



Public Document Pack  
**FINANCE AND RESOURCES  
OVERVIEW AND SCRUTINY  
AGENDA**

*Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committees promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.*

**TUESDAY 22 OCTOBER 2019 AT 7.30 PM**

**CONFERENCE ROOM 2 - THE FORUM**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Herbert Chapman  
Councillor Guest  
Councillor Tindall  
Councillor Adeleke  
Councillor Barrett  
Councillor Arslan  
Councillor Mahmood

Councillor Mahmood (Chairman)  
Councillor Sinha  
Councillor Townsend  
Councillor Claughton  
Councillor Symington  
Councillor Taylor

For further information, please contact Corporate and Democratic Support

**AGENDA**

**1. MINUTES**

To confirm the minutes from the previous meeting

**2. APOLOGIES FOR ABSENCE**

To receive any apologies for absence

### **3. DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

### **4. PUBLIC PARTICIPATION**

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

### **5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN**

### **6. ACTION POINTS FROM THE PREVIOUS MEETING**

### **7. REVIEW OF COMMISSIONING PROCUREMENT STANDING ORDERS AND COMMISSIONING PROCUREMENT STRATEGY (Pages 3 - 174)**

### **8. FINANCIAL REGULATIONS UPDATE**

A presentation will be given on the night relating to this item.

### **9. WORK PROGRAMME (Pages 175 - 176)**



<b>Report for:</b>	<b>Finance &amp; Resources Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>22 October 2019</b>
<b>Part:</b>	<b>I</b>

<b>Title of report:</b>	<b>Review of Commissioning &amp; Procurement Strategy and Standing Orders</b>
<b>Contact:</b>	<p>Andrew Williams, Portfolio Holder for Corporate &amp; Contracted Services</p> <p>Mark Brookes, Assistant Director for Corporate &amp; Contracted Services</p> <p>Author/Responsible Officer Ben Hosier - Group Manager – Procurement &amp; Contracted Services Andrew Linden – Commissioning &amp; Procurement Team Leader</p>
<b>Purpose of report:</b>	<ol style="list-style-type: none"> <li>To provide committee with an overview of the main changes to the Commissioning &amp; Procurement Strategy and Standing Orders.</li> </ol>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>That Committee notes the main changes to the Commissioning &amp; Procurement Strategy and Standing Orders.</li> </ol>
<b>Period for post policy/project review</b>	All future major changes will be presented to this Committee.
<b>Corporate objectives:</b>	The proposed changes will ensure that all commissioning and procurement activities of the Council will align with the vision and priorities as stated in the Corporate Plan and national best practice.
<b>Implications:</b> 'Financial'	<p><u>Financial</u></p> <p>There are no financial implications from the review of the Commissioning &amp; Procurement Strategy and Standing Orders</p> <p><u>Value for money</u></p>
'Value for money'	Implementing these recommended changes will support the planning, delivery and monitoring of the commissioning and procurement activities and align them to the vision and key priorities in the Corporate Plan which will result in a positive effect on Value for Money.

Risk implications	The changes to the procurement governance arrangements ensures that the Council complies with the Public Contract Regulations and the principles of transparency, non-discrimination, equal treatment and proportionality when carrying out commissioning and procurement activities.
Community Impact Assessment	There are no direct implications on Equalities via the implementation of these recommendations, and the Standing Orders make specific reference to carrying out an Equalities Impact Assessment on all tendering activities.
Health and safety Implications	There are no direct implications on Health & Safety via the implementation of these recommendations and the Standing Orders make specific reference to Health & Safety.
Consultees:	
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	

## Introduction

The Council spends a significant amount of public money each year with third parties and there is a need to demonstrate that this expenditure is planned and executed in a manner that best delivers outcomes for residents and visitors to the borough.

The Council has in place a Constitution, which sets out how the Council operates, how decisions are made, and the procedures, which must be followed to ensure that these are efficient, transparent and accountable to local people. The law requires some of these processes, while others are a matter for the Council to choose.

The commissioning & procurement strategy sets the direction and challenges the Council to deliver to the best of its ability, with the resources that are available within the Medium Term Financial Strategy.

The standing orders have been designed to provide a governance framework for officers and members to work within when carrying out commissioning and procurement activities on behalf of the Council.

Any major changes to these documents are presented to the Finance & Resources Overview Scrutiny Committee, before being recommended to Cabinet and then Full Council, the current documents were last adopted by Full Council in June 2014.

The purpose of this report is to provide committee with an overview of the main changes to the commissioning & procurement strategy and standing orders.

This report provides the Committee with assurances that the commissioning & procurement strategy and standing orders remain fit for purpose and provide robust and transparent governance arrangements that support the delivery of the Corporate Plan.

## Commissioning & Procurement Strategy

### 1. National Procurement Strategy for Local Government in England 2018

- 1.1 In previous procurement strategies, the Council has made reference to the deliverables and outcomes of the National Procurement Strategy whilst also taking account of local issues and the Corporate Plan.
- 1.2 Rather than try and establish a separate strategy for the Council, it is recommended that the Council adopt the National Procurement Strategy 2018 as it best describes the priorities facing local government over the next few years.
- 1.3 The Local Government Association launched a new National Procurement Strategy in 2018. It reflects learning from the 2014 strategy and focuses on three key themes which, consultation has shown, reflects local government's priorities for the next four years:
- showing leadership
  - behaving commercially
  - achieving community benefits
- 1.4 In addition to the themes, the strategy identifies four 'enablers':
- developing talent
  - exploiting digital technology
  - enabling innovation
  - embedding change.
- 1.5 These cross-cutting actions have been identified by councils as being necessary for successful delivery in the key areas. The idea is that each council chooses the level of maturity it aims for in each of the key areas. The choices will naturally reflect local priorities and the resources available to the council.
- 1.6 The five defined outcomes for each value code are 'minimum' to 'developing' to 'mature' to 'leader' to 'innovator'. Achieving a 'mature' assessment should be regarded as a very satisfactory outcome; few councils will assess as 'leader' or 'innovator'.
- 1.7 The recommendation is for the Council to follow the Local Government Association's National Procurement Strategy (<https://www.local.gov.uk/national-procurement-strategy>) which was launched in 2018. The NPS provides a flexible framework so it is not a 'one-size-fits-all' approach and enables the Council to identify the most appropriate approach to delivering the themes and objectives in support of vision and priorities. A copy of the Council's commissioning & procurement strategy 2019-2024 is attached as Appendix 1.
- 1.8 The NPS also provides a toolkit for the Council to assess its progress against the themes and objectives. The Council's initial diagnostic self-assessment score is attached as Appendix 2.
- 1.9 A diagram of the main features of the strategy is set out below:

**Diagram 1 - The Key Themes of the Strategy:**



**Objectives**

- Obtaining social value (including climate change)
- Local small medium enterprises (SMEs) and micro-business engagement
- Enabling VCSE engagement

- Engaging Councillors and Senior Management.
- Achieving better outcomes from early procurement and commercial advice.
- Engaging with strategic suppliers

- Creating commercial opportunities
- Managing contracts and relationships
- Managing strategic risk

**Enablers**

- Developing talent
- Exploiting digital technology
- Enabling innovation
- Embedding change

## Commissioning & Procurement Standing Orders

2. The vast majority of the Council's standing orders have fundamentally remained the same, but there have been some specific changes to this document. A copy of the Council's commissioning & procurement standing orders is attached as Appendix 3.

2.1 The table below identifies the changes that are as a result of an increase in thresholds:

Quotations			
Description	Old threshold	New Threshold	Reason
A minimum of one quotation should be obtained from a local supplier if available.	Up to £9,999	Up to £24,999	The relatively low value of these types of quotations do not benefit from the added value of following a formal quotation process. There are also checks in place via Agresso to ensure that higher value expenditure cannot be ordered via this process, or that corporate contracts do not exist.
A minimum of three quotations should be obtained including once from a local supplier where available.	£10,000 - £49,999	£25,000 - £74,999	Previously all quotations above £10,000 were advertised via Contracts Finder, this is resource intensive and does not deliver significant benefit to the Council, by increasing this value it will free up some resource to focus on higher value expenditure.
Tenders			
A formal tender process must be undertaken.	Above £50,000	Above £75,000	Previously formal tenders were undertaken above £50,000, this is resource intensive and does not deliver significant benefit to the Council, by increasing this value it will free up some resource to focus on higher value expenditure.
Authority to Award Contracts			
Team Leader arranges for a Purchase order to be raised via Agresso	Up to £9,999	Up to £24,999	The relatively low value of these contracts are covered by the Council's terms and conditions which are included on a purchase order. Before a purchase order is sent to a supplier, it is signed off by a corporate expert (usually procurement) and the budget holder. This ensures that it complies with the standing orders and there is sufficient budget.
Group Manager signs an Award Certificate	£10,000 - £49,000	£25,000 - £74,999	The increase in authority to award a contract has been increased to align with the maximum value of a quotation.
Assistant Director submits and Officer Decision Record Sheet	£50,000 - £250,000	£75,000 - £250,000	The increase in the lower value threshold for authority to award a contract has been increased to align with the new standing orders.
Chief Officer submits an Officer Decision Record Sheet	£250,001	£500,000	This remains the same
Portfolio Holder Decision Sheet is required	Above £500,000	Above £500,000	This remains the same

2.2 The scope of the standing orders has become wider and now includes guidance on concessions contracts and community impact assessments. The Council has recently awarded concessions contracts and it was identified that guidance on this was missing. Community Impact Assessments are an important tool in ensuring that any outcome that is delivered does not discriminate against a particular groups of people, it is vital that a community impact assessment is carried out at an early stage of the commissioning process.

2.3 Guidance documents on contract management and supplier relationship management have been produced for officers to follow.

2.4 The Council's approach to category management and in particular the identification of category leads, category experts and category sponsors to feed information up to the Corporate Management Team and the Budget Review Group has been removed from the standing orders. Typically category management has been adopted by organisations with large levels of expenditure such as Unitary or County Councils where they have much larger procurement teams and have benefitted from this approach.

2.5 The Council's third party expenditure will still be analysed and reported on based upon the five categories of expenditure that the Council have identified, namely:

- Construction
- Facilities Management
- Environmental
- Professional Services
- ICT

### **3. Recommendations**

3.1 The recommendations for this Committee in relation to the commissioning & procurement strategy and standing orders are set out below.

- That Committee notes the changes to the commissioning & procurement strategy and standing orders and agrees that these should be presented to Cabinet at the earliest opportunity.





## **Commissioning & Procurement Strategy 2019-2024**

# Portfolio Holder for Residents and Regulatory Services



## FOREWORD

The Council's commissioning & procurement strategy is a very important corporate document that challenges us to deliver all that we do, to the best of our ability, with the resources that are available within our Medium Term Financial Strategy.

The commissioning and procurement of services, supplies and works is an essential measure in supporting the Council's Vision and the delivery of its priorities.

It is at the heart of our commitment to maintain financial stability and improve our services and effective commissioning and procurement is paramount to improving the delivery, efficiency and quality of the range of services that the Council provides, and the outcomes it wishes to achieve.

This strategy sets the commissioning and procurement direction for the Council and provides clarity around the vision and the objectives that will be focussed on when commissioning and procuring services, supplies and works.

This Strategy will present Members, Officers and Stakeholders with the opportunity to challenge the present and deliver the future in an innovative and cost effective manner.



Councillor Andrew Williams - Portfolio Holder for Corporate & Contracted Services

# The Corporate Plan, Vision & Priorities



## Introduction

### About Dacorum

Dacorum includes the towns of Hemel Hempstead, Berkhamsted and Tring along with many rural parishes. With a community population of over 130,000 residents, Dacorum Borough Council provides a wide range of services from community activities, planning, landscaping, housing and refuse collection.

### The Council's Commissioning, Procurement and Compliance Function

Commissioning & Procurement falls within the Chief Executives Unit at the Council, supporting services across the organisation, including the delivery of the front line service and back office services. The Council operate under this commissioning & procurement strategy in support of the Corporate Plan, Vision & Priorities and in support of the National Procurement Strategy for Local Government in England 2018.

Whether it is called procurement, purchasing, contracting, commissioning, tendering or buying, the Council spend approximately £70 million a year on obtaining a vast range of supplies, services and works from the external market. It is the Council's duty to secure value for money in commissioning and procuring its requirements and to continually improve the quality in everything the public sees and expects from it.

Central Government policy seeks to ensure that all commissioning and procurement activity should be based on obtaining value for money. This is defined as taking into account the optimum combination of whole life cost and the quality necessary to meet the customer's requirements. In conjunction with relevant legislation and the Council's Constitution (particularly the Financial Regulations and Commissioning & Procurement Standing Orders). This strategy will guide Members and Officers in making the right decisions when undertaking commissioning & procurement activities.

# Our Vision for Commissioning & Procurement



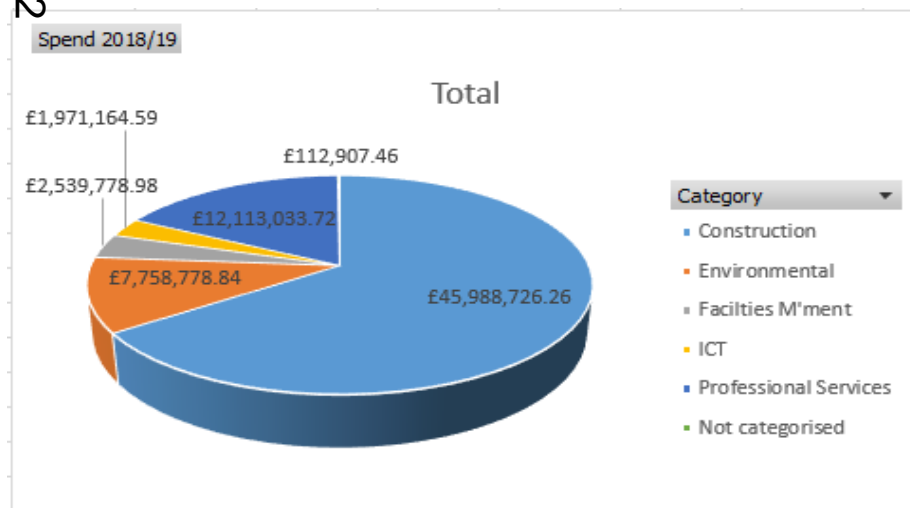
## Background

### Spend Profile

The Council's total spend in 2018/19 was £70 million across both revenue and capital. We use a variety of contracts from simple purchase orders to long-term partnership agreements.

The Council procures a wide range of goods, services and works for front-line services and back-office support. Examples include construction of new homes, energy, vehicles, IT software and consultancy.

In 2015 the Council adopted a category management approach allowing procurement resources to focus on specific areas of spend and to analyse spend in a holistic manner. The Council's categories are Construction, Environmental, Facilities Management, ICT and Professional Services. The breakdown for 2018/19 was as follows:



# Our Approach



## Our approach

This strategy builds on the Council's previous procurement strategy where the focus was very much on category management and an outcome based commissioning approach. Even though these will remain part of the Council's approach to procurement we are also keen to focus on achieving additional outcomes from our procurement activity, at no extra cost. By leveraging our procurement expenditure and engaging with suppliers we can help the council enhance our communities through increased social value.

The strategy will support the Council's corporate plan and support the council to achieve its vision and priorities:

### *Vision:*

"The Council is committed to working in partnership to create a borough which enables the communities of Dacorum to thrive and prosper. This requires us to play a leadership role in bringing together a range of organisations and individuals to support and sustain good conditions for local growth"

### *Priorities:*

- A clean, safe and enjoyable environment
- Building strong and vibrant communities
- Ensuring economic growth and prosperity
- Providing good quality affordable homes, in particular for those most in need
- Delivering an efficient and modern council

In order to help the council achieve its vision and strategic ambitions we will adopt the Local Government Association's National Procurement Strategy (NPS) (<https://www.local.gov.uk/national-procurement-strategy>) launched in 2018. The NPS provides a flexible framework so it is not a 'one-size-fits-all' approach. The NPS allows the Council to identify the most appropriate approach to delivering the themes and objectives within the NPS. The NPS also provides a toolkit for the Council to assess its progress against the themes and objectives within diagram 1 below.

## Key Themes of the Strategy

the Strategy:

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### Objectives

- Obtaining social value (including climate change)
- Local small medium enterprises (SMEs) and micro-business engagement
- Enabling VCSE engagement

- Engaging Councillors and Senior Management.
- Achieving better outcomes from early procurement and commercial advice.
- Engaging with strategic suppliers

- Creating commercial opportunities
- Managing contracts and relationships
- Managing strategic risk

### Enablers

- Developing talent
- Exploiting digital technology
- Enabling innovation
- Embedding change

## Enablers

In order to understand areas where the Council currently sits against the themes and objectives set out in the National Procurement Strategy we have carried out a self-assessment using the National Procurement Strategy toolkit. The levels of maturity are set at minimum, developing, mature, leader and innovator.

Our results will be used as a baseline and then the service will identify the maturity levels we realistically believe we can achieve in these areas by 2024.

We have also devised a number of KPI's against which to measure our progress towards our goals in respect of the three key areas. These KPI's will be set out in the service plan.

Finally, we have adopted the “enablers” identified in the National Procurement Strategy which need to be addressed and developed in order to support the council's achievement of these ambitions and KPIs:

- Developing talent
- Exploiting Digital Technology;
- Enabling innovation;
- Embedding change.

We will monitor our progress in delivering this strategy and provide a review of the strategy, particularly of the KPIs in two years.

# Procurement Objectives & Principles



## **Achieving Community Benefits**

Through the Council's third party spend, there is the opportunity to deliver additional value to the community by improving economic, social and environmental wellbeing of the local community through the Council's contracts. Used properly, additional social value can be beneficial to both suppliers and the council and represent a joint effort to exploit maximum value from procurement.

### **Objectives:**

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- Obtaining social value
- Local small medium enterprises (SMEs) and micro-business engagement
- Enabling voluntary, community and social enterprise (VCSE) engagement

### **How will we deliver this:**

#### *Obtaining social value:*

- Utilise forward plans to identify and plan for opportunities which have economic, social and environmental implications and could have an additional benefit to the community.
- Ensuring Economic, Social and Environmental principles are incorporated in specifications where suitable.
- Ensure social value is included within the commissioning stage including discussions with key stakeholders and the voluntary sector.
- Raise awareness of social value within the organisation by working with the Council's key officers and providing training opportunities to members and staff.
- Identify ways of measuring social value on relevant contracts against both financial and non-financial terms.



# Procurement Objectives & Principles



## *Local small medium enterprises (SMEs) and micro-business engagement:*

- Publishing forward plans to allow SMEs to identify, plan and target suitable tender opportunities.
- Provide training and support to SMEs to ensure they have the relevant skills to compete with the wider market.
- Help to facilitate relationships between SMEs and the Council's larger providers.
- Ensure there is local representation from the SME sectors in any pre-market dialogue when suitable.
- Ensure all tender opportunities are published on the local portal, Supply Hertfordshire.
- Work with the Council's Strategic Planning and Regeneration team to help facilitate good relationships between with the Council and the local SME sector.
- Capture spend with local SMEs and set targets on an annual basis.
- Ensure clauses are inserted into contracts with main contractors to ensure any sub-contractors are paid on the same terms as the main contractor.

