

# CONTRACT STANDING ORDERS

Rules to be followed when buying on behalf of the Council

|                  |                                  |
|------------------|----------------------------------|
| <b>Owned by:</b> | <b>Corporate Assurance</b>       |
| Approved by:     | Strategy and Resources Committee |
| Date Approved:   |                                  |
| Date for review: | November 2021                    |
| Version:         | 2                                |

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## **Section 1**

### **1. Introduction**

These Contract Standing Orders ('CSO's) set out how the Council manages its spending. They relate to the purchasing of all goods, works & services and ensure that prior to any expenditure Officers give proper consideration as to whether the purchase is required, and that Contracts are entered into in a fair, open and transparent way.

Officers who purchase on behalf of the Council are responsible for following these CSOs including all relevant policies and guidance detailed. Heads of Service are accountable for all procurement in their respective areas of responsibility.

The Procurement Officer is responsible for ensuring the CSOs are up to date and reflect current law including any retained EU law. Any change in applicable law must be observed until the CSOs can be revised. If there is a conflict between applicable law and these CSOs then the law will take precedence.

## **Section 2**

### **2. Statutory Requirements**

- 2.1 Public procurement in the UK is regulated by the Public Contracts Regulations 2015 (the "PCR 2015"), which derive from the EU Public Contracts Directive 2014 – this is retained law. Accordingly, the PCR 2015 continue to apply to public procurements in the UK.
- 2.2 Where the value of the contract exceeds the relevant EU Procurement Directive threshold then the Council must comply with the EU tendering requirements set out in the PCR 2015.
- 2.3 For the purpose of these CSOs, the EU threshold means the threshold set out within the Public Contract Directive as amended from time to time for public supply contracts, public works contracts and public service contracts awarded by local authorities. The applicable thresholds can be found in Annex 2.

### **3. Compliance**

- 3.1 All Officers purchasing on behalf of the Council are expected to comply with these CSOs.
- 3.2 All purchasing and resulting contracts made by, or on behalf of the Council must comply with:
  - a) The Councils Constitution, including Financial Regulations and relevant Council policies.
  - b) The Public Contract Regulations 2015
  - c) The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020
  - d) Local government Transparency Code 2015 (rule 31)
  - e) Local Government Act 1999 (Section 3; best value)
  - f) Any and all applicable statutory provisions;
- 3.3 Purchase Orders must be approved and/or Contracts signed by both parties prior to any contract start date.

3.4 Where an Officer has deliberately disaggregated a contract to avoid a particular threshold procedure, the relevant Head of Service will have the right to request the procurement to be cancelled.

#### 4. Scope

4.1 These orders do not apply to the following items, which are managed by separate policies:

| Type of Contract   | Policy / Law which covers Contracts out of scope   |
|--|--|
| Contracts for the acquisition or lease of land and/or real estate  | In accordance with the local government act 1972, Housing Act 1985 or any related acts or authorities.<br><br>Please see CSO 20  |
| Contracts for permanent or fixed term employment   | HR / Recruitment Policies  |
| Awarding Grants  | Each grant will be governed by its own funding procedures. These will be made available to bidders upon request.<br><br>CIL Grant Funding – <a href="#">LINK</a>   |
| Where the contract relates to a financing transaction  | Not subject to competition due to their nature   |
| Works orders placed with statutory undertakers   | Not subject to competition due to their nature   |
| Procurements that have been jointly procured by another local authority, public sector consortium or collaboration of which the Council is a party but not the Lead Authority.   | The procurement of Contracts of this nature will be governed by the Constitution of the Contracting/lead authority<br><br>Internal contract sign-off thresholds will still apply; please see Section 5 – Procurement Thresholds and Procedures |
| Orders for goods and services placed against an established Framework that was subject to these CSO's during its set-up.   | The establishment of the call-off Contract or Framework Agreement would have been governed by the CSO's in the first instance, as such any call offs / mini competitions ran under such agreement will have already complied with these CSO's. |
| Where goods, services or works are awarded because of a declared emergency and authorised by the Chief Executive, Directors Head of Corporate Assurance and the Emergency Planning Officer. Contracts awarded must not exceed the estimated period of recovery | Constitution – Part 4; Financial Planning – General<br><br>6.10 - Expenditure may be authorised in an emergency by the Chief Finance Officer with the agreement of the Chairman of the relevant Committee and shall be reported to             |

|  |  |
|--|--|
|  | the next meeting of that Committee. This procedure will only be adopted if the emergency does not provide sufficient time to follow the procedure set-out at 6.25. |
|--|--|

- 4.2 All other Contracts made by or on behalf of the Council must comply with these CSOs unless there is an Exemption (CSO 20) or Waiver (CSO 21).

