

1 Introduction – Purpose of the Contract Standing Orders	
Current Section 1	Proposed Section 1
<p>1 Introduction – Purpose of the Contract Standing Orders</p> <p>1.1 Purchasing decisions and processes are important because the money involved is public money. The purpose of these Contract Standing Orders is to provide a structure within which purchasing decisions are made and implemented and which ensure that the Council:</p> <p>1.1.1 Furthers its corporate objectives.</p> <p>1.1.2 Uses its resources efficiently.</p> <p>1.1.3 Purchases appropriate quality goods, services and works.</p> <p>1.1.4 Safeguards its reputation from any implication of dishonesty or corruption.</p> <p>1.2 Purchasing by the Council, from planning to delivery, shall incorporate (where appropriate) principles of sustainability, efficiency, whole life costings and cost savings.</p> <p>1.3 These Contract Standing Orders are made in accordance with the requirements of Section 135 of the Local Government Act 1972.</p> <p>1.4 These Contract Standing Orders do not provide guidelines on what is the best way to purchase works, supplies (goods) and services. They set out minimum requirements to be followed. Further information and guidelines are set out in the Council’s Purchasing Guide.</p>	<p>No Changes</p>

2 General Principles – Application and Compliance with Contract Standing Orders	
Current Section 2	Proposed Section 2
<p>2 General Principles – Application and Compliance with Contract Standing Orders</p> <p>2.1 These Contract Standing Orders apply to the purchase by or on behalf of the Council of works, supplies (goods) and services.</p> <p>2.2 These Contract Standing Orders apply to all contracts including all purchase orders, concessions and contractual arrangements entered into by or on behalf of the Council, except for the specific types of contracts and purchasing methods which are listed in 2.3.</p> <p>2.3 These Contract Standing Orders do not apply to:</p> <p>2.3.1 Employment contracts</p> <p>2.3.2 Contracts relating solely to the purchase or sale of interests in land</p> <p>2.3.3 Contracts for retention of legal counsel and the appointment of expert witnesses in legal proceedings</p> <p>2.3.4 Service level agreements setting out the conditions which the Council applies to its funding of particular voluntary sector bodies.</p>	<p>No Changes</p>

3 General Principles Applying to All Contracts		
Current Section 3	Proposed Section 3	Summary /explanation of changes
<p>3 General Principles Applying to All Contracts</p> <p>3.1 All purchases however small shall be in writing.</p> <p>3.2 Standard contract clauses shall be used in all contracts. The standard contract clauses are attached as an appendix to these orders.</p> <p>3.3 As a minimum, all contracts shall include clauses which set out:</p> <p>3.3.1 The works, supplies (goods), services, material, matters or things to be carried out or supplied.</p> <p>3.3.2 The time within which the contract is to be performed.</p> <p>3.3.3 Quality requirements and/or standards which must be met.</p> <p>3.3.4 Requirements on the contractor to hold and maintain appropriate insurance.</p> <p>3.3.5 What happens in the event that the contractor fails to comply with its contractual obligations (in whole or in part).</p> <p>3.3.6 Requirements on the contractor to comply with all relevant equalities and health and safety legislation</p> <p>3.3.7 That the Council shall be entitled to cancel the contract and recover losses in the event that the contractor does anything improper to influence the Council to give the contractor any contract or commits an offence under the Prevention of Corruption Acts 1889 to 1916 or s117(2) Local Government Act 1972.</p>	<p>3.2 Deleted.</p> <p>3.3 becomes 3.2</p> <p>3.2.2 The contract value or a pricing schedule by which the price to be charged for the works, supplies or services provided can be calculated.</p> <p>3.2.8 Requirements on the contractor to comply with relevant sustainability guidelines</p> <p>3.2.9 That the Council shall be entitled to cancel the contract and recover losses in the event that the contractor does anything improper to influence the Council to give the contractor any contract or commits an offence under the Bribery Act 2010.</p>	<p>Replaced by new clauses in 3.2 listing minimum contract clauses</p> <p>To add requirement for price clause currently missing.</p> <p>To add requirement for sustainability clause</p> <p>Replaced original acts with new bribery act</p>

<p>3.4 Written contracts shall not include non commercial terms unless these are necessary to achieve best value for the Council. In this context, "non commercial" means requirements unrelated to the actual performance of the contract.</p> <p>3.5 All contracts shall include relevant specifications and/or briefs/technical requirements which are prepared taking into account the need for effectiveness of delivery, quality, sustainability and efficiency (as appropriate) and the information set out in the Council's Purchasing Guide.</p> <p>3.6 All contracts of a value of £5,000 or more or which involve a substantial risk to the Council must be subject to a written risk assessment, which should be kept on the contract file.</p>	<p>3.2.10 Requirements regarding freedom of information, data protection, data quality and copyright legislation</p> <p>3.2.11 Requirements regarding business continuity</p> <p>3.2.12 Conditions of termination</p> <p>3.3 Written contracts shall not include non commercial terms or terms unrelated to the actual performance of the contract, unless these are necessary to achieve best value for the Council.</p> <p>3.6 All contracts over a value of £10,000 or for the provision of consultancy services shall be in a form of contract approved by the Head of Legal Services.</p>	<p>Adds requirements regarding freedom of information, data protection, data quality and copyright legislation</p> <p>Adds requirements regarding business continuity</p> <p>Adds requirements for Conditions of termination</p> <p>Wording changed for clarity</p> <p>Adding the requirement for a written contract for purchases over £10,000, rather than just a purchase order.</p>
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4 Regulatory Context		
Current Section 4	Proposed Section 4	Summary /explanation of changes
<p>4 Regulatory Context</p> <p>4.1 All purchasing shall be conducted in accordance With Regulatory Provisions which are:</p> <p>4.1.1 All relevant statutory provisions</p> <p>4.1.2 The relevant EU Rules and EC Treaty Principles, which are defined in the Council's Purchasing Guide.</p> <p>4.1.3The Council's Constitution including these Contract Standing Orders, the Council's Financial Procedure Rules and Scheme of Delegation.</p> <p>4.1.4The Council's Purchasing Guide and other policies and procedures of the Council as appropriate.</p> <p>4.2 In the event of conflict between the above, the EU Rules will take precedence, followed by UK legislation, then the Council's Constitution, the Council's Purchasing Guide and guidelines, policies and procedures.</p>	<p>4.1.2 The relevant European Community Treaty Principles and EU Rules , which are defined in the Council's Purchasing Guide.</p> <p>4.2 In the event of conflict between the above, the EC Treaty Principles and EU Rules will take precedence, followed by UK legislation, then the Council's Constitution, the Council's Purchasing Guide and guidelines, policies and procedures.</p>	<p>To clarify that the EC Treaty takes precedent over the other rules.</p> <p>To clarify the relevant hierarchy</p>

5 Responsibilities of Directors and Responsible Officers		
Current Section 5	Proposed Section 5	Summary /explanation of changes
<p>5 Responsibilities of Directors and Responsible Officers</p> <p>5.1 Each Director shall:</p> <p>5.1.1 be responsible for the purchasing undertaken by his/her Directorate.</p> <p>5.1.2 be accountable to the Executive for the performance of his/her duties in relation to purchasing.</p> <p>5.1.3 comply with the Council's decision making processes including, where appropriate, implementing and operating a Scheme of Delegation.</p> <p>5.1.4 appoint a Responsible Officer in writing who shall be an authorised signatory.</p> <p>5.1.5 take immediate action in the event of breach of these Contract Standing Orders.</p> <p>5.2 A Responsible Officer is an officer with responsibility for conducting purchasing processes for the purchase of works, supplies (goods) or services on behalf of the Council.</p> <p>5.3 A Responsible Officer's duties in respect of purchasing are to ensure:</p> <p>5.3.1 compliance with all Regulatory Provisions and integrity of the tender process.</p> <p>5.3.2 compliance with the relevant statutory provisions and the Council's requirements relating to declarations of interest affecting any tender process.</p> <p>5.3.3 that there is an appropriate analysis of the requirement, timescales, procedure and documentation to be used.</p>	<p>5.3.2 compliance with the relevant statutory provisions and the Council's requirements relating to declarations of interest affecting any purchasing process.</p>	<p>Broadens the clause to encompass all purchasing rather than just tendering</p>

<p>5.3.4 the purchasing process, from planning to delivery incorporates (where appropriate) principles of sustainability, efficiency, whole life costs and cost savings.</p> <p>5.3.5 compliance with the Council's decision making processes.</p> <p>5.3.6 ensuring that all contracts of a value of £15,000 or more are included on the Council's Contract Register.</p> <p>5.3.7 making sure that that proper records of all contract award procedure, waivers/exemptions and extensions are maintained, with separate files for each purchase of a value of £15,000 or more.</p>		
	<p>5.3.8 that the works, supplies or services procured are appropriate and proportional to the council's needs.</p>	<p>To state that requirements should not be over specified but should reflect what the Council actually needs</p>
<p>5.3.8 that value for money is achieved.</p>	<p>5.3.8 becomes 5.3.9</p>	
<p>5.3.9that adequate and appropriate security (such as a bond or guarantee) is taken to protect the Council in the event of non-performance.</p>	<p>5.3.9 becomes 5.3.10</p>	
<p>5.4 In considering how best to procure works, supplies and services Directors and/or Responsible Officers (as appropriate in the context) shall take into account wider contractual delivery opportunities and purchasing methods including the use of Purchasing Schemes and e-procurement/purchasing methods, and the availability of local authority charging and trading powers under the Local Government Act 2003.</p>		
<p>5.5 It is a disciplinary offence to fail to comply with these Contract Standing Orders and the Council's Purchasing Guide. All employees have a duty to report breaches of Contract Standing Orders to the Head of Internal Audit and Risk Strategy.</p>	<p>5.5 It is a disciplinary offence to fail to comply with these Contract Standing Orders and the Council's Purchasing Guide. All employees have a duty to report breaches of Contract Standing Orders to the Head of Audit Partnership.</p>	<p>Change of Title</p>
<p>5.6 Any officer or Member who suspects any misconduct or corruption in relation to the purchase by or on behalf of the Council of works, supplies (goods) and services must immediately</p>	<p>5.6 Any officer or Member who suspects any misconduct or corruption in relation to the purchase by or on behalf of the Council of works, supplies</p>	<p>Change of Title</p>

<p>report that suspicion to the Council's Monitoring Officer and Head of Internal Audit and Risk Strategy.</p>	<p>(goods) and services must immediately report that suspicion to the Council's Monitoring Officer and Head of Audit Partnership.</p>	
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6 Scheme/s of Delegation	
Current Section 6	Proposed Section 6
<p>6 Scheme/s of Delegation</p> <p>6.1 Council purchasing may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Council's Scheme of Delegation. Officers with delegated authority may only delegate to other officers who have the appropriate skills and knowledge for the task and such delegation shall be recorded in writing by the officer delegating the task and notified to the relevant Head of Service.</p> <p>6.2 Officers shall, where appropriate, be informed by their Head of Service of the extent of any delegated authority and applicable financial thresholds.</p>	<p style="text-align: center;">No Changes</p>

Threshold for supplies and services		Part A* services. For Part B* services reduced requirements apply under the EU Rules but there is a presumption in favour of advertising and a competitive process
156,442 to 3,927,259**	Works	Full competitive process with tenders following advertisement by public notice
3,927,260** plus **EU Threshold for works	Works	EU Rules apply – full competitive process with tenders following OJ advertisement

* For the purposes of the EU Rules services are divided into two types and the EU Rules apply to a different degree. Responsible Officers should act cautiously and seek advice when considering the procedure to be used and application of the EU Rules to services contracts
 ** or relevant threshold in force at the time under the EU Rules

7.5 Where contracts are of a type and value which means that they are subject to the EU Rules then there are four main types of EU procedures available. These are the open, restricted, competitive dialogue and competitive negotiated procedures. Care must be taken to ensure that the correct and most appropriate procedure is used and assistance on the choice and use of EU procedure should be sought.

8 Financial Thresholds and Processes Applying to Approval and Execution of Contracts		
Current Section 8	Proposed Section 8	Summary /explanation of changes
<p>8 Financial Thresholds and Processes Applying to Approval and Execution of Contracts</p> <p>8.1 For contracts over the relevant EU Threshold (in force at the time), the choice of purchasing procedure to be used and the decision to proceed to advertisement must be authorised in writing by the Assistant Director of Environment and Regulatory Services (or an officer authorised in writing by him) in advance.</p> <p>8.2 When a decision is made to award a contract then the Responsible Officer must, in addition to complying with his/her general obligations under these Contract Standing Orders ensure, in particular, that:</p> <p>8.2.1 the appropriate approvals have been obtained to authorise that decision; and</p> <p>8.2.2 where appropriate, a standstill period complying with the EU Rules is incorporated into the final award process.</p>	<p>8.2.3 Where the contract value is £10,000 and below authorisation is delegated to the appropriate officer in accordance with the previously advised financial sign off level.</p> <p>8.2.4 Where the contract value is between £10,001 and £49,999 written authorisation must be obtained from the appropriate Director prior to awarding the contract.</p> <p>8.2.5 where the contract value is £50,000 or above, written authorisation must be obtained from Chief Financial Officer prior to awarding the contract.</p> <p>8.2.6 In the event that the contract is not awarded to the lowest bidder the Chief Financial Officer must consult with the relevant cabinet portfolio holder before confirming the award.</p>	<p>Where the contract value is £10k or below it can be authorised by an officer provided he has the sufficient signoff authorisation in Agresso .</p> <p>Where the contract value is above £10k but below £50k it can be authorised by an appropriate Director.</p> <p>Where the contract value is above £50k it must be authorised by the Chief Financial Officer.</p> <p>If a supplier has been evaluated as offering the best value (do to other factors) but is not the cheapest. The Chief Financial Officer must discuss the award with the relevant cabinet portfolio holder.</p>

<p>8.3 Any contracts valued at £75,000 or above shall be executed as a deed. All other contracts may be signed by officers with appropriate delegated authority. £10,000 shall be the threshold for the purposes of Regulation 8 of the Local Authority (Executive Arrangements) (Modification of Enactments and Further Provisions) (England) Order 2001.</p>		
<p>8.4 Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Internal Audit and Risk Strategy.</p>	<p>8.4 Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Audit Partnership.</p>	<p>Change of Title</p>

9 Calculating the Contract Value	
Current Section 9	Proposed Section 9
<p>9 Calculating the Contract Value</p> <p>9.1 The starting point for calculating the contract value for the purposes of these Contract Standing Orders is that the contract value shall be the genuine pre-estimate of the value of the entire contract excluding Value Added Tax. This includes all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period (including proposed extensions and options).</p> <p>9.2 There shall be no artificial splitting of a contract to avoid the application of the provisions of the EU Rules and/or these Contract Standing Orders.</p> <p>9.3 The EU Rules can cover contracts which are below the stated EU threshold where they constitute repeat purchases and/or purchases of a similar type in a specified period. Responsible Officers should therefore seek advice on the application of the EU Rules where they envisage that they may require repeat purchases and/or purchases of a similar type.</p>	<p>No Changes</p>

10 Principles Underlying Procurement Processes and Evaluation		
Current Section 10	Proposed Section 10	Summary /explanation of changes
<p>10 Principles Underlying Tendering Processes and Tender Evaluation</p> <p>10.1 All tendering procedures (including obtaining quotes), from planning to contract award and signature, shall be undertaken in a manner so as to ensure:</p> <p>10.1.1 Sufficient time is given to plan and run the process</p> <p>10.1.2 Equal opportunity and equal treatment</p> <p>10.1.3 Openness and transparency</p> <p>10.1.4 Probity</p> <p>10.1.5 Outcomes which deliver sustainability, efficiency and cost savings (where appropriate).</p>	<p>10 Principles Underlying Procurement Processes and Evaluation</p>	<p>The title is amended to cover the wider process of procurement rather than just tendering</p>

11 Submission and Opening of tenders	
Current Section 11	Proposed Section 11
<p>11 Submission and Opening of tenders</p> <p>11.1 An Invitation to Tender shall be issued by the Council for all contracts over £75,000 and tenders shall be submitted in accordance with the requirements of the Invitation to Tender.</p> <p>11.2 Any tenders received (other than those received electronically, to which 11.3 shall apply) shall be:</p> <p>11.2.1 addressed to the Director of Regeneration and Communities or other nominated Director not involved in the Tender process.</p> <p>11.2.2 in a sealed envelope marked "Tender" followed by the subject matter to which it relates.</p> <p>11.2.3 kept in a safe place by the Director of Regeneration and Communities or other nominated Director</p> <p>11.2.4 retained unopened until the date and time specified for its opening.</p> <p>11.3 Where the Council has indicated in the Invitation to Tender that a tender can or must be submitted electronically, then those tenders shall be:</p> <p>11.3.1 in the format specified in the Invitation to Tender.</p> <p>11.3.2 stored securely with a secure method of opening.</p> <p>11.3.3 retained unopened until the date and time specified for their opening.</p> <p>11.4 No tender received after the time and date specified for its opening shall be accepted or considered by the Council unless Director of Regeneration and Communities or other nominated Director is satisfied that there is sufficient evidence of the tender having been dispatched in time for it to have arrived before the closing date and time, or other exceptional circumstances apply and the other tenders have not been opened.</p> <p>11.5 Tenders shall be opened by the Director of Regeneration and Communities or other nominated Director or a member of their staff designated by them and an immediate record shall be made of tenders received including names and addresses and the date and time of opening.</p>	<p style="text-align: center;">No Changes</p>

12 Evaluation of Quotes and Tenders		
Current Section 12	Proposed Section 12	Summary /explanation of changes
<p>12 Evaluation of Quotes and Tenders</p> <p>12.1 All quotes and tenders shall be evaluated in accordance with evaluation criteria notified in advance to those submitting quotes/tenderers.</p> <p>12.2 Tenders subject to the EU Rules shall be evaluated in accordance with the EU Rules.</p> <p>12.3 Save in exceptional circumstances approved in advance by Head of Business Improvement all contracts shall be awarded on the basis of the quote or tender which represents best value for money to the Council and not on the basis of lowest price.</p>	<p>12.3 Save in exceptional circumstances approved in advance by the Assistant Director of Environment and Regulatory Services all contracts shall be awarded on the basis of the quote or tender which represents best value for money to the Council and not on the basis of lowest price.</p>	<p>Change of Title</p>

13 Waivers	
Current Section 13	Proposed Section 13
<p>13 Waivers</p> <p>13.1 The requirement for the Council to conduct a competitive purchasing process for contracts in excess of £10,000 may be waived in the following circumstances.</p> <p>13.1.1 For contracts which are not subject to the EU Rules, the work, supply or service is required as a matter of urgency and a delay would be likely to lead to financial loss, personal injury or damage to property; or</p> <p>13.1.2 the circumstances set out in Regulation 14 apply (whether or not the contract is of a type which is subject to the application of the EU Rules); or</p> <p>13.1.3 the contract is awarded under a Purchasing Scheme of a type where a competition has already been undertaken on behalf of the Council; or</p> <p>13.1.4 at the discretion of the Assistant Director Environment and Regulatory Services who may proceed in a manner most expedient to the efficient management of the service/Council with reasons recorded in writing.</p> <p>13.2 A Responsible Officer who seeks a waiver of Contract Standing Orders other than SO 13.1.3 shall do so only in advance and only in exceptional circumstances. Further guidance on what may constitute exceptional circumstances permitting waiver of these Contract Standing Orders is set out in the Council's Purchasing Guide.</p> <p>13.3 All waivers from these Contract Standing Orders must be:</p> <p>13.3.1 Fully documented.</p> <p>13.3.2 Subject to a written report in an approved format to be submitted in advance to the appropriate Director which shall include reasons for the waiver which demonstrate that the waiver is genuinely required.</p>	<p>No Changes</p>

13.3.3 Subject to approval in advance by the appropriate Director who shall consult the relevant Cabinet Member and record that they have considered the reasons for the waiver and that they are satisfied that the circumstances justifying the waiver are genuinely exceptional.

13.4 All decisions on waivers must take into account:

13.4.1 Probity

13.4.2 Best value/value for money principles.

13.5 For contracts subject to the EU Rules, any waiver from the requirement for competition must meet the conditions set out in the EU Rules in addition to the general requirements above.

13.6 A waiver shall not be applied for reasons of poor contract planning.

14 Extensions to Existing Contracts		
Current Section 14	Proposed Section 14	Summary /explanation of changes
<p>14 Extensions to Existing Contracts</p> <p>14.1 Where extensions to existing contracts are made, the extensions must be determined in accordance with the contract terms, for a specified period and made in accordance with the principles set out in the Council's Purchasing Guide.</p> <p>14.2 Any extension must be:</p> <p>14.2.1 Fully documented</p> <p>14.2.2 Subject to a written report in an approved format to be submitted to a Director which shall include reasons for the extension which demonstrate that the need for the extension is genuinely exceptional.</p> <p>14.2.3 Subject to approval by the Director who shall record that they have considered the reasons for the extension and that they are satisfied that the circumstances justifying the extension are genuinely exceptional.</p> <p>14.3 Any extension must take into account:</p> <p>14.3.1 Probity</p> <p>14.3.2 Best value/value for money principles.</p>	<p>14.2.2 Subject to a written report in an approved format to be submitted to a Director which shall include reasons for the extension which demonstrate that the need for the extension is genuinely beneficial.</p> <p>14.2.3 Subject to approval by the Director who shall record that they have considered the reasons for the extension and that they are satisfied that the circumstances justifying the extension are genuinely beneficial.</p> <p>14.4 For contracts subject to EU Rules, any extension must meet the conditions set out in the EU Rules in addition to the more general requirements set out above.</p>	<p>To remove the requirement for contract extensions to be approved only in exceptional circumstances and replace it with a need to be for beneficial circumstances</p> <p>To remove the requirement for contract extensions to be approved only in exceptional circumstances and replace it with a need to be for beneficial circumstances</p> <p>To emphasise that the extension must meet all EU procurement requirements</p>

15 Purchasing Schemes	
Current Section 15	Proposed Section 15
<p>15 Purchasing Schemes</p> <p>15.1 A Responsible Officer may use Purchasing Schemes subject to the following conditions and the Council's Purchasing Guide.</p> <p>15.2 Responsible Officers must check in advance that</p> <p>15.2.1 The Council is legally entitled to use the Purchasing Scheme.</p> <p>15.2.2 The purchases to be made do properly fall within the coverage of the Purchasing Scheme.</p> <p>15.2.3 The establishment and operation of each Purchasing Scheme is in compliance with the EU Rules (where they apply) and meets the Council's own requirements.</p> <p>15.3 A "Purchasing Scheme" may include:</p> <p>15.3.1 Contractor prequalification lists/select lists.</p> <p>15.3.2 Framework arrangements (including those set up by the Office of Government Commerce).</p> <p>15.3.3 Purchasing arrangements set up by central purchasing bodies and commercial organisations.</p> <p>15.3.4 Consortium purchasing.</p> <p>15.3.5 Collaborative working arrangements.</p> <p>15.3.6 Formal agency arrangements.</p> <p>15.3.7 E-procurement/purchasing schemes and methods.</p> <p>15.3.8 Other similar arrangements.</p> <p>15.4 Where a Purchasing Scheme is used then there shall be a whole or partial exemption from the obligations under these Contract Standing Orders in respect of the choice and conduct of procedures to the extent permitted and indicated in the Council's Purchasing Guide.</p>	<p>No Changes</p>

16 Review and Changes to these Contract Standing Orders	
Current Section 16	Proposed Section 16
<p>16 Review and Changes to these Contract Standing Orders</p> <p>16.1 These Contract Standing Orders shall be reviewed and updated on a regular basis. Save in the case of revisions to the EU Thresholds in Contract Standing Order 7, amended Contract Standing Orders shall be agreed and adopted by the Council. Revisions to the EU Thresholds shall be dealt with in accordance with them by the Assistant Director Environment and Regulatory Services.</p>	<p>No Changes</p>