensure any remaining manufactures warranty, spare parts, service agreements, service histories etc., if applicable, are transferred with the used Goods.

30.3 Applications for such purchases, satisfying the above, should be made to the Procurement Board for approval. No commitment to purchase the item should be given until approval is given by the Procurement Board.

PART 4

CONTRACT DOCUMENTATION

31 Form of Contract

- 31.1 All *Contracts*, with a *Total Value* greater than or equal to £5,000, shall either
- a) Use a Standard *Contract* template which is pre-authorised by the Attorney General; or
 - b) Use an industry standard contract form (ie FIDIC for construction related matters); or
 - c) Where neither a) or b) above applies be in a form agreed by the Attorney General.
- 31.2 Should a Standard Contract template or form be used (as per a or b above) the responsible party, as per Regulation 9, shall be free to complete the template so long as none of the main terms and conditions are adjusted or deleted or new terms inserted without further involvement from the Attorney General's office.
- 31.3 *Contracts* for works, and any subsequent *Variation* or *Extension*, shall additionally include a provision for the use of retentions and liquidated damages and have clearly defined Key Performance Indicators and Service Level Agreements.

32 Contracts based on Candidates Terms

- 32.1 Every effort should be made not to enter into a *Contract* based on *Candidates Terms and Conditions* unless it is of better commercial interest to SHG to do so
- 32.2 In certain circumstances it may be necessary to use a *Candidates Terms and Conditions*. If so the written approval of both the Attorney General's office and *Head of Procurement Services* shall be obtained before formally entering into the *Contract*.

33 Contract Formalities

- 33.1 All Procurement of goods, works or services having a *Total Value* of £5,000 or greater requires a formal *Written Contract*.
- 33.2 All *Contracts* must be concluded formally in *Writing* and be signed by both parties before the supply, service or construction work begins. In most cases an *Award Letter* or *Letter of Intent* is insufficient and must not be used without the written approval of the Attorney General and Chair of the *Procurement Board* regardless of the procurement complexity classification. Should an LOI be used then the *Procurement Board* shall be responsible for any adverse commercial exposure or failure to obtain appropriate commercial terms for the duration of the agreement. The maximum duration of an LOI shall be 3 months, further extension are not possible.
- 33.3 The *Officer* responsible for securing signature of the *Contract* must ensure that the person signing for the other contracting party has authority to bind it.
- 33.4 It is expected that the other contracting party will sign the *Contract* in advance of SHG.
- 33.5 Where the *Contract* is:
- a) to be supported by a bond or guarantee; or
 - b) classified as either high Complexity or High (with National Importance) Complexity; or
 - c) in respect of a sum in excess of £250,000

- d) it shall be executed on behalf of the Government by the Chief Secretary.
- 33.6 *Contracts*, with a *Total Value* greater than £5,000, but less than £250,000, shall be executed on behalf of the Government by either the;
- a) Portfolio Director; or
 - b) Financial Secretary; or
 - c) Head of Procurement Services; or
 - d) A law officer
- 33.7 The Officer signing a *Contract* on behalf of the Government;
- a) should obtain, and give due consideration to, appropriate *Legal Advice* should they consider the *Contract* presents unusual circumstances or risk to the Authority; and
 - b) having given due consideration, the Officer is not obliged to follow the *Legal Advice* (It would however be unusual not follow such advice); and
 - c) will be fully accountable for any legal consequences that may arise should the *Legal Advice* not be followed; and
 - d) shall ensure an original signed copy of the *Contract* is sent to *Procurement Services* within 7 days of the *Contract* being signed.
- 33.8 Any decision not to follow the *Legal Advice*, as opposed to commercial or operational advice given by a Legal practitioner, shall be documented and the decision agreed by the *Procurement Board* prior to the *Contract* being signed.
- 33.9 Original copies of all signed *Contracts* having a *Total Value* exceeding £5,000 shall be securely kept by Procurement Services. Uncontrolled electronic copies will be made available to all SHG employees who have a legitimate interest in the *Contract*.