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## Enabling voluntary, community and social enterprise (VCSE) engagement

- Utilise forward plans to identify contracts which are suitable for voluntary sector involvement, either as a main contractor or as part of the supply chain.
- Publishing forward plans to allow VCSEs to identify, plan and target suitable tender opportunities.
- Utilise the commissioning process to allow early involvement from both key stakeholders and the voluntary sector where appropriate to help shape the outcomes from the Council's contracts.
- Where appropriate, undertake an outcome based commissioning approach on key projects to ensure the Council's vision and communities need form a fundamental element of the requirement.
- Work with larger providers during the contract period and identify opportunities for VCSEs involvement within their supply chain.
- Capture spend with local VCSEs and set targets on an annual basis.
- Provide training and support to the local VCSEs to ensure they have the relevant skills to compete with the private sector.
- Ensure clauses are inserted into contracts with main contractors to ensure any sub-contractors are paid on the same terms as the main contractor.

# Procurement Objectives & Principles



## Showing Leadership

The Procurement and Contracted Services Team are keen to lead from the front and encourage a more strategic approach to procurement. This requires a need for the Procurement Team to engage with councillors and senior managers on areas such as high value-high risk procurements to drive innovation, generate saving opportunities and identify opportunities for income generation whilst mitigating risk.

This will lead to Procurement engaging more with both Councillors and Senior Managers within the Organisation to ensure procurement exercises and contracts are thoroughly thought through to deliver the best outcomes for the Council and our communities.

### Objectives:

#### **Engaging Councillors and Senior Management to deliver better results across all procurement and commercial activity.**

- Achieving better outcomes from procurement projects due to early procurement and commercial advice involvement.
- Engaging with strategic suppliers to improve performance, reduce cost, mitigate risks and harness innovation.

#### **How we will achieve this:**

- Engaging Councillors and Senior Management to deliver better results across all procurement and commercial activity:
- Provide quarterly reports to members and senior officers on areas such as actual spend vs planned spend, up and coming tender exercises and non-compliance
- Provide training opportunities to both members and staff on both procurement and contract management principles.
- Provide regular updates to the Procurement & Contracted Services Portfolio Holder on procurement and commercial activities.

#### **Achieving better outcomes from projects due to early procurement and commercial advice.**

- Development of forward plans on key and upcoming projects to give both members, senior officer's and key stakeholder's opportunities to be involved in procurement activities early on and throughout the process providing better outcomes.
- Undertake an outcome based commissioning approach on strategic tenders to ensure the Council's vision and communities needs form a fundamental element of the requirement.

#### **Engaging with strategic suppliers to improve performance, reduce cost, mitigate risks and harness innovation.**

- Carry out supply risk analysis using tools such as the Kraljic Purchasing Model to identify high risk and high value contracts as well as identifying the best approach to each procurement exercise.
- Utilising forward plans and a category management approach, identifying opportunities to aggregate spend internally and externally.
- Collect and analyse data on key contracts looking at areas on supplier performance, cost, financial status, added value and risk.
- Roll-out training programme and develop a toolkit on contract management principles.
- Carry out reviews and benchmarking exercises on high value / high risk contracts.
- Engage suppliers early on for key procurement exercises as part of the outcome based commissioning approach.

# Procurement Objectives & Principles



## **Behaving Commercially**

The Council's Procurement and Commissioning Team will look to maximise value for money from our third party acquisitions by looking at opportunities to maximise any commercial opportunities through increasing revenue generation and value creating. This needs to be delivered throughout contract and commercial lifecycles from identifying the need through to the contract management process. This will require careful planning, encouraging innovation and a strategic approach to risk management.

### **Objectives:**

- Creating commercial opportunities
- Managing contracts and relationships
- Managing strategic risk

### **How we will achieve this:**

#### *Creating commercial opportunities:*

- Ensuring projects and procurement activities are fully planned and thought out with procurement and key stakeholders having early involvement.
- Undertake an outcome based commissioning approach on key projects to ensure the Council's vision and communities needs form a fundamental element of the requirement.
- Ensuring procurement and officers are obtaining value for money in all procurement activities.
- Collect and analyse data on key contracts looking at areas on supplier performance, cost, financial status, added value and risk.

#### *Managing contracts and relationships*

- Making the contract register a more workable document allowing the Council to review actual spend vs planned spend as well as feeding into other strategic documents such as forward plans.
- Ensure the relevant policies and toolkits are in place for contract management approaches including areas such managing performance, building relationships and change control.
- Ensure strategic supplier's financial position is monitored to identify suppliers that fall into financial distress.
- Collect and analyse data on key contracts looking at areas on supplier performance, cost, savings, financial status, added value and risk.
- Develop a training programme for both staff and members on contract management principles to increase both skills and knowledge within the organisation as well as changing the culture within the organisation when it comes to contract management.
- Post contract reviews undertaken both internally and with external partners on key contract and feeding the findings into future procurements and contracts.
- Carry out reviews on strategic contracts to ensure the relevant resources and skills are in place when it comes to contract management.

#### *Managing strategic risk*

- Ensure the relevant processes are in place to identify risks including areas such as fraud, financial loss and modern slavery.
- Carry out supply risk analysis using models such as the Kraljic Purchasing Model to identify high risk / high value contracts

## Dacorum Borough Council - LGA National Procurement Strategy 2018

(submitted on 18th October 2018)



## **Summary**

### **Engaging Councillors**

- Proc. and commercial champions
- Reporting
- Councillor development

### **Engaging senior managers**

- Influence and impact
- Mission and strategy
- Processes
- Senior managers development

### **Working with partners**

- Culture
- Governance and processes
- Staff development for partnership working

### **Engaging strategic suppliers**

- Data collection and analysis
- Existing strategic supplier engagement
- Early engagement with future suppliers

### **Creating commercial opportunities**

- Forward planning
- Options appraisal (Make or Buy)
- Market/supplier research/analysis
- Tendering
- Performance reporting
- Post contract review

### **Contract and relationship management**

- Information storage/accessibility
- Change control
- Supplier financial distress
- Savings and benefits delivery
- Recognition/cultural acceptance
- C&RM skills and knowledge

### **Managing strategic risk**

- Fraud and financial loss
- Supply chain and contractor failure
- Modern slavery (Legislation)
- GDPR (Legislation)
- External events (e.g. Brexit)

### **Obtaining social value**

- Policy and scope (social value)
- Social value internal management
- Social value TOMs (themes, outcomes and measures)
- Commissioning for social value
- Procurement (social value)
- Social value market engagement
- Social value contract management
- Cross sector collaboration
- Reporting social value
- Social value governance

### **Local SME and micro-business engagement**

- Policy and scope (SMEs)
- SME relationships
- Commissioning with SMEs
- Market engagement with SMEs
- Procurement with SMEs
- Contract management with SMEs
- Governance of SME engagement

### **Engaging VCSEs (voluntary, community and social enterprises)**

- Policy and scope (VCSEs)
- VCSE relationships
- VCSE engagement measurement

- Commissioning with VCSEs
- VCSE market engagement
- Procurement with VCSEs
- Contract management with VCSEs
- Governance of VCSE engagement

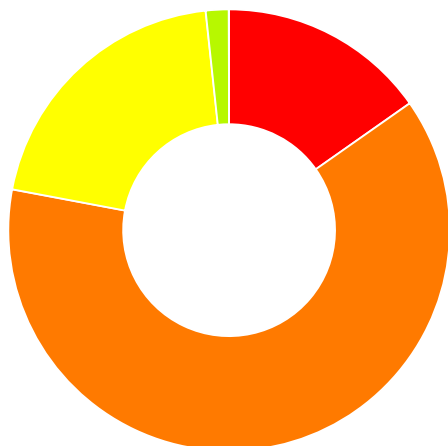
**Enablers**

- Developing talent
- Exploring digital technology
- Enabling innovation
- Embedding change

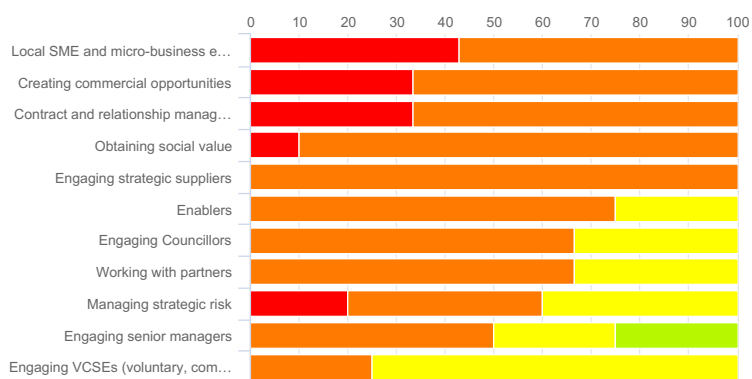
# Summary *(draft)*

The following charts summarise the scores to give an overview of: how many question scores were given at each level, how many question scores were given per section at each level, and which questions were given scores at each level.

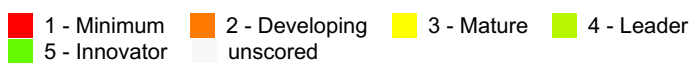
### Overall Score Distribution



### Section Score Distributions



### Key



### Scores





# Engaging Councillors *(draft)*

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Engaging Councillors refers to the engagement of councillors in the leadership and governance of council procurement and commercial activity. This includes both the Cabinet/portfolio holders and overview and scrutiny members. To perform their roles effectively councillors must be equipped with the necessary skills and value and benefit from good procurement and commercial advice.

**What it is:** Councillors set the council vision and strategic priorities and must be satisfied that the procurement and commercial arrangements for their delivery are robust. Councillors make key decisions, particularly in major projects, and maintain oversight of the performance of key contracts, agreeing corrective action where necessary. Councillors need to be fully engaged in these roles. Councillor engagement needs to be supported through training, good procurement and commercial advice and reporting arrangements.

**Why it is important** When councillors are fully engaged with procurement and commercial matters, the quality of decision-making is better and oversight and accountability are improved. Among other things, councillor engagement leads to better project delivery and better outcomes for the local community.

## Proc. and commercial champions *(draft)*

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**Description:** The extent to which the role of procurement and commissioning is recognised by members.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Councillors recognise the role of procurement and commercial in delivering the council's vision and strategic priorities.	The council is exploring the best way for councillors to champion procurement and commercial matters.	Procurement and commercial are within the portfolio of a Cabinet member (or equivalent arrangements).	The portfolio holder (or equivalent) is making a demonstrable impact on council procurement and commercial activities.	The portfolio holder (or equivalent) is making an impact on a combined authority/group of councils project or another innovative project.

### Comment

*(no comment)*

## Reporting *(draft)*

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**Description:** The extent to which reporting is used to inform your councillors and those councillors in collaborative networks.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Councillors in executive and overview and scrutiny roles receive reports required for formal decision-making and reviews.	Council is exploring better ways of informing councillors about procurement and commercial activities.	Councillors receive regular briefings and reports, going beyond formal requirements, which highlight the contribution of procurement and commercial.	Councillors are performing their roles more effectively due to enhanced reporting arrangements.	Enhanced reporting extends to combined authority/group of councils projects and other innovative projects.

### Comment

*(no comment)*

## Councillor development *(draft)*

**Description:** The extent to which councillors are offered personal development programmes to support collaborative procurement.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No formal training for councillors on procurement and commercial issues.	Some councillors have attended relevant training courses.	Councillor development programmes include procurement and commercial modules for all participants.  Training equips councillors in executive and overview and scrutiny roles to ask the right questions.	Development programmes have resulted in better councillor engagement with procurement and better decisions.	Development equips councillors to play their role in combined authority/group of councils projects or other innovative projects.

### Comment

*(no comment)*

## Engaging senior managers *(draft)*

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Engaging senior managers refers to the corporate management team valuing and benefiting from procurement and commercial advice at all stages of decision-making, including early advice on major projects.

**What it is:** Key decision-makers value and benefit from procurement and commercial advice, including advice at the early stages of major projects. This is a two-way process requiring action by senior managers on the one hand and by procurement and commercial advisors on the other.

**Why it is important** Good procurement and commercial (wherever possible, provided in-house or shared between councils) can have a decisive impact on the outcome of a project, particularly one involving innovation. It is important that senior managers engage with the procurement and commercial issues from the earliest stages of the project.

## Influence and impact *(draft)*

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**Description:** The extent to which the corporate management team influences and makes an impact.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Procurement and commercial is contributing but contribution is not visible to senior managers.	Contribution of procurement and commercial has been noted on isolated projects.	Contribution recognised through representation on corporate management team.	Representation on corporate management team contributing to better strategic planning, coordination and decision-making.	Representation on combined authority/ group of councils, decision-making bodies or governance structure of an innovative project.

### Comment

*(no comment)*

## Mission and strategy *(draft)*

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**Description:** The extent to which procurement is represented with a working mission and strategy.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Obsolete procurement strategy or no procurement strategy.	Procurement strategy being reviewed and refreshed.	Council has approved a procurement strategy aligned to corporate and service strategies.	Council has approved procurement and commercial mission to harness supplier innovation.	Council committed to providing procurement and commercial support to combined authority/group of councils approach to the harnessing of supplier innovation or other approaches to innovation.

**Comment**

*(no comment)*

## Processes (draft)

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**Description:** The extent to which procurement commercial advice is sought for managing projects.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Ad hoc approach to managing projects.	Structured approach but not explicit about role of commercial and procurement advice.	Structured approach to project management clearly defining roles and responsibilities in relation to procurement and commercial advice.	Demonstrably better outcomes from projects due to early procurement and commercial advice.	Arrangements for combined authority/ group of councils joint projects or other innovative projects provide for early procurement and commercial advice from the council.

### Comment

(no comment)



## Senior managers development *(draft)*

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**Description:** The extent to which the management team is trained in procurement and commercial decision making.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No formal training for senior managers on procurement and commercial issues.	Some senior managers have attended training courses.	Senior manager development programmes include procurement and commercial modules for all participants.	Development programmes have resulted in better engagement with procurement and commercial and better decisions.	Development equips senior managers to play their role in combined authority/group of councils projects or other innovative projects.

### Comment

*(no comment)*

## Working with partners *(draft)*

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Working with partners refers to a 'one team' approach to the design and implementation of solutions for public services which spans council departments and organisations.

**What it is:** The council works as a single team to design and implement solutions for public services and commissioners/budget holders, and commercial and procurement advisors work together as part of that team.

**Why it is important** A team approach is the best use of limited resources and can lead to innovative solutions and better results. The team approach should characterise how council departments work together and how the council works with other councils, health, fire, police, housing, VCSEs and other partners.

## Culture *(draft)*

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**Description:** The extent to which third parties are included in the design and delivery of solutions.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Silo working is not questioned.	Benefits of a change in culture recognised. Pilots challenging attitudes and behaviours.	Working as a single team is 'the way we do things here'.	Working as a single team is the norm when the council cooperates with external partners.	Team successes, including significant innovations, reinforce the culture.

### Comment

*(no comment)*

## Governance and processes (draft)

**Description:** The extent to which partnerships are embedded in processes and structures.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Departments generally have their own arrangements and processes.	Lessons being learned from pilot projects for planning and budgeting processes, project management and governance.	<p>The team approach is supported by:</p> <ul style="list-style-type: none"> <li>• corporate service planning and budgeting processes</li> <li>• a structured approach to project management</li> <li>• effective governance arrangements.</li> </ul>	<p>The team approach is supported by:</p> <ul style="list-style-type: none"> <li>• joint planning and budgeting processes</li> <li>• common approach to project management.</li> <li>• strong cross-organisation governance structures.</li> </ul>	Peers acknowledge the transformational results being achieved through partnership working (including governance, processes and project management arrangements).

### Comment

(no comment)

## Staff development for partnership working *(draft)*

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**Description:** The extent to which staff development encompasses the benefits of partnership working.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Training and development programmes do not cover partnership working.	Training programmes under development.	Training programmes cover 'soft skills' of partnership working as well as council processes.	Training programmes cover 'soft skills' of partnership working and shared processes.	Other public bodies regard the council's approach as exemplary practice and involve council staff in their own training programmes.

**Comment**

*(no comment)*

## Engaging strategic suppliers *(draft)*

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Engaging strategic suppliers refers to the process of identifying strategic suppliers and engaging with them to improve performance, reduce cost, mitigate risk and harness innovation.

**What it is:** The council takes a strategic approach to the management of relationships with the most important suppliers (otherwise known as Strategic Supplier Relationship Management). This activity should be carried out cross-department and is most effective when done cross-organisation.

**Why it is important** Effective management of strategic supplier relationships can deliver a range of benefits including improved outcomes for the public, added social value, reduced cost, reduced risk and innovation.

## Data collection and analysis *(draft)*

**Description:** The extent to which data on strategic suppliers is collected and utilised.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No common basis for departments to collect data and intelligence on suppliers.</p> <p>No system for sharing and analysing departmental data.</p> <p>No agreed definition of a 'strategic' supplier.</p>	<p>Council has partial data and intelligence on its suppliers and is developing criteria it will use to identify strategic suppliers.</p>	<p>Council routinely collects and analyses data and intelligence on supplier performance, cost, financial status, added social value and risk.</p> <p>Council strategic suppliers identified according to agreed criteria.</p> <p>Council has visibility of strategic supplier supply chains.</p>	<p>Council shares data and intelligence on performance, cost, financial status, added social value and risk.</p> <p>Contributes to analysis of data and identification of strategic suppliers at combined authority/ group of councils level.</p>	<p>Council participates in regional/national data and intelligence sharing.</p> <p>Contributes to analysis of data and identification of strategic suppliers at regional/national level.</p>

**Comment**

*(no comment)*

## Existing strategic supplier engagement (draft)

**Description:** The extent to which existing strategic supplier relationships are managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Roles and responsibilities in relation to strategic suppliers not defined.</p> <p>Engagement (when it happens) is firefighting in response to a crisis.</p>	<p>Evaluating toolkits.</p> <p>Piloting engagement with a major supplier.</p>	<p>Roles and responsibilities allocated for monitoring and engaging strategic suppliers.</p> <p>Engagement toolkit adopted.</p> <p>Supply chain risk assessment carried out.</p> <p>Programme of engagement to identify and realise opportunities for cost reduction, performance improvement, added social value, mitigation of risk and so on.</p> <p>Improvement/cost reduction plans in place. Contingency planning where there is significant risk.</p>	<p>Combined authority/ group of councils lead role for strategic supplier monitoring and engagement.</p> <p>Leading delivery of a programme of engagement with one or more shared strategic suppliers.</p> <p>Undertaking joint risk assessment.</p> <p>Using shared toolkit.</p> <p>Coordinating improvement/cost reduction planning and contingency planning at combined authority/ group of councils level.</p>	<p>Regional/national lead role for strategic supplier monitoring and engagement.</p> <p>Leading delivery of a programme of engagement with one or more regional/national strategic suppliers.</p> <p>Regional/national risk assessment.</p> <p>Using regional/ national toolkit.</p> <p>Coordinating improvement/cost reduction planning and contingency planning at regional/national level.</p>

### Comment

(no comment)



## Early engagement with future suppliers *(draft)*

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**Description:** The extent to which future strategic requirements are planned and managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Not recognised as important.	<p>Some information on forward plans published.</p> <p>Experience of early market engagement on at least one council project.</p>	<p>Future needs signalled to the market using a variety of channels including publication of pipeline information and engagement events.</p> <p>Normal practice to engage early with bidders on significant projects to encourage innovative solutions.</p>	<p>Combined authority/ group of councils lead role for market engagement.</p> <p>Leading early engagement for a joint project.</p>	<p>Regional/national lead role for market engagement.</p> <p>Leading early engagement for a regional/national project.</p>

**Comment**

*(no comment)*

# Creating commercial opportunities *(draft)*

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Creating commercial opportunities refers to how an organisation promotes revenue generation and value creation through the way it plans its major third party acquisitions (works, services and goods); reviews its business options (make or buy); engages with, and influences, markets and potential suppliers; seeks to support and encourage innovation; and promotes the development of new ideas and solutions to service delivery.