## 5. Roles and Responsibilities

- 5.1 The Procurement Officer is responsible for:

- a) Providing expert market knowledge ensuring compliance and delivering best value
- b) Ensuring Officers have the correct tools, information and guidance to deliver a complaint, cost effective and good quality contract.
- c) Offering expert advice to Officers procuring within Thresholds 1 & 2.
- d) Taking a commercial lead on all Procurements within threshold 3.
- e) Updating and delivering the Procurement Strategy
- f) Ensuring transparency by maintaining
  - a. Contract Register
  - b. Waiver log
- g) Embedding social value and sustainability appropriately across Council expenditure
- h) Offering training to purchasing Officers
- i) Ensuring suppliers are aware of, and follow, the Council's *'How to do business with us'* when bidding.
- j) Manage e-sourcing platform
- k) Updating the internal and external web pages to ensure Officers, Suppliers and residents are kept informed.

- 5.2 Officers purchasing on behalf of the Council are responsible for:

- a) Any contract in excess of £5,000 should be reported to the Procurement Officer so that the Contract Register can be updated and published accordingly.
- b) Complying with these CSOs and all relevant policies;
- c) Ensuring there is adequate budget available for any purchase prior to approaching the market for quotes;
- d) For purchases within threshold 1, Purchase Orders (PO) must be approved ***before*** the requirements are delivered to the Council.
- e) For purchases within threshold 2 & 3, Officers must ensure the contract is signed by both parties ***before*** raising a PO.
- f) For Contracts within threshold 2 and 3, Officers must ensure they have properly engaged with legal services and an appropriate level contract is to be used.
- g) Ensure specifications accurately define the requirements.

- h) Consideration is given to equality and diversity as well as social value implications.
- i) Ensuring that HR is consulted, and the appropriate approval obtained for requirements of temporary workers or consultants outside any agreed corporate contract.
- j) Contracts are to be managed within Services, either by a dedicated Contract Manager or by a nominated officer.

## 6. Purchase Orders

- 6.1 Purchase Orders (PO) should be raised in the Council's Purchasing system.
- 6.2 When an invoice is received, a PO number should be clearly highlighted and the invoice signed off by an authorised signatory;
- 6.3 Approved invoices should be sent to [Creditors@epsom-ewell.gov.uk](mailto:Creditors@epsom-ewell.gov.uk) for payment;
- 6.4 Any invoice received by the Council's Creditors that cannot be matched to a purchase order will be referred back to the budget manager, unless it falls under one of the following exemptions from purchase orders:
  - 1. Supplies of utility services
  - 2. Periodical payments (such as rates or rents)
  - 3. Purchase card transactions
  - 4. Transport and Facilities Management contracts
  - 5. Treasury management transactions
  - 6. Refunds and grants
  - 7. Statutory payments to other government organisations
  - 8. Theatre performances
  - 9. Any order for works, goods or services with a value less than £150

## 7. Purchasing Cards

- 7.1 The Council makes use of Purchase Cards. These are effectively credit cards which are used to make small purchases in a wide range of situations. Officers who are supplied with a purchasing card must refer to the '*Purchasing Card User Guide*' for further information.

## 8. Temporary Staff, Consultants and Professional Services

- 8.1 Procurement works closely with HR to manage the Council's temporary agency workforce needs and applies to any appointment outside the Council's direct employment arrangements. Prior to appointment the appropriate Rec01 must be completed (except in Operational Services).
- 8.2 The Council has a contract for the provision of temporary agency staff via a managed service supplier. All temporary agency workforce must be sourced via this Contract in the first instance.
- 8.3 Where it is not possible to use this contract, a Head of Service may use an alternative "off contract" agency. This appointment must be agreed in advance with the Head of HR & OD and the role is considered specialist.
- 8.4 Where the role is considered specialist a contract must be agreed with the Legal Team.

- 8.5 Temporary agency staff, and other consultants or contractors, must abide by the terms of their contract with the Council and follow the Council's Code of Conduct.

## **9. IR35**

- 9.1 IR35 relates to off-payroll working. This is where a supplier is operating and providing services to the Council via an intermediary, such as a limited company, and were it not for that arrangement, they would be considered an employee and within IR35. It is the responsibility of the Council to determine if IR35 applies or not and any unpaid tax can be claimed back if the Council gets the decision wrong. If it does apply the Council (or fee payer if via an agency) would be responsible for making employment tax and National Insurance deductions. Advice should be sought from HR.
- 9.2 Further IR35 advice can be found via the link within Annex 3 or by contacting the HR Team.

## **10. Grants**

- 10.1 The making of grants is not subject to these Orders. You must follow the rules and guidance for grant-making that are available internally for each individual grant. Officers are reminded to take into account the legal requirements concerning subsidy control.

## **11. Social Value**

- 11.1 The Public Services (Social Value) Act 2012 came into force on 31st January 2012. The act requires the Public Sector to consider how they can use contracts to enhance the wider wellbeing of the community. This complements existing procurement legislation and reinforces social value as part of the value for money considerations.
- 11.2 Social Value (SV) can be achieved by generating benefits to society, the economy and positive impacts to the environment and local communities via our external spend. It can be created in many ways and has wide ranging benefits.
- 11.3 The Social Value Act 2012 currently applies only to service contracts over the EU threshold (£189k) but shall be considered in all procurements where applicable. Social value forms part of a bidders commitments at tender stage and should be tailored to the subject nature of the contract being awarded.
- 11.4 It is the Contract Managers responsibility to ensure SV is being delivered during the life of the contract.