PART 5

WAIVERS, VARIATIONS, EXTENSIONS AND TERMINATION

34 Waivers

- 34.1 Should there be a cogent reason to do so the *Procurement Board* (or the Chair of the *Procurement Board* if there is a true unforeseen *Emergency*) has the power to *Waive* any part, or all, of these *Regulations*. A lack of time, or other matters of urgency brought about by a foreseeable event, to complete a procurement caused by inadequate forward planning is not usually a cogent reason.
- 34.2 Should there be Political reasons or it be in the *Public Interest* to do so, the Governor has the power to *Waive* any part, or all, of these *Regulations*. All *Waiver* applications to the Governor must be made via the Chair of the *Procurement Board*.
- 34.3 If a *Waiver* allowing a *Contract* to be awarded without genuine competition is granted the *Officer* responsible for the *Contract* must demonstrate and record in *Writing* that the price obtained is not in excess of the market price and that the *Contract* represents best *Value for Money*.
- 34.4 A *Waiver* must be applied for by using the documentation specified by the *Procurement Board*.
- 34.5 The secretary to the *Procurement Board* shall keep a register of all *Waivers* to these *Regulations*.
- 34.6 A list of all *Waivers* which are granted shall be published on the SHG website and available for inspection by any member of the public.

35 Variations to the Scope of Contracts

- 35.1 All *Variation* requests must be made in the format agreed by the *Procurement Board* and approved in accordance with the table below.

Complexity Classification	Variation Approval
Low	Accounting Officer
Medium	Head of Procurement
High	Procurement Board
High (With National Importance)	EXCO (on the Recommendation of Procurement Board)

- 35.2 Where the *Procurement Complexity Classification* is unknown (e.g. *Contracts* awarded prior to these *Regulations*) then the *Head of Procurement Services* will either give approval for the *Variation* or, at their discretion, refer the matter to the *Procurement Board*.
- 35.3 Prior to the *Variation* of the scope of a *Contract*:
- A budget must be allocated for the expenditure
 - Value for Money must be demonstrated

- 35.4 Should the cumulative additional goods, works or services within a *Contract* exceed 50% of the value of the original *Contract* then approval must be sought by the *Procurement Board*.
- 35.5 All *Variations* to the *Contract* must be formally documented in *Writing*, be sequentially numbered and legally executed by both parties and the original copies of all signed *Variations* securely kept by the *Head of Procurement Services*
- 35.6 Copies of all *Variations* will be made available to any SHG employee who has a legitimate interest in the *Variation*.

36 Extensions to Contracts

- 36.1 All *Extension* requests must be made in the format agreed by the *Procurement Board*.
- 36.2 Where an *Extension* to an existing *Contract* is provided for within the terms and conditions of the *Contract* (and provided there has been satisfactory performance) approval for the take up the extension may be granted in accordance with the table below.

Complexity Classification	Extension Approval
Low	Accounting Officer
Medium	Head of Procurement
High	Procurement Board
High (with National Importance)	EXCO (on the Recommendation of Procurement Board)

- 36.3 Prior to the *Extension* of a *Contract* the *Accounting Officer*, *Head of Procurement Services* or the *Procurement Board* must be satisfied that the *Extension* represents best value for money and is not being instigated solely to avoid or delay the requirement to conduct a procurement exercise.
- 36.4 On rare occasions it may be necessary on operational or financial grounds to *Extend* a *Contract*, where no *Extension* has been provided for in the existing *Contract*. There must be a clear justification for this which is not merely to avoid complying with the *Regulations* for tendering a new *Contract*. Provided there is sufficient evidence to justify such an *Extension*, the *Procurement Board* may approve an *Extension* for a fixed duration.
- 36.5 All requests to *Extend* a *Contract* shall be made in sufficient time to allow a Procurement process to be completed should the Head of Procurement Services or the *Procurement Board* decide not to grant the *Extension*.
- 36.6 After the expiry of the term of a *Contract* it may not be *Extended*.
- 36.7 All *Extensions* to a *Contract* must be formally documented in *Writing*, be sequentially numbered and legally executed by both parties and the original copies of all signed *Extensions* securely kept by the *Head of Procurement Services*.
- 36.8 Copies of all *Extensions* will be made available to any SHG employee who has a legitimate interest in the *Extensions*.