Commercialisation is a broad subject and this key area is confined to how procurement teams should contribute to its successful delivery.

**What it is:** There are many ways in which commercial opportunities can be created through the strategic management of the commercial cycle and the services and assets delivered through the contracts it creates. Commercialisation is a broad and important subject to the sector. This key area is confined to how procurement teams should contribute to helping identify and create commercial opportunities.

**Why it is important** As grants from central government are reduced, organisations are required to look at other means of reducing funding deficits. Commercial opportunities can be created in many different ways, from conventional means such as increasing returns on assets to the way it engages with its development partners and third party contractors.

## Forward planning *(draft)*

**Description:** The extent to which forward planning is undertaken to maximise commercial attractiveness.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Some forward planning is undertaken but with a focus on process compliance.</p>	<p>Forward planning is undertaken in some areas and/or for some acquisition types.</p> <p>Opportunities to create new revenue streams is sometimes investigated in some departments and for some expenditure categories.</p>	<p>Forward planning is always undertaken across the organisation for all strategic contracts.</p> <p>Opportunities to create new revenue streams is considered by all departments and for all relevant expenditure categories.</p> <p>Procurement encouraged to contribute ideas for revenue generation in the forward planning process.</p>	<p>Forward planning for contracts has developed to form an integral part of the organisation's budget setting and expenditure forecasting process.</p> <p>Procurement is able to contribute ideas for revenue generation in the forward planning process.</p>	<p>Forward planning for contracts is undertaken across multiple organisations in order to maximise leverage and commercial attractiveness to the market.</p>

### Comment

*(no comment)*

## Options appraisal (Make or Buy) *(draft)*

**Description:** The extent to which options appraisal is included in the commercial cycle and the extent of options that are explored.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Sometimes undertaken, but only seen as an in-house/outsource decision.	Undertaken for high profile/high value projects and exercises.  Evaluation criteria sometimes incorporating commercial and social considerations.	A policy exists, setting out how and when options appraisal must be applied and is used by all departments.  Clear guidance on how to identify and evaluate 'make or buy' options, including commercial and social considerations, is in place and widely used.  Procurement is consulted on options appraisals.	Options appraisal includes seeking commercial opportunities and/ or collaborative contracting with others in the sector.  Creation of new models for delivering services.  Procurement viewed as an integral aspect of options appraisals.	Expanded to include alternative service delivery vehicles, includes creation of new trading companies, seeking commercial opportunities and/or collaborative contracting with other organisations in the wider public sector.

### Comment

*(no comment)*

## Market/supplier research/analysis (draft)

**Description:** The extent to which supplier and market research is used to determine procurement and commercial decision making.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Sometimes undertaken if time permits or there is a political imperative.	Undertaken when a new requirement is sought and/or where there have been problems on an earlier contract.  Research sometimes includes looking for commercial opportunities or gaps in the market.	A policy exists, setting out how and when market and supplier research/analysis must be undertaken and is used by all departments.  Clear guidance on how to interpret and apply the findings, including commercial and social considerations, is in place and widely used.  Procurement is asked to give advice on market and supplier research.	Outcomes from market and supplier research are used to shape and determine the content and timing of the procurement process used.  Outcomes are also used to contribute to the risk management process and options appraisal process.  Procurement viewed as an integral aspect of market and supplier research and analysis.	Outcomes from market and supplier research are used in collaboration with other organisations in the wider public sector for seeking and exploiting new commercial opportunities.

### Comment

(no comment)

# Tendering (draft)

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**Description:** The extent to which innovative tenders are utilised.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Mainly focused on compliance and standard cost/quality ratios.	Focus still on compliance and standard cost/quality ratios but innovation sometimes considered.  Tenders mainly viewed as legal documents but written in plain language.  Procurement is sometimes invited to contribute to the planning phase.	Innovation is seen by the organisation as an important factor in the tendering process and scored at the evaluation stage.  Tenders viewed as needing to have a legal/ commercial balance are focused on attracting the best bids.  Procurement is asked to contribute to the planning phase.	Tendering is seen as a commercial process by the organisation.  Documentation is prepared to make it attractive to take part and is focused on innovation and opportunities.  Procurement is seen as an integral contributor to the planning phase.	Tendering opportunities are focused on innovation and opportunities and done in conjunction with development partners to maximise market attractiveness.

**Comment**

(no comment)

## Performance reporting (draft)

**Description:** The extent to which performance reporting is utilised to maximise leverage and influence.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Performance reporting is undertaken, but restricted to the level savings made.</p>	<p>Performance reporting is undertaken and includes commercial and social benefits achieved as well as savings but restricted to specific procurement exercises and some departments.</p> <p>Summary reports are produced by Procurement for service heads on an annual basis.</p>	<p>Performance reporting is undertaken and includes commercial and social benefits achieved as well as savings across the whole organisation.</p> <p>Procurement is asked to produce summary reports for chief officers and elected Members on a monthly basis.</p>	<p>Performance reporting is seen as an integral part of the organisation's culture with reports on commercial and social benefits achieved included in a performance dashboard.</p> <p>An annual report for the Leadership team and potential delivery partners covering achievements and aspirations is published by the organisation.</p> <p>Procurement is viewed as an integral aspect of performance reporting and is viewed by the leadership as contributing to commercialism.</p>	<p>Aspirations and performance reporting is shared with other organisations in the sector to maximise potential leverage and influencing capability in markets and/or with development partners.</p>

### Comment

(no comment)

## Post contract review *(draft)*

**Description:** The extent to which contract reviews are used to improve performance exploit new opportunities.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Occasional post contract reviews undertaken, but restricted to some departments and/ or categories of expenditure.</p> <p>Seen as something that is done after poor contract performance or contract failure.</p>	<p>Post contract reviews undertaken, by most departments and/or identified categories of expenditure.</p> <p>Seen as being an integral part of improving outcomes and identifying commercial opportunities.</p>	<p>Post contract reviews undertaken as part of an organisational policy.</p> <p>Well defined criteria published for undertaking post contract reviews including the identification of commercial opportunities.</p> <p>Procurement is asked to support the post contract review process.</p>	<p>Contract reviews and relationships are seen as a continuous process and involve development partners to ensure commercial and social opportunities are identified and exploited.</p> <p>Procurement is seen as an integral part of the post contract review process.</p>	<p>Contract reviews and relationships are seen as a continuous process and fundamental to improved performance and the creation of new opportunities.</p> <p>Reviews are extended to sector partners so that supplier relationship management can be undertaken in partnership with multiple organisations.</p>

### Comment

*(no comment)*



# Contract and relationship management *(draft)*

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Contracts and relationship management refers to the effective management and control of all contracts from their planned inception until their completion by the appointed contractor(s). It covers the supporting policies, procedures and systems needed to undertake it, together with broader issues from the identification and minimisation of risk, successful and timely delivery of outcomes and performance, effective control of cost and variations and the maintenance of clear communications and operational relationships with contractors.

**What it is:** Contract and relationship management is the process by which all contracts and variations are managed effectively to control costs, secure the quality and timeliness of agreed outcomes and performance levels and minimise the occurrence of risks.

**Why it is important** Research by the International Association for Contract and Commercial Management (IACCM) shows that contracts exceed their expected costs by 9.4 per cent on average over their lifetime. Poor contractor performance or commercial failure can seriously damage a council's reputation and its ability to deliver effective services and support to local communities.

## Information storage/accessibility (draft)

**Description:** The extent to which a contract register is implemented and used to influence procurement planning and decision making.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Basic contracts register on a spreadsheet with limited accessibility.</p> <p>Data held is often incomplete/out of date.</p>	<p>Contracts register exists with some access possible, mainly viewing and searching capability.</p> <p>Data held is incomplete/ out of date, but efforts are being made to increase data quality and the percentage of third party spend listed on the register.</p>	<p>Contracts Register is dynamic and provided through a purpose-built solution (in-house/ external C and RM software/hosted service).</p> <p>Fully visible to the whole council with read/ write/edit and search capabilities for all contract owners and managers.</p> <p>Complete data sets for all major third party spend.</p>	<p>Contracts Register is dynamic and fully accessible to all who need to use it.</p> <p>Information is always up-to-date with comprehensive, complete and accurate records on all contracts.</p> <p>Contracts register has action/renewal alerting capabilities for contract owners and managers and in-built Learning Management capability.</p>	<p>Contracts Register is complete and accessible to all appropriate staff and is integrated with the financial system for forward planning, budgeting, asset management and expenditure reporting.</p> <p>Contracts register is used for forward planning and financial modelling.</p>

### Comment

(no comment)

## Change control (draft)

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**Description:** The extent to which a change control policy is implemented and used to manage variations.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No change control policy in place except for isolated contracts.	A change control policy exists for capturing the details of any changes or variations made to some contracts.  Standard documentation is available and used by some departments.	Change control policy implemented across the board for all contract changes and variations.  Standard documentation is available and used in all circumstances across all departments.	All contract changes and variations processed through change control stored on the contracts register.  Details shared online with contract managers, owners and contractors.	Details of all contract changes and variations used for calculating impacts on budgets and assessing contractor risk/performance.  Cost/time overruns reported to service heads and Leadership Team.

### Comment

(no comment)

## Supplier financial distress *(draft)*

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**Description:** The extent to which suppliers in financial distress are identified and managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Recognition of need for early engagement with suppliers in financial difficulties.	Structured approach to early engagement of suppliers in financial difficulties.	Ad hoc inclusion of supplier financial distress clause in contracts.	Standard supplier financial distress clause included in all major contracts for services.	Implementing advanced approach to supplier financial distress extending beyond contract clauses.

**Comment**

*(no comment)*

## Savings and benefits delivery *(draft)*

**Description:** The extent to which savings and other benefits are identified and delivered through the life of a contract.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Savings and benefits are delivered from some contracts but not a part of any formal process.	A formal policy is in place for capturing savings and accruing benefits from contracts but is not uniformly implemented.	Savings capture from contracts and benefits realisation applied uniformly across the organisation and reported to chief officer level.	<p>All contracts regularly reviewed to monitor actual versus planned spend.</p> <p>Opportunities for savings from specification and performance reviews are assessed on an ongoing basis.</p> <p>All benefits/savings claimed in agreed business cases and/or promised by contractors are managed and accrued to the organisation.</p>	<p>A proactive system is in place in partnership with contractors to review all contracts for potential savings, cost reductions and benefits realisation.</p> <p>Contractors work with the organisation on an ongoing basis to reduce costs and eliminate potential waste.</p>

**Comment**

*(no comment)*

## Recognition/cultural acceptance *(draft)*

**Description:** The extent to which the value of contract and relationship management is recognised and embedded in the management culture.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>There is no recognition by the organisation of contract and relationship management.</p> <p>Only job roles which are 100% designated to managing contracts are designated as contract manager in their title.</p>	<p>There is recognition by the organisation of Contract and Relationship management in some departments.</p> <p>Job roles are designated as contract manager and/or contain specific contract and management activity in their content description in some departments.</p>	<p>Contract and Relationship Management is recognised by the organisation as being essential to its overall performance.</p> <p>Job roles are designated as contract and relationship manager and/or contain contract and relationship management activity in their content description as a formal policy.</p> <p>Performance is reviewed with job holders in their annual appraisals.</p>	<p>Regular briefings and meetings are held to brief all staff involved in contract and relationship management on commercial, developments, new initiatives and professional development.</p>	<p>The organisation is a sector exemplar with contract and relationship management firmly rooted in the management culture and is able to advise other organisations on how to achieve a similar transformation.</p>

### Comment

*(no comment)*

## C&RM skills and knowledge *(draft)*

**Description:** The extent to which officers are trained in contract and relationship management and encouraged to enhance their professional skills.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Staff have limited access to any contract and relationship management skills and knowledge programmes.</p>	<p>Staff have access to general contract management training given as a one-off exercise rather than an ongoing skills enhancement programme.</p>	<p>Contract and Relationship Management is acknowledged as a core competency across the organisation.</p> <p>Briefings on Contract and Relationship Management are given in all induction and management programmes.</p> <p>Refresher programmes are available to all staff involved in contract and relationship management.</p>	<p>Contract and Relationship Management is acknowledged as a core competency across the organisation.</p> <p>Staff are invited to undergo advanced/ specialist training where contract management accounts for more than 20 per cent of their job role.</p>	<p>Contract and relationship management is recognised as a profession where staff are encouraged and supported to advance their skills in the subject and/or acquire professional qualifications.</p>

**Comment**

*(no comment)*

# Managing strategic risk *(draft)*

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Managing strategic risk refers to the impact by an external event, passing of a statute or illegal activity upon business as usual, reputation and/or financial health of the organisation.

**What it is:** A series of actions and policies designed to reduce or even eliminate the probability of a perceived risk occurring and minimising the detrimental effects that may occur should it materialise.

**Why it is important** The occurrence of any risk, particularly when it could be foreseen, can have a devastating impact on the organisation's reputation and the lives of the people it serves, the quality of the services that it provides, and even its financial viability.



## Fraud and financial loss *(draft)*

**Description:** The extent to which financial loss opportunities are identified and removed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ is not aware, beyond statutory compliance.	Basic systems, controls and reporting in place to ensure compliance and minimise potential for financial loss from both internal and external sources.	Systems in place to target both financial loss and fraud with a proactive approach to issues such as irregular transactions, duplicate payments, and fake creditors/invoices.	Well defined systems in place targeting both financial loss and fraud.  Active deployment and use of analytical software.  Audit teams working closely with all departments to make this a priority.	All internal systems covered and supported by analytical software.  Fraud detection checks throughout supply chain.  Potential collusion in contracts and market distortion actively investigated.

**Comment**

*(no comment)*

## Supply chain and contractor failure *(draft)*

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**Description:** The extent to which supply chain failure risks are identified and managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ is not aware, and will react to events.	Aware of the risks and issues involved and attempting to identify where this may occur.	Expenditure categories/ contracts where this might occur identified.  A suitable policy developed and risk register with mitigating actions in place.	Effective policies implemented in collaboration with relevant contractors.	Full picture of all high risk suppliers and contractors with supply chain vulnerabilities identified.  Active management of, and reporting against, high risk suppliers and their supply chains.

**Comment**

*(no comment)*

## Modern slavery (Legislation) *(draft)*

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**Description:** The extent to which modern slavery legislation is understood and embedded within the commercial process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ is not aware of its obligations and duties.	Aware of the legislation and how it might manifest itself in supply chains.	Expenditure categories/ contracts with potential for modern slavery identified.  Basic checks made with appropriate contractors.	All contracts where modern slavery might occur are known.  Agreed reporting measures and compliance checks agreed and implemented by appropriate contractors.	All appropriate contractors and their supply chains are known with risk of occurrence fully managed.  Assisting other organisations to advance.

### Comment

*(no comment)*

## GDPR (Legislation) *(draft)*

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**Description:** The extent to which GDPR legislation is understood and embedded within the commercial process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
The organisation does not see this as a priority/ is not aware, beyond statutory compliance.	Aware of legislation and taking steps to ensure compliance.	Actively identifying and reviewing contracts where data issues could occur.	Pre-defined policy and process in place to identify contracts where data issues will occur reflected in standard Terms and Conditions.  Good engagement with contractors.	Full understanding and visibility of all existing and planned contracts where data issues exist.  Contractors fully engaged and contributing to compliance and transparency.

### Comment

*(no comment)*

## External events (e.g. Brexit) *(draft)*

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**Description:** The extent to which contingency plans are put in place for high risk external events.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No consideration given to the impact of external events on the functioning of the organisation.	Keeping abreast with central government briefings and taking appropriate action, as and when required.	Monitoring the high value/risk contracts.  Gaining visibility and understanding of vulnerabilities in supply chains and labour availability.	Thorough understanding of the possible impact on all high value/risk contracts.  Contingency plans in place in the event of contract failure.	Contingency plans in place for all high value/risk projects.  Back-up suppliers identified.  Fully engaged in discussions on how best to exploit the opportunities presented by the post-Brexit landscape.

### Comment

*(no comment)*

## Obtaining social value *(draft)*

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**Social value** refers to wider financial and non-financial impacts of programmes, organisations and interventions, including the wellbeing of individuals and communities, social capital and the environment. From a business perspective, it may be summarised as the net social and environmental benefits (and value) generated by an organisation to society through its corporate and community activities reported either as financial or non-financial (or both) performance.

**What it is:** Social value is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required at no extra cost.

**Why it is important** Experience from procurements let by Councils that have fully included social value requirements has shown that a minimum +20 per cent social value 'additionality' can be obtained on contract value by way of direct community benefits.

