

APPENDIX B

LONDON BOROUGH OF RICHMOND UPON THAMES

CONTRACT STANDING ORDERS

(Revised Edition Updated July 2006)

The Local Government Act 1972 (Section 135) requires that Local Authorities make Standing Orders in respect of contracts for the supply of goods, services and materials or the execution of works to ensure competition and regulate the manner in which tenders are invited.

Local Authorities are also allowed by the Act to make Standing Orders for any other contracts.

This section lists those Standing Orders that must be complied with when considering and making contracts on behalf of this Council.

A definition of what is meant by “contract” is contained in Appendix A as well as a glossary of other definitions and these definitions must be applied when using Standing Orders.

It is a disciplinary offence if any officer fails to comply with these Contract Standing Orders when letting contracts. Employees have a duty to report breaches of Contract Standing Orders to an appropriate senior manager and the Head of Internal Audit and Risk Management

If any officer is in any doubt about the appropriate action required, he/she should consult their senior manager in the first instance. Advice can also be sought from the Head of Internal Audit and Risk Management before proceeding.

The Council adopted these revised contract standing orders on 24 April 2001 for implementation with effect from 22 May 2001. The last update was approved in July 2006.

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1 INTRODUCTION

1.1 Key Principles

- (a) Contract Standing Orders set out the framework for the procurement of goods, works and services. They are an essential set of rules and compliance with them will ensure that officers both seek and obtain good value for money, and also that public monies are properly spent and accounted for.
- (b) In any procurement and especially when letting contracts, officers must always apply procedures that allow a fair and non-discriminatory competitive process, and equal treatment of all potential suppliers and contractors.
- (c) In adhering to these Contract Standing Orders, officers will also ensure compliance with all relevant legislation and EU Regulations.
- (d) These regulations also relate to any contracts whereby the Council receives payment and agreements for the sale or disposal of Council, or Council's interest in, land or assets. Officers should also comply with the key controls as set out in Financial Regulations.
- (e) The letting of large contracts may be Key Decisions (for inclusion, wherever practicable, in the Forward Plan of the Executive), in accordance with the criteria for Key Decisions set out in the Access to Information Procedure Rules.
- (f) Additional guidance on procurement is contained within the Procurement Manual that is at the Central Procurement Unit's website at [http://lbrnet/depts/env/procurement/docs/Handbook_Update_\(web%20version\)_-5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version)_-5.03.doc). Various cross-references are made to that Manual in these Contract Standing Orders.
- (g) It is the responsibility of the relevant Head of Service/Assistant Director for the function provided to ensure that contracts that are in excess of £50,000 in value must be placed on the Council's **Contract Register** via the intranet form at the Procurement Website. This is a key contract management tool for the Council and is key to ensuring overall budgetary control and to ensuring that appropriate time is set aside for the re-tendering of contracts that are coming to an end.
- (h) The Council has adopted a risk-based approach to the management of processes such as its Contract Standing Orders. An appropriate level of risk assessment must be undertaken prior to any new or extended contract or procurement being entered into. Further advice on how to undertake an appropriate risk assessment is contained in the Procurement Manual at [http://lbrnet/depts/env/procurement/docs/Handbook_Update_\(web%20version\)_-5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version)_-5.03.doc)
- (i) Contracts must not be artificially split to avoid the application of the key thresholds contained within these Contract Standing Orders.
For the purposes of the thresholds within these Contract Standing Orders, the value of a contract must be calculated over the entire length of a contract, and not the annual value. The value must be calculated in pounds sterling exclusive of Value Added Tax
- (j) The underlying principles of achieving value for money and demonstrating fair and competitive procurement that are contained within these Contract Standing Orders should be used by any external organisation receiving Council grants for the delivery of goods and services and to all partnering arrangements.
- (k) Officers dealing with procurement for standard or repetitive goods and services should actively consider the use of Framework Agreements by seeking guidance from the Head of Legal Services and/or Head of Procurement.

- (l) Officers dealing with projects, which in many cases include contracts covered by these Contract Standing Orders, will need to adhere to the principles of good project management practice as laid out in the Project Management Handbook at http://rio/project_management_handbook_june_2006_v0.5.doc

1.2 Definitions

Definitions of the terminology used in these Contract Standing Orders are set out in Appendix A.

1.3 Environment / Sustainability issues

Officers must seek to avoid, where practicable, using products, substances and services that are known to be, or where there is strong evidence to believe they could be, harmful to the environment or a danger to health (employees, contractors and members of the public). Wherever possible and economically practicable, only materials from sustainable sources must be used, in accordance with the Council's agreed Sustainability Policy.

Detailed guidance on Green Purchasing is set out in the Council's Procurement Manual at [http://lbrnet/depts/env/procurement/docs/Handbook_Update_\(web%20version\)_-5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version)_-5.03.doc).

1.4 Value for Money/Quality Issues

- (a) When entering into any contracts, officers must adhere to the Council's obligations and commitment to seeking value for money, through the principles laid out by the Value for Money framework and the Comprehensive Performance Assessment use of resources guidance.
- (b) In drafting specifications for goods, works and services, officers must ensure they include relevant and robust measures of performance so that contractors' performance can be properly and adequately assessed and monitored.
- (c) Where applicable, contracts must incorporate and comply with all relevant British and European (or equivalent international) quality standards.
- (d) Where applicable contracts must build in mechanisms for continuous improvement and for the generation of non-cashable and/or cashable savings in line with the "Gershon" principles.
- (e) Where applicable contracts should deal comprehensively with staffing and assets issues where roles and responsibilities of current staff are impacted by new contracts, particularly through the proper application of transfer of undertaking, (TUPE) legislation. Particular regard must be given to potential redundancy costs and their impact on the value for money of proposed new contracts. Appropriate advice must be sought when this is or might be the case from the Head of Legal Services or the Head of Human Resources. Similar regard should be given to the transfer of assets such as equipment and the transfer of other resources such as accommodation, with appropriate advice sought from the Head of Legal Services and Head of Procurement.
- (f) Contracts and the work on procurement of contracts must place high priority on equalities issues and must reflect the principles contained within the Council's "Guide to "Integrating Equalities and Diversity into Procurement for Contractors and Project Officers" which is at <http://lbrnet/depts/env/Procurement/docs/Richmond%20-%20building%20equalities%20into%20proc%20-%205.06>.

5 Providing Goods, Works or Services to parties other than the Council

- (a) There are legal restrictions on a Council's powers to provide goods, works or services to third parties. Guidance must always be sought from the Head of Legal Services at an early stage on whether the third party is one which the Council is empowered to contract with. In all cases, the prior approval of a Director must be obtained.
- (b) Where the work is for a third party outside the Borough, a report seeking approval to the submission of any bid must be submitted to the Cabinet Member for Resources and the Cabinet Member for the relevant service. The report should include a risk assessment in taking on the work.

2 ROLES AND RESPONSIBILITIES

2.1 Directors

- 2.1.1 Directors have a responsibility to ensure that Heads of Service/Assistant Directors within their Directorate fully understand and comply with these Contract Standing Orders.
- 2.1.2 Directors are authorised to undertake any function identified as a responsibility of a Head of Service/Assistant Director.