37 Termination

37.1 All early termination of *Contracts* with a *Total Value* above £5,000 must be approved as per the table below and be based on the recommendation of the *Accounting Officer* and *Head of Procurement Services* having first obtained advice, as appropriate, to the financial and legal impact of the termination.

Complexity Classification	Termination Approval
Low	Head of Procurement
Medium	Head of Procurement
High	Procurement Board
High (with National Importance)	EXCO (on the Recommendation of Procurement Board)

37.2 All early terminations of a *Contract* must be formally documented in *Writing*, and legally executed.

37.3 Copies of all signed early terminations shall be securely kept by *Procurement Services*

PART 6

OTHER REQUIREMENTS

38 Confidentiality

- 38.1 Apart from the debriefing required or permitted by these Procurement Regulations, the confidentiality of Quotations, Tenders and the identity of Candidates must be preserved at all times and information about one Candidate's response must not be given to another Candidate.

39 Records

- 39.1 Where the *Total Value* is greater than £5,000 the following records must be kept for at least seven years after the end of the *Contract* that is in a format easily accessible by parties with legitimate interests:

- a) pre-tender market research
- b) the invitations to quote/tender and *Quotations/Tenders* received.
- c) the method for obtaining bids including, in the case of the Selective Tendering and / or Single Tendering routes, the justification for using them.
- d) details of any *Waiver* granted together with the reasons for it
- e) amendments to tenders or quotations
- f) the *Award Criteria*
- g) the *Contracting Decision* and the reasons for it
- h) the *Contract* documents
- i) all *Legal Advice*
- j) clarification and post-tender negotiation (to include minutes of meetings)
- k) written records of communications with all *Candidates*.
- l) all Variation, Extension and Waiver requests
- m) all legally executed *Variations* and *Extensions*
- n) post-contract evaluation and monitoring data (if applicable)
- o) any procurement lessons learnt evaluations as dictated by the Head of procurement Services

40 Appeals

- 40.1 Appeals will only be considered if made before the expiry of 2 weeks from such time as the *Award Decision* is communicated to all unsuccessful *Candidates*.
- 40.2 Where a *Candidate* wishes to appeal against the *Contracting Decision* or has a complaint relating to the *Quotation or Tender* process then they must put the appeal/complaint in *Writing* to the *Head of Procurement Services*.
- 40.3 The Head of Procurement Services shall review all the necessary facts and inform the *Candidate* of their decision, in *Writing*, together with the reasons for that decision within 2 weeks of receiving the appeal.

- 40.4 Should the *Candidate* not be satisfied with the decision of the *Head of Procurement Services* they may request, in *Writing* and within 2 weeks of being informed of the decision, that the Governor's Office will coordinate an Appeal Panel who will review the decision.
- 40.5 Any decision of the Appeal Panel is final.

41 Bonds and Parent Company Guarantees

- 41.1 The *Head of Procurement Services* must be consulted about whether a *Parent Company Guarantee* is necessary when a *Candidate* is a subsidiary of a parent company and:
- a) the *Total Value* exceeds £50,000; or
 - b) the award is based on evaluation of the parent company, or
 - c) there is some concern about the financial stability of the *Candidate*.
- 41.2 The *Head of Procurement Services* must be consulted about whether a Bond is needed:
- a) where the *Total Value* exceeds £50,000; and
 - b) it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the *Contract*; or
 - c) there is concern about the financial stability of the *Candidate*.

42 Foreign Currency

- 42.1 Officers should make all reasonable efforts to ensure *Quotations* or *Tenders* are in Saint Helena Pounds or Pounds Sterling.
- 42.2 If *Quotations* or *Tenders* include foreign currency content equal to an equivalent of £30,000 or above advice must be sought from the Deputy Financial Secretary.