## Policy and scope (social value) *(draft)*

**Description:** The extent to which the requirements of the Social Value Act are embedded into corporate policy.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Complies with the Act by considering social value but not taking any action to implement.</p>	<p>No specific policy in place. Only complies with the Act (i.e. services above EU procurement threshold).</p>	<p>A process and policy is in place to identify which contracts should include social value.</p> <p>Justification provided for a relevant, proportional and considered threshold over which social value should be included.</p>	<p>Social value requirements applied to supplies, works and services above AND below OJEU thresholds.</p> <p>Requirements are tailored to reflect size and scope of contract.</p> <p>Social value embedded into all procurement routes where appropriate.</p>	<p>Social value requirements applied to grants, supplies, works, services AND planning.</p> <p>Innovators encourage other work through outside contracts, e.g. through time banks, charter accredited organisations.</p> <p>Specific policies in place on stakeholder involvement, materiality assessment and valuation. Policies include coverage of the Living Wage, ethical procurement and visibility of supply chain adoption.</p> <p>Policies are consistent with the policy criteria as set out by level one of the Social Value Certificate.</p>

### Comment

*(no comment)*

## Social value internal management *(draft)*

**Description:** The extent to which social value awareness is embedded across all management levels.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Not considered important.	No senior officer given a direct reporting responsibility for social value.	Councillor or cabinet board/authority member given responsibility for reporting leading on social value.	<p>Individual named officer(s) given responsibility for reporting to board/ member councillor, managing and delivering social value across procurement and commissioning.</p> <p>Relevant officers are provided with social value training and resources to implement social value strategy.</p>	<p>Expectation that all officers take responsibility for managing and delivering social value.</p> <p>Social value used as a KPI or as part of a balanced scorecard to assess progress at relevant cabinet or scrutiny committee meetings.</p> <p>Expectation that all officers take responsibility for managing and delivering social value, with individual named officer responsible for maintaining the organisation's approach.</p>

**Comment**

*(no comment)*



## Social value TOMs (themes, outcomes and measures) *(draft)*

**Description:** The extent to which social value TOMs are, reported and used.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No measurement undertaken.	Measuring some limited form of social value, e.g. SME spend.	<p>Measure social value in non-financial terms against national TOMs.</p> <p>Golden thread maintained between national TOMs, the corporate strategy and the social value policy.</p> <p>National TOMs available on website, to all suppliers as a part of social value policy.</p>	<p>Measure social value in BOTH non-financial AND financial terms against outcomes and themes.</p> <p>Local TOMs (including values) updated on an annual basis with evidence and methodology to support.</p> <p>Outcomes weighted systematically to council and local priorities (i.e. targeting).</p>	<p>Measure social value in BOTH non-financial AND financial terms against outcomes and themes.</p> <p>Financial weightings adjusted according to stakeholder feedback.</p> <p>Processes in place to allow local TOMs to be updated according to local community priorities.</p> <p>Other stakeholders and public sector bodies consulted in development of local TOMs including health, education and emergency services.</p> <p>Suppliers are asked to achieve, or be working towards, Social Value Certificate Levels 2 or 3 or equivalent.</p>

**Comment**

*(no comment)*

## Commissioning for social value *(draft)*

**Description:** The extent to which social value requirements are embedded in the commissioning process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No attention given to commissioning for social value, above and beyond the Act.</p>	<p>Some attention given in larger contracts to commissioning for social value.</p>	<p>Needs assessment used to update approach to project commission.</p> <p>Key projects re-commissioned with social value creation at their core.</p>	<p>Social value threaded through commissioning cycle, procurement are involved throughout.</p> <p>All new contracts assessed before procurement for their potential contribution to social value objectives.</p> <p>TOMs adjusted to against overall social value delivery strategy.</p> <p>For user department led projects, social value is embedded within guidance, resources, and templates.</p>	<p>Outcomes approach taken to commissioning of all services with cross departmental collaboration including with planning.</p> <p>Regular feedback between Commissioning and Procurement teams to ensure local TOMs remain 'live' and relevant.</p> <p>Social value mapped to location of delivery and measured as a part of the evaluation criteria.</p> <p>Outcomes updated systematically to build on stakeholder feedback.</p>

**Comment**

*(no comment)*

**Description:** The extent to which social value requirements are embedded in the procurement process

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Social value not considered to provide any value to organisation.</p>	<p>Social value is mentioned in tenders (where relevant) relating to services but no weightings or specific score allocated.</p> <p>Tenderers asked for social value commitments to improve the economic, social and environmental wellbeing of the relevant area.</p>	<p>Social value requirements included in all relevant tenders as a part of quality score.</p> <p>SV weighting as a part of quality score 5-10 per cent.</p>	<p>Social value requirements included in all tenders (contracts and frameworks).</p> <p>A specific scoring and weighting system in place of at least 5 per cent of the total score.</p> <p>Relevant 'Gateways and Checks' in place to ensure consistency in tenders.</p> <p>Processes in place to ensure lessons learnt and feedback incorporated for continuous practice improvement including policy and toolkit development.</p>	<p>Specific social value commitments sought from tenders that have been open/transparent to the public and adapted to take account of residents' input.</p> <p>Weighting system in place of at least 10 per cent of total score unless a robust rationale for lesser percentage exists.</p> <p>Processes in place across departments to ensure consistency.</p>

**Comment**

(no comment)

## Social value market engagement *(draft)*

**Description:** The extent to which obtaining social value is part of market engagement and third party relationships.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No engagement undertaken.	<p>Initial but ad hoc steps taken in market engagement around social value.</p> <p>Some information is made available to suppliers to support their understanding of social value.</p>	<p>Initiatives taken to build capacity and shape market with business community and the community and voluntary sector providers.</p> <p>Project specific market engagement offered/delivered as relevant and appropriate.</p> <p>Works proactively with suppliers to support their understanding of social value.</p>	<p>Regular 'supplier summits' held to build capacity AND to get feedback.</p> <p>Case studies and examples of innovation provided to illustrate the different levels/actions.</p> <p>A market development plan forms part of the policy underpinning commissioning development and action plan.</p> <p>A specific focus on upskilling of local micro, small, medium sized enterprises, business and VCSE organisations.</p>	<p>Specific initiatives taken to begin to build partnerships with business and the community and voluntary sector, such as time brokerage and banking.</p> <p>Promotion of B2B and B2Three relationships (for larger suppliers and long-term frameworks).</p> <p>Feedback mechanisms are ongoing, including an annual provider satisfaction survey.</p> <p>A cross sector advisory group meets regularly to provide feedback.</p> <p>Regular forums for social value networking and engagement.</p>

### Comment

*(no comment)*

## Social value contract management *(draft)*

**Description:** The extent to which social value requirements in contracts are managed.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Social value not sought from contracts.	Contracts not monitored in any coherent way for social value afterwards.	Specific, targeted social value action plans agreed at commissioning/ procurement stage and are bound into the contract and performance monitored.	<p>Performance reviews and regular feedback and action taken to ensure continuous improvements to social value implementation and delivery.</p> <p>Processes in place to ensure lessons are learnt and feedback incorporated for continuous practice improvement, including benchmarking and case law.</p> <p>Meetings regularly held with contractors to discuss delivery of social value.</p>	<p>Benchmarking across all contracts shared with other Councils to establish best practice.</p> <p>Suppliers provided with quarterly feedback on progress.</p> <p>Clauses built into contracts to apply service credits or to recover costs of replacement in the event of non-delivery of social value promised.</p>

### Comment

*(no comment)*

## Cross sector collaboration (draft)

**Description:** The extent to which obtaining social value is embedded in a wider collaborative environment.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Social value not considered important.	Limited collaboration through joint occasional contract with other public sector bodies held regarding social value.	Relevant public bodies identified such as Health, Education and Emergency Services – preliminary discussions held.  Unofficial sharing of data with ad hoc joint procurement/ commissioning.	Cross sector committee formed to develop and manage the delivery of joined up social value policies and shared TOMs.  Regular meetings and feedback sessions held.  Shared implementation plan.	Common set of TOMs created which all public sector bodies in region/ area use as a part of their commissioning/ procurement and reporting.  Regular cross sector meetings held to share feedback and benchmarking.  Opportunities explored for shared commissioning and procurement.  Cost savings identified and results shared to help build financial benefits.  Common reporting.

**Comment**

(no comment)

## Reporting social value *(draft)*

**Description:** The extent to which progress in obtaining social value is communicated and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Social value not considered important.</p>	<p>Limited or informal social value reporting and feedback only.</p>	<p>Annual feedback to cabinet/scrutiny committee on social value creation.</p> <p>Robust reporting in place on progress and delivery and published annually.</p>	<p>Regular feedback to cabinet/scrutiny committee on social value.</p> <p>Annual reporting includes benchmarking and progress against targets.</p>	<p>Regular feedback to citizens on value creation against targets including local performance.</p> <p>Innovative ways of communication employed to ensure citizen feedback, including provision of data to location and digital communication.</p> <p>Evidence published setting out impact where social value has made a difference along with relevant case studies.</p> <p>Suppliers are asked to produce Assured Impact reports.</p>

**Comment**

*(no comment)*

## Social value governance (draft)

**Description:** The extent to which social value is embedded and managed in the commissioning and procurement process.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No visibility of issue at authority meetings.	Council/authority has met the requirements of the Act to 'consider' social value and this is minuted.	<p>Social Value Act mentioned in corporate strategy.</p> <p>Social value recognised as a core principle supported by a published social value policy and implementation strategy.</p> <p>All relevant documentation made available on web site.</p>	<p>Cabinet member has direct oversight of social value performance.</p> <p>Social value has been embedded into commissioning and procurement practice, tools, resources and processes with a ratified policy and toolkit that are published.</p> <p>Social value implementation is underpinned by an overarching action plan.</p> <p>Social value is measured and reported on regularly.</p>	<p>Cabinet level scrutiny of performance with regular reporting as appropriate.</p> <p>Council/authority has set SMART targets and is prepared to be accountable for these targets.</p> <p>For larger councils, targets are set for each department and reported against annually.</p> <p>A cross sector social value advisory group is in place providing oversight, scrutiny and challenge.</p> <p>Third party verification is provided on reported social value content (e.g. independent assurance).</p>

### Comment

(no comment)



## Local SME and micro-business engagement *(draft)*

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The usual definition of SMEs used in the public sector is any business with fewer than 250 employees and turnover of less than £50 million. There were 5.2 million SMEs in the UK in 2014, which was over 99 per cent of all business. Micro-businesses are business with 0-9 employees and turnover of under £2 million. For the purposes of this document the term 'SME' shall refer to both SME and micro-businesses.

**What it is:** SMEs are non-subsiary, independent firms.

**Why it is important** SMEs play a major role in creating jobs and generating income for those on low incomes; they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector. With the potential localisation of business rates, it will be even more important for local authorities to encourage the establishment and growth of SMEs in their areas.

## Policy and scope (SMEs) *(draft)*

**Description:** The extent to which small business engagement is included in commissioning and procurement policies.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>There is no ongoing communication with SMEs regarding local needs, long-term strategies and desired outcomes. SMEs are unaware of their role in responding to such needs.</p> <p>Services are commissioned without thought about engagement of SMEs in the local area.</p>	<p>Commissioners have started to communicate what local needs are and the desired market outcomes.</p> <p>No policy or strategy in place for addressing SMEs.</p>	<p>Commissioners have informed SMEs what local needs there are and the desired market outcomes.</p> <p>SMEs are encouraged to collaborate with larger organisations to respond to local need.</p>	<p>Commissioners engage regularly with SMEs, both on an individual basis and collectively to achieve desired market outcomes.</p> <p>Support is provided to SMEs to understand how to respond to Council requirements.</p> <p>Full policy or strategy in place to direct the organisation's engagement with SMEs.</p>	<p>Commissioners have clearly set out how SMEs should deliver, and to what standards.</p> <p>SMEs can collaborate with other organisations to effectively respond to local needs, and meet desired outcomes.</p> <p>Commissioners work with Economic Development and Procurement colleagues and have established how SMEs can be engaged both directly and through first tier suppliers.</p> <p>A senior responsible officer has oversight for SME strategy/policy delivery.</p>

### Comment

*(no comment)*

## SME relationships (draft)

**Description:** The extent of communications with small business are communicated with.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Fostering good relationships with SMEs not deemed to be important.</p>	<p>Relationships between SMEs and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate.</p> <p>As a result of this, there is an absence of consortia and networking in the locality.</p>	<p>There is acknowledgment for the convening role that commissioners can have and what the benefit of facilitated relationships between SMEs and other providers could bring. They have started to make some efforts to bring these parties together.</p>	<p>There is responsive willingness to facilitate relationships between SMEs and certain larger providers. Some of the benefits of this are being realised.</p> <p>As a result of this, SMEs have formed some partnerships with larger providers.</p>	<p>Commissioners proactively facilitate, and nurture, relationships between SMEs and a broad range of providers.</p> <p>In turn, SMEs created their own networks, and consortia with other providers.</p>

### Comment

(no comment)

## Commissioning with SMEs (draft)

**Description:** The extent to which commissioning opportunities are extended to small businesses and developed for mutual benefit.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>There is no or little knowledge of the local expertise that SMEs can bring to public services. SMEs are not integrated into the wider service provision.</p> <p>There is no SME engagement throughout the commissioning process. There are no established communication channels or designated engagement events for SMEs.</p> <p>There is no partnership working or ongoing relationships.</p>	<p>There is some knowledge of how SMEs' local expertise can add value and attempts are made to integrate them into the wider service provision.</p> <p>A limited number of 'usual suspects' SMEs are invited to contribute to the commissioning process. There are some general engagement events and communication channels that they can feed into but response is low/knowledge of them is limited.</p> <p>There is interest in SME partnership working but no lasting relationship has been established.</p>	<p>There is good knowledge of how SMEs' local expertise can add value and attempts are made to integrate them into the wider service provision.</p> <p>SME representatives are invited to contribute to the commissioning process. There are some general engagement events and communication channels.</p> <p>There is interest in SME partnership working.</p>	<p>There is strong knowledge of the value SMEs bring in providing niche, localised services and actively integrate them into their service provision.</p> <p>A wide variety of relevant SMEs are proactively invited to contribute to the commissioning process. There are some designated voluntary sector engagement events and specified communication channels.</p> <p>Efforts are made to establish continuous partnership working with SME organisations.</p>	<p>SMEs' ability to provide niche, localised and innovative services is being celebrated and drawn upon routinely. Their broad community outreach is actively integrated into service provision.</p> <p>SMEs have regular and significant opportunities to feed into public service design through a host of designated market engagement events and communication channels.</p> <p>Relationships with SME organisations are strong and optimal for partnership working.</p>

### Comment

(no comment)

## Market engagement with SMEs (draft)

**Description:** The extent to which small businesses are encouraged and supported to engage in delivering public services.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>SMEs are not seen as important and there is no attempt to engage with them.</p>	<p>There is knowledge of the SME landscape and the value they could bring to public services but this is unevenly distributed across Council departments.</p> <p>There is no particular point of contact for SMEs. They are assumed to understand the commissioning process and how to participate.</p> <p>Communication materials rely on jargon and no dedicated support exists to make processes more accessible to SMEs.</p>	<p>SMEs are seen as part of a diverse supply chain but they are not seen as a provider with a particularly unique value.</p> <p>Efforts are made to establish a lead contact for SMEs with the view to upskilling SMEs to participate in procurement.</p> <p>There is awareness of SMEs' need for support to effectively contribute to the commissioning process. Efforts are made to clarify jargon and facilitate SMEs' input and participation but SMEs are often unable to effectively feed in.</p>	<p>Good understanding of the local SME landscape and their value exists.</p> <p>There is a lead commissioning contact who takes some responsibility for facilitating SMEs' input into the commissioning process.</p> <p>A conscious effort is made to clarify language and procedures related to the commissioning process. SMEs are fully aware of ways to feed in.</p>	<p>There is strong understanding of the SME sector and the social and financial value they bring to the local area.</p> <p>There is a designated contact who proactively facilitates SMEs' input into the commissioning process.</p> <p>A variety of support is available to help SMEs understand the ways in which they can contribute to design or apply to deliver public services. Clear language is used, without jargon.</p>

### Comment

(no comment)

## Procurement with SMEs *(draft)*

**Description:** The extent to which procurement processes engage and build relationships with small businesses.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>There is little to no understanding of the capacity and capability of SMEs, and processes and procedures are not adapted to their capability. This excludes SMEs from commissioning and procurement processes.</p>	<p>There is a prescriptive procedure for all procurement exercises and little awareness of how SMEs might engage.</p> <p>There is engagement with a limited number of SMEs ahead of notices of tenders being published. However, there is little or no understanding of the capacity or capability of SMEs and processes are not adapted to their needs.</p> <p>Dynamic purchasing systems (DPS) used by certain areas of the Council.</p>	<p>There is engagement with SMEs ahead of publishing a notice of tender.</p> <p>There is an attempt to better understand the capacity and capability of SMEs and adapt procurement processes to reflect this.</p> <p>DPSs used regularly to go to market and enable SMEs to provide services.</p> <p>Lotting used proactively to ensure contracts are available to SMEs.</p>	<p>Processes have been adapted to ensure that SMEs are fully engaged from the outset.</p> <p>There is proactive engagement with SMEs and relevant infrastructure bodies ahead of publishing a notice to tender. This gives SMEs sufficient time to galvanise resources to put together a bid and shape the service.</p> <p>There is good understanding of the capacity and capability of SMEs. Where appropriate, after evaluating service specifications and contract sizes, processes are adapted to reflect this capability.</p>	<p>Procurement procedures are flexible according to the size of contract and supplier market. Prescriptive measures are only used when necessary according to law or regulations. SMEs are fully able to respond to the process.</p> <p>SMEs have had the opportunity to contribute to the service specification ahead of a notice to tender being published via a variety of communication channels. SMEs have had a significant amount of time to galvanise resources to put together a bid and shape the service.</p> <p>Commissioners and procurers have a strong understanding of the capacity and capability of SMEs and adapt their processes, when appropriate to the service specification and contract size, to reflect this capability.</p>

### Comment

*(no comment)*

## Contract management with SMEs *(draft)*

**Description:** The extent to which the requirements of small businesses are reflected in ongoing contract management.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Contract management is generally poorly undertaken in the council and no consideration of SMEs given.</p>	<p>Some parts of the Council manage contracts with SMEs but this is not consistent.</p> <p>Contract management only relates to the prime contractor. There is no particular expectation on how subcontracting relationships with smaller SMEs should be conducted.</p>	<p>Contract management processes assess how prime contractors have engaged with SMEs in their supply chains.</p> <p>Contracts with SMEs are monitored, and regular feedback provided.</p> <p>Prime contractor payments terms in supply chains are monitored to ensure compliance.</p>	<p>Contract management processes encourage proactive engagement with SMEs in prime contractor supply chains.</p> <p>Regular meetings occur with SMEs that have council contracts where they are provided with feedback to enable them to improve and apply for other work.</p> <p>Whistleblowing procedures in place to enable SMEs in supply chains to highlight poor treatment by prime contractors.</p> <p>Full monitoring of prime contractor supply chains.</p>	<p>Contract management processes require full monitoring of the performance of prime contractors to ensure they fairly treat SMEs in their supply chains (e.g. through prompt payments, not passing on risks) and obtain SME organisations' views when evaluating prime providers' contract performance.</p> <p>Assistance given to SMEs in supply chains to improve their performance and apply for other work.</p> <p>SMEs that have council contracts are given proactive assistance with issues that they may have and to enable them to grow.</p>

### Comment

*(no comment)*

## Governance of SME engagement (draft)

**Description:** The extent to which the engagement of small businesses is monitored and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No reporting on SME engagement takes place.</p>	<p>Some analysis of SME spend is captured but no actions are taken based on the information gathered.</p>	<p>SME spend is captured and analysed to determine how engagement might be improved. A principal officer has been given responsibility for improving engagement.</p>	<p>Targets are set for expenditure on SMEs and these are monitored and reported on at Officer level boards.</p> <p>Performance on engagement with SMEs by the council is reported to scrutiny committee on a regular basis.</p> <p>Prime contractors required to provide data on payment times to SMEs in supply chains and this information is reported to members.</p> <p>A balanced scorecard is used to assess the council's use of SMEs and treatment in supply chains.</p>	<p>Use of SMEs is fully monitored and measured with an analysis by SME type and expenditure by ward.</p> <p>A portfolio holder has been appointed to lead on SME engagement and meets with representatives on a regular basis.</p>

### Comment

(no comment)



# Engaging VCSEs (voluntary, community and social enterprises) *(draft)*

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VCSE refers to organisations that include small local community and voluntary groups, registered charities both large and small, foundations, trusts and a growing number of social enterprises and cooperatives. These are often also referred to as third sector organisations or civil society organisations.