## **12. Modern Slavery**

- 12.1 The Modern Slavery Act 2015 ("MSA") is a UK act of Parliament designed to tackle slavery and human trafficking through the consolidation of previous legislation and the introduction of new measures. Specifically, it introduces new requirements for organisations in regards to their business and supply chains – and creates a criminal offence.
- 12.2 Modern Slavery is defined as slavery, servitude, forced or compulsory labour, human trafficking and exploitation was put in place.

- 12.3 For procurements within threshold 3, the Council will use the mandatory standard supplier questionnaire (SSQ) on all its procurements which includes a section on the supplier's approach to the Modern Slavery Act, slavery and human trafficking in the supply chain. As part of the Councils due diligence on all new suppliers, and proportionate to the level of supply chain risk, additional questions may be posed at the assessment stage to consider how suppliers manage their own supply chain risk.

### **13. Sustainable Procurement**

- 13.1 Sustainable procurement, put simply, is the process by which an organisation meets their purchasing needs in a way that achieves value for money, on a whole life basis, whilst benefitting the organisation, its customers, the wider society and economy and protecting the environment.
- 13.2 The Council seeks to address the environmental impact of its activities. To help do this, organisations bidding for tenders within Threshold 3 will be asked to demonstrate their awareness of relevant environmental issues through their own policies.
- 13.3 Typically sustainable procurement should follow the following principles:
- Sustainable procurement is the act of adopting social, economic and environmental factors alongside the typical price and quality considerations into the organisations handling of procurement processes and procedures.
  - Sustainable procurement isn't just about buying 'green' products. It includes planning ahead to manage demand, effective ongoing contract management and dealing with supply chain risks and impacts.
  - Incorporating sustainable procurement into our future contracts in order to facilitate a reduction in our Scope 3 (supply chain emissions).
- 13.4 Officers purchasing on behalf of the Council should be aware of the Councils Climate Change Action Plan (CCAP) which incorporates single use plastic policy and the Biodiversity Action Plan. The impact of climate change should be built into procurements where appropriate.

### **14. Reverse charge of VAT**

- 14.1 The VAT reverse charge for construction came into effect on 1 March 2021. The reverse charge applies to any services related to the construction of buildings and the materials, but not to professionals' fees like those of architects, surveyors, or consultants. A reverse charge means that the recipient will be accountable for the VAT rather than the supplier.

### **15. Accessibility Standards**

- 15.1 In 2018 the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 came into effect. This Act builds upon existing obligations under the Equality Act 2010.
- 15.2 Any procurement that will result in a public facing website where the Council or a supplier on its behalf is presenting information relating to the Council or services the



Council offer, must comply with the Act and Regulations and must meet the new accessibility standards.

- 15.3 Officers must ensure that the Councils Communications Teams advice is sought.

## **Transparency**

### **16. Publication of spend, Opportunities and Awards**

- 16.1 The Council is committed to displaying information that explains how its money is spent. The Local Government Transparency Code 2015 requires Local Authorities to publish any expenditure that exceeds £500 and all Contracts over £5,000. This can be found on the Councils public website.
- 16.2 Under regulations 106, 108, 110 and 112 of the PCR's, the Council has a statutory obligation to advertise Contract awards over £25,000 on Contracts Finder.
- 16.3 The Councils e-Sourcing Portal will automatically publish contract and award notices. For procurements over £25,000 (but not advertised through the Councils e-Sourcing platform) must be completed and published directly on the Contracts Finder website by the Procurement Officer.
- 16.4 In January 2021, Find a Tender service (FTS) was launched to replace the OJEU Contracts notices and awards system. The Councils e-Sourcing Portal automatically publishes opportunities on FTS.
- 16.5 The Council has a further obligation to advertise contract opportunities and awards within Threshold 3 on FTS.

### **17. e-tendering**

- 17.1 All procurements within threshold 2 and 3 must be advertised via the Councils eSourcing platform; In-Tend. This ensures that the tender opportunity is advertised to the market in a fair and auditable way. Furthermore, In-Tend publish contract and award notices automatically to Contracts Finder and Find A Tender platforms ensuring the procurement exercise remains compliant.
- 17.2 In-Tend set-up, passwords, support and training can be sought from the Procurement Officer.

### **18. Contract Register**

- 18.1 The Councils has a statutory obligation to publish any spend over £500 and Contracts over £5,000 on it's website.
- 18.2 Officers who award contracts over £5,000 must inform the Procurement Officer of each contract for the Contract Register to be updated.

### **19. Freedom of Information**

- 19.1 In accordance with the Freedom of Information Act (FOIA) 2000 and Environmental Information Regulations (EIR) 2004, the Council has an obligation to publish specific

information and to provide information to members of the public upon request. That is subject to certain disclosure exemptions such as where confidential or commercially sensitive information may be withheld.

## **20. Exemptions**

- 20.1 These CSOs apply to all procurement undertaken by the Council unless the procurement is within Thresholds 1 & 2 and falls within one of the following categories:
- a) Emergency purchases. Emergency purchases are to be made by departments only when normal functions and operations of the Council when property, equipment, or life are endangered through unexpected circumstances and materials, services, etc., and are needed immediately. Sufficient funds must be available and signed off by the Budget Holder.
  - b) Call offs from framework agreements which have been tendered; internal budget approval must be sought.
  - c) An extension to an existing Contract which contains express provision as to the extension of that Contract and provided those conditions are followed. The relevant Head of Service has the authority to agree to and sign-off the extension.
  - d) the Council is acting as an agent for another organisation and is acting in accordance with that organisation's CSOs;
  - e) employment contracts;
  - f) disposal or acquisition of land
  - g) legal advice, legal services and expert witnesses
  - h) Where a Market Insight Report has been written by the procuring officer which clearly evidences insufficient credible competition
  - i) There is a variation (additional work) to an existing Contract where the variation is outside the scope of the Contract but it would be inappropriate to offer the additional work to competition. For example, Consultants when their area of expertise or existing knowledge would preclude using another.

## **21. Waivers**

- 21.1 The requirement for the Council to conduct a competitive procurement process for contracts within Thresholds 1 & 2 of these CSO's may be waived in exceptional circumstances by the following officers:
- 1. Head of Corporate Assurance
  - 2. Chief Finance Officer
- 21.2 If either Officer identified in 21.1 is unavailable, the Chief Accountant and Director of Corporate Services or Director of Environment, Housing & Regeneration within their respective Services can act under delegated authority.
- 21.3 A waiver cannot be granted for procurements in threshold 3 as it would contravene the PCR's 2015.

- 21.4 Officers must obtain approval for a Waiver by completing the 'Waiver Request Form' documenting the reason for which the waiver is sought, including justification and risk.
- 21.5 Waiver Request Forms must be completed in full and accurately describe the services needed. Forms not completed satisfactorily will be returned to the author.
- 21.6 All applications for waivers of these Orders must be submitted to the Procurement Officer who will seek approval from Officers listed in 21.1.
- 21.7 Applications for waivers which are as a result of poor contract planning will rarely be considered genuinely exceptional.
- 21.8 The Procurement Officer must maintain a log of all waivers.

### **Section 3**

#### **22. Permission to tender**

- 22.1 Heads of Service have the authority to commence a tendering process provided there is a business case for the procurement and financial provision has been obtained.
- 22.2 Where the value of the contract is in excess of £750,000, the procurement must be approved by the relevant committee prior to the commencement of the procurement process.

#### **23. Contract Value Calculation**

- 23.1 Prior to commencing a procurement exercise Officers must estimate the aggregate value; this will determine which threshold the procurement falls under.
- 23.2 The 'Contract Value' means the estimated total aggregated value payable in pounds sterling over life of the Contract, including any extensions. This is exclusive of Value Added Tax (VAT)
- 23.3 Contracts must not be purposefully underestimated or disaggregated into two or more separate contracts with the intention of avoiding the application of these Orders or the PCR's.
- 23.4 Spend with suppliers will be monitored regularly to ensure contracts are not being disproportionately awarded and exceed thresholds.
- 23.5 In the case of Framework Agreements or Dynamic Purchasing Systems, the contract value must be calculated to include the total estimated value, net of VAT, of all the contracts envisaged to be awarded for the total term of the Framework Agreement or the Dynamic Purchasing System.

## **24. Consideration and budget approval**

- 24.1 Before commencing a procurement process, Officers must ensure:
- 24.2 For procurements within threshold 2 & 3 of the Procedures for Procurement table within Section 5, Officer must ensure they have conducted an options appraisal clearly setting out the need for the service and options considered to procure.
- 24.3 Budget approval has been sought and a cost center assigned.
- 24.4 Heads of Service (HoS) have the authority to commence a tendering process provided there is a written business case
- 24.5 Where the value of the Contract exceeds £750k; the Procurement must be approved by the relevant Committee **prior** to the commencement of the procurement process. This approval must be embedded into the final draft of the business case.
- 24.6 Existing Contract or Frameworks have been explored and where possible utilised.
- 24.7 Where appropriate they have engaged with the Procurement Officer.

## **25. Declaration of Interest**

- 25.1 At any point during the procurement process, if an Officer or evaluator becomes aware that he has a direct or indirect pecuniary interest in a Contract which the Council has entered into, or proposes to enter into, their interest must be recorded within the Procurement Report.

## **26. Contract Management**

- 26.1 It is the procuring officer's responsibility to ensure that there is a robust Contract Management plan in place that is proportionate to the scale and scope of the Contract. This should include, but is not limited to:
  - a) Accountability, roles and responsibility,
  - b) Strong government procedures
  - c) Measure and report on performance and use KPIs and data efficiently to incentivise good performance;
  - d) Drive continuous improvement, value for money and capture innovation
  - e) Adopt and encourage mature commercial behaviours;
- 26.2 Any extensions or variations to a Contract may only be made in accordance with the Contract and in line with advice from legal services and PCRs.
- 26.3 The Councils Contract Manager should be contacted for further advice and support

## **SECTION 4**

### **27. Form of Contract**

27.1 Contract award notification shall be issued;

- a) By the Officer leading the procurement only
- b) When the evaluation has been completed and Procurement report signed off.

27.2 For Procurements in thresholds 2 & 3, Legal Services should be instructed using the Legal Instruction Form at the Officers earliest opportunity. By not doing so, your Project may be delayed significantly.

27.3 All Contracts shall:

- a) specify the goods, materials or services to be supplied and/or works to be undertaken, price to be paid, payment terms and conditions, details of any discounts or penalties, the period of the Contract and any other terms and conditions that may be agreed;
- b) provide for the payment of liquidated damages where they are appropriate;
- c) contain details of any security that is required by the Council; and
- d) prohibit the Contractor from sub-Contracting or assigning all or any part of the Contract without the express consent of the Council.
- e) Contain a copy of the tender submission

27.4 Except in exceptional circumstances with the prior written approval of the Chief Executive, all Contracts must be signed or Sealed before their commencement.

27.5 Every Contract in excess of £100,000 must contain a comprehensive Business Continuity plan.

27.6 Every contract which exceeds £25,000 in value or amount and is for the provision of works, supplies or services other than at one time shall provide for adequate redress in the event of default by the contractor as agreed by the Chief Legal Officer.

27.7 Every contract over £75,000 shall:

- (i) provide for liquidated damages to be paid by the contractor where the terms of the contract are not duly performed if financial loss is likely to arise from delay in performing the contract; and
- (ii) provide that where the cost of purchasing other goods, materials or services exceed the amount which would have been payable to the contractor, this amount shall be recoverable from the contractor.

27.8 Every contract shall include a clause allowing the Council to immediately terminate the contract and to recover from the contractor the amount of any loss resulting from the termination of the contract if the contractor shall have offered or

given or agreed to give any person any gift or consideration of any kind as an inducement or reward for doing or procuring to be done or for having done or having procured to be done any action in relation to the obtaining of the contract or any other contract with the Council or for showing, procuring to show favour or disfavour to any person in relation to the contract or any other contract with the Council or if like acts shall have been done by any person employed by the contractor or acting on his behalf (whether with or without the knowledge of the contractor) or, if in relation to any contract with the Council the contractor or any person employed by him or acting on his behalf shall have committed an offence under the Bribery Act 2010 or shall have given any fee or reward the receipt of which is an offence under section 117 of the Local Government Act 1972.

## **28. Sealing and Signing of contracts**

- 28.1 Contracts within Threshold 1 shall be the subject of a Purchase Order unless otherwise stated, in which case a formal Contract shall take account of an appropriate level of legal advice.
- 28.2 Contracts within Threshold 2 and 3 shall be the subject of a formal written Contract agreed by the Chief Executive [DELEGATED] and under Seal if required.
- 28.3 Every contract valued at £750,000 or more shall be sealed with the common seal of the Council.
- 28.4 For all contracts under £750,000 the awarding officer may sign the contract on behalf of the Council.

## **29. Novation**

- 29.1 Novation refers to where one of the contracting parties in the original contract is replaced by an entirely new party that assumes the rights and obligations of the original party.
- 29.2 Novation is not permitted without the express consent of the Head of Service and Legal Services.

## **30. Financial Security**

- 30.1 Adequate financial security and/or a performance bond must be required for all Contracts within Threshold 3.
- 30.2 The Council request the minimum financial cover:
  - a) Employers Liability Insurance: £5,000,000
  - b) Public Liability Insurance: £10,000,000
  - c) Professional Indemnity Insurance: £1,000,000
  - d) Product Liability Insurance: Should be proportionate to the product being purchased.
- 30.3 Any variation from 30.2 must be agreed with the Head of Corporate Assurance

## **31. Economic and Financial Standing**

- 31.1 The Councils will examine and maintain the credit report of all suppliers to gauge it's economic and financial status.

## **Section 5**

## **32. Disposal of Land and Property**

- 32.1 All land and property which is considered to be surplus to the Council's service requirements must be notified to the Director of Environment, Housing & Regeneration who will be responsible for the disposal or other reallocation of such land and property in accordance with the Council's Asset Management Strategy.

## **33. Disposal of Other Council Assets**

- 33.1 Assets may be declared as being surplus to requirements by a Head of Service who shall assess the value of the assets using such expert assistance as they consider necessary and to dispose of the asset in accordance with this CSO.
- 33.2 The value of an asset shall be the estimated price for which the asset might reasonably be expected to be sold to a willing purchaser in the open market. Similar assets declared surplus to requirements at or about the same time shall be aggregated in value.
- 33.3 Assets having no realisable value or where the costs of disposal is likely to exceed the price received may be disposed of as waste provided that the assets shall be recycled wherever reasonably practical and financially viable.
- 33.4 Assets with a value of £10,000 or less may be sold for the best price possible.
- 33.5 Such assets may be advertised on internet based marketplaces (such as EBay). Where such sites are used, the Chief Finance Officer will nominate a single Council officer to be responsible for the disposal of assets using this method.
- 33.6 In the case of assets valued above £10,000, disposal shall be carried out by inviting bids for the assets through the open procedure or auction.
- 33.7 Council officers or members are not permitted to purchase any Council assets.
- 33.8 Assets which require secure disposal such as computers, tablets, mobile telephones and any other equipment containing personal or confidential material must be disposed of only to an approved contractor. The relevant Head of Service in the case of IT equipment, the Head of ICT, must ensure that the personal information or confidential material is destroyed and documentation confirming this must be obtained from the contractor and retained by the Council.
- 33.9 Where items have to be written off and disposed of the write off must be approved in accordance with the following limits:

- a) for items valued up to £10,000 the relevant Head of Service in consultation with the Chief Finance Officer;
- b) for items valued between £10,000 and £20,000, Chief Finance Officer in consultation with the relevant committee chairman; and
- c) for items valued over £20,000 the relevant committee.

#### **34. Work for Third Parties**

- 34.1 The Director of Corporate Services or Director of Environment, Housing and Regeneration within their respective services must approve the contractual arrangements for any work carried out by the Council for third parties or external bodies.

#### **35. Partnerships**

- 35.1 Partnerships with other local, public, private, voluntary and community sector organisations will be entered into subject to the approval of the relevant committee who shall agree:
- a) the terms of reference; and
  - b) where appropriate, a scheme of delegation to officers to operate within the partnership.
- 35.2 Unless specifically agreed by the relevant committee, partnership arrangements shall only be entered into in accordance with the provisions of these CSOs.
- 35.3 The heads of terms for all partnership arrangements shall be approved by the relevant committee and full terms and conditions by the relevant committee and the Director of Corporate Services or Director of Environment, Housing and Regeneration within their respective services.
- 35.4 The Director of Corporate Services or Director of Environment, Housing and Regeneration within their respective services shall be responsible for ensuring that adequate arrangements for governance are set up within each partnership entered into. Such arrangements shall include provisions for arranging contracts with external bodies.

#### **36. Council Members and Contracts**

- 36.1 No member shall have authority to enter into any contract on behalf of the Council.
- 36.2 No member shall have authority to issue any instruction or variation to a contractor of the Council.



## Section 6 – Procurement Thresholds and Procedures

This Table provides a quick checklist and guidance for the necessary governance arrangements for authorisations when entering into contracts:

| <b>Contract Standing Orders - Procedures for Procurement - minimum requirements</b> |  |  |                                |   |                              |  |                       |  |  |  |  |
|---|--|--|--------------------------------|---|------------------------------|--|-----------------------|--|--|--|--|
|   | Aggregate Value including extensions £             | Advertising required   | Contract Award notice required | Procurement method  | Receipt of quotes            | Who is authorised to carry out Procurement | Timescales            | Contract Type  | Who must approve the contract award                        | Who signs the contract on the Councils behalf  | Audit trail and documentation                                  |
| Threshold 1   | £0-£24,999<br>Quick Quote (QQ)                     | No   | No                             | Three (3) quotes *  | e-Sourcing platform or Email | Service Officer                            | N/A                   | Purchase Order<br><br>(or bespoke contract if appropriate) | Budget holder  | Budget holder approves PO  | Completed Quick Quote document to be stored within team drives |
| Threshold 2   | £25,000 to £189,329<br>Request for Quotation (RFQ) | <ul style="list-style-type: none"> <li>e-Sourcing platform</li> <li>Contracts Finder</li> </ul>              | Yes                            | Minimum of three (3) quotes*  | e-Sourcing platform          | Service Officer                            | Allow 28 Working Days | Standard EEBC Contract / JCT /Framework                    | Head of Service  | Head of Service  | Completed RFQ document to be stored within team drives         |
| Threshold 3   | Over £189,330<br>Invitation to Tender (ITT)        | <ul style="list-style-type: none"> <li>e-Sourcing platform</li> <li>FTS</li> <li>Contracts Finder</li> </ul> | Yes                            | Goods & Services – Full tender<br><br>Works – competitive quotation** | e-Sourcing platform          | Procurement Officer                        | PCR 2015 Timescales   | Bespoke EEBC Contract / JCT /Framework                     | Head of Service<br>Head of Finance & Appropriate Committee | Under £750k - Head of Service<br><br>Over £750K – sealed as a Deed by Legal Services | ITT and Reg 84 document to be stored within eSourcing portal.  |

\* 3 quotes must always be requested. In exceptional circumstances where 3 quotes are not received back following a request, permission must be granted by the Procurement Officer to proceed with award.