43 Assets and stocks/stores for Disposal

- 43.1 If the book value or anticipated disposal value of surplus or obsolete stocks/stores or assets, other than land or buildings, is estimated to be:
- a) Less than or equal to £1,000 then the Accounting Officer shall determine the most appropriate disposal method.
 - Should the Accounting Officer determine the cost of disposal exceeds the likely income to be generated they may scrap the item after consulting the Financial Secretary.
 - b) More than £1,000 but less than, or equal to, £10,000 then the *Accounting Officer* shall sell the items to the highest bid received from either;
 - An advertisement in the local media; or
 - Sale by public Tender; or
 - A public auction
 - c) More than £10,000 then the *Accounting Officer* shall agree the method of disposal with the Financial Secretary. Whilst not an exhaustive list possible disposal routes could include;
 - An advertisement in the local or international media; or
 - An advertisement on websites specialising in the disposal of the asset; or
 - The use of a specialist disposal company; or

- Sale by public tender; or
- A public auction

43.2 If no bids, or offers, are received the *Accounting Officer* may either retain the assets or dispose of the assets in accordance with the table below

Total Value	Disposal Route
Up to £10,000	In the most economically advantageous way.
Over £10,000	In a manner agreed in <i>Writing</i> by the Financial Secretary

- 43.3 If the asset being disposed of does not have an assigned asset value it will fall to the Financial Secretary or an officer delegated by the Financial Secretary to make the assessment of the asset.
- 43.4 In the event that it is in the public interest to gift an asset, stocks/stores to a charitable cause or to deliver on SHG's policy agenda, such cases must be agreed in writing by the Financial Secretary after consulting the Minister responsible for Finance.
- 43.5 Disposal of any assets, stocks/stores must be updated on the SHG asset register or inventory lists accordingly.
- 43.6 The sale of any assets, stocks/stores shall be without any warranty and on an "as seen" basis and all income received for any such disposal must be paid into the Consolidated Fund or otherwise agreed in writing by the Financial Secretary.
- 43.7 For medical supplies and consumables the method of disposal regardless of value will be determined by the Accounting Officer

44 Prevention of Corruption

- 44.1 *Officers* must not invite or accept any gift or reward in respect of the award or performance of any *Contract*.
- 44.2 *Any Officer* involved in a decision making capacity for a given procurement activity or *Contract* must give immediate *Written* notice to the Chair of the *Procurement Board* of any *Interest*, financial or otherwise, that they may have in the said procurement activity or *Contract*.

45 Pre Payment / Stage Payments

- 45.1 Should pre payment or stage payments be required before SHG takes delivery of the goods, or risk transfers to SHG (as defined by the INCOTERMS), then *Written* authority must be obtained, regardless of the *Procurement Complexity Classification*, in accordance with the table below, prior to any agreement being made to do so.

Total Value	Approval by
Up to £5,000	Accounting Officer
Over £5,000	Financial Secretary

45.2 For construction projects stage payments will, where necessary, form part of the *Contract* and such payments will be agreed by the Financial Secretary.

46 Purchase Orders

46.1 A *Purchase Order*, in the official form, must be sent to the successful *Candidate* after the formal *Contract* has been signed and in advance of goods, services or works being supplied.

46.2 The successful *Candidate* must quote the *Purchase Order* number on any correspondence and invoice(s).

47 INCOTERMS

47.1 All *Contracts* for goods from overseas companies shall contain appropriate *INCOTERMS*.

48 Insurance

48.1 Should the Head of Procurement Services perceive a significant risk of loss or damage during shipment, then the goods shall be insured with a reputable insurance company to the value of the goods and sea freight.

49 Inspection

49.1 All vehicles and other high value items (over £5k) procured off Island must have an independent examination before being handed over to the shipping agent aboard (i.e. in the UK) – for standard vehicles this can be an RAC or AA inspection report. The report must be reviewed by the Accounting Officer and permission given to ship the vehicle before it is handed over to the agent.

49.2 Specialist vehicles must be examined by a Competent Person and evidence provided to the Accounting Officer that demonstrates the vehicles are to the specification detailed in the *Contract* before they are handed over to the shipping agent.

PART 7

CONTRACT MANAGEMENT

50 Managing Contracts

- 50.1 All *Contracts* must have a named *Contract Manager* for the entirety of the *Contract*.
- 50.2 *Contract Managers* must follow the *Contract Management* procedures set out in the *Procurement Services Training Pack*.

51 Risk Assessment and Contingency Planning

- 51.1 *Contract Managers* must for all *Contracts* classified as high complexity or high complexity with National Importance;
 - a) Maintain a risk register during the *Contract Period*
 - b) Undertake appropriate risk assessments and for identified risks ensure contingency measures are in place and appropriate action taken.