**What it is:** The VCSE sector is diverse in size, scope, staffing and funding of organisations. It provides a broad range of services to many different client groups. However, VCSE sector organisations share common characteristics in the social, environmental or cultural objectives they pursue, their independence from government, and the reinvestment of surpluses for those objectives.

**Why it is important** VCSE organisations can play a critical and integral role in health and social care including as providers of services; advocates; and representing the voice of service users, patients and carers.

## Policy and scope (VCSEs) *(draft)*

**Description:** The extent to which VSCE engagement is included in commissioning and procurement policies.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>The organisation has no policy in place for VCSE engagement and does not see any benefit from doing so.</p>	<p>There is no ongoing communication with the market regarding the local need, long-term strategies and desired outcomes. Small VCSEs are unaware of their role in responding to such needs.</p> <p>Services are commissioned to address current needs and have little or no focus on prevention and long-term needs of the community. VCSEs are not invited to inform service provision.</p>	<p>Commissioners/procurers have started to communicate to the market what the local need is, and the desired market outcomes. However, small VCSEs remain unaware of their place in the market.</p> <p>Short-term needs are a priority but there is some effort to bring in the community via small VCSEs to consider long-term and preventative needs.</p>	<p>Commissioners/procurers have informed the market what the local need is and the desired market outcomes. Small VCSEs can make efforts to collaborate with organisations to respond to local need.</p> <p>There is a good balance between addressing short-term needs and working with small VCSEs to establish the long-term priorities and needs of the community.</p>	<p>Commissioners/procurers have clearly set out how the market should deliver, and to what standards. Small VCSEs can collaborate with other organisations to effectively respond to local needs, and meet desired outcomes.</p> <p>Services incorporate VCSE expertise on prevention and long-term needs while also providing relevant crisis services.</p>

### Comment

*(no comment)*

## VCSE relationships *(draft)*

**Description:** The extent of communication with VCSEs.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>The organisation does not see any benefit from engaging with VCSE organisations.</p>	<p>Relationships between small VCSEs and other providers are not facilitated. It is not considered to be an area where intervention is needed or appropriate.</p> <p>As a result of this, there is an absence of consortia and networking in their locality.</p>	<p>There is some acknowledgment for the convening role that commissioners/procurers can have and what the benefit of facilitated relationships between small VCSEs and other providers could bring.</p> <p>They have started to make some efforts to bring these parties together. VCSE 'umbrella' organisations are used as a go-between where they exist.</p>	<p>There is responsive willingness to facilitate relationships between small VCSEs and certain larger providers. Some of the benefits of this are being realised. As a result of this, Small VCSEs have formed some partnerships with larger providers via VCSE umbrella organisations where they exist.</p>	<p>Commissioners/procurers proactively facilitate, and nurture, relationships between small VCSEs and a broad range of providers via local umbrella organisations where they exist. In turn, small VCSEs created their own networks, and consortia with other providers.</p>

### Comment

*(no comment)*

## VCSE engagement measurement *(draft)*

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**Description:** The extent to which VCSE engagement is measured and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
No measurement of VCSE usage or impact not seen as important.	There is no or little time given to the strategic evaluation and impact measurement of services. The perspective of small VCSEs and users is not sought.	Commissioners have recognised the value in employing small VCSEs to reach users, where they could seek insightful service feedback, but have yet to engage them in the process.	Commissioners/procurers often ask small VCSEs to aid them in the user feedback process, recognising their expertise in this area.	Commissioners/procurers work closely with small VCSEs to seek extensive user feedback in order to review the effectiveness of their service in meeting local need.

### Comment

*(no comment)*

## Commissioning with VCSEs *(draft)*

**Description:** The extent to which commissioning opportunities are extended to VCSEs and developed for mutual benefit.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
There is no knowledge of VCSE organisations in the local area, nor their capabilities.	<p>There is no or little knowledge of the local expertise that small VCSEs can bring to public services and their ability to reach more marginalised parts of the community. Small VCSEs are not integrated into the wider service provision.</p> <p>There is no, or minimal, VCSE engagement throughout the commissioning process. There are no established communication channels or designated engagement events for small VCSEs.</p> <p>There is no partnership working or ongoing relationships.</p>	<p>There is some knowledge of how VCSEs' local expertise and community outreach can add value and attempts are made to integrate them into the wider service provision.</p> <p>A limited number of 'usual suspects' small VCSEs are invited to contribute to the commissioning process. There are some general engagement events and communication channels that they can feed into but response is low/ knowledge of them is limited.</p> <p>There is interest in VCSE partnership working but no lasting relationship has been established.</p>	<p>There is strong knowledge of the value small VCSEs bring in providing niche, localised services; they often draw upon their broad community outreach and actively integrate them into their service provision.</p> <p>A variety of relevant small VCSEs are proactively invited to contribute to co- design in the commissioning process. There are designated voluntary sector engagement events and specified communication channels.</p> <p>Efforts are made to establish continuous partnership working with VCSE organisations.</p>	<p>VCSE's ability to provide niche, localised services is being celebrated and drawn upon routinely. Their broad community outreach is actively integrated into service provision.</p> <p>Small VCSEs have regular and significant opportunities to feed into public service design through a host of designated market engagement events and communication channels.</p> <p>Relationships with VCSE organisations are strong and optimal for partnership working.</p>

### Comment

*(no comment)*

## VCSE market engagement *(draft)*

**Description:** The extent to which VCSEs are encouraged and supported to engage in delivering public services.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No engagement takes place between the council and VCSE organisations.</p>	<p>There is little knowledge of the small VCSE landscape and the value they could bring to public services.</p> <p>There is no particular point of contact for small VCSEs. They are assumed to understand the commissioning process and how to participate.</p> <p>Communication materials rely on jargon and no dedicated support exists to make processes more accessible to small VCSEs.</p>	<p>Small VCSEs are seen as part of a diverse supply chain but they are not seen as a provider with a particularly unique value.</p> <p>Efforts are made to establish a lead contact for small VCSEs with the view to upskilling VCSEs to participate in procurement.</p> <p>There is some awareness of small VCSEs' need for support to effectively contribute to the commissioning process. Some efforts are made to clarify jargon and facilitate charities' input and participation but charities are often unable to effectively feed in.</p>	<p>Good understanding of the local small VCSE landscape and their value exists.</p> <p>There is a lead commissioning contact who takes some responsibility for facilitating small VCSEs' input into the commissioning process.</p> <p>A conscious effort is made to clarify language and procedures related to the commissioning process. Charities are aware of ways to feed in.</p>	<p>There is strong understanding of the local voluntary sector and the social and financial value they bring.</p> <p>There is a designated contact who proactively facilitates small VCSEs' input into the commissioning process.</p> <p>A variety of support is available to help small VCSEs understand the ways in which they can contribute to design or apply to deliver public services. Clear language is used, without jargon.</p>

### Comment

*(no comment)*

**Description:** The extent to which procurement processes engage and build relationships with VCSEs.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>VCSE organisations are not taken into account at any time in procurement processes.</p>	<p>There is a prescriptive procedure for all procurement exercises and little use of Dynamic Purchasing Systems (DPS) or flexibilities possible under the 'light touch' regime.</p> <p>There is little to no prior engagement specifically aimed at small VCSEs ahead of notices of tenders being published. This is a major barrier in their ability to create a bid in time.</p> <p>There is little to no understanding of the capacity and capability of small VCSEs and processes are not adapted to their capability. This excludes small VCSEs from the commissioning process.</p>	<p>There is some consideration of whether a prescriptive procedure is needed for procurement exercises, the light touch regime and DPSs are used wherever appropriate.</p> <p>There is some prior engagement with a limited amount of small VCSEs ahead of publishing a notice of tender. However, small VCSEs often remain unable respond in time.</p> <p>There is an attempt to better understand the capacity and capability of small VCSEs, and adapt procurement processes to reflect this. However, this has not yet enabled small VCSEs to better participate in the commissioning process.</p>	<p>The Light Touch Regime and the use of DPSs are taken advantage of in the majority of cases. There are attempts to adapt processes to ensure that small VCSEs are fully engaged.</p> <p>There is proactive engagement with small VCSEs and relevant infrastructure bodies ahead of publishing a notice to tender. This gives small VCSEs sufficient time to galvanise resources to put together a bid and shape the service.</p> <p>There is some understanding of the capacity and capability of small VCSEs. In certain cases, after evaluating service specifications and contract sizes, processes are adapted to reflect this capability.</p>	<p>Procurement procedures are flexible according to the size of contract and supplier market. Prescriptive measures are only used when necessary according to law or regulations. Small VCSEs are fully able to respond to the process.</p> <p>Small VCSEs have had the opportunity to contribute to the service specification ahead of a notice to tender being published via a variety of communication channels. Small VCSEs have had a significant amount of time to galvanise resources to put together a bid and shape the service.</p> <p>Commissioners/ procurers have a strong understanding of the capacity and capability of small VCSEs and adapt their processes, when appropriate, to the service specification and contract size, to reflect this capability.</p>

**Comment**

(no comment)

## Contract management with VCSEs *(draft)*

**Description:** The extent to which the requirements of VCSEs are reflected in ongoing contract management

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Contract management not required.	<p>Some contract management but this is not consistent across the organisation.</p> <p>Contract management structures only relate to the prime contractor. There is no expectation on how subcontracting relationships with smaller VCSEs should be conducted.</p>	Contract management structures are beginning to consider how prime contractors should engage and manage their sub contracts with smaller VCSEs yet to be set.	<p>Prime contractor relationships with VCSE organisations in their supply chain are taken into consideration when evaluating the large providers' contract performance.</p> <p>Whistleblowing procedures in place to enable VCSEs in supply chains to highlight poor treatment by prime contractors.</p>	Contract management structures fully monitor the performance of prime contractors to ensure they fairly treat VCSEs in their supply chains (e.g. through prompt payments, not passing on risks) and obtain VCSE organisations' views when evaluating prime providers' contract performance.

**Comment**

*(no comment)*



## Governance of VCSE engagement (draft)

**Description:** The extent to which the engagement of VCSEs is monitored and reported.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>No reporting on VCSE engagement takes place.</p>	<p>Some analysis of VCSE spend through procurement activity is captured but no actions are taken based on the information gathered.</p>	<p>VCSE spend through procurement activity is captured and analysed to determine how engagement might be improved. A principal officer has been given responsibility for improving engagement.</p>	<p>Targets are set for expenditure on VCSEs and these are monitored and reported on at officer level boards. These include spend on VCSE organisations by prime contractors.</p> <p>Performance on engagement with VCSEs by the council is reported to scrutiny committee on a regular basis.</p> <p>A balanced scorecard is used to assess a council's use of VCSEs and treatment in supply chains.</p>	<p>Use of VCSEs is fully monitored and measured with an analysis by VCSE type and expenditure by ward.</p> <p>A portfolio holder has been appointed to lead on VCSE engagement and meets with representatives on a regular basis.</p> <p>Prime contractors required to provide data on payment times to VCSEs in supply chains and this information is reported to members.</p>

### Comment

(no comment)

# Enablers *(draft)*

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Councils have identified a number of cross-cutting issues that will also need to be addressed if they are to realise their ambitions in the key areas. These are referred to as 'enablers' of the strategy.

**What it is:** These 'enablers' are common issues that are essential to driving success with each of the strategy's three themes.

**Why it is important:** Inherent weaknesses with any of the 'enablers' will make it difficult for a council to drive improvement with the value codes found under each of the three themes.

## Developing talent *(draft)*

**Description:** The extent to which staff are recruited and developed in relation to procurement and contract management.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Recruits staff with appropriate experience/ professional qualifications (e.g. CIPS).</p>	<p>Recruits staff with appropriate experience/ professional qualifications and responds to ad hoc requests for training and development.</p>	<p>Service plan includes support for staff to obtain professional qualifications and for apprenticeships.</p>	<p>Planned approach to talent development in relation to future procurement and contract management workload including:</p> <ul style="list-style-type: none"> <li>• Contracts pipeline</li> <li>• Resourcing plan</li> <li>• Competency framework</li> <li>• Remuneration strategy</li> <li>• Comprehensive training and development plan including provision for development of staff not currently in procurement or contract management roles</li> <li>• Secondments to and from the private sector and VCSE sector.</li> </ul>	<p>Planned talent development (as for Leader) but at combined authority/group of councils level.</p>

### Comment

*(no comment)*

**Description:** The extent to which digital technology is used to underpin the procurement cycle.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
<p>Basic purchase ordering functionality for some products and/or services using finance and/ or operational systems.</p> <p>Limited procurement and contract management information available via static sources.).</p>	<p>Use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services/ products. May include some human intervention and paper trails.</p> <p>Some procurement and contract management Information available online to all stakeholders with appropriate search and filtering.</p> <p>Use of electronic tendering and quotations system for some tenders/ quotes (either as a dedicated system or tender box rental).</p>	<p>Use of an integrated Procure to Pay (P2P) system in conjunction with online ordering for all services/ products fully automated and paperless, with human intervention being restricted to exceptions only.</p> <p>Comprehensive procurement and contract management information available online to all stakeholders with appropriate search and filtering.</p> <p>Use of electronic tendering and quotations system for all tenders/ quotes (either as a dedicated system or tender box rental).</p> <p>Access and interaction to all of the above possible from any electronic mobile device.</p>	<p>Access to a Procure to Pay (P2P) system via secure mobile application, promoting a self-service approach for suppliers. (Access should include online viewing of payment records/status and the ability to auto convert orders to invoices).</p> <p>Technology used to forward plan all strategic acquisitions and to underpin sourcing and procurement decision making.</p> <ul style="list-style-type: none"> <li>• Performance monitoring and communications underpinned by dashboards and diagnostics.</li> </ul>	<p>Mobile applications designed for supplier and contractor interactions including future opportunity alerts, contract management, contractor performance ratings and procurement satisfaction levels.</p> <p>Shared systems and information with delivery partners (including voluntary sector/ local businesses) and other councils and citizens.</p> <p>Knowledge management, accessing paper and electronic sources to build comprehensive intelligence about contracts, markets and trends.</p>

**Comment**

*(no comment)*

## Enabling innovation *(draft)*

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**Description:** The extent to which innovation in procurement and contract management is recognised and adopted.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Ability to capture and harness procurement innovation in organisation non-existent.	Innovation only considered in a few contracts where technology is involved.	Outcomes based on procurement and market making are the 'standard' way of doing things.  Innovative procurement approaches are not just applied to technology but to established services.	Innovation in procurement and contract management is mainstreamed.  Procurement techniques such as innovation partnerships, pre-commercial procurements used regularly.	All contracts reviewed to identify new service delivery and income generation models.  Procurement challenges and innovative potential solutions shared across councils and regions.

### Comment

*(no comment)*

## Embedding change *(draft)*

---

**Description:** The extent to which change management in procurement and contract management is used to drive wider organisational change.

1 - Minimum	2 - Developing	3 - Mature	4 - Leader	5 - Innovator
Success depends on individuals, no organisational engagement.	New approaches and ideas applied in isolated procurement processes.	Procurement change comprehensively applied across multiple projects and departments.	Senior leaders recognise the importance of procurement and contract management, and promote it as a way of leading and managing organisational change.	Procurement and contract management are key drivers of organisational change and are embedded at all levels in the organisation. Lessons learned shared with other organisations at regional and national level.

### Comment

*(no comment)*

# Appendix A: Guidance

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The following was given as guidance for completing this response:

## About the 2018 diagnostic

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This diagnostic sets contains all the value codes that were included in the toolkit accompanying the 2018 National Procurement Strategy for English local government (NPS). For each value code, it articulates 'what good looks like' as a series of clear, progressively attainable steps. It allows each council to:

- Engage with colleagues with an interest in procurement outcomes to indicate their council's current position and reduce the risks associated with mismatched expectations
- Identify where purposeful improvement activities are required and manage them to a successful conclusion

You can read in detail about [the strategy and this approach here](#).

Please use comments to:

- provide examples of good practice (especially where you have selected a high score)
- tell us which NPS value codes are most important to you and/or where you believe support is required
- describe how the value codes set out in the Toolkit were / are being implemented
- provide any other observations

## How to complete the diagnostic

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We have produced a full [web based LMS](#) which provides background and support information. Gain quick access on the following topics in the LMS by clicking on the links:

- [How to submit a response](#)
- [How to assess your organisation](#)
- [How to access and download your response report](#)
- [Frequently Asked Questions](#)

Navigate the diagnostic by clicking on the grey 'tabs' above.

Within each 'tab' there are a series of statements that express the extent of current development with each value code from the NPS Toolkit

**Please read each statement and use the slider bar to select the score description that best reflects your council's current position. If you would like to see all scoring statements at once to help you choose your answer, click on 'Draft Report' in the top right - that report can then be accessed as a PDF to support your use of this system. Note, you can directly click on the slider bar to choose a score without having to first slide to it.**

**Scoring should be done on the basis of the weakest level of attainment in the council rather than attempting to arrive at an average. Also, please note that if you assess your attainment level as 5, you should be prepared to act as a case study and exemplar for weaker councils.**

Your progress will be automatically saved at least every 4 minutes.

If you don't complete the Diagnostic in one session, you can save your progress by clicking "Save" (top right) – this will save everything entered on all pages. You can save and return later by following the link from your original email and log in with the password you selected.

**To submit your scores and comments for consideration click "Save" and then "Submit".**

Once you've submitted your final response, you can view, print and share your response report as a PDF.



# **COMMISSIONING & PROCUREMENT STANDING ORDERS**



# COMMISSIONING & PROCUREMENT STANDING ORDERS

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# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## SECTION ONE INTRODUCTION

### Introduction

- 1 The purpose of these Standing Orders is to support the Council's commissioning & procurement strategy by providing a clear governance framework for officers and members to work within when carrying out commissioning and procurement activities on behalf of the Council.
- 2 The Council's approach to commissioning & procurement follows the commercial cycle and is identified in diagram 1 below;

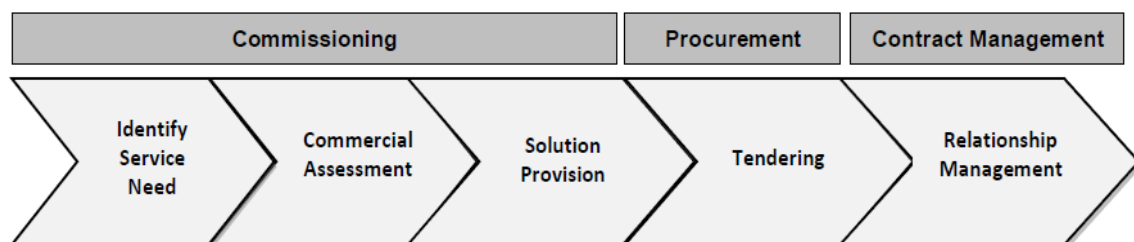


Diagram 1 - Commercial Cycle

### 3. Definition

- 3.1 The process by which public bodies decide how to spend their money to get the best possible services for people, it involves anticipating future needs and expectations rather reacting to present demand.