2.2 Heads of Service/Assistant Directors

- 2.2.1 It is the responsibility of the Heads of Service/Assistant Directors of the Council [who are chief officers as defined in the Glossary of definitions in Appendix A] to ensure that all Council officers comply with these Contract Standing Orders. The Heads of Service/Assistant Directors are responsible for all contracts tendered and let by their department. They are accountable to the Executive for the performance of their duties in relation to contract letting and management.
- 2.2.2 These duties are as follows:
 - (a) to seek and obtain Value for Money in all procurement matters;
 - (b) to ensure compliance with all applicable UK and EU legislation, seeking advice from and involving the Council's Legal Services Department at an early stage in the process; further guidance on legislative requirements can be found in the Procurement Manual.
 - (c) to ensure all staff dealing with procurement for their department are fully aware of these Contract Standing Orders, and related documents such as the Procurement Manual and Financial Regulations, and to arrange adequate training on their operation;
 - (d) to ensure that all staff are aware of the Council's Officer Code of Conduct, in particular the sections 'Purchase of goods and services' and 'Protecting the Council's Competitive Position during Tendering and Purchasing' and also with regard generally to conflicts of interest, financial interest, the undertaking of private works, canvassing and acceptance of gifts, inducements or rewards;
 - (e) to declare to the Council any pecuniary interest they personally have in any contract(s) to be let, in accordance with Section 117 of the Local Government Act 1972. Such declaration must be made in writing to the Director of Finance & Corporate Services, and must include any direct or indirect interest, or any personal connection whatsoever, that they may have with, or in, any organisation with which they are dealing on behalf of the Council. (See Financial Regulations)

- (f) to ensure all staff comply with Contract Standing Orders, and in the event of any breach, to take immediate action and to report it to the Monitoring Officer and/or the Director of Finance & Corporate Services;
- (g) to ensure every contract has a Named Officer responsible for it;
- (h) to ensure that, where a person other than a Council employee is employed to supervise a contract, he/she complies with these Contract Standing Orders as if he/she were a Head of Service/Assistant Director of the Council;
- (i) to ensure no contract is entered into by their department without there being adequate and agreed budget provision;
- (j) to report, in accordance with Financial Regulations, at the earliest opportunity, on any anticipated budget overspends;
- (k) to keep proper records of all contracts and copies of relevant documentation, to provide a full audit trail of actions taken. These documents must be retained for periods as specified in Financial Regulations and should be stored securely;
- (l) to make arrangements for the obtaining and opening of quotations and tenders, and their secure retention so as to protect the integrity of the tendering process;
- (m) to ensure the Council's seal is affixed to any contract with a total contract value of £50,000 or more and to ensure all other contracts are signed by a Head of Service/Assistant Director or an officer authorised under delegated powers to act on his/her behalf;
- (n) to ensure the Legal Services Department holds the original contracts where sealed in accordance with (m) above and that the Director of Environment is advised immediately of all contracts for inclusion in the Council's Register of Contracts (maintained by the Head of Procurement), in compliance with Financial Regulations. Original copies of contracts under £50,000 are to be kept securely by the originating department (unless sealed);
- (o) to keep a central record of any waivers (or suspensions) of the Contract Standing Orders (see Standing Order 3.3);
- (p) to maintain, and document, effective monitoring of all contracts in their department and to ensure that remedial action is taken promptly in cases where the contractors' performance proves to be failing to meet contractual standards;
- (q) to comply with corporate contracts or corporate guidance where these exist, unless there are exceptional reasons not to do so (such exceptional reasons to be agreed by the Chief Executive or Director of Finance & Corporate Services). For example, any purchase of IT equipment software or hardware (except for consumables) must be via the Council's IT Partner and shall require the approval of the relevant departmental commissioning agent, in accordance with Financial Regulations. If in doubt as to the existence of corporate contracts or guidance appropriate checks should first be made with the Council's Head of Procurement.

2.2.3 For approvals to the purchase, sale or appropriation of land and buildings, and to the letting or taking on of leases or licences of property, Heads of Service / Assistant Directors must refer to the Assistant Director of Environment (Property, Parks and Procurement).

2.3 Members

- 2.3.1 No member of the Council shall knowingly have, or permit, an interview or communication with any contractor or tenderer who is involved with any proposed contract or tender unless specifically authorised to do so by the Council.
- 2.3.2 Members must declare to the Council any pecuniary interest they personally have in any contract(s) to be let. This must include any direct or indirect interest, or any personal connection whatsoever, that they may have with, or in, any organisation with which they are dealing on behalf of the Council.
- 2.3.3 Members must comply with any other terms contained within the Members' Code of Conduct and Member / Officer Protocol which relate to contracts.

3 DO STANDING ORDERS APPLY?

- 3.1 These Standing Orders **do apply for all contracts** for the supply of goods, services and materials, the provision of services or the execution of works whether to or by the Council or on its behalf :
- 3.1.1 (a) For procurement of up to an estimated total value of £50,000, there are requirements to obtain quotations. (See Standing Order 5)
- (b) For procurement with an estimated total value of over £50,000, formal tendering and contract procedures must be applied. (See Standing Order 6)

Details of the financial limits and requirements are attached at Appendix B.

Please note again that for the purposes of the thresholds within these CSOs, the value of a contract must be calculated over the entire length of a contract, and not the annual value. The value must be calculated in pounds sterling exclusive of Value Added Tax

- 3.1.2 There are EU Regulations which require specific categories of contracts to be advertised in the Official Journal of the European Union (OJEU) when over certain values. The regulations are however extremely complex and are rarely static. Also, there are aggregation rules that mean there are some circumstances where EU rules apply at less than these values. **For all of these reasons officers must therefore make contact with the Head of Legal Services and the Head of Procurement for a check on the relevance of EU Regulations for any procurement exercise that is by early estimates in excess of £100,000.**
- 3.1.3 (a) Where the goods, services and works being obtained or provided are covered by the Council's Approved List of Contractors, then subject to 3.2 (a) below, only firms on that list may be used. The list of Categories for which Approved Lists exist is at **Appendix C.**
- (b) Where they are not covered by the Council's Approved List of Contractors, contracts may be let by using either the Open Tendering, Restrictive Tendering or Negotiated Procedures (see Standing Order 6). Please note that the Negotiated Procedure should only be used in exceptional circumstances.
- 3.2 Paragraph 3.1.1(a) and (b) do not apply in the following special circumstances:
- (a) where contracts relating to the supply of goods, services and works have been corporately tendered and managed by means of:
- a public sector purchasing consortium
 - another local authority

- a government department or purchasing agency
- a statutory body

in a manner that has been evidenced to and supported by the Council's Head of Legal Services and Head of Procurement.

In these cases, the Head of Service/Assistant Director must nevertheless obtain the most favourable terms possible for the Council and must be able to demonstrate, and keep supporting evidence, that, in cases where there is more than one provider, a competitive tendering process has been considered.

- (b) in cases of civil or war emergency, natural or any other disaster where the Council needs to obtain goods or supplies or materials and/or carry out any work by contract, in order to save or preserve life or property, or to carry out the discharge of its public responsibilities.