52 Contract Monitoring, Evaluation and Review

- 52.1 *Contract Managers* must monitor all *Contracts* in respect of:
 - a) Performance against the specification and *Contract* terms.
 - b) Contractual deliverables and outcomes.
 - c) The expenditure profile of the *Contract* v's available budget.
 - d) Any anticipated wider business benefits or *Contract* objectives.
 - e) User satisfaction with the goods, service or works delivered.
- 52.2 For all *Contracts* which are classified as high complexity or high complexity with National Importance *the Contract Managers* shall;
 - a) conduct a monthly/quarterly formal review with the successful *Candidate*.
 - b) submit and an annual report to the *Procurement Board* detailing the performance of the successful *Candidate* against the *Contract* objectives.
 - c) submit a final report to the *Procurement Board* at the end of the *Contract* detailing the performance of the successful *Candidate* against the *Contract* objectives.

PART 8

DEFINITIONS

Accounting Officer	As defined in the Public Finance Ordinance 2010 (or their delegated representative).
Award Criteria	The criteria by which the successful <i>Quotation</i> or <i>Tender</i> is to be selected.
Candidate	Any person, company or organisation who asks or is invited to <ul style="list-style-type: none"> • submit a Quotation or Tender; and/or • supply goods, services or works
Closing Date	The date and time a Expression of Interest, Quotation or Tender has to be submitted by
Competent Person	A specialist person or organisation with the knowledge, skill and experience to perform such an evaluation. An example would be the Department for Transport and its agencies in the UK or an appropriate equivalent in the examination of specialist vehicles.
Contract(s)	A commercial agreement for the provision of goods, services or works between two or more individuals or organisations, which is legally enforceable.
Contract Manager	A named individual that “owns” the <i>Contract</i> and is responsible for ensuring the <i>Contract</i> delivers what is intended and is the focal point for internal stakeholders and the supplier. Sometimes called the Contract Officer within SHG
Credit Check(ed)	A formal review of a potential Candidates financial history, court judgements etc.
Delivery	For local purchases when the Goods arrive at the destination specified on the <i>Purchase Order</i> or collected from the supplier. For international shipments the INCOTERMS specify the point of delivery.
Emergency	Is something we have to respond to that involves immediate risk to persons, property or serious disruption to Government services as a result of something that cannot be reasonably foreseen.
Extension	An additional period of time at the end of the contract, when the requirement(s) are a repetition of the requirement(s) under the original <i>Contract</i> .
Local Framework Agreement	An agreement between one or more local suppliers (on island) which fixes the terms and conditions (but typically not prices, which can vary day by day) under which the supplier will enter into a specific contract with SHG but without any guarantee of volume.
Framework Agreement	A framework is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. In other words, it is a general term for agreements that

	set out terms and conditions for making specific purchases (call-offs).
INCOTERMS	Also known as International Commercial terms are a series of predefined commercial terms published by the International Chamber of Commerce that are widely used in International commercial transactions. INCOTERMS clearly communicate the tasks, costs, and risks associated with the transportation and delivery of goods.
Interest	Broadly defined as anything that might reasonably be regarded as affecting the Officer their relatives or friends, to a greater extent than other inhabitants of St Helena. Examples include, but are not limited to, financial interest, employment interest etc.
Invitation to Tender	A suite of documents issued to <i>Candidates</i> who have expressed an interest to a procurement opportunity and is in the form required by these Regulations.
Legal Advice	One or more of the following <ul style="list-style-type: none"> • the giving of a professional or formal opinion regarding the substance or procedure of the law in relation to a particular factual situation. • Advice regarding the suitability and application of contractual terms and conditions. • The risk of legal proceedings and the impact of such proceedings in relation to a particular factual situation. Legal Advice does not constitute advice on Commercial, Technical or Operational matters
Legitimate Interest	Broadly defines as Auditors, Attorney Generals Chambers, Treasury Officials and anyone authorised by the Financial Secretary.
Medical Supplies	All non-capital clinical items, including medicines and consumables.
National Importance	An area of significant public interest which impacts across portfolios, such as Access.
Officers	All staff within SHG who have a direct or indirect involvement with any procurement.
Preferred Bidder	The Candidate who is selected by the Authority, via Regulation 21 (Award of Contract), as being the Candidate to whom it intends to award the Contract, subject to the completion of the legal and any Commercial, Technical or Operational arrangements to develop a mutually agreeable <i>Contract</i> that is capable of signature.
Procurement Board	Is the expert group within SHG responsible for providing the Governance, managing key activities and making final decisions within the commercial Procurement process. A separate Terms of Reference is available.