Commissioning is the first 3 elements of the commercial cycle and involves **identifying the service need** by reviewing the 'as is' provision and consulting with stakeholders to forecast future demand, undertaking a **commercial assessment** by understanding the different markets and funding provisions that are available and by carrying out a **solution provision** which involves reviewing skills and risk.

- 3.2 Procurement is the **tendering** element of the cycle and includes

- i) the specific aspects of the commissioning cycle that focus on the process of buying services, from initial advertising through to appropriate contract arrangements;
- ii) The purchase of goods, services or works by publicly funded bodies at the best possible total price, in the right quantity and quality, at the right time generally via a contract.

- 3.3 Contract Management refers to **relationship management** and includes managing the performance of the contract and the contractor and developing the relationship between the contractor and the Council to maximise the return on investment.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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- 4 These Standing Orders apply to the commissioning and procuring in all of the following areas, regardless whether it is funded from revenue or capital expenditure or from grants:
  - a. Supplies
  - b. Services
  - c. Works
  - d. Third Party Contracts (services that are income generating for the provider and/ or zero/low cost for the Council).
  - e. Grants – including strategic partners, annual grants and disabled facility grants etc.
  
- 5 Standing Orders do not apply to:
  - a. Employment contracts (e.g. the Council's own staff)
  - b. Contracts relating to the purchase or sale of land (advice must always be sought from officers of the procurement team).
  - c. Appointment of legal counsel and the appointment of expert witnesses' in legal proceedings

## **Governance Framework**

- 6 These Standing Orders have been drafted in such a way as to simplify the commissioning and procurement process where appropriate, and to provide comprehensive guidance where necessary.
  
- 7 These Standing Orders form part of the Council's Constitution and are required under Section 135 Local Government Act 1972.
  
- 8 The objective of these Standing Orders is to enable the Council to be able to demonstrate that it commissions and procures supplies, services and works contracts in a fair, efficient and economical way, using whole life costing where relevant and ensuring that value for money is obtained through competition.
  
- 9 These Standing Orders intend to promote good practice, transparency, equal treatment, proper accountability, compliance with legislation and deter corruption.

## **Compliance**

- 10 These Standing Orders apply to every officer and member of the Council who is responsible for taking any steps that may lead to a contract being entered into. They have a duty to read, be familiar with, and fully comply with these Standing Orders as they set out the minimum requirements that should be followed when commissioning & procuring on behalf of the Council.
  
11. In addition, the Standing Orders also contain rules which must be followed by the Council and the Cabinet (including Cabinet Portfolio Holders)

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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12. Officers are responsible for ensuring that any agents or consultants acting on the Council's behalf, such as architects, engineers, fully comply with the Standing Orders, Financial Regulations and the Public Contract Regulations where applicable.
13. Failure to comply with the Standing Orders is in direct contravention of the Council's Constitution and is, therefore, a disciplinary offence that could be classed as gross misconduct or breach of contract.
14. Where commissioning and procurement activities are subject to the provisions contained in the Standing Orders, no quotation or tender shall be accepted until all necessary approvals and consents have been obtained and no contract shall be entered into until all documentation has been signed.

## Commissioning and Procurement Strategy

15. The Council's commissioning and procurement strategy sets out how commissioning and procurement activities will support the delivery of the Council's vision and priorities as shown in the corporate plan.  
The commissioning and procurement strategy will shape choices and any subsequent procurement must comply with these Standing Orders and the Financial Regulations.

## Amendments

16. These Standing Orders shall be subject to the following amendment protocol:
  - a. Standing Orders  
Full Council shall be responsible for the approval of and any major amendment of the principal Standing Orders.  
The Council's Monitoring Officer may approve amendments due to changes in legislation and any minor amendments or corrections where they are satisfied that it is appropriate to do so.
  - b. Appendices  
The Council's Monitoring Officer may approve amendments to the appendices where they are satisfied that it is appropriate to do so.

## Advice and guidance

17. If any Officer or Member has any queries or requires advice in relation to these Standing Orders, how they apply to any commissioning or procurement activity, contract or proposed contract, their meaning or how to follow them, then advice must be sought without delay.
18. Sources of advice include:
  - a. Any officer of the commissioning and procurement team

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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- b. Monitoring Officer (Assistant Director of Corporate & Contracted Services)

## **Suspension of the Standing Orders**

19. These Standing Orders will always apply unless a suspension is approved. Details of how to suspend these Standing Orders can be requested by contacting any officer of the commissioning and procurement team.
20. An exemption from the requirement to comply with these Standing Orders may only be made by the Council or the Cabinet or the appropriate Cabinet Portfolio Holder responsible for the service affected by the contract and then only subject to the following requirements:
- 20.1 The special circumstances requiring the suspension must be reported to the Council or the Cabinet or the appropriate Cabinet Portfolio Holder and the Group Manager Procurement & Contracted Services together with a detailed justification for the proposed action, and
- 20.2 The suspension and the special circumstances justifying the exception must be noted and recorded in the Full Council or Cabinet minutes or PH decision record.
21. In the event that a suspension to these Standing Orders needs to be considered, advice should be sought from the Group Manager of Procurement & Contracted Services or the Monitoring Officer as to how to proceed.
22. The suspension of these Standing Orders shall not be permitted if the contract value breaches the financial EU thresholds.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## SECTION TWO GENERAL ADVICE AND GUIDANCE

### **General rules**

- 1 Following the rules as set out in these Standing Orders is the best defence against allegations that any commissioning and procurement activity has been concluded incorrectly or fraudulently. Officers and Members undertaking commissioning and procurement activities must comply with these Standing Orders. They lay down minimum requirements and, in some cases, a more thorough procedure may be appropriate for a particular contract.
  
- 2 Procurements up to and including £74,999  
Before commencing any commissioning and procurement activity, and in the interests of good governance, Officers and Members should:
  - 2.1 Check to ensure that you have the necessary authority to commence the commissioning and procurement activity. Refer to Section Five (Quotation Table) on the number of quotations you are required to obtain.
  - 2.2 Check with the budget holder that there is a budgetary provision or an approved supplementary estimate in place.
  - 2.3 Check with the commissioning & procurement unit to whether there is an existing contract in place which should be used.
  - 2.4 Declare any personal, direct or indirect, financial interests in any commissioning and procurement activity, failure to do so is in direct contravention of the Council's Constitution and is, therefore, a disciplinary offence that could be classed as gross misconduct and could lead to a criminal conviction. (See 4.7 for how to make a declaration)
  
- 3 Procurements above £74,999  
Complete the Tender Requisition Form (see Appendix 1) and submit this to an officer from the commissioning and procurement team.

### **All Council Members and Officers must act in an ethical and professional manner whilst undertaking any commissioning and procurement activity**

- 4 Council Members and Officers must seek to uphold and enhance the reputation of the Council by:
  - 4.1 Complying with the relevant Code of Conduct. Officers must comply with the Council's Code of Conduct for Employees. Click on link and select Section 12 – Conduct – Code of Conduct for Employees.

<http://dennis/Docs/Documents/Employment%20Handbook/Employment%20Handbook/Section%2012%20->

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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[%20Employee%20Relations/Section%2012%20-%20Conduct%20-%20Code%20of%20Conduct%20for%20Employees.pdf](#)

Council Members must comply with the Council's Code of Conduct for Members. Click on following link and select Handbook – Code of Conduct.

[http://www.dacorum.gov.uk/docs/default-source/council-democracy/councilconstitution-part-5---codes-and-protocols-\(pdf298-kb\)-opens-in-new-window\).pdf](http://www.dacorum.gov.uk/docs/default-source/council-democracy/councilconstitution-part-5---codes-and-protocols-(pdf298-kb)-opens-in-new-window).pdf)

- 4.2 Maintaining a high standard of integrity in all business and commercial relationships both inside and outside the Council,
- 4.3 Maintaining high professional standards by promoting equal treatment, openness and transparency in all commissioning and procurement activity.
- 4.4 Complying both with the letter and the spirit of:
  - 4.4.1 UK and European Union procurement legislation
  - 4.4.2 Such guidance on professional practice as may be issued from time to time by the Group Manager Procurement & Contracted Services or any officer from the commissioning and procurement team
- 4.5 Rejecting any business practice which might appear improper to a reasonable observer, e.g. where offers of gifts or hospitality could give the appearance of trying to obtain influence or favour. Any offer whether accepted or not must be declared to your manager.
- 4.6 Taking advice from the Group Manager Procurement & Contracted Services, any officer from the commissioning and procurement team and/or the Monitoring Officer when in doubt.
- 4.7 Declaring any personal and/or financial interest and/or conflict of interests using the relevant forms in the Code of Conduct documentation.
- 4.8 Maintaining the confidentiality of information with respect to any quotation or tender submissions.
- 4.9 Ensuring any information given by officers or members in the course of their duties should be true, accurate and fair and never designed to mislead
- 4.10 Bearing in mind the advantages of maintaining a continuing relationship with suppliers, contractors and consultants, Members and Officers should avoid any arrangement which might, in the long term, prevent the effective operation of fair competition

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## What is a contract?

- 5 Contracts are legally binding agreements and, in English law, to be binding, contracts need not be in writing (except for contracts for the sale or lease of land). A contract is made when one person offers to undertake or supply something to another person and that offer is accepted unconditionally by the person to whom the offer was made, who in turn, supplies value (which can be money or moneys worth).
- 6 Contracts may be concluded in writing, by word of mouth, over the telephone, or even by performance. For example, the purchase of a newspaper from a shop, even if unaccompanied by a single spoken word, will constitute a legally binding contract from which legal obligations follow (e.g. to deliver the paper, to pay for it).
- 7 It is not the purpose of these Standing Orders to give a definitive guide on UK contract law. The user of these Standing Orders should, however, be aware that in any commercial dealings with a supplier, contractor or consultant, his or her actions may be deemed in law to have constituted a fully binding legal contract on behalf of the Council. In any case of doubt, advice should be taken from the Group Manager Procurement & Contracted Services or the Monitoring Officer.
- 8 Officers and Members should ensure in all commissioning and procurement activities that the following matters have been complied with:
  - 8.1 The general UK law and, in particular, the provisions of the Public Contracts Regulations. Where the provisions of legislation conflict with these Standing Orders, the legislation will always take precedence.
  - 8.2 E.U. Procurement Directives.
  - 8.3 The Council's Financial Regulations.
  - 8.4 The Commissioning & Procurement Standing Orders.
  - 8.5 Local Government transparency code 2015. The Council has to publish details of any contract, commissioned activity, purchase orders, frameworks or any other legally enforceable agreement for values over £5,000.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## SECTION THREE DETERMINING THE TYPE OF CONTRACT AND ITS VALUE

### **Is the Contract for Supplies, Services or Works?**

- 1 It is important to determine between the following classifications of contract before you proceed:
  - 1.1 “Supply” contracts are where goods and supplies are purchased or hired; it also includes energy, water and fuel.
  - 1.2 “Service” contracts are where the service provider is providing time, effort and expertise. Service contracts, e.g. cleaning services, consultancy, fees or advice.
  - 1.3 “Works” contracts are contracts for the carrying out construction or building repairs works or building refurbishments.
- 2 A mixed supply/service or supply/works or service/works contract will be classified according to its predominant value. For example, with a replacement door contract, if the value of the door is more expensive than the value of the fitting of the door, then this would result in the contract being classified as a supply contract. If the value of the fitting of the door was more expensive than the supply of the door, then this would be classified as a works contract.

Further guidance and advice is available from the commissioning & procurement team with regard to the classification of supplies, services and works.

### **Calculating the Value of a Contract**

- 3 In determining the value of a potential contract you must calculate:
  - 3.1 The estimated aggregate value of a series of contracts or a renewable contract is entered into for supplies, services and/or works of a similar type, this must take into account both the annual value as well as the number of years it will operate for:

By way of example, a three-year contract to supply financial advice at £50,000 per year will have an aggregated value of £150,000.
- 4 There shall be no artificial splitting of a contract to avoid the application of the provisions of the Public Contract Regulations and/or these Standing Orders.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## **SECTION FOUR COMMISSIONING**

1. Commissioning is the first 3 elements of the commercial cycle that is used to:
  - assess the needs of the service and the people it will impact upon,
  - design the services to meet those needs,
  - procuring the service by competitive tendering
  - monitor the service after contract award; and review
2. The following should be considered in your commissioning process:
  - 2.1. Allow sufficient time to plan and run the tender process. Refer to Section 4 for guidance on typical timescales
  - 2.2. All necessary legal, financial and professional advice should be taken, and any information from this (e.g. market research or consultants reports) made available in value for money reviews or business cases.
  - 2.3 Use any research or consultants reports to build Social Value into the process early on. Any necessary value for money reviews or business cases should be conducted and appraise the purchasing needs prior to commencing a procurement exercise.
  - 2.4 When writing you specification you must ensure it includes the following
    - Demonstrate a link to the Council's Corporate Plan.
    - Incorporate Social Value either as specific requirement or as part of the evaluation – allowing tenderers to state what they can offer to the local community.
    - any environmental or sustainability requirements – use an Environmental impact assessment;
    - Build in requirements from your Equality Impact Assessment of the service.
    - All relevant strategies of the Council E.g. Business Continuity, Sustainability, Safeguarding, etc. should be incorporated into the written specification (See Appendix 2).
  - 2.5 Consideration should be made as to how the proposed procurement will be monitored, quality assessed and performance measured when in operation and a contract manager should be appointed who is responsible for ensuring the contract delivers as intended,
  - 2.6 Find out if there are alternative and better ways to deliver the service. E.g. an outcome based approach aims to shift the emphasis from what services a provider will offer to what outcomes they will achieve. Consider an options appraisal.
  - 2.7 Any proposed procurement exercise must take into account the Council's risk management strategies, guidance and procedures; the consideration of risks and their subsequent documentation in risk registers with suitable control measures.

## COMMISSIONING & PROCUREMENT STANDING ORDERS

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Insurance cover requirements will need to be considered, if in doubt you should consult the Council's Insurance & risk Lead Officer for advice. Where there is High Risk, High Value or High Profile services at stake, the risk factors must be reported to Cabinet, the Portfolio Holder or the Director or Chief Executive as appropriate. It is good practice to request Business Continuity Plan/Disaster Recovery Plans from tenderers, however for contracts identified as a 'Critical Function' it may be prudent to score these to ensure adequate plans are in place to avoid **any** loss of service due to disasters e.g. fire or flood.

- 2.8 A written detailed specification of the goods, services or works to be procured should be in place before the tender process starts.

**Further guidance can be found in the appendices:**

Writing a Business Case – Appendix 7

Conducting an Options Appraisal – Appendix 9

# COMMISSIONING & PROCUREMENT STANDING ORDERS

The key elements of the commercial cycle are illustrated in the diagram below.

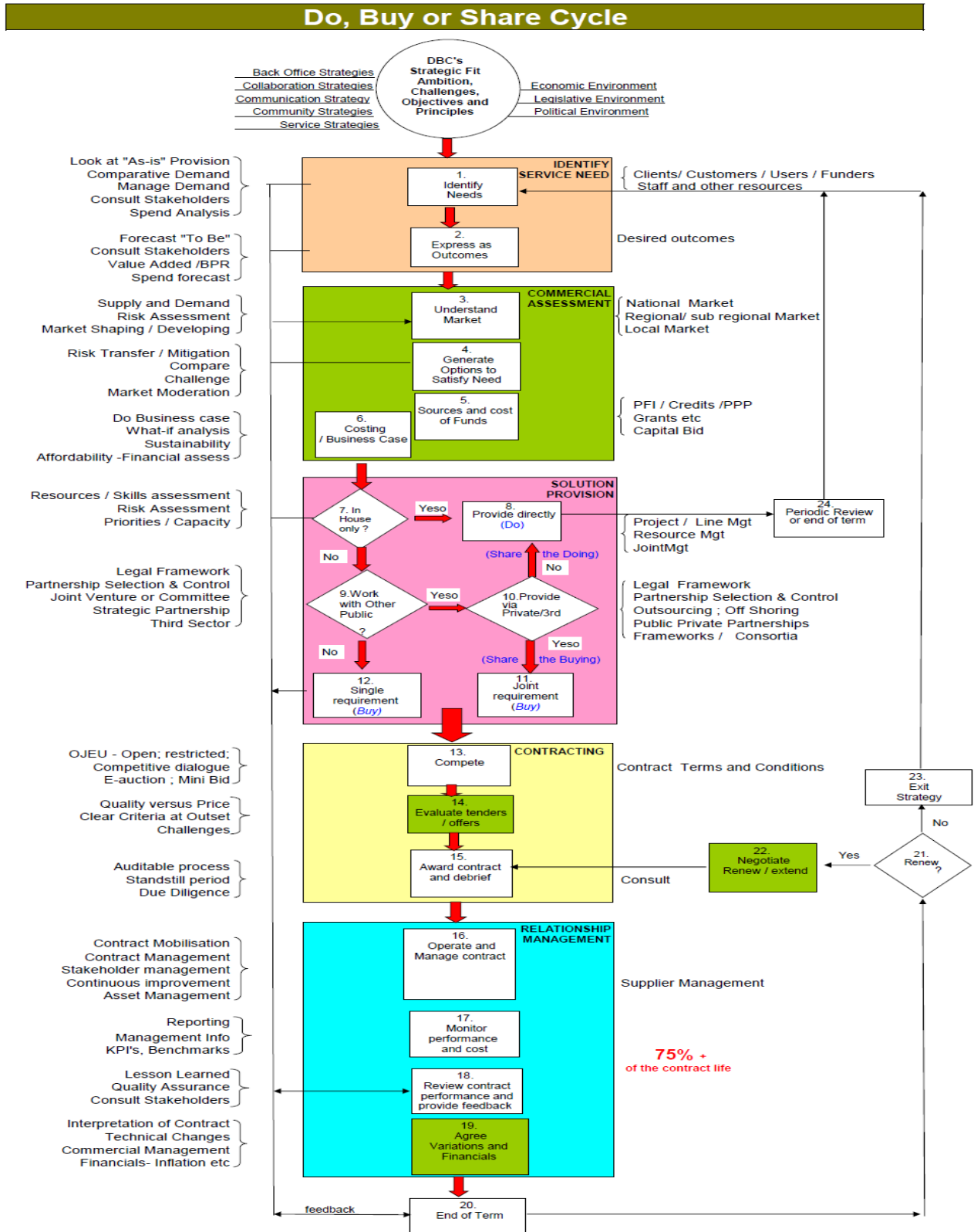


Diagram 4 – Detailed Commercial Cycle

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## FORWARD PLANNING & ALLOWING SUFFICIENT TIME FOR YOUR TENDER PROCESS

### Forward Plan

1. The Forward Procurement Plan is a document detailing potential major contracts and possible tendering opportunities over a 3 year period.
2. The purpose of the plan is to:
  - a. Allow the Council to sufficiently plan and where required carry out a commissioning process prior to carrying out any tendering activity.
  - b. Allow the Council to ensure there is sufficient skills and resources available when carrying out a tendering exercises.
  - c. To raise awareness of Council opportunities for the market to have ample time to prepare.
3. The Commissioning and Procurement Team will utilise the Council's Corporate Contract Register and the Council's Capital Programme to identify upcoming tender opportunities however officers will need to make the Council's commissioning and procurement aware as and when a new opportunity arises. It will be the Group Managers responsibility to ensure the Commissioning and Procurement Team have adequate notice when it comes to carrying out procurement activities.