In these circumstances, the Head of Service/Assistant Director may place an order for goods, supplies or work as the circumstances require, either having previously obtained the authority of the Executive if the situation allows; if it does not, then he/she may take action immediately. In this case, a report must be made to the next Executive meeting of the action so taken and the expenditure incurred.

- (c) Contract extensions:

(i) where a contract does not have any provision for an extension, one extension, where similar terms and conditions will apply, may be agreed for a maximum period of one year, subject to approval by the Chief Executive;

(ii) where a contract does provide for an extension, these extensions may be enacted, subject to approval by the Chief Executive. Extensions of contracts must not be for more than 2 years in total.

(iii) if an option to extend has already been applied to a contract in accordance with (c(ii)) above, then the provision in (c(i)) above cannot be applied

(iv) if a contract has already been extended in accordance with (c(i)) or (c(ii)), no further extensions will be approved by the Chief Executive. If a further extension is required, then a report must be made to the Executive to agree the extension and to also agree to waive Contract Standing Orders (CSO 3.3).

The maintenance of the **Contract Register** referred to in the Key Principles section 1 above is an essential tool for seeking to avoid contract extensions that are a result of insufficient time being allowed for re-tendering/marketing exercises. Notwithstanding this corporate requirement, the relevant Heads of Service/Assistant Directors must keep their own records in a manner that ensures reviews are triggered in good time and ideally at least 1 year in advance of end dates.

- (d) where goods and services are only sold by a single supplier. Specifications must not be written in such a way as to exclude suppliers and create a sole supplier.

Documented evidence must be kept to validate these cases.

- (e) for any contract which will develop or pilot a service where there is no market, or where the market is not sufficiently developed, and negotiations are required to develop the market. This may include new partnering arrangements with private and other public sector bodies or individuals, arising, for example, from Service Reviews. In these cases, for contracts that are likely to be in excess of £50,000 in value, the Head of Service/Assistant Director must ensure that the Executive is continually appraised of, and involved with, such arrangements and that they are

subject to a separate report. Such arrangements will be subject to a maximum period, as determined by the Executive. For such contracts that are likely to be less than £50,000 in value the Head of Procurement and Head of Legal Services would need to be involved and support the proposals.

- (f) for PFI Contracts and Building Schools for Future contracts that are subject to specific legislation. Due to the complex financial and legal requirements pertaining to PFI contracts and Building Schools for the Future projects the Head of Service/Assistant Director must ensure that he/she fully involves the Director of Finance & Corporate Services and Head of Legal Services.
- (g) with regard to 3.1.3 above, where in the opinion of the Head of Service/Assistant Director it is not reasonably practical to only use those firms on the approved list, or where the legal advice on the procurement concerned is that it would not be legally advisable to limit firms in such a way, or where the Head of Procurement considers that using other firms may provide additional opportunity for value for money. In these circumstances, full documentation must be retained, including a reasonable justification in support of the choice of contractor, and all other Contract Standing Orders must be followed, especially with regard to the technical and financial vetting of the potential contractors.
- (h) for Framework Agreements, which are subject to specific rules and legislation, the Head of Service/Assistant Director must ensure that he/she fully involves the Director of Finance & Corporate Services, Head of Legal Services and Head of Procurement at the outset of the procurement process.

3.3 Waiving (or Suspending) Standing Orders

- (a) If a Head of Service/Assistant Director considers that there are special circumstances to waive (or suspend) any section or sections of Contract Standing Orders, then the following approvals must be obtained depending on the contract value
 - (i) for all contracts up to £25,000, the relevant Director must approve
 - (ii) between £25,001 and £50,000, the relevant Director must approve in conjunction with the Director of Finance & Corporate Services
 - (iii) between £50,001 and £100,000, the relevant Director must approve in conjunction with the Executive Member for that service and the Director of Finance & Corporate Services. A formal, publishable Executive Member report is required, subject to call-in in the usual way.
 - (iv) £100,001 and over a report must be made to the Executive for approval

A standard exemption form is to be used (attached at **Appendix D**) and retained by the Head of Service/Assistant Director.

Waiving or suspension of section 4.4.4 below, (the reporting requirements to the Executive where a contract is still sought despite unsatisfactory financial checks) is not permitted in any circumstances.

- (b) For contracts over £50,000, if an urgent decision is required before the next meeting of the Executive, then the Director must obtain approval from the Executive Member for that service and then seek retrospective approval from the next meeting of the Executive. Retrospective approval from the Executive may only be sought in cases of genuine urgency.
- (c) The Head of Service/Assistant Director must keep a record of all cases where Contract Standing Orders have been waived (or suspended), recording the reasons

for waiver and approvals obtained. Copies of these records should be held centrally within the Service.

4 ALL CONTRACTS - BEFORE INVITING QUOTATIONS/TENDERS

4.1 Estimate of contract value:

- (a) Before the inviting tenders or quotations, for the execution of any works, or the provision of any goods or services, where costs will likely exceed £25,000 the Head of Service/Assistant Director must ensure that an estimate of the anticipated cost is prepared and recorded in writing. This estimate should not be obtained more than three months before the invitation of tenders. The estimate is to be exclusive of VAT.
- (b) The Head of Service/Assistant Director must ensure that adequate and relevant budget provision has been agreed.
- (c) The Head of Service/Assistant Director must ensure compliance with any relevant EU legislation.
- (d) For all non- building contracts with an estimated value of:
 - (i) £50,000 - £100,000, a report to the relevant Director
 - (ii) between £100,000 and £250,000, a report to the relevant Cabinet Member
 - (iii) over £250,000, a report to the Executivemust be made before proceeding to invite tenders, and to agree the most appropriate method of tendering that includes appropriate advice from the Head of Legal Services
- (e) For all building contracts over £100,000, a report must be made to the Cabinet Member for Resources before proceeding to invite tenders in order to agree the most appropriate method of tendering.
- (f) For capital projects contained within an agreed programme, and where funding has been approved and is available, implementation of these projects must be authorised by the relevant Cabinet Member for Resources
- (g) To approve the submission of in-house trading unit tenders with a value of greater than £50,000, a report must be made to the Cabinet Member for Resources.
- (h) Contracts must not be artificially split to avoid the application of these Contract Standing Orders or relevant EU or other legislation.

4.2 Under Section 117 of the Local Government Act 1972, an officer must declare to the Council any pecuniary interest they have in a contract(s) to be let. Any such declaration must be made to the Director of Finance & Corporate Services in writing.

4.3 Officers involved in letting contracts must have regard to the provisions of the Council's Officer Code of Conduct, particularly those relating to the undertaking of private works, canvassing and acceptance of gifts, inducements or rewards.

4.4 Financial & Technical Vetting of Potential Contractors

4.4.1 For all contracts, potential contractors must be financially and technically vetted as part of the evaluation process and prior to the acceptance of a tender or quotation. Further guidance is again contained within the Procurement Manual at [http://lbrnet/depts/env/procurement/docs/Handbook Update \(web%20version\) - 5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version) - 5.03.doc).

- 4.4.2 Where potential contractors are included in the Council's Approved List of Contractors, then the technical and financial vetting will have been carried out by the Council's authorised supplier/manager of the approved list.
- 4.4.3 Where the Approved List of Contractors does not include the relevant category, or when the Open or Restricted Tendering, or Negotiated Procedure routes are used, then the Head of Procurement must be contacted to arrange for the financial and technical vetting to be carried out by the Council's authorised supplier/manager of the approved list.
- 4.4.4 Where for whatever reason the financial vetting process yields an unsatisfactory result but the relevant Head of Service/Assistant Director still wishes to award the contract to that company, then a report to the Executive is required. The report should set out the financial risks involved together with any other relevant information which might mitigate those risks, so that the Executive can determine whether or not to award the contract to the party concerned. The waiving of this section of standing orders is not permitted.
- 4.5 A risk assessment must be made for all contracts and subject to 4.5 (c) below, every contract must include an appropriate provision to protect the Council against all potential downside risks. Ways of protecting the Council's interests include the following, and at least one of these measures must be applied in all contracts:
- performance bond
 - parent company guarantee
 - ensuring goods / services are to a satisfactory standard before payment
 - use of manufacturer's guarantees or insurance cover
 - liquidated damages
 - deposit of funds

(a) For contracts which exceed £500,000 in total value, security for the due execution of the contract must be by means of a performance bond or by a parent company guarantee in form that has been approved by the Head of Legal Services. Such bonds/guarantees shall be released upon completion of the contract unless otherwise determined by the relevant Head of Service/Assistant Director in light of the risk assessment, and in consultation with and with the agreement of the Director of Finance & Corporate Services. The decision as to which of the two methods of security is acceptable is to be made in consultation with and with the agreement of the Director of Finance & Corporate Services and Head of Legal Services.

(b) For contracts of less than £500,000 in total value, performance bonds or parent company guarantees will not necessarily be required unless the risk assessment so indicates. In some cases it may be preferable for the Council to accept the risk and that the measures referred to above are not required, The choice of measure to be applied to each contract must be determined by the relevant Head of Service/Assistant Director in light of the risk assessment, and in consultation with and with the agreement of the Director of Finance & Corporate Services and Head of Legal Services

(c) Further guidance on this is available in the Procurement Manual at [http://lbrnet/depts/env/procurement/docs/Handbook_Update_\(web%20version\)_5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version)_5.03.doc).

5 PROCUREMENT UNDER £50,000 - OBTAINING & ACCEPTANCE OF QUOTATIONS

- 5.1 Where any procurement has an estimated value of less than £50,000, the required number of quotations must be sought in accordance with the financial limits and procedures as set out in Appendix B. Further guidance on obtaining quotes is included in the Procurement Handbook.

- 5.2 Where considered appropriate, and whilst the use of quotations is possible, a formal tender exercise may be carried out for values of under £50,000; in which case the procedures as set out in CSO 6 should be applied. Tenders should be received and opened as per the procedure detailed at Appendices E & F, with approval by the Head of Service /Assistant Director.
- 5.3 The Head of Service/Assistant Director is responsible for ensuring that the selection of companies, from whom quotations are sought, is fair and open. Where a service is covered by a category on the Council's Approved List of Contractors, then quotations must be sought from companies included on that list. Where the Approved List of Contractors has insufficient companies listed from whom to obtain the required number of quotations, then other companies not on the List may be used.
- 5.4 All quotations over £10,000 are to be received in writing only. Up to £10,000, quotes via e-mail and fax are acceptable, provided that, in the case of e-mail, a printed copy must be kept on file.
- 5.5 For the procurement of goods, works and / or services with a value that is likely to be between £25,001 and £50,000, an estimate must be prepared before obtaining quotes. If the lowest quotation received exceeds this estimate by 10% or more, then the relevant Director shall determine whether or not the quotation may be accepted.
- 5.6 In all cases where less than the required number of quotes is obtainable or actually received, then;
- (i) for quotations up to £25,000, then the Head of Service/Assistant Director can accept a quotation.
 - (ii) for quotations between £25,001 and up to £50,000, approval to accept a quotation must be obtained from a Director.

In all cases, full documentation must be kept recording the reasons why less than the required numbers were obtainable or received, the persons / companies invited to quote together with the results and the selected quotation. A copy of this information must be notified to Internal Audit immediately after acceptance of the quotation.

- 5.7 If a quotation other than the lowest is to be accepted, then this must be with the approval of the relevant Head of Service / Assistant Director. Full supporting documentation must be kept to evidence why the lowest quotation was not accepted.

6 CONTRACTS OVER £50,000 - TENDERING PROCEDURES

- 6.1 For all contracts over £50,000, formal tenders must be obtained. These tenders can be obtained by means of one of the following methods. :
- (a) **Selective Tendering using an Approved List of Contractors** (where tenderers are selected from the Approved List of Contractors;
 - (b) **Open Tendering** (where any person or body wishing to submit a bid must be allowed to do so);
 - (c) **Restrictive Tendering** (where only a certain number of bidders are allowed to tender, usually after a pre-assessment stage);
 - (d) **Negotiated Procedure** (where the Council consults with potential service providers of its choice and negotiates with one or more of them). This method should only be used in exceptional circumstances following consultation with the Head of Legal Services.

It is reminded here that paragraph 3.1.2 above states that officers dealing with contracts must make contact with the Head of Legal Services and the Head of Procurement for a check on the relevance of EU Regulations for any procurement exercise that is by early estimates in excess of £100,000 total contract value

6.2 Selective Tendering using the Approved List of Contractors

- (a) This method of tendering is where invitations to tender are limited to those persons or bodies whose names are included in the Council's Approved List of Contractors. The categories covered by this Approved List of Contractors are attached at Appendix C.
- (a) The Council's Approved List of Contractors is compiled and maintained by the Council's authorised supplier/manager through the Head of Procurement and includes:
 - (i) all the names of all persons and bodies who wish to be included and who have demonstrated acceptable and appropriate financial and technical competence;
 - (ii) the categories of contract and the values of contract, and amounts in respect of those categories, for which approval has been given;
 - (iii) an adequate number of names in each category so as to meet the minimum tendering requirements of the Council.
- (c) The list is regularly reviewed by the Council's authorised supplier. Where a Head of Service/Assistant Director has concerns about the conduct or performance of a contractor whose name is included in the Approved List of Contractors, which may, if substantiated, be sufficient for that contractor's removal from the Approved List of Contractors, then he/she must report these concerns, in writing, together with any documentary evidence to the Head of Procurement

6.3 Open Tendering

- (a) Where the Approved List of Contractors does not provide a category for the type of work, goods or services required, then invitations to tender may be made by means of a public advertisement.
- (b) In these cases, a public advertisement must be placed in at least one local newspaper and one or more trade newspapers or journals circulating among such persons or bodies who undertake such contracts, to be agreed by the appropriate Head of Service/Assistant Director.
- (c) This public notice must:
 - (i) specify the details of the contract which the Council wishes to enter into;
 - (ii) state where tender documents may be obtained and the last date when tenders will be received;
 - (iii) at least 14 days should be allowed between the published date of any public notice and the last date for the receipt of tenders.

6.4 Restricted Tendering

- (a) Where a Head of Service/Assistant Director uses a short-listing process, limiting invitations to tender to persons responding to a public advert, then they must apply this regulation.
- (b) Before inviting tenders, the Head of Service/Assistant Director must publish a public notice in at least one local newspaper, and in one or more trade newspapers or journals circulating among such persons or bodies who undertake such contracts, to be agreed by the appropriate Head of Service/Assistant Director.

This public advertisement must give details of:

- (i) the particulars of the contract; and
- (ii) how interested parties may apply for permission to tender.

The notice must allow at least 14 days between the published date of any public notice and the deadline for expression of interest.

- (c) Prior to the publication of the notice referred to in (b) above, the evaluation criteria for selecting those to be invited to tender must be determined and approved by the Head of Service.
- (d) after the expiry of the date specified in the public notice, invitations to tender shall be sent to:
 - (i) not less than four persons or bodies who applied for permission to tender meeting the evaluation criteria set in accordance with (c) above or
 - (ii) where less than four persons or bodies have applied or are considered suitable, those persons or bodies which the Director and Head of Service consider suitable.

6.5 Negotiated Procedure

- 6.5.1 Under this the Council consults with potential service providers of its choice and negotiates with one or more of them, the conditions under which work, goods and services will be provided..
- 6.5.2 The Negotiated Procedure should only be used in exceptional circumstances, such as:
 - (a) irregular or unacceptable tenders being received on a restricted or open tendering exercise; or
 - (b) where the nature of the services or the risks involved do not permit prior overall pricing or incorporation of contingencies and render straightforward price comparison impossible; or
 - (c) contract conditions cannot be specified with precision e.g. contract specifications cannot be established with sufficient detail to enable fixed pricing or tenders in accordance with open or restricted procedures.

Further details for all of these routes can be obtained from the Procurement Manual at [http://lbrnet/depts/env/procurement/docs/Handbook Update \(web%20version\) - 5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version)_-5.03.doc) and it is strongly advised that contact be made with the Head of Legal Services and Head of Procurement where there is any doubt.

It is essential that prior legal advice is obtained from the Head of Legal Services in any case where the use of negotiated procedures is proposed. There are other procedures that can be followed, principally relating to the EU Regulation processes and for which contact will in any case have needed to be made with Head of Legal Services and the Head of Procurement per 3.1.2.

6.6 Preparation of specification and tender documents

Prior to inviting tenders for works or services, the Head of Service/Assistant Director must draft a specification for the works or services required. Guidance on what to include is contained in the Procurement Manual at [http://lbrnet/depts/env/procurement/docs/Handbook Update \(web%20version\) - 5.03.doc](http://lbrnet/depts/env/procurement/docs/Handbook_Update_(web%20version)_-5.03.doc)

6.7 Instructions for Tendering

- (a) Every invitation to tender shall state that tenders must be received in a plain envelope which shall bear the word "Tender" followed by the subject to which it

relates, and the date and time for opening. It must not bear any name or mark indicating the sender.

- (b) All tenders must be directed to the Chief Executive's office for opening by the relevant Director and one witness. This function may be delegated to a Head of Service / Assistant Director, but such delegation must be included in individual department's Scheme of Delegation. The relevant office must be warned of the impending receipt/opening requirements at least two weeks prior to tender deadlines.
- (c) The potential use of electronic tendering systems is currently under review. At this stage any officer seeking to use such systems will need to obtain the support of the Head of Legal Services, Head of Procurement and Director of Finance and Corporate Services.

7 CONTRACT DOCUMENTATION AND STANDARD CONTRACT CONDITIONS

- 7.1 In applying these Contract Standing Orders, if there is any conflict between them and any statute or regulation, or with any directives of the European Union, then the statute, regulation or directive shall take precedence.
- 7.2 All contracts must, comply with applicable EU Directives. The details are set out in Appendix C.
- 7.3 (a) Every contract over £50,000 in value:
 - (i) must be entered into in writing and confirmed in a sealed contract that has been prepared by or in consultation with the Head of Legal Services.
 - (ii) the contract must specify the goods, materials or services to be supplied and the work to be carried out; the prices or rates to be paid, together with the statement as to the amount of any discounts or other deductions; the period over which the contract is to be performed, and such other conditions and terms as may be required.
 - (iii) The Head of Legal Services shall retain the original signed contract, with a copy held by the Head of Service / Assistant Director.
- (b) Every contract for the purchase of land, or acquisition of any interest in land, must be in writing and sealed by the Head of Legal Services (or in his/her absence the Assistant Head) or signed by the Head of Legal Services (or in his/her absence the Assistant Head) and a Director, Head of Service/Assistant Director
- 7.4 Every contract must include contract terms and conditions appropriate to the contract concerned, using standard conditions wherever possible, in particular those set out in this section. There is a range of contract conditions that apply to various types of contracts and these should be obtained from the Head of Legal Services.
- 7.5 Every contract must require that all goods and materials used or supplied, and all the workmanship, must be at least of the standard required by the appropriate British Standards Specification or Code of Practice as issued by the British Standards Institution or European (or international) equivalent.
- 7.6 The Council's requirements on environmental and sustainability policy issues as explained in the Procurement Manual must be complied with when making contracts.
- 7.7 Every contract must include a clause requiring the contractor not to practice any form of unlawful discrimination in the performance of the contract.

- 7.8 Every contract that involves the contractor processing personal information as part of the service provided to the Council, or potentially accessing personal information held by the Council, must include an appropriate data protection clause including in respect of Freedom of Information Act legislation. Guidance can be obtained from the Council's Freedom of Information Officer.
- 7.9 Where the Transfer of Undertakings (Protection of Employment) Regulations 1981 may apply on the reletting of a contract, the contract must require the contractor to supply the Council with all relevant staffing information reasonably required. Advice and guidance must be sought from Head of Human Resources and/or Head of Legal Services
- 7.10 Every contract must include a clause which empowers the Council to cancel the contract, and to recover from the contractor, the amount of any loss incurred as a result of cancellation if the contractor (or any person employed by the contractor or acting on his behalf, either with or without the knowledge of the contractor) has:
- (a) offered, paid or given, or agreed to give directly or indirectly, to any person, a gift or consideration or any kind as an inducement or reward for doing, not doing, or having done or not done, any action connected with obtaining or executing any contract with the Council;
 - (b) committed any offence under the Prevention of Corruption Acts 1889 - 1916, or paid or offered any fee or reward contrary to Section 117(2) of the Local Government Act 1972.
- 7.11 Every contract must oblige the contractor(s) to adopt safe methods of working in order to protect not only the health and safety of its own employees, but also that of Council employees and members of the public. The contractor must permit access by appropriate Council employees to locations at which Council employees are / will be working and must comply with any instruction or recommendations given by those officers on Health and Safety matters in situations involving immediate risk.
- 7.12 Every contract for goods, works and services must require the contractor to obtain appropriate public liability and employer's liability insurance. The contractor must provide reasonable proof of this before work is commenced, as well as evidence of any renewals of insurance as required throughout the period of the contract.
- 7.13 Every contract for must name the Supervising or Nominated Officer.
- 7.14 Every contract must include a provision enabling audit inspection of the contractor's documentation, as and when necessary.
- 7.15 Where appropriate contracts should include provisions that allow other organisations, for example other Councils, to enter into joint working arrangements through the contract.
- 7.16 For every contract containing index linked cost inflation, at the outset, the Director of Finance and Corporate Services must be informed in order to assist in medium term financial planning.

8 SUB-CONTRACTING AND NOVATION

- 8.1 Where a sub-contractor or supplier is to be nominated or novated to a main contractor, in the absence of statutory requirements setting out different procedures, all tenders must be invited by the Council in accordance with the relevant tendering procedure. The Council's Code of Procedure and Instructions for Receipt, Custody and Opening of Tenders must also be applied (see **Appendix E & F**).
- 8.2 The terms of the invitation must require an undertaking by the tenderer that, if selected, they will be willing to enter into a contract with the main contractor on terms which

indemnify the main contractor against their own obligations under the main contract, in relation to the work or goods included in the sub-contract.

9 APPROVAL & ACCEPTANCE OF TENDERS - PROCEDURES

- 9.1 All tenders invited by the Council must be subject to the following acceptance and approval procedures.
- 9.2 All tenders for works, services or the supply of goods or materials shall be dealt with in accordance with the Code of Procedure and Instructions for Receipt, Custody and Opening of Tenders as set out in **Appendices E and F**.
- 9.3 The evaluation process, and / or the options appraisal, of the tenders received must be clearly documented and shall include confirmation that all technical and financial vetting of the potential contractors has been carried out.
- 9.4 In accordance with the Council's objective of achieving value for money, the evaluation process must take account of both cost and quality aspects of the tenders received. Guidance on evaluation models can be sought from the Council's Business Consultancy Unit.
- 9.5 Where only one tender is received, then the Head of Service/Assistant Director must refer this to a Director for a decision on the appropriate action.
- 9.6 For all contracts where the tender price, together with all associated fees and other relevant costs have an estimated value of £50,001- £100,000: (**except for consultants - refer to CSO 13.2**)
- (a) The Head of Service/Assistant Director concerned can accept the lowest acceptable tender provided that it is not more than £10,000, or 10% in excess of the estimated value, whichever is the greater (or if this is exceeded, if it can be contained within the overall project estimate). Acceptance of a tender is to be in conjunction with a Director.
 - (b) Where the lowest acceptable tender exceeds the estimated contract value and the project estimate by more than £10,000 or 10%, whichever is the greater, the Head of Service/Assistant Director must obtain approval to acceptance from a Director and the Director of Finance & Corporate Services.
 - (c) Where the Head of Service/Assistant Director wishes to accept other than the lowest acceptable tender, the Head of Service/Assistant Director must obtain approval from a Director and the Director of Finance & Corporate Services. Full supporting documentation must be kept to evidence why the lowest acceptable tender was not accepted.
- 9.7 For all contracts where the tender price, together with all associated fees and other relevant costs have an estimated value of over £100,000 - £250,000
- (a) The Head of Service/Assistant Director in consultation with a Director can accept the lowest acceptable tender provided that it is not more than £10,000 or 10% in excess of the estimated value, whichever is the greater, or if this is exceeded, if it can be contained within the overall project estimate. Acceptance of a tender is to be reported to the Executive for information
 - (b) Where the lowest acceptable tender exceeds the estimated contract value and the project estimate by more than 10%, the Head of Service/Assistant Director in consultation with a Director must report to the relevant Cabinet Member for a decision

- (c) Where the Head of Service/Assistant Director wishes to accept other than the lowest acceptable tender, the Head of Service/Assistant Director in consultation with a Director must report to the Executive for a decision. Full supporting documentation must be kept to evidence why the lowest acceptable tender was not accepted.
- 9.8 For all contracts where the tender price, together with all associated fees and other relevant costs have an estimated value of between £250,000 and £500,000,
- (a) the acceptance of the lowest acceptable tender must be carried out by the relevant Cabinet Member upon a report by the Head of Service/Assistant Director in consultation with a Director, provided that it is not more than 10% in excess of the estimated value.
 - (b) Where the lowest acceptable tender exceeds the estimated contract value and the project estimate by more than 10%, the acceptance of the tender must be carried out by the Executive upon a report by the Head of Service / Assistant Director in consultation with a Director.
 - (c) Where the Head of Service / Assistant Director wishes to accept other than the lowest acceptable tender, the Head of Service / Assistant Director in consultation with a Director must report to the Executive for a decision. Full supporting documentation must be kept to evidence why the lowest acceptable tender was not accepted.
- 9.9 For all contracts where the tender price, together with all associated fees and other relevant costs have an estimated value of over £500,000, the acceptance of the tender must be carried out by the Executive upon a report by the Head of Service/Assistant Director in consultation with a Director.
- 9.10 Certificates regarding insurance requirements, in a form approved by the Director of Finance & Corporate Services, must be obtained from successful tenderers before any works are undertaken in a contract (this does not apply to contracts for the supply of goods and/or materials only). Where applicable during the course of a contract, evidence must be obtained from the contractor that such insurance policies have been renewed as applicable.

10 POST- TENDER 'DISCUSSION' & 'NEGOTIATIONS'

- 10.1 EU Directives, where applicable, require that post-tender negotiation is only available in extremely limited circumstances, although post-tender discussion may be required to determine or clarify the exact details of a particular tender. **The Head of Legal Services and Head of Procurement must be consulted, in advance, in all such cases per paragraph 3.1.2 above.**
- 10.2 Where EU requirements *do not* apply, post tender discussions may be used in the following circumstances and the rules followed:
- (a) Post tender negotiations may begin when the estimate for the contract is exceeded by the tenders most likely to succeed, or where the appropriate officer has knowledge of the market at the time, and believes that such discussions could offer a significant advantage to the Council from increased value for money or better trading terms. The procedures are as follows:
 - (i) Where consideration is being given to changes in respect of price, prior approval to proceed must be obtained in advance from the Head of Legal Services and Head of Procurement. In other cases prior approval to proceed must be obtained in advance from the relevant Head of Service/Assistant Director.
 - (iii) no post tender discussions shall be conducted by a single officer; all discussions must include at least two officers of different disciplines.

- (iii) all tenderers must be invited to amend their tender in those areas where the Council is seeking movement (e.g. unit price, delivery, and discounts). These invitations must be in writing and must not place any of the tenderers at a disadvantage, nor distort the competitive process.
 - (iv) a written record of post tender discussions, including any notes of meetings and names of individuals present, must be kept on file and made available to the Head of Service/Assistant Director responsible for awarding the contract.
- (b) Where tenders have been submitted that are based on priced bills of quantities or schedule of rates, and the tender appears to the Head of Service/Assistant Director to include errors in totalling, extensions or calculations, or other errors and omissions, the details will be notified to the tenderer who will be given the opportunity to either:
- (i) confirm the offer at the original amount; or
 - (ii) withdraw the offer; or
 - (iii) amend the offer to correct genuine errors and omissions.
- All communication from the tenderer should only be in writing and not accepted until a written version is received.
- (c) Negotiation of a reduction in prices should not result in those items, which are subsequently omitted, being re- tendered separately at a later date, unless expressly authorised by the Executive.
- (d) Where tenders are submitted that have errors that are a result of the tender forms themselves being incorrect then all tenderers must be advised of the mistakes and corrections and be given equal opportunity to make appropriate adjustments to their tender submissions.

11 CONTRACT MONITORING and NON COMPLIANCE
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- 11.1 Once a contract is in place, the Head of Service/Assistant Director must ensure that an appropriate officer(s) carry out regular reviews of the contractor's performance against standards and/or targets as specified in the contract; these reviews should be clearly documented.
- 11.2 Where the contractor's performance fails to meet the standards and / or targets as specified in the contract, the Head of Service/Assistant Director must take timely and appropriate action to redress any non-compliance.
- 11.3 Heads of Service/Assistant Directors must ensure that appropriate training and development measures are in place for all officers involved in contract management.
- 11.4 Where any non-compliance with the contract conditions fails to be redressed to the Head of Service/Assistant Director's satisfaction, then, in liaison with the Director of Finance & Corporate Services and Head of Legal Services, consideration must be given to terminating the contract.
- 11.5 If a contract under seal is terminated, then a report must be made to the Executive at the earliest opportunity, to advise of the implications and remedial action required or taken.

12 ANTICIPATED ACTUAL OVERSPENDS

- 12.1 As soon as it becomes evident that the final cost to the Council of the whole contract will exceed the estimated value, (by other than increases due to the operation of price fluctuation clauses which may be contained within the contract), the Head of

Service/Assistant Director concerned must take the action specified in Financial Regulations, Appendix 7

13 CONSULTANTS

- 13.1 All appointments of consultants must be dealt with in accordance with the Code of Practice for the Engagement of Consultants This Code shall replace the provisions of Contract Standing Orders 5, 6 and 9 but all the remaining provisions shall still apply to the appointment of consultants. The definition of a Consultant as compared with a Contractor is contained within the Glossary of Terms at Appendix A. The Head of Procurement's advice should be sought wherever circumstances as to which applies are such that issue is unclear.
- 13.2 For all appointments of consultants over £50,000, at least four competitive tenders must be sought. Tender acceptance will be;
- (a) For £50,000 to £100,000, by the Head of Service and Director, provided it is within 10% of the budget estimate. If the estimate is exceeded by more than 10%, then the Head of Service and Director must seek approval from the Director of Finance & Corporate Services.
 - (b) For over £100,000, by the Executive.

14 DISPOSAL OF ASSETS

- 14.1 In disposing of Council assets, including land and interest in property, the Head of Service/Assistant Director must seek to obtain the best value reasonably obtainable for the Council, using a suitable process and ensuring compliance with all relevant legislation and Council policies. For approvals required for the sale of land and property, Heads of Service / Assistant Directors must refer to the Assistant Director of Environment (Property, Parks and Procurement)..
- 14.2 The Code of Procedure and Instructions for Receipt, Custody and Opening of Tenders as set down in Appendices E and F shall be applied to tenders where payment is to be received by the Council.
- 14.3 The highest tender may be approved and accepted by the Head of Service/Assistant Director concerned. Any tender other than the highest shall not be accepted except as authorised by the relevant Director for tenders up to £50,000, by the Cabinet Member for Resources for tenders between £50,001 and £100,000 and by the Executive for amounts above £100,001, each having considered a written report by the appropriate Head of Service/Assistant Director or other authorised person.
- 14.4 With regard to the disposal of assets, this shall be in accordance with Financial Regulations, Section 11 and Appendix 4.. All disposals of IT equipment must be via the Council's IT Partner and with the approval of the relevant departmental commissioning agent.

15 CONCESSIONS & SPONSORSHIPS

- 15.1 On occasions, the Council may seek suppliers who are willing to pay the Council for the right to provide services in council premises e.g. vending rights. For the purposes of Contract Standing Orders, this still involves a procurement process and these Contract

Standing Orders apply in full and the contract value must offer the best value reasonably obtainable by the Council and should be construed accordingly.

- 15.2 Directors, Assistant Directors and Heads of Service must ensure any sponsorship arrangements comply with the Council's Policy & Guidelines for Developing Sponsorship (details are included in the Procurement Handbook).

DEFINITION OF TERMS

To be used in conjunction with Standing Orders and Financial Regulations relating to Contracts.

Approved List of Contractors for Selective Tendering	A list of firms and organisations that have been financially and technically vetted by the Council's authorised supplier, as being suitable for the categories of work they are included for, up to the financial limit given.
Consultant	A consultant (or consultancy organisation) is defined as a person or company (or group of people) who will provide advice and /or undertake work for a specific time limited task.
Contract	A bargain agreed, (even if, exceptionally, not in writing) between the Council and a Contractor or Consultant for the execution or provision of goods, works or services or other such bargain as the Council may require, including all documents to which reference may properly be made in order to ascertain the rights and obligations of the parties to that bargain. This includes contracts where (i) the Council is acting on behalf of a third party and (ii) the goods, works or services are funded from external sources
Contract Value	The estimated total cost of the works, goods or services which are the subject of a specific tender or quotation (i.e. per contract, not per annum).
Contractor	A firm or consortium with which the Council has entered into a contract. A firm includes a person or persons and any body corporate.
Council	The London Borough of Richmond upon Thames
Deed	A written document that is executed and delivered as a deed, usually under seal. If it is a contractual document, it is referred to as a contract under seal. A promise contained in a deed is called a covenant.
Estimate	The estimated total cost of the works, goods or services which are the subject of a specific tender or quotation (i.e. per contract, not per annum). This is distinct from a project estimate, which means the overall estimated cost of a scheme, which will include the above estimate and the estimated cost of all other ancillary and associated works. Value Added Tax should be excluded from all estimates.
Euro	Currency unit of the European Monetary Union Zone.
Executive	The Executive consists of the Executive Leader together with Councillors appointed by the Council. i. the Cabinet
Head of Service/Assistant Director	A Head of Service/Assistant Director of the Council who reports directly to the Chief Executive or to a Director. There are various "Heads of" functions within the Council reporting, for example, to Assistant Directors, to whom this definition does not apply.
Quotation	See "Tender" below
Standing Orders	Rules governing the proceedings and business of the Council as part of its Constitution.
Tender	An offer made in writing which was invited and treated as such under the formal tendering procedure outlined in these Standing Orders and the Code of Procedure for Receipt, Custody and Opening of Tenders. Any tender not so sought shall be deemed a Quotation.

FINANCIAL LIMITS AND PROCEDURES

To assist officers in determining the appropriate action to take in individual circumstances, the financial limits, which apply to both quotations and formal tenders are summarised below:

No.	Estimated Value	Quotations	Tenders	Requirements
1	Up to £1000	No specific number of quotations		<ul style="list-style-type: none"> ◆ Use of official order is required
2	£1001 - £10,000	3 written quotations		<ul style="list-style-type: none"> ◆ Quotations to be received and opened in the relevant department
3	£10,001 - £25,000	4 written quotations		<ul style="list-style-type: none"> ◆ The selection of companies to be approached to be agreed by two officers at an appropriate level (unless from the Approved List of Contractors) ◆ Quotations to be received and opened in the relevant department
4	£25,001 - £50,000	4 written quotations		<ul style="list-style-type: none"> ◆ The selection of companies to be approached to be agreed by two officers at an appropriate level (unless from the Approved List of Contractors) ◆ Estimate to be prepared ◆ Quotations to be received in sealed envelopes in the relevant department and opened by the appropriate Director (or his / her Head of Service / Assistant Director with power delegated to do so) and one witness ◆ If quotations received exceed the prepared estimate by 10% or more, then the Director to determine whether or not to accept quotation ◆ Head of Service to keep a record of all quotations received and reason supporting which quotation was selected
5	Over £50,000		At least 4 tenders (5 if EU Regs apply)	<ul style="list-style-type: none"> ◆ Tenders to be received in the Chief Executive's office, opened in a formal manner by a Director or his/her Head of Service / Assistant Director with power delegated to do so, and one witness

NOTES: 1. Contracts should not be deliberately divided into a number of constituent parts to avoid compliance with the above

2. Official Orders must be used in accordance with Financial Regulations

These limits apply to the total cost of the goods, works and services to be obtained – i.e. the contract sum, not a per annum value.

Appendix C

APPROVED LIST OF CONTRACTORS - CATEGORIES

Agriculture and Gardening

Arboricultural services, Fencing works, Landscape Maintenance, Landscape Services and Play Services (Outdoor)

Air Conditioning

Air Conditioning and Ventilation Installers and Supplies

Central Heating

Services and Supplies, Commercial Installers

Construction

Asbestos analyst services, Asbestos stripping, Brick & masonry cleaning, Bricklaying, Carpenters & joiners, Construction & repair of buildings, Damp proofing, Double glazing service & repairs, double glazing supply & install, Electrical contractors - industrial, Fencing works, Flooring services, General builders, Graffiti removal, Lift maintenance, Painters & decorators, Plasterers, Plumbers, Roofing services, Scaffolding, Stone & aggregate supplies, Water treatment

Electrical

Industrial, Installation & repairs

Equipment

Plant & equipment

Glass

Double glazing supply & installation, service & repairs, Glaziers

Health, Safety, Welfare & Clothing

Specialist consultants (Soil, Environmental & Water Testing)

Highway

Anti-skid surfacing, Carriageway works, Civil engineering works contracts, Proprietary surface treatments, Roadmarkings, Supply only of Asphalt & Macadam materials

Historical & listed building refurbishment

Historic building and refurbishment

Leisure and Tourism

Play services (Outdoor)

Professional Services

Civil engineering

Security

Security equipment, systems & services

Sewage & Water

Specialist drain services

APPENDIX D

**STANDARD FORM FOR APPROVALS TO WAIVING (or suspending) CONTRACT
STANDING ORDERS**

Contract description	
Contract Value	
Contract Duration	
Section of Standing Orders for which Dispensation is sought	
Reason for Dispensation	
List of supporting documents	

Requested by	
Signature	
Date	

For contracts valued up to £25,000	
Approval by Director	
Signature	
Date	

For contracts valued between £25,001 and £50,000	
Approval by Director	
Signature	
Date	
Director to confirm here that the proposal is approved by the Director of Finance & Corporate Services (copy to be sent to the latter)	

For contracts valued between £50,001 and £100,000	
Supported by Director	
Signature	
Date	
Director to confirm here that the proposal is approved by the Director of Finance & Corporate Services	
Report to Cabinet Member prepared	
Cabinet Member approval obtained	
Date	

For contracts valued over £100,001	
Report to Cabinet prepared	
Cabinet approval obtained	
Date	

Appendix E

CODE OF PROCEDURE FOR THE RECEIPT, CUSTODY AND OPENING OF COMPETITIVE TENDERS OVER £50,000

Tenders submitted in competition must be received, stored and opened in accordance with the arrangements set out below.

1 RECEIPT

- 1.1 The Head of Service/Assistant Director inviting the submission of tenders shall inform the relevant Director's PA in advance of receipt in writing of the names of the firms invited to tender, the estimate of the cost, and the time and date for opening. This information should be copied to the Corporate Procurement Manager, Legal Services and the Special Investigation Unit (Internal Audit). Any revision to the tendering period and/or contractors invited shall similarly be notified to all interested parties.
- 1.2 All tender envelopes delivered to the Council shall be clearly marked with the time and date of receipt and the signature of the officer receiving them. Any form of identification of the contractor appended by third parties i.e. couriers, should be removed from the envelope. Where it is not possible, the envelope should be placed inside another until the time of opening.
- 1.3 At the given time and date for the receipt of tender, the officer in charge shall ensure that all possible delivery points have been checked (i.e. customer services, personnel and post box/delivery room). All tenders should be addressed and submitted to the Chief Executive's office for opening.
- 1.4 Those members of staff who open tenders MUST not have been involved in any other detailed stage of the tendering process.
- 1.5 Tenders received in facsimile form should not be accepted in any circumstances, and prices submitted in this fashion should be disqualified.
- 1.6 No tender received after the time and date specified in the invitation shall be accepted.
Any tender received after the time and date for receipt shall be endorsed "LATE TENDER" together with the time and date of receipt.
In the event of queries arising, these should be addressed to the Special Investigations Unit for confirmation on how to proceed.

2 CUSTODY

- 2.1 All tenders received prior to the time and date for opening shall be kept under lock and key in a fireproof receptacle.

3 OPENING

- 3.1 Tenders estimated to be in excess of £50,000 shall be opened at one time and in the presence of at least two persons, one of whom shall be a Director or the Director of Finance & Corporate Services. A Director may delegate the function of opening tenders to his/her Head of Service / Assistant Director. Authorisation to open tenders cannot be delegated to levels lower than Head of Service/ Assistant Director.
- 3.2 Tenders should be opened as soon as possible after the designated time for receipt.
(Instructions for the opening and recording of tenders are attached at Appendix F).
- 3.3 Once Tenders have been recorded, the inviting department can be contacted to arrange for their collection from the officer in charge of receipt.

OPENING OF TENDERS
INSTRUCTIONS TO OPENING OFFICERS

REQUIREMENTS : “Notifications of Tenders Invited” form
Unopened Tenders

	FIRST OFFICER	SECOND OFFICER
1	Open envelope and remove tender	
2	Read out name of tenderer as shown on Form of Tender (FOT)	
3		Check that name agrees with that listed on “Notification of tenders Invited” form (NTI)
4	Check that FOT has been filled in correctly	
5	Read out tender sum	
6		Write down tender sum next to tenderer’s name
7	Pass tender documents to second officer	
8		Check amount on FOT agrees with that written down
9	REPEAT PROCESS FOR EACH TENDER RECEIVED	

- 10) Once all Tenders have been opened, the “Record of Tenders Received” form (RTR) can be completed, signed by both opening officers and subsequently distributed.
- 11) No Tender received after the time and date specified in the invitation shall be accepted.
- 12) Any Tender received after the time and date for receipt shall be endorsed “LATE TENDER”, together with the time and date of receipt.
- 13) In the event of any queries arising, these should be addressed to the Special Investigations Unit for confirmation on how to proceed.