Procurement Complexity Classification	The classification given to a particular procurement by the Head of Procurement Services. Determined by a combination of the answers to the questions asked on the Rolling Procurement Registration Form and the professional skill and judgement of the Head of Procurement Services. The classification shall either be Low Complexity, Medium Complexity, High Complexity or High Complexity with National Importance.
Procurement Services	The central Procurement function and staff members under the direction and control of the Head of Procurement Services
Procurement Services Training Pack,	The suite of guidance documents, together with a number of standard documents and forms, which supports the implementation of these Procurement Regulations.
Public Interest	Enhances the "common well-being" or "general welfare" of the Island
Purchase Order	Is a commercial document issued by SHG, indicating types, quantities, and agreed prices for products or services the <i>Candidate</i> will provide. Sending a purchase order to a <i>Candidate</i> constitutes a legal offer to buy products or services
Poor Performance	Failure to achieve agreed performance standard in one or more of the following areas <ul style="list-style-type: none"> • Quality • Cost • Timing • reliability.
Regulations	These Procurement Regulations
Reserve Bidder	The <i>Candidate</i> who is second placed following the Award Decision made via Regulation 21 (Award of Contract), as being the <i>Candidate</i> to whom the Authority intends to award a Contract, should it not be possible to conclude a Contract with the Preferred Bidder.
Rolling Procurement Plan	A rolling plan, owned by the <i>Procurement Board</i> , that sets out SHG's forthcoming programme of procurements over a rolling 12 – 18 month timeline.
Quotation(s)	A Quotation of price and any other relevant matter (without the Formal issue of an Invitation to Tender or public notice).
Standing List	A list, owned by the <i>Procurement Board</i> , that contains the names of <i>Candidates</i> that have successfully met, and continue to meet, the prequalification criteria agreed between the relevant <i>Accounting Officer</i> and Head of Procurement Services. The list also indicates the categories of <i>Contract</i> and the maximum <i>Total Values</i> or amounts in respect of those categories for which approval has been given to individual <i>Candidates</i> .
Specification	A <i>Written</i> statement, drawings and/or plans of SHG's requirements for works, goods and/or services that is sufficiently detailed to allow <i>Candidates</i> to submit a <i>Quotation</i> or <i>Tender</i> .

Tender	A <i>Candidates</i> response submitted in response to an Invitation to Tender
Total Value	<p>A genuine estimate of the value all payments to be made, or potentially to be made to the contractor via a single or series of transactions, for the whole of the contract period including any extension period.</p> <p>For feasibility studies, the value of the scheme or Contracts which may be awarded as a result to the same company that has undertaken the feasibility work.</p>
Value for Money	Value for Money is not the lowest possible price; it combines goods or services that fully meet your needs, with the level of quality required, delivery at the time you need it, and at an appropriate price.
Variation	<p>Anything which involves a change to the scope of a Contract There are typically 3 types of <i>Variation</i>.</p> <ul style="list-style-type: none"> • “Foreseen” where the additional goods or services are referenced within the original <i>Quotation, Tender</i> or contract documentation. • “More of the same” where the additional goods or services are not referenced in the original tender or contract documentation. However the goods or services concerned are the same as previously supplied. • “New” where the additional goods or services are different to the goods and services detailed in the original contract where; <ul style="list-style-type: none"> – The goods or services cannot be obtained from anyone else for technical reasons – Failure to order from the same supplier will damage the ability of the supplier to deliver the original contract
Waiver or Waive	Permission not to apply one or more of the provisions in these <i>Regulations</i> .
Written, Writing	<p>The preferred method of communicating in writing is via an electronic means (e.g. e-mail or e-tendering)</p> <p>Should email not be available then printed “hard copy” should be used.</p>