### TENDER TIMESCALES

Allow sufficient time to plan and run the commissioning and tender process.

The 4 main stages of the process are:

1. The pre tender stages, including any pre-procurement market engagement, deciding on your final specification, evaluation criteria and questions for the tender response document.
2. The tender process. From when the contract notice/OJEU notice is published to completion of the evaluation of the tenders;
3. Approval to Award Process;
4. Lead-in period to contract & contract commencement. Your contract may require a mobilisation process for the new supplier to get ready for the contract start date.

The timescale example shown does not show every transaction in the tendering process, but is designed to give you an overview of the general processes included and the responsibilities of each party. Timescales will vary depending on the type of contract, the tendering process used and the supplier, however a minimum timescale is given as a guide only.

The commissioning and procurement team will produce a project plan for each tender process based on the information provided by the client department.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

## COMMISSIONING & PROCUREMENT PROCESS & TIMESCALES

The following diagram shows an indicative timescale

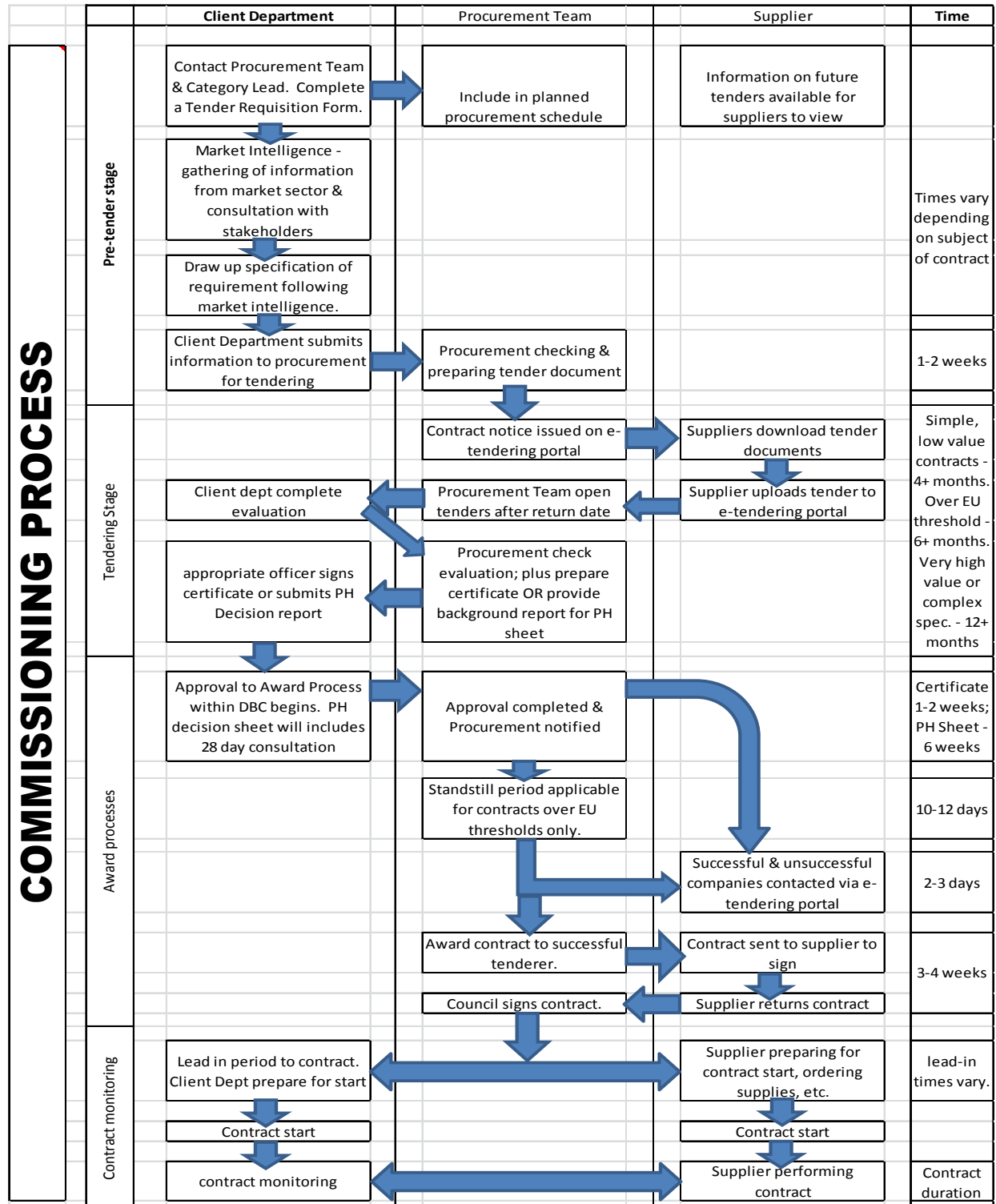


Diagram 3 – Example commissioning and procurement timescale

# COMMISSIONING & PROCUREMENT STANDING ORDERS

## SECTION FIVE

### QUOTATION TABLE - CONTRACT VALUES OF UP TO AND INCLUDING £74,999

For Contract values and purchases up to and including £74,999 quotations should be obtained in accordance with the table below:

Value	Requirements	Approval Process
Up to and including £24,999	<ul style="list-style-type: none"> <li>▪ A minimum of one quotation should be obtained from a local supplier where available.</li> <li>▪ Details of contracts must be entered on to the contract register.</li> <li>▪ Quotation documents and purchase order/contract records must be retained (see Section 6 for details)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Team Leader or above, is under a duty to seek value for money and take up quotations as appropriate for the supplies, services or works to be delivered.</li> <li>▪ Group Manager or above to approve award of contract by signing contract award certificate;</li> <li>▪ A purchase order must be raised through the Agresso finance system for the services, supplies or works.</li> </ul>
From £25,000 up to and including £74,999	<ul style="list-style-type: none"> <li>▪ A minimum of three quotations should be obtained including once from a local supplier where available.</li> <li>▪ Details of contracts must be entered on to the contract register.</li> <li>▪ Quotation documents and purchase order/contract records must be retained (see Section 6 for details)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Group Manager or above, is under a duty to seek value for money and take up quotations as appropriate for the supplies, services or works to be delivered.</li> <li>▪ Group Manager or above to approve award of contract by signing contract award certificate.</li> <li>▪ A purchase order must be raised through the Agresso finance system for the services, supplies or works</li> </ul>
Framework contracts Up to £74,999	<ul style="list-style-type: none"> <li>▪ As a rule, framework contracts normally require an additional tendering process - even for lower values. You must contact the commissioning &amp; procurement Team for advice</li> </ul>	<ul style="list-style-type: none"> <li>▪ Approval process to be the same as non-framework values</li> </ul>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## EXCEPTIONS TO QUOTATIONS

Prior authorisation from a member of the commissioning & procurement team is required to award a contract (up to and including £74,999 without undertaking any quotation process and only when one of the following situations apply:

- A framework agreement that has already been awarded by other public sector bodies can be used by the Council provided that:
  - a) the contract has been awarded to a single supplier, or ;
  - b) where there are multiple suppliers, a direct award is permitted by that Contract's terms and conditions ; and the rules for a direct award have been complied with; and
  - c) Use of the framework has been approved by an officer from the commissioning & procurement team.
  
- Urgent supplies, services or works as necessary for the protection of life or property or to maintain the functioning of a public service for which the Council is responsible (or if there are a number of public service implications that also include any responsibility of Hertfordshire County Council).
  
- Supplies, services or works for the repair or enhancement of existing proprietary machinery, plant, equipment, software and maintenance of any of these where there is no other reasonable alternative supplier.
  
- The relevant Group Manager can approve an exception to obtaining quotations providing that a genuine justification is given.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## SECTION SIX OBTAINING QUOTATIONS

The process for obtaining quotations shall be as follows:

- As indicated in Section 5, quotations can be sought up to and including £74,999.
- If the value is expected to be up to and including £24,999, use the Request for Quotation (RFQ) template (see appendix 10) to invite your chosen suppliers to quote via email.
- If the value is expected to be £25,000 or above, use the RFQ template and send this through to the commissioning & procurement team, who will advertise your quotation on the Council's e-tendering portal and Contracts Finder to ensure there is open competition.
- Include a detailed written specification of your requirements whenever possible (compulsory for values of £25,000 and above).
- Where appropriate invite at least one local supplier to submit a quotation, if expected value is of £25,000 and above, you should inform suppliers that the requirement has been advertised and can be found on the Council's e-tendering portal and Contracts Finder.
- Decide on the evaluation criteria you will use. If price is not the only criteria to be considered, then state the other criteria in the RFQ (e.g. delivery timescales and/or quality) in the RFQ documents.
- Evaluate all quotations received and keep all scoring and evaluation notes. Evaluation notes must be factual and based on the evidence provided by a supplier's quotation submission.
- Obtain necessary authorisation to award the contract (see Section 7).
- Inform all bidders in writing of the contract award decision, including how they have scored, using your evaluation notes.
- Raise a purchase order and produce contract documentation if necessary.
- If monitoring of the contract is required, then ensure arrangements are in place (see Section 14).
- Where the contract value is £25,000 or above then the Officer will need to provide a contract award certificate to be authorised by the relevant Officer, details of the contract will also need to be entered on to the contract register
- No contract shall commence until all documentation is in place.
- If you are seeking quotations for a service that supports a 'Critical Function' for the Council you must request and evaluate the supplier's Business Continuity Plan as part of the evaluation process. A list of the Council's critical functions are listed in the Council's Corporate Business Continuity Plan which can be found on the DENNIS Document Centre in the Resilience folder.

### Records to be maintained where quotations are taken up

- 1 The Group Manager of the procuring service must ensure that all written documentation for quotations are retained for record retention purposes and made available for inspection by the Section 151 Officer, Monitoring Officer or Audit for the greater period of:

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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- 1.1 Such timescale that is prescribed by law, or
  - 1.2 A minimum period of six years plus the current financial year, or
  - 1.3 Such period as is prescribed by the Council's Document Retention Procedure. Click on the following link and select DBC 400IM Policy – Retention Schedule Policy version 3\_11 (or latest version)  
<http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2FInformation%20Management%20and%20Security%2FRecords%20Management>
- 2 The records that need to be kept will include:
- 2.1.1 Invitation to quote (including the Council's written specification) and all quotations received from suppliers.
  - 2.1.2 a record of any exemptions or rejections and the reasons for them
  - 2.1.3 the reason if the lowest price is not accepted
  - 2.1.4 The evaluation spreadsheet, if price is not the only criteria taken into consideration, then the value for money evaluation process must be clearly set out.
  - 2.1.5 the contract documents
  - 2.1.6 post-contract monitoring
  - 2.1.7 Written/electronic records of communications with suppliers submitting quotations and with the successful contractor throughout the period of the contract.

In regard to the records kept you may be ask to provide:

- evidence of these documents to our auditors; or
- Provide FOI information to a supplier about how their submission evaluation notes.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

## SECTION SEVEN

### WHO HAS THE AUTHORITY TO AWARD A CONTRACT?

#### Taking the formal decision to award the contract

- 1 The formal Contracting Decision to award a contract will be based upon the following circumstances:

Decision maker	Authority	Process
An Officer Up to £500,000	<ul style="list-style-type: none"> <li>▪ A contract award certificate is required on all contracts valued at £25,000 and above.</li> <li>▪ A written delegated authority exists under the Council's Constitution to all Team Leaders for contracts up to and including £24,999, Group Managers for contracts up to and including £74,999, all Assistant Directors for contracts up to and including £250,000 and all Corporate Directors for contracts up to and including £500,000.</li> <li>▪ Other delegated authority for specific supplies, services or works for other values may be listed within the Council's Financial Regulations under the 'Scheme of Delegation' - schedules 2 &amp; 3 or by delegated authority granted by Cabinet or Portfolio Holder.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The raising of a requisition/purchase order for contracts valued up to an including £24,999 on Agresso will be deemed to have the authority to award.</li> <li>▪ Where delegated authority exists, the client department must prepare a written contract award certificate (up to £74,999 or if value if £75,000+ an Officer Decision Record Sheet with the Procurement Report and pass to the Section 151 Officer and the Monitoring Officer for comments;</li> <li>▪ Once statutory comments have been received, the contact award certificate must be signed and dated by the officer who has the delegated authority and returned to the commissioning and procurement team.</li> </ul>
Delegated decisions to specific officers	<ul style="list-style-type: none"> <li>▪ Where Cabinet has delegated a specific decision to a particular officer for determination</li> </ul>	<ul style="list-style-type: none"> <li>▪ Where a particular officer e.g. an Assistant Director has a decision delegated to them in the Council's Constitution, that officer can submit an Officer Decision Record Sheet for values above £500,000.</li> </ul>
Portfolio Holder Above £500,000	<ul style="list-style-type: none"> <li>▪ The Council's scheme of delegation enables Portfolio Holders to award contracts above £500,000 in value in relation to their Portfolio</li> <li>▪ Where Cabinet has delegated a specific decision to a Portfolio Holder for determination</li> </ul>	<ul style="list-style-type: none"> <li>▪ A Portfolio Holder decision will be required in accordance with the Council's Constitution. The client department must prepare a Portfolio Holder Decision Record Sheet which must be submitted to together with the Procurement Report to Statutory Comments for the Section 151 Officer and the Monitoring Officer comments;</li> <li>▪ The procurement team will prepare a Procurement Report detailing the procurement &amp;</li> </ul>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

		<p>tender process, the reason to award the contract and any relevant implications.</p> <ul style="list-style-type: none"> <li>▪ The PH Decision process includes an internal approval process before the public consultation – 28 days. Allow a minimum of 6 weeks’ extra time in your tender timescales for this process. Click on the following link and select PH Decision – Officer Guidance and PH Decision – Timeline.  <a href="http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2FTemplates%20and%20Forms&amp;FolderCTID=0x012000C990015FAD2BBD4D8D6DBC9CAE03911&amp;View=%7B8E3311E3%2D1A55%2D48AE%2D91C5%2DF86E41D6816D%7D">http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2FTemplates%20and%20Forms&amp;FolderCTID=0x012000C990015FAD2BBD4D8D6DBC9CAE03911&amp;View=%7B8E3311E3%2D1A55%2D48AE%2D91C5%2DF86E41D6816D%7D</a></li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>▪ The Council’s Constitution deems that the decision is a “key decision” and, therefore, it should be taken by the Cabinet.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A resolution of Cabinet</li> </ul> <p>NB – It is anticipated that High Risk or High Impact contracts will be considered by Cabinet where there is a cross-cutting benefit and/or implication of the award of the contract that could affect more than one portfolio.</p>
Council	<ul style="list-style-type: none"> <li>▪ The Council’s Constitution reserves the power to full Council.</li> </ul>	<ul style="list-style-type: none"> <li>▪ A resolution of Council</li> </ul> <p>NB – Council is only likely to be required to approve to award contracts where there are far-reaching benefits and/or implications to making a decision (e.g. redevelopment agreements etc.)</p>

- 2 In accordance with the Council’s Constitution, where there is any doubt as to who is the appropriate decision maker, the advice should be sought of any officer from the commissioning and procurement team or the Monitoring Officer.

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## **SECTION EIGHT** **CONSULTANTS**

The engagement of a consultant is classified as the commissioning and procurement of a service and should follow that process, there is some additional guidance below that should also be followed when commissioning and procuring consultants.

### **Consultancy brief**

- 1 The engagement of a Consultant shall follow the agreement of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a contract of appointment.
- 2 No consultant shall be engaged unless:
  - 2.1 specialist expertise is not available from in-house sources;
  - 2.2 there is a lack of in-house capacity to undertake the project;
  - 2.3 the in-house proposal is not competitive; or
  - 2.4 An independent opinion is required.

### **The selection and appointment of consultants to provide services**

- 3 Consultant architects, engineers, surveyors, project managers and other professional consultants shall be commissioned and procured in accordance with the procedures detailed within these Standing Orders and as outlined below.
- 4 The number of quotations or tenders required in respect of consultancy contracts shall be as detailed in Section 5 – Quotation Table for Contract Values of up to and including £74,999; or Section 9 – Tendering Table for Contract Values of £75,000 and above.
- 5 Officers must always, before seeking quotations or tenders, prepare a detailed brief or specification with the contract terms. The specification must include:
  - a. The outcomes to be achieved by the consultants including significant stages, milestones, reports, etc.
  - b. The basis on which the consultant can charge (e.g. payment when a particular stage is completed).
  - c. When payments are due.
  - d. If expenses or additional disbursements may be charged or if these must be included in tendered/quoted charges.
  - e. If there is an option to extend the contract after the initial period, (this must be taken into consideration when determining the contract value).
  - f. Agreed process and charges for variations to the contract. This is particularly important where the appointment is likely to be for a long period of time.
  - g. A request to provide evidence of the required insurances, in particular access the risk associated with the work to ensure the value of

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professional indemnity insurance cover requested as standard is sufficient for the service being provided. (See also items 10 & 11.)

- h. A request for the consultant to provide a copy of their Business Continuity Plan/Disaster Recovery Plan. This should detail the arrangements the consultant has in place to overcome any disasters to their workplace (e.g. fire or flood) so that work they have done for you is protected and they can quickly carry on delivering the service. In addition you may want to ensure they have sufficient arrangements in place to cover any absences due to illness or staff resignations, to ensure the consultant will be able to continue to provide the service.

6 Officers must not permit consultants to:

- a. Prepare their own brief (or be invited to quote or tender on terms so vague that this is in effect what is happening)
- b. Produce their own contract terms, unless
  - these are standard terms prescribed by a professional body and agreed with by any officer of the commissioning and procurement team;
  - The value of the contract is below £25,000 **and** the officer has reviewed the terms **and** this has been approved by a member of the commissioning & procurement team.
- c. Be engaged on a payment by time basis; unless:
  - i. it is the custom in the profession for payment for that kind of work to be on a time basis, or;
  - ii. a quotation for the work cannot be obtained in any other way;

In these cases, an upper financial limit should always be set on the sum payable and there should be arrangements in place to manage and control amounts spent and the commissioning of additional work.

