

The Vale of Glamorgan Council

Audit Committee: 19th November 2018

Report from the Head of Finance / Section 151 Officer

Audit Committee - Contract Procedure Rules

Purpose of the Report

1. To present to Members an overview of the Council's Contract Procedure Rules in accordance with the functions of the Audit Committee as outlined in their Terms of Reference.

Recommendation

1. That Members note the report

Reason for the Recommendation

1. To keep the Audit Committee informed.

Background

2. One of the Audit Committee's Terms of Reference is:
 - To maintain an overview of contract procedure rules, financial regulations and officers' code of conduct and behaviour and to make recommendations to Cabinet and / or Council as appropriate.
3. The Contract and Financial Procedure Rules form part of the Council's Constitution, in particular Sections 16 and 17 therefore, final approval of these Rules is a matter for Full Council. The Council's Procedure Rules define the rules and processes to follow when spending Council budgets and sound financial control is essential in order to maintain accountability at all levels of management.
4. The last major review of the Council's Constitution including Sections 16 and 17 was approved in September 2015 when the legislation, which governs public sector procurement (The Public Contracts Regulations 2015), was updated and as a consequence of a comprehensive cross-party Constitutional Working Group review. It was during this review that Procedure Rules were significantly changed taking into account the new Model Version issued for consideration / adaption by Local Authorities in Wales at that time.

Relevant Issues and Options

5. Comprehensive written procedures which are easily accessible by all Members and Officers can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance of correct and consistent practices being followed.
6. In order to assist the Audit Committee in ensuring that due consideration has been given by the Committee to all aspects of their core functions, attached at Appendix A is the briefing note which provides some of the key aspects in respect of the Governance requirements specifically in the first instance to Section 17 of the Constitution. The Council's Contract Procedure Rules are attached at Appendix B.

Resource Implications (Financial and Employment)

7. There are no resource implications as a direct consequence of this report.

Sustainability and Climate Change Implications

8. There are no sustainability and climate change implications as a direct result of this report

Legal Implications (to Include Human Rights Implications)

9. Provision of an adequate and effective Internal Audit function is a legal requirement under the Accounts and Audit (Wales) Regulations 2014 as amended from time to time.

Crime and Disorder Implications

10. Pursuing initiatives to prevent, detect and deter crime is encompassed within the terms of reference under which the audit function operates.

Equal Opportunities Implications (to include Welsh Language issues)

11. None as a direct consequence of this report.

Corporate/Service Objectives

12. The work of audit is intended to assist in the achievement of all corporate and service objectives.

Policy Framework and Budget

13. The proposals in this report are in accordance with the policy framework and budget.

Consultation (including Ward Member Consultation)

14. No further consultation is proposed.

Relevant Scrutiny Committee

15. Corporate Performance and Resources

Background Papers

Constitution - Section 17
Procurement Code of Practice

Contact Officer

Helen Smith- Operational Manager - Audit

Officers Consulted

External Audit- Wales Audit Office

Responsible Officer:

Carys Lord- Head of Finance/ Section 151 Officer



BRIEFING NOTE

Contract Procedure Rules

1. Introduction

The Council has a suite of corporate policies supported by various procedures and guidance notes, one of which is the Council's Contract Procedure Rules (CPR's). Comprehensive written procedures which are easily accessible by all Members and staff can reduce the risk of errors and inconsistency. They are beneficial for the training of current and new employees and provide management with assurance of correct and consistent practices being followed.

The Council's CPR's were significantly changed in 2015 following a cross-party Constitutional Working Group review. These changes together with the changes to the Council's Constitution were reported to Full Council on 28th September 2015 recommending approval of the revised Constitution which included the newly revised CPR's.

2. Background

The Council's CPR's provide the framework to follow when goods and services are required to be procured from stakeholders. Complying with the prescribed arrangements helps the Council to procure in accordance with Legislation and the Law. In some instances, failure to follow CPR's will leave the Council open to legal challenge. Being the subject of a legal challenge can, in some instances, be costly and it can also adversely affect the Council's reputation.

The aims of the CPR's are:

To achieve value for money for the Council in the market by ensuring:

- Provision for securing competition at appropriate levels of expenditure whilst avoiding disproportionate or bureaucratic costs where levels of expenditure are less significant ;
- Accountability at all levels whilst ensuring an adequate audit trail;
- Officers follow proper and fair procedures for the involvement and selection of contractors;
- Compliance with EU Procurement Directives and Public Contract Regulations;

- That proper specification is made by Officers which reflect the appropriate and realistic quality requirements for any defined need, and that offers may be judged by objective criteria; and
- That levels of monitoring and training exist to ensure proper compliance and that these rules are regularly reviewed to take account of new circumstances.

It is important to **remember** that: The basic rules of procurement aim to ensure that public funds are spent openly and fairly, and make the most of every budget, while protecting the Council and its officers against legal challenges, financial penalties and reputational damage.

3. Relevant Issues and Options

Governance Arrangements

The governance arrangements in respect of how the CPR's should be reviewed, updated and approved are as follows:

Council

Specific to the Council's CPR's (which are included within the Constitution), the functions of the Full Council as set out in Part 4 - Section 4.6 **Functions of the Full Council**:-

Only the Full Council will exercise the following functions:

4.6.1 adopting and changing the Constitution;

Audit Committee

Specific to the Council's CPR's, the Terms of Reference of the Audit Committee state:-

To maintain an overview of the contract procedure rules, financial regulations and officers' code of conduct and behaviour and to make recommendations to Cabinet and / or Council as appropriate.

Monitoring Officer

Under Article 15 of the Constitution, the Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure that the aims and principles contained therein are given full effect. Any changes considered necessary are subject to approval by Full Council after consideration of the proposals by the Monitoring Officer.

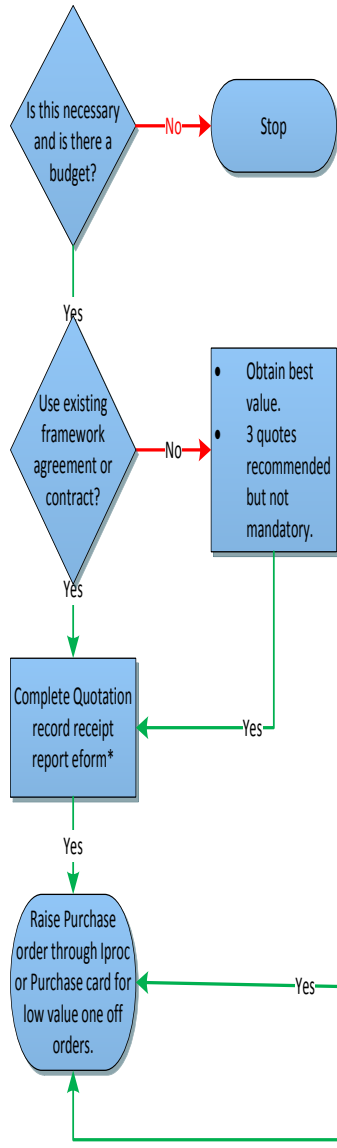
Supporting Compliance

Financial Limits

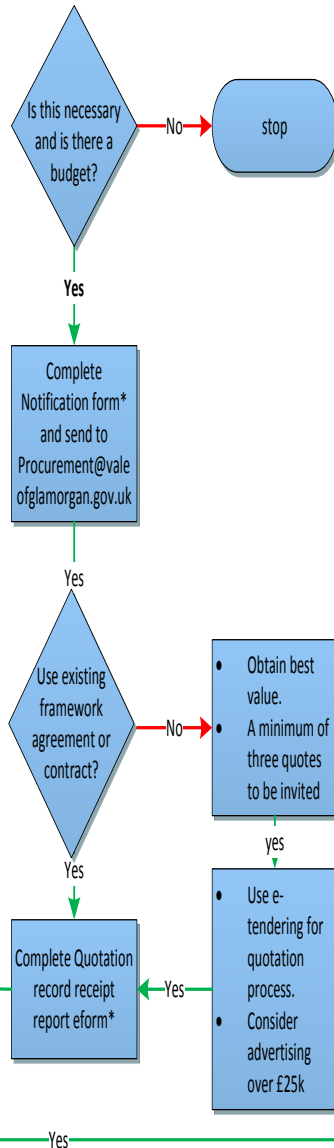
The following flowchart should always be referred to once it has been determined that a procurement exercise is required.

PCOP Flowchart

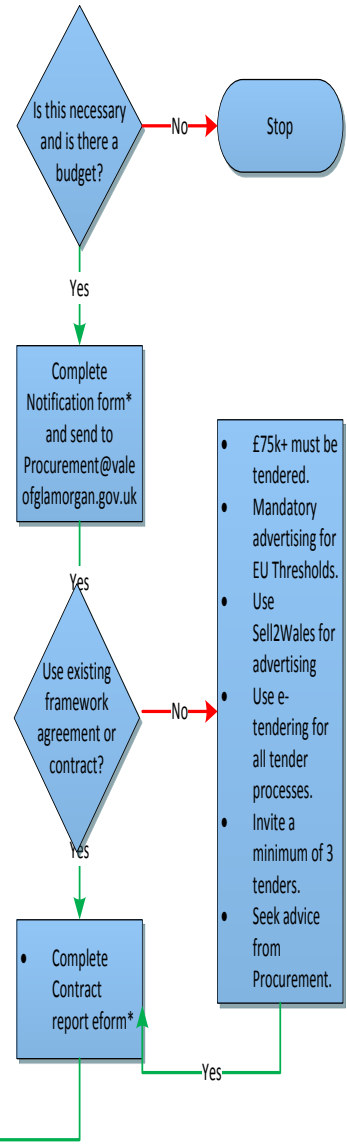
Value under £15k



Value £15k to £75k



Value £75K to EU Thresholds



Note:

1. All the internal forms* referenced in the FlowChart can be found and submitted online on Staffnet - Directorates-Resources - Business Improvements-Procurement - Forms and Documents or the eforms page.
2. EU Thresholds as of 1st Jan 2018: Goods and Services £181,302 & Works £4,551,413 (LTR £615,278 Social Services only)
3. As of May 2015 the Council's threshold for going out to tender is £75K.
4. The Council intends to use the e-tendering wales website for future tenders exercises

Value under £15K

Use existing framework agreement or contract / obtain best value – 3 quotes recommended but not mandatory.

Value £15K to £75K

Notify Procurement.

Use existing framework agreement or contract / obtain best value – a minimum of 3 quotes to be invited (use e-tendering for quotation process / consider advertising over £25K.

Value £75K to EU Threshold

Notify Procurement.

Use existing framework agreement or contract / £75K must be tendered – mandatory advertising for EU Threshold – Use Sell2Wales for advertising – Use e-procurement for all tender processes – invite a minimum of 3 tenders – seek advice from procurement.

All contracts with a value of £75,000 or greater or as determined by the Head of Legal Services shall be in the form of a Deed, made under the Council's seal and attested as required by the Constitution.

Procurement Code of Practice

The Council has developed and implemented a Procurement Code of Practice (PCoP) derived from the Corporate Financial Procedure Rules, Contract Procedure Rules and Procurement Policy and Strategy. This provides a step-by-step guide for all purchasing activities providing information, advice and guidance for officers responsible for spending the Council's money in accordance with the Council's Constitution.

The PCoP has been produced to provide guidance to Council Staff regarding the buying of goods and services and how to achieve better value for money. It also helps officers understand their obligations in relation to the basic rules of procurement when spending public money and aims to ensure that all Procurement undertaken by the Council and its Officers is compliant with the provisions contained in the Public Contracts Regulations 2015.

The Procurement Policy and Strategy is available electronically and explains how the Council will promote effective ethical and sustainable procurement across the whole organisation. It outlines what good procurement means in The Vale of Glamorgan Council and details the supporting framework.

Financial Procedure Notes

In order to enhance the Council's overarching financial control, a number of Financial Procedure Notes (FPN's) are available to staff. These are easily accessible via the Council's StaffNet and compliance to FPN's is mandatory for all officers of the Authority. It is the responsibility of Chief Officers to ensure that the required management arrangements and procedures are applied to the services under their control and that responsible staff are instructed accordingly.

The following is a list of current FPN's

FPN Reference No.	Description	FPN Reference No.	Description
FPN1	Mileage and Expenses	FPN8	Grant Funding
FPN2	Lost Property	FPN9	PCards
FPN3	Imprest and Petty Cash	FPN10	Procurement
FPN4	Use of external facilities	FPN11	iproc and £75K process
FPN5	Cash Handling Procedures	FPN11	Contract Record Form (linked to above)
FPN6	Fuel Card Protocol	FPN12	Accounts Payable
FPN7	Inventories and Disposal of surplus or obsolete items.	FPN13	PCI Data Security and Data Protection 2018

Exemptions to Contract Procedure Rules

There is provision for the rules contained within the CPR's to be waived. Section 17.4 specifically relates to Waiver of CPR's. Cabinet has the power to waive any requirements within the CPR's for specific projects except where the Public Contract Regulations apply. Additionally, they may be waived or varied where the circumstances are certified in advance by the Section 151 Officer (advised as appropriate by the Officer from time to time with operational responsibility for Internal Audit) and subject to any conditions in relation to any such waiver that the Section 151 Officer advised as meeting any of the criteria listed in Section 17.4.2 (a) to (h).

The waiving of CPR's is tightly controlled and a well-established procedure is in place to ensure accountability and transparency.

During the Financial Year 2018/19, Internal Audit has reviewed challenged and actioned 21 waivers to ensure consistency of process.

Healthy Organisation Review – Function Commissioning and Procurement

As part of the audit plan for 2017/18, a review of Commissioning and Procurement was undertaken as part of the Healthy Organisation Review.

Assessing Procurement & Commissioning activity of a Local Authority is a critical determinant in establishing its effectiveness in both being able to deliver benefit for its community but also in showing whether it can maximise VFM for its taxpayers.

Successful organisations understand the complex needs of their service users and design services which take into account the effectiveness of its internal provision against the market place to ensure taxpayers get the best value for money and the local economy is supported. The activity is complex and risky and therefore clear strategies, policies and plans are required which can be measured with appropriate targets that give the right level of assurance.

The outcome of the review was an overall RAG rating of Green being assigned because of the strong control framework in place in relation to commissioning and procurement.

Corporate Management Team has had oversight of this review and the recommendations have been included into the INSIGHT Board's tracker system with regular updates being reported and therefore monitored.

Other Improvement Measures

In addition to all of the above, the following list highlights some of the improvement measures that have been put in place that contribute towards compliance:

- The Council recognised that it operates in a changing procurement landscape that is led by an agenda for improvement. New technology, changing demographics, increasing awareness of sustainability issues, legislative changes are all transforming the world of public procurement at a rapid pace. These changes create challenges to which the Council must respond. As a consequence, the Council has revisited and enhanced its Procurement Strategy; it has developed and implemented a Procurement Code of Practice (PCOP), together with updating the Council's Contract and Financial Procedure Rules which replaced the old Contract Standing Orders and Financial Regulations.
- The Council has incorporated, published and implemented Contract Management Guidance and a Contract Management Toolkit within the PCOP.
- A programme of Senior Management Training has been delivered covering procurement, contract management and project management. This also forms part of the Management Development Programme.
- Specific requests from service areas have resulted in bespoke training being delivered on Contract Procedure Rules by the Council's Section 151 Officer and Head of Audit.

Conclusion

Whilst it is recognised that the Council cannot and will not become complacent in respect of adherence to its Procedure Rules, it is clear that the above information should provide the Audit Committee with a degree of assurance that these prescribed arrangements helps the Council to procure in accordance with Legislation and the Law.

SECTION 17

17. CONTRACTS PROCEDURE RULES

Index

Ref	Details	Page
17.1	Introduction	149
17.2	Chief Officers	149
17.3	Basic Principles	149
17.4	Waiver of These Contracts Procedure Rules	151
17.5	Advertising	153
17.6	Relevant Contracts	153
17.7	Risk Assessments	154
17.8	Approved Lists and Framework Agreements	154
17.9	Procurement Valuation	155
17.10	Pre-Tender Market Testing and Consultation	155
17.11	Invitation to Tender / Request for Quotations	155
17.12	Evaluation Criteria and Standards	155
17.13	Submission, Receipt and Opening of Tenders / Quotations	157
17.14	Post-Tender Negotiations	157
17.15	Evaluation, Award of Contract and Debriefing of Organisations	158
17.16	Contract Documents	158
17.17	Legal Services Review of Tenders and Contracts	159
17.18	Prevention of Bribery and Corruption	159
17.19	Declarations of Interests	159
17.20	Contract Management / Monitoring	159
17.21	Internal Providers	160
17.22	External Body Grant Funding	160
17.23	Review and Amendments of Contracts Procedure Rules	160

CONTRACTS PROCEDURE RULES

17.1 Introduction

These Contracts Procedure Rules (CPRs) are made pursuant to Section 135 of the Local Government Act 1972 and include the Procurement Code of Practice (PCoP) and any other procurement notes made thereunder from time to time.

17.2 Chief Officers

In these CPRs “Chief Officer” means the Managing Director, Directors and Heads of Service and Operational Managers.

17.3 Basic Principles

17.3.1 All procurement procedures must:

- (a) Realise value for money by achieving the optimum combination of whole life costs and quality of outcome;
- (b) Be consistent with the highest standards of integrity;
- (c) Operate in a transparent manner;
- (d) Ensure fairness in allocating public contracts;
- (e) Comply with all legal requirements including European Union (EU) treaty principles;
- (f) Support all relevant Council priorities, policies and strategic and financial plans; and
- (g) Comply with the Council’s PCoP and Financial Procedure Rules (FPRs).

N.B. These Rules shall be applied to the contracting activities in respect of which the Council is the accountable body unless the Council expressly agrees otherwise.

17.3.2 Chief Officers have the responsibility for all contracts tendered and let under their control. They are accountable to the Cabinet for the performance of their duties in relation to contract letting and management, which are:

- (a) to ensure compliance with English, Welsh and EU legislation and Council Policy;
- (b) to ensure Best Value is achieved in all procurement matters;
- (c) to maintain a departmental scheme of delegation;
- (d) to keep proper records of all contracts, tenders etc., including minutes of tender evaluation panels and other meetings;

- (e) Chief Officers shall have particular responsibility to ensure that all relevant procurements are undertaken within the agreed budgets and that Cabinet approval has been obtained where appropriate.

17.3.3 Officer Responsibilities

17.3.3.1 Officers

- (a) Officers will comply with these CPRs, FPRs, the Council's Constitution and with all UK and EU legal requirements. Officers must ensure that any agents, consultants and contractual partners acting on their behalf also comply.
- (b) Officers will:
- (i) have regard to the guidance in the PCoP;
 - (ii) keep the records required by these CPRs;
 - (iii) take all necessary procurement, legal, financial and professional advice, taking into account the requirements of these CPRs including the PCoP and FPRs;
 - (iv) prior to letting a contract on behalf of the Council, check whether:
 - (A) The Council already has an appropriate contract in place in the Corporate Contracts Register; or
 - (B) An appropriate national, regional or other collaborative contract is already in place:
 - where the Council already has an appropriate contract in place, then this must be used unless it can be established that the contract does not fully meet the Council's specific requirements in this particular case, and this is agreed following consultation with Corporate Procurement;
 - where an appropriate national, regional or collaborative contract is available, the same is to be used unless such contract does not offer value for money;
 - (v) ensure that when an employee, either of the Council or of a service provider, may be affected by any transfer arrangement, then any Transfer of Undertaking (Protection of Employment) issues are considered and legal and HR advice from within the Council is obtained prior to proceeding with the procurement exercise.

- (c) Failure to comply with any of the provisions of these CPRs, FPRs, the other sections of the Council's Constitution or UK or EU legal requirements may be brought to the attention of the Monitoring Officer, Section 151 Officer, Head of Internal Audit, or relevant Director as appropriate. Depending on the nature of the non-compliance this may result in disciplinary action being taken;
- (d) It shall be a condition of any contract between the Council and any person (not being an Officer of the Council) who is required to manage a contract on the Council's behalf that, in relation to such contract, they shall comply in all respects with the requirements of these CPRs as if he/she were an employee of the Council.

17.3.3.2 Chief Officers

Chief Officers will:

- (a) Ensure their Service complies fully with the requirements of these CPRs;
- (b) Ensure contracts are recorded in the Corporate Contracts Register as held and maintained by Corporate Procurement;
- (c) Ensure that their Service provides the requisite information to allow the Council to maintain the Procurement Work Programme.

17.4 **Waiver of These Contracts Procedure Rules**

17.4.1 Except where the Public Contracts Regulations apply, Cabinet has the power to waive any requirements within these CPRs for specific projects.

17.4.2 Additionally, these Rules may be waived or varied where the circumstances are certified in advance by the Section 151 Officer (advised as appropriate by the Officer from time to time with operational responsibility for Internal Audit) and subject to any conditions in relation to any such waiver that the Section 151 Officer advised as meeting any of the following criteria:

- (a) for works, supplies or services which are either patented or of such special character that it is not possible to obtain competitive prices;
- (b) for supplies purchased in a public market or auction;
- (c) with an organisation which has won a contract for an earlier phase of work via a competitive process and where the work forms part of a serial programme and has previously been identified and originally advertised as such and in accordance with existing rates or indices;
- (d) with an organisation already engaged by the Council for a similar and related procurement and where there is significant benefit to extending the contract to cover this additional requirement, without exposing the Council to unacceptable risk provided always that there is no breach of any legal

requirements including EU treaty principles and Public Contracts Regulations from time to time in force.

- (e) for works, supplies or services which are of a proprietary nature and only available from one organisation;
- (f) involving such urgency for reasons that could not reasonably have been foreseen that it is not possible to comply with these CPRs.
- (g) in relation to time limited grant funding from an external body, where the time limitations will not allow a competitive procurement process to be completed and where the grant conditions allow this, or
- (h) where relevant UK or EU legislation not otherwise referred to in these CPRs prevents the usual procurement process from being followed.

17.4.3 The appropriate Chief Officer will complete and submit a Waiver form, as contained within the PCoP, for approval by the Section 151 Officer prior to incurring the expenditure.

17.4.4 Every Waiver form will be recorded on a master register to be maintained by Internal Audit

17.4.5 To cover urgent special educational needs, urgent social care contracts or urgent operational needs, if in the opinion of the relevant Director it is considered to be in the Council's interests or necessary to meet the Authority's obligations under relevant legislation without obtaining prior approval, then, the use of this exemption by the relevant Director must be followed up with a written report under Rule 17.4.3 using the Variation form, setting out the reason for such urgency, how it complies with relevant legislation and represents value for money.

17.4.6 These CPRs do not apply to contracts:

- (a) for the execution of mandatory works by statutory utility undertakers;
- (b) which have been procured on the Council's behalf:
 - (i) through collaboration with other Local Authorities or other public bodies, where a competitive process which complies with the CPRs of the leading organisation has been carried out;
 - (ii) by a National or Regional contracting authority where the process followed is in line with the Public Contracts Regulations 2006 (as amended from time to time); or
 - (iii) under the terms of a Strategic Partnership arrangement approved by the Cabinet.

17.5 **Advertising**

The Chief Officers will ensure that the minimum advertising requirements, in line with EU treaty principles and as outlined in the PCoP, are met.

17.6 **Relevant Contracts**

17.6.1 All Contracts must comply with these CPRs. A Contract is any arrangement made by, or on behalf of, the Council for the carrying out of works, supplies or services. These include arrangements for:

- (a) the supply of goods;
- (b) the execution of works;
- (c) the hire, rental or lease of goods or equipment;
- (d) the delivery of services, including (but not limited to) those related to:
 - (i) The recruitment of staff, e.g. agency staff, estate agents, valuers;
 - (ii) Land transactions;
 - (iii) Financial and consultancy services;
 - (iv) Opinions of Counsel obtained by the Head of Legal Services.

17.6.2 Relevant Contracts do not include:

- (a) contracts of employment which make an individual a direct employee of the Authority;
- (b) agreements regarding the acquisition, disposal, or transfer of land (to which the FPRs apply); or
- (c) the payment of grants to third parties;
- (d) land transactions.

N.B. While grants are not covered by these CPRs, there are rules on the awarding of grants which do need to be observed including obtaining approval from the External Funding Group. The Council cannot simply choose to treat a procurement as a grant in order to avoid conducting a competitive process.

17.6.3 The Public Contracts Regulations 2006 (as amended from time to time) require contracting authorities to maintain the following comprehensive records of procurement activities:

- (a) contract details including value;
- (b) selection decision;
- (c) justification for use of the selected procedure;

- (d) names of bidding organisations, both successful and unsuccessful;
- (e) reasons for selection;
- (f) reasons for abandoning a procedure.

17.7 **Risk Assessments**

17.7.1 All procurement shall follow the process set out in the Council's Project Management Tool Kit including the approved risk assessment matrix.

17.7.2 All procurements via Invitation to Tender, and Requests for Quotation where appropriate, must be supported by a risk assessment. This risk assessment must be carried out at the start of the procurement process.

17.7.3 The risk assessment process will identify where further specialist advice should be sought.

17.8 **Approved Lists and Framework Agreements**

17.8.1 Approved Lists

- (a) Approved lists should only be used in accordance with the guidance contained in the PCoP.
- (b) Approved lists must not be used where they are prohibited under the Public Contracts Regulations (as amended from time to time).

17.8.2 Framework Agreements.

- (a) Framework Agreements are agreements between the Council and one, or three or more suppliers for the provision of goods, works or services on agreed terms for a specific period, for estimated quantities against which orders may be placed if and when required during the contract period.
- (b) The term of a Framework Agreement must not exceed four years and, while an agreement may be entered into with one provider, where an agreement is concluded with several organisations, there must be at least two in number.
- (c) Where Frameworks are awarded to several organisations, contracts based on Framework Agreements may be awarded by way of call-off, or mini competition, in either case following the procedure set out in the PCoP.

17.9 **Procurement Valuation**

- 17.9.1 The Chief Officer must establish the total value of the procurement including whole life costs and incorporating any potential extension periods which may be awarded.
- 17.9.2 Based on this value, quotations or tenders must then be invited in line with the financial thresholds detailed in the PCoP.
- 17.9.3 Where the Public Contracts Regulations (as amended from time to time) apply, the Chief Officer shall consult Corporate Procurement to determine the procedure for conducting the procurement exercise.

17.10 **Pre-Tender Market Testing and Consultation**

- 17.10.1 The Council may consult potential suppliers, prior to the issue of the Invitation to Tender or Request for Quotation, in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, provided this does not prejudice any potential organisation. Guidance is contained in the PCoP.
- 17.10.2 When engaging with potential suppliers, the Council must not seek or accept technical advice on the preparation of an Invitation to Tender or Quotation from anyone who may have a commercial interest in them, and where this may prejudice the equal treatment of all potential bidding organisations or distort competition.
- 17.10.3 In undertaking any market testing activities, the Officer responsible should refer to any guidance contained in the PCoP.

17.11 **Invitation to Tender (ITT) / Request for Quotations (RFQ)**

Above the single quotation threshold outlined in the PCoP, all Invitations to Tender (ITT) and Requests for Quotation (RFQ) including e-tendering must be undertaken in accordance with the procedures set out in the PCoP.

17.12 **Evaluation Criteria and Standards**

17.12.1 Evaluation Criteria

- (a) In any procurement exercise the successful bid should be the one which either:
 - (i) offers the most economically advantageous tender which is a balance between quality and price or
 - (ii) offers the lowest price;

The Council will use criteria linked to the subject matter of the contract to determine that an offer is the most economically advantageous. Criteria may

include price, quality, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost effectiveness, after-sales service, technical assistance, delivery date, delivery period and period of completion.

- (b) Issues that are important to the Council in terms of meeting its corporate objectives can be used to evaluate bids as an element achieving the outcomes set out at 17.12.1 (a) above. The criteria can include, for example sustainability and Future Generation considerations, support for the local economy and community, or the use of sub-contractors. The bidding organisations' approaches to continuous improvement and setting targets for service improvement or future savings could also be included. All criteria must relate to the subject matter of the contract, be in line with the Council's corporate objectives and must be objectively quantifiable and non-discriminatory.
- (c) The procurement documentation must clearly explain the basis of the decision to bidding organisations, making clear how the evaluation criteria specified in the process will be applied, the overall weightings to be attached to each of the high-level criteria, how the high-level criteria are divided into any sub-criteria and the weightings attached to each of those sub-criteria.
- (d) In all cases the process that must be followed is set out in the PCoP; reference should be made to the PCoP.

17.12.2 Standards

- (a) Relevant British, EU and International Standards which apply to the subject matter of the contract and which are necessary to properly describe the required quality must be included with the contract.
- (b) Officers should refer to any further guidance outlined in the PCoP.

17.12.3 Clarification Procedures

- (a) The Council can ask bidding organisations for clarification of any details submitted as part of their bid. However, any such clarification must not involve changes to the basic features of the bidding organisation's submission.
- (b) When requesting clarification, the Chief Officer must follow any guidance contained in the PCoP.

17.13 **Submission, Receipt and Opening of Tenders / Quotations**

17.13.1 Tenders and Quotations

- (a) Bidding organisations must be given an adequate period in which to prepare and submit a proper quotation or tender, consistent with the complexity of the contract requirements. Where the Public Contract Regulations apply, the Regulations lay down specific minimum time periods for tenders.
- (b) The Head of Legal Services shall make arrangements for tenders to be opened, as soon as is practicable after the closing date for their receipt, in the presence of the Head of Legal Services (or nominated representative) and Chief Officer (or nominated representative). A register of all tenders opened shall be maintained. For contracts lower in value than the tender threshold as specified in the PCOP, Chief Officers shall ensure that a register of quotations shall be maintained.
- (c) Chief Officers shall ensure that a register of quotations shall be maintained. Further guidance is set out in PCoP.
- (d) The Council shall have power to disqualify from submitting further tenders to the Authority, those tenderers who, in their opinion, have withdrawn tenders unreasonably, who have been in breach of any contract with the Council, or for any reason properly considered as being justifiable and reasonable.

17.13.2 Supplier Selection Any supplier selection must have regard to the economic, financial and technical standards relevant to the contract and the evaluation criteria stipulated. Special rules apply to contracts covered by the Public Contracts Regulations . Officers should refer to any further guidance contained in the PCoP.

17.14 **Post-Tender Negotiations**

17.14.1 Where procurement is conducted pursuant to the European procurement directives through either, Open, Restricted or Competitive Dialogue procedures, no post-tender negotiations are permitted. The responsible Officer may seek clarification from tenderers where appropriate in consultation with Corporate Procurement. Negotiations on price are never permissible except where the competitive procedure with negotiation is used. The negotiated procedure should only be used in those exceptional cases where it is lawful to do so under the European procurement rules.

17.14.2 Where procurements do not exceed the European thresholds, the agreement of Corporate Procurement to authorise negotiations must be sought. Such actions must not distort competition.

17.15 Evaluation, Award of Contract and Debriefing of Organisations

17.15.1 Evaluation

The procedure for the evaluation of bids is set out at Paragraph 17.12.1.

17.15.2 Award of Contract

- (a) The Council is required to notify successful and unsuccessful bidders of the outcome of a procurement process, in writing, in as timely a fashion as possible.
- (b) Where procurement has been subject to the Public Contract Regulations (as amended from time to time), the Standstill (a ten day standstill period before a contract can be awarded to allow an unsuccessful bidding organisation an opportunity to challenge the proposed contract award) will need to be included in the procurement timetable before the contract can be awarded. Full information regarding the Standstill is contained within the PCoP.
- (c) Chief Officers have been granted delegated authority to accept tenders for the supply of goods or materials and services and for the execution of works subject to:
 - (i) the expenditure being contained within the approved budget;
 - (ii) compliance with the PCoP;
 - (iii) for amounts greater than £75,000, the approval of the relevant Cabinet Member being obtained.
- (d) A record should be maintained of such acceptance. Compliance with reporting requirements to Cabinet and/or of Cabinet Member approval and within the timescales as set out in the PCoP.

17.15.3 Debriefing

The debriefing of organisations must be carried out in line with the requirements of the Public Contract Regulations (as amended from time to time) and any guidance detailed in the PCoP.

17.16 Contract Documents

17.16.1 Format of Contract Documents

Appropriate contract documents as advised by the Head of Legal Services or conditions issued by a relevant professional body will be used.

17.16.2 Contract Signature

- (a) All contracts with a value of £75,000 or greater or as determined by the Head of Legal Services shall be in the form of a Deed, made under the Council's seal and attested as required by the Constitution.
- (b) All other contracts shall be in the form of an agreement, (i.e. not a Deed requiring sealing) either:
 - (i) be signed by at least two Officers of the Council authorised as required by the Constitution; or
 - (ii) be formalised by the sending of an award letter confirming that the Agreement will incorporate the Council's terms and conditions and the subsequent issuing of a purchase order.

17.17 Legal Services Review of Tenders and Contracts

To ensure the integrity of the procurement process:

- (a) all proposed Invitations to Tender, where they are not in compliance with the Council's terms and conditions or standard terms and conditions issued by a relevant professional body, will be reviewed by Legal Services;
- (b) any proposed Invitations to Tender, which are subject to the Public Contracts Regulations (as amended from time to time), or which are deemed to be of high risk, in accordance with the Council's Project Management toolkit must be reviewed by Legal Services;
- (c) any proposed contract where there is any deviation from the contract terms included in the Invitation to Tender must be reviewed by Legal Services.

17.18 Prevention of Bribery and Corruption

Rules and regulations pertaining to the prevention of Bribery and Corruption are outlined in the Council's FPRs, Council's Anti-Fraud and Bribery Policy and Employees' Code of Conduct and must be adhered to.

17.19 Declarations of Interests

Rules and regulations pertaining to the Declarations of Interests are outlined in the Code of Conduct for Employees within the Constitution and must be adhered to.

17.20 Contract Management / Monitoring

Contract management, monitoring, evaluation and review must be conducted in line with any guidance detailed in the PCoP and Council's Project Management toolkit.

17.21 **Internal Providers**

Where an in-house Service is bidding in competition for the provision of goods, works or services, care must be taken to ensure a fair process between the in-house Service and external bidding organisations, further guidance is detailed in the PCoP.

17.22 **External Body Grant Funding**

17.22.1 Where a procurement process is funded, in whole or part, by grant funding which has been awarded to the Council by an external funding body, the Chief Officer must ensure that any rules or conditions imposed by the funding body are adhered to, in addition to the requirements of these CPRs.

17.22.2 Where there is any conflict between these CPRs and the rules or conditions imposed by the funding body, the stricter requirement should be followed.

17.23 **Review and Amendments of Contracts Procedure Rules**

These CPRs shall be reviewed and updated as necessary as part of the ongoing review of the Constitution.