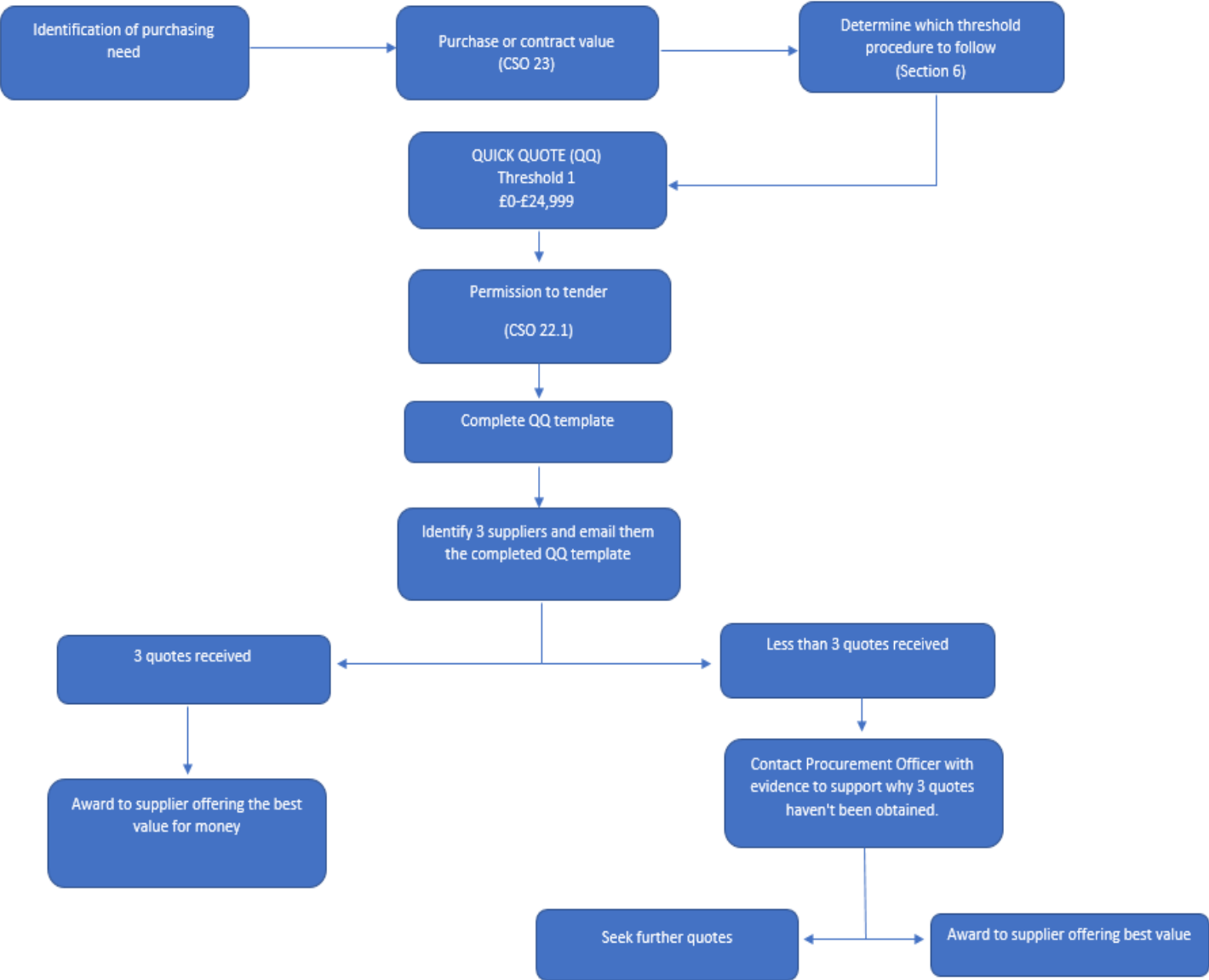
\*\*Works up to threshold:

Competitive quotation & Construction Line should be used to select a shortlist of suitable contractors

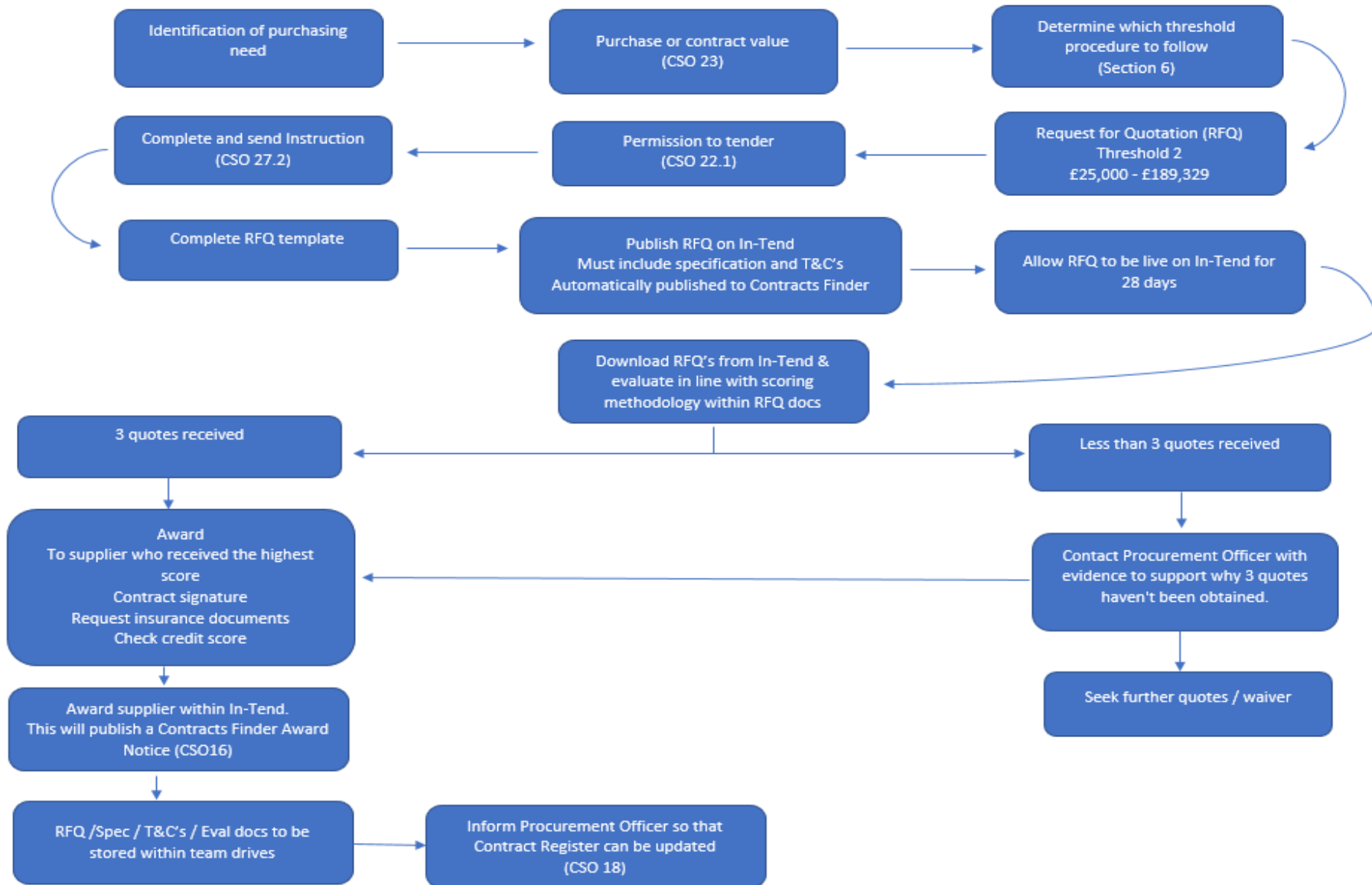
Works over threshold: Full tender

**Annex 1 – Officers Process Guide**

- Quick Quote (QQ)



## Request for Quotation (RFQ)



## Annex 2 – EU Procurement Directive threshold






The financial thresholds are amended, generally every 2 years and the most up to date can be found here: <https://www.ojeu.eu/thresholds.aspx>

| <b>Public Contract Regulations 2015</b>      |                        |            |
|--|------------------------|------------|
| Supplies and Services                        |                        |            |
|  | Schedule 1 Bodies      | £122,976   |
|  | All bodies             | £189,330   |
| Subsidised Service Contracts                 |                        |            |
|  | All Bodies             | £189,330   |
| Works (including subsidised Works Contracts) |                        |            |
|  | All Bodies             | £4,733,252 |
| Light Touch Regime for Services              |                        |            |
|  | All Bodies             | £663,540   |
| <b>The Utilities Contract Regulations</b>    |                        |            |
| Supplies and Services                        |                        |            |
|  | All Sectors            | £378,660   |
| Works  |                        |            |
|  | All Sectors            | £4,733,252 |
| <b>The Concession Regulations</b>            |                        |            |
|  | Concession Regulations | £4,733,252 |

### **Annex 3 – Procurement in the UK regulations:**

1. [Public Contracts Regulations 2015](#)
2. [The Utilities Contract Regulations 2016](#)
3. [The Concession Contracts Regulations 2016](#)
4. [The Public Services \(social value\) Act 2012](#)
5. [The Public Procurement \(Amendment etc.\) \(EU Exit\) Regulations 2020](#)
6. [Modern Slavery Act 2015](#)
7. [Social Value Act 2012](#)
8. [Local government Transparency Code 2015](#)
9. [Freedom of Information Act 2000](#)
10. [IR35 Guidance](#)
11. [Local Government Act 1999 \(Section 3; best value\)](#)

## Annex 4 – Templates

| Document                    | Owner       | Note  | TEMPLATE  |
|-----------------------------|-------------|---|---|
| Legal Instruction Form      | Legal       | <p><u>For Procurements within Thresholds 2 &amp; 3</u></p> <p>Legal Services should be instructed, using the Legal Instruction Form at the Officers earliest opportunity. By not doing so, your Project may be delayed significantly.</p> | <br>Instructions to Legal Form.docx            |
| Waiver Request Form         | Procurement | <p>Officers must obtain approval for a Waiver by completing the 'Waiver Request Form' document the reason for which the waiver is sought, including justification and risk.</p>   | <br>EEBC Waiver Request Form - TEM             |
| Quick Quote (QQ)            | Service     | <p>Officers procuring through Threshold 1 should use this template to seek Quotations.</p>  | <br>EEBC - Quick Quote (QQ) - Threshold 1.d  |
| Request for Quotation (RFQ) | Service     | <p>Officers procuring through Threshold 2 should use this template to seek Quotations.</p>  | <br>EEBC - Request For Quotation (RFQ) - (TI |
| In-Tend user Guides         | Procurement | <p>Instructions to use In-Tend</p>  | <br>eTendering - User Guide - v3.4.pdf       |