7 Officers must make sound arrangements to monitor performance, control costs and ensure that any changes in instructions are properly agreed and recorded in writing (see Section 14). This is particularly important where the appointment is likely to be for a long period of time or to develop a project, rather than to deliver a single goal to a predetermined programme. If extra work is to be agreed, this is an extension and the agreement must comply with the Financial Regulations and these Standing Orders regarding extensions and EU procurement rules relating to aggregation.

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## **Application of Financial Regulations and Procurement Standing Orders to consultant's who act on the Council's behalf**

8 If the Council engages anyone who is not a Council officer to procure or to supervise a contract on its behalf, the contract with that person must require them to comply with these Standing Orders and the Council's Financial Regulations as if they were an officer of the Council.

## **Insurances**

9 A consultant must be required to produce evidence of satisfactory employers and public liability insurance.

10 The consultant must produce satisfactory evidence of professional indemnity insurance unless;

10.1 such insurance is not available in the insurance market;

10.2 the consultant will already have been required to demonstrate such cover as part of their annual or periodic certification process with their professional organisation;

10.3 the nature of the appointment is such that there is no risk to which the Council will be exposed;

10.4 The consultant will be covered by the Council's own insurance arrangements (as may be the case for some locum and similar appointments) and this has been cleared in writing by Section 151 Officer.

11 The amount and terms of the consultant's insurance covers shall be to the satisfaction of the Insurance & Risk Lead Officer. The consultant must not be allowed to recharge the cost of his or her professional indemnity insurance to the Council.

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## SECTION NINE

### TENDERING TABLE FOR CONTRACT VALUES OF £75,000 AND ABOVE

Value	Requirements	Process
Supplies, Services or Works From £75,000 up to EU threshold	<ul style="list-style-type: none"> <li>▪ A fully completed and signed Tender Requisition Form (TRF) must be received by the Commissioning and Procurement Team before the tender can be advertised.</li> <li>▪ Tendering process to be complied with (see section ten onwards)</li> <li>▪ A Procurement Report must be obtained from Procurement to be attached to your certificate or ODRS prior to approval.</li> <li>▪ The contract must be signed by both parties before the contract commences.</li> <li>▪ Details of contracts must be entered on to the contract register.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assistant Director to approve award of contract up to and including £250,000 by signing a contract award certificate up to £74,999 or an Officer Decision Record Sheet (ODRS) over £75,000.</li> <li>▪ Chief Officer to approve award of contract up to and including £500,000 by signing a contract award certificate or ODRS.</li> <li>▪ All contract values above £500,000 will require a PH Decision (unless delegated authority has been given by Cabinet or via a PH Decision).</li> <li>▪ A purchase order must be raised through the Agresso finance system for the services, supplies or works</li> </ul>
EU threshold and above	<ul style="list-style-type: none"> <li>▪ A fully completed and signed Tender Requisition Form (TRF) must be received by the Commissioning and Procurement Team before the tender can be advertised.</li> <li>▪ Tendering process to be complied with (see section ten onwards)</li> <li>▪ A Procurement Report must be obtained from Procurement to be attached to your certificate or ODRS prior to approval.</li> <li>▪ The contract must be signed by both parties before the contract commences.</li> <li>▪ Details of contracts must be entered on to the contract register.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Assistant Director to approve award of contract up to and including £250,000 by signing a contract award certificate. up to £74,999K or an Officer Decision Record Sheet (ODRS) over £75,000</li> <li>▪ Chief Officer to approve award of contract up to and including £500,000 by signing a contract award certificate.</li> <li>▪ All contract values above £500,000 will require a PH Decision (unless delegated authority has been given by Cabinet or via a PH Decision).</li> <li>▪ A purchase order must be raised through the Agresso finance system for the services, supplies or works</li> </ul>



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<p>Using framework agreements for a value of £100,000 and over, including OJEU values</p>	<ul style="list-style-type: none"> <li>• A fully completed and signed Tender Requisition Form (TRF) must be received by the Commissioning and Procurement Team</li> <li>• The terms and conditions of using the framework must be complied with.</li> <li>• Direct awards (if allowed by the framework) must be also approved by an officer in the commissioning &amp; procurement team.</li> <li>• The mini-competition process of the framework must be complied with</li> <li>• The contract must be signed by both parties before the contract commences.</li> <li>• Details of contracts must be entered on to the contract register.</li> </ul>	<p>Approval process to be same as non-framework contract values.</p>
<p>Collaborative Procurements</p>	<ul style="list-style-type: none"> <li>▪ Approval to collaborate on procurements to be approved by any officer of the procurement team</li> <li>▪ Tenders must be advertised in accordance with the rules of the lead authority.</li> <li>▪ Details of contracts must be entered on to the contract register of the lead authority.</li> </ul>	<p>Approval process for each authority to be as per the rules for that authority.</p>

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## **SECTION TEN** **GUIDANCE ON WRITING A SPECIFICATION**

### **1. Introduction**

Give a brief introduction to the Council, an outline of the Department's role and the main functions carried out.

### **2. Background**

Provide some background information to help tenderers see the requirements in context. Subjects to cover can include an overview of business objectives, national strategies, guidance/frameworks, surveys carried out or previous results that are relevant to the contract. If there are any minimum requirements then this should be made clear here.

### **3. Contract Period**

Consider the duration of the contract. The contract period should ensure that the department achieves the maximum return on their investment.

- Longer term contracts will give the contractor more certainty in relation to the investment and should secure better value for money than short term contracts.
- Consultancy contracts may be viewed as short term requirements initially, but it may be prudent to include an option to extend should the outcome result in additional work being required.
- Annual optional extensions for recurring contracts should only be included where there are uncertainties in funding.

### **4. Scope of the Contract**

This will provide tenderers with the broad scope of the contract and should cover what is included and excluded. This should be a general description to set the contract into context.

### **5. Detailed Requirements**

This section sets out the detailed requirements the tenderer is required to meet. You will need to define exactly what the tenderers need to know in order to deliver the right goods or services at the right time, in the right place, in the right quantity and at the right price. (e.g. volumes; timescales; deliverables, quality expected; reporting structures; resources available from the contracting authority; governance arrangements; requirements for contingencies/business continuity; etc.)

The requirements may be split into two forms as described below 'Functional' and 'Performance' and dependent upon the requirements, they may both be used or stand alone.

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## 5.1 Functional Requirements

These requirements define the task or desired result by focusing on what is to be achieved, rather than by describing the way it is to be achieved. This challenges tenderers to use their skills and develop smart, creative solutions.

Specifying requirements in terms of outcomes, outputs or functions gives potential tenderers the opportunity to propose innovative solutions (or simply be more creative in their proposals), and also means the responsibility for ensuring the solution meets the requirement rests with the tenderer rather than the Department.

- Use the information you have gathered in your research to shape your requirements.
- Be aware of any legislation that will apply to the contract
- Incorporate any Council policies or strategies that apply, e.g. business continuity, sustainability, safeguarding, etc. (see Appendix 2).
- Be realistic about what your budget can afford.
- Consider the range of providers, both large and small, who could provide the service.
- If your level 2 business continuity plan has identified any critical functions that are delivered by an external service provider, you must ensure that a robust business continuity plan is requested in your specification as part of the tender return, this can either be as a minimum requirement, or preferably is evaluated as part of the tender evaluation and then included as part of the contractual documentation.

Use a heading structure that subdivides the requirement into logical areas that map onto the evaluation model which will set out the criteria by which all tender responses will be assessed. The outputs should also be clearly linked to the payment profile/schedule.

## 5.2 Performance Requirements

These requirements detail the performance required of the solution by setting out details of inputs and outputs. Example performance measures are:

- throughput – the volume of inputs that can be handled within a specified time;
- accuracy – the number of outputs that are error free (usually expressed as a percentage);
- Availability – the time the solution is able to be used as a percentage of the time it is supposed to be able to be used.
- Standards – compliance with/performance to the relevant European Standards (or equivalent)

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## 5.3 Mandatory Requirements

Some requirements may be considered to be mandatory and this section should also be used to clearly detail any such requirements. These must be considered to be essential to the contract and should not discriminate unfairly because tenderers can be rejected for failing to meet them.

- Within this section, Departments may also wish to consider requirements around:
- Hours of Service/Delivery - The Department should consider what hours of service may be required e.g. Mon-Fri 9.-5pm, Public Holidays etc. and ensure specific delivery times, locations and turnaround times are specified where relevant.
- Security of data – If data will be collected, stored or used by the Contractors, then data security requirements should be outlined, so that clear obligations may be placed on the processor:
  - The subject matter and duration of the process;
  - The nature and purpose of processing;
  - The type of personal data and categories of data subjects; and
  - The obligations and rights of the controller.
- The terms and conditions cover GDPR and there is a schedule in the tender response document for tenderers to complete regarding the tenderers processing for GDPR
- Exit Strategy - Consideration should be given to whether an exit strategy is required for when the contract comes to an end and a new contractor is appointed. This will be particularly relevant if data is held by the contractor.
- Relevant experience of providing this type of service during the last three years.
- If an external company is already providing this service, then TUPE may apply and you will need to seek further advice from legal services

If an external company is already providing this service, then TUPE may apply and you will need to seek further advice from legal services

## 5.4 Timescales/Timetable

If it is essential that the required Service is delivered to particular timescales or key stages completed by certain dates, then this information should be provided.

In addition you can ask them to provide a project plan showing key milestones against timescales in the tender response.

## 6. Contract Management, Service Levels and Key Performance Indicators (KPIs)

You must be clear about what type of contract reports the Council requires back and the frequency of meetings/update reviews that are required. DBCs Standing orders state that Contract Managers should meet with contractors/suppliers at least once a quarter. Some contracts may need more frequent meetings, e.g. every month, others

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may benefit from monthly meetings at the start of the contract term and then change to quarterly.

Whether in terms of quality or in terms of timeliness, service levels and Key Performance Indicators (KPIs) should be included in a specification. You must be able to measure the contractor's performance delivery and the specification must provide information of any service levels and/or KPIs that the contractor will be monitored against. The frequency of the monitoring must also be included to ensure a robust management regime.

Some service levels and KPIs are easily defined by reference to existing operations, SLAs etc. Where this is not the case, they need to be defined with users and can be informed by benchmarking information. It is important to set any performance measures at the right level:

- too high and they can be costly: the cost of meeting the higher performance level can be higher than the additional benefit obtained; and
- Too low and users' expectations will not be met, and there may be a detrimental effect on the business.

KPIs should be clearly linked to the specification and payment regime to allow performance failure to be tracked and reflected in payment abatement.

The service levels and KPIs which will be monitored should be outlined in the Monitoring Schedule.

## 7. Prices & Payment

Tenderers will be asked to include all their prices in the pricing schedule in the Tender Response document, so this section should set out any rules for the prices they charge, how this needs to be shown in the schedule; and when they can expect to receive payment. You should consider the following elements:

- Is pricing to be firm for the whole of the contract period, or will they be permitted increases at any point during the contract term;
- All prices and hourly rates in the tender submission should include all travelling costs, subsistence and expenses;
- Frequency of payment – should this be on regular basis or will this be triggered by satisfactory completion of key stages of the work.

The Councils standard payment terms (30 days from invoice date) will be included in the terms and conditions of contract.

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## 8. Business Continuity Plans & Disaster Recover Plans

Is this a service that has been identified as a critical function in your level 2 Business Continuity Plan?

- If YES then you need to specify, request and score the tenderers Business Continuity Plan (BCP) as part of the evaluation process.
- If NO then still consider the benefits of asking for their BCP to ensure they have plans in place to guarantee continuity of the service should their business be affected by fire or flood.

## 9. Social Value

The Council is obliged to consider including Social Value in contracts that exceed the EU threshold (£181,000). This can include Social, Environmental or Economic benefits for the local community.

If you identify a specific social value in the commissioning process you can embed this requirement in the contract specification, alternatively you can ask tenderers to put forward their own social value in their tender response which you can score as part of the evaluation.

## 10. Other Matters

The following matters should be included if relevant to the contract. These have only been listed as bullet points, so you will need to contact the relevant departments (in brackets) for each if you need further advice:

- Sustainability & Environmental (Finance)
- Safeguarding – if the service will involve the supplier being in contact with vulnerable adults or children then this should be made clear in the detailed requirements and DBS checks will be required (Human Resources)
- TUPE – ask the current supplier if TUPE applies, if yes then you will need to make this clear in both the contract notice and the tender specification. Ensure that further time is factored into your tender timetable to allow for requests for TUPE information form tenderers and to allow the existing supplier to consult with their staff, contact HR for further advice.
- Are there any specific health & safety implications (H & S Officer)
- Risk Management Assessments (Insurance)
- Equality Impact Assessments (Human Resources)
- Works contracts – have CDM regulations been taken account of (Procurement)
- Software contracts – have you consulted with the ICT – Group Manager to discuss your requirements
- Consultant contracts – consider the need to build in extensions to contracts, should additional similar work be requirement following the original contract, or appearance at public enquiries.

## APPENDIX A

### CHANGES THAT CAN OCCUR DURING THE LIFETIME OF A CONTRACT

To try and identify some changes that might occur during the lifetime of a contract here are some questions you may wish to consider:

- 1. Careful thought should be given to the duration of the contract.** Is there a possibility the contract may need to be extended? In construction or professional services contracts, it may sometimes be desirable to retain the professionals for a short period following completion of the building or consultancy work for additional advice or pieces of work, and this needs to be taken account of in the period of the contract that is specified.
- 2. Is there a possibility the value of the contract will either increase or decrease** (e.g. more money becomes available in a monitoring round or new users come online which results in a greater than anticipated spend or budget reductions result in a lower than anticipated spend)?
- 3. Will the contract prices need to be adjusted in line with a price index such as the Consumer Price Index (CPI)?** Consider this as part of the specification and use a relevant index.
- 4. Is there a likelihood that legislation may change or that minor changes may need to be made?** There are clauses in the standard Terms and Conditions of Contract which cater for changes in law, there is also a Change control procedure which will allow for minor (mutually agreed) changes to the contract.
- 5. How can the contract be future proofed to cater for changes to technology?** Have you considered hardware and software refresh needs (e.g. future releases and developments and interoperability with other IT systems)? Pre-market engagement might help identify new technologies which may become available further down the line.
- 6. How, during the lifetime of the contract, can innovation and continuous improvement be encouraged to identify better ways of doing things** (e.g. through gain/profit share). Pre-market engagement might assist with this. The contract could include a requirement that during year X there will be a meeting between the contractor and the client to identify cost savings across the remainder of the period.

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## **SECTION ELEVEN.** **TENDERING RULES**

1. The way the Council conducts its procurement activities will depend on both the value and the legislation that applies.  
Although tenders that are below the OJEU thresholds need not comply with the Public Contracts Regulations 2015, the principles of the Regulations with regards to openness, transparency and equal treatment still apply to all tendering activities of the Council, regardless of the value. In all circumstances officers are required to consult the commissioning and procurement team before any activity has commenced. The commissioning and procurement team will advise on the most appropriate route for the supplies, services or works to be tendered and on the timescales required.

Where supplies, services or works are included under a corporate contract then under no circumstances shall other arrangements be entered into without the prior consent of the commissioning and procurement team.

The commissioning and procurement team will carry out all procurement activities for contracts valued at £75,000 and above, unless the Group Manager Procurement & Contracted Services has agreed in writing to the tender being undertaken as a collaborative arrangement with another organisation undertaking the lead authority role.

### **2. Completion of a Tender Requisition Form**

Client officers will be required to fully complete a Tender Requisition Form (TRF) before the commissioning process commences using the standard form that is maintained by the Corporate Procurement Team (see Appendix 1). (When tendering for fleet vehicles a Corporate Fleet Application Form can be used instead of a TRF)

The TRF shall set out:

- 2.1 The requirement and award criteria
- 2.2 The rationale which may include a business case or options appraisals
- 2.3 details of any legal or workforce considerations, such as TUPE that need to be taken into account
- 2.4 For complex procurements (those which are very high value or have legal or workforce implications), the TRF must be signed by the proposed contract decision maker prior to commencing any tendering procedures.
- 2.5 Where material issues identified in the TRF impact upon the procurement (e.g. difficulties with the current service provision, etc.) then these matters shall be reflected in the tender documentation and tenderers will be required to address such matters in their tender submissions.

### **3. Using a Prior Information Notice (PIN)**

When is it appropriate to issue a Prior Information Notice (PIN)?

A PIN can be issued by the Council for the following situations:

- Issued at the beginning of a financial year, it can detail all the tenders (over EU thresholds) to be commenced over the financial year.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

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- Following the decision to authorise a programme of public works
- It may be useful in creating market interest for particular tender requirements and to collect information for your specification.

The following rules will apply when a PIN is used:

- A standard PIN form must be completed – you should contact the Procurement Team who will be able to guide you through the process.
- Using a PIN will reduce some of the minimum timescales

## 4. **Contract Notice / Public Notice**

All tender notice requirements can be accessed via the Council's e-tendering portal.

The following conditions will apply to each tender notice:

- The tender notice must be advertised via the Council's e-tendering portal
- All tender opportunities that are below the OJEU threshold must also be advertised on the Contracts Finder website.
- Where the contract value exceeds the OJEU threshold, the tender notice must be published in the Official Journal of the European Union before it is made available on the portal or in Contracts Finder, and must comply with the requirements of EU legislation

It is the responsibility of potential bidders to register on the Council's e-tendering portal; however, officers can inform potential bidders where the portal is located.

## 5. **Tendering Procedures**

The two most common methods of tendering are the open and the restricted procedures. Timescales will depend on the requirements of the tender. Tenders subject to EU legislation are subject to strict rules and minimum timescales.

## 6. **Open Tender**

This is a single stage tender process:

Following the issue of a contract notice, Invitation to Tender (ITT) documentation will be made available on the e-tendering portal for any interested supplier to view and download.

Any minimum requirements for tenderers must be stated in the contract notice and the ITT documentation. All bids must be submitted back to the Council via the e-tendering portal.

All tenders received must be evaluated unless they do not satisfy the minimum criteria, in which case they will be rejected and not scored.

## 7. **Restricted Tender**

This is a two stage tender process which can only be used on supplies and/or services tenders above the EU threshold. For works tenders a PAS91 should be used.

Stage one – following the issue of a contract notice a Supplier Selection Questionnaire (SSQ) will be made available on the e-tendering portal for any interested supplier to view and download. The purpose of a SSQ is to assess

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the resources and capability of suppliers to identify those who are most capable of performing the contract. There are restrictions as to the questions you can ask (and evaluate) in the SSQ – see section below on Selection Criteria.

Completed SQs will be evaluated against selection criteria and a number of the most capable suppliers will be selected to be included in the next stage.

Stage Two – Invitation to Tender (ITT) the selected suppliers (from stage one) will be sent an ITT.

All bids must be submitted back to the Council via the e-tendering portal.

All tenders must be evaluated in accordance with the Award Criteria stated in the ITT documents.

## **8. Other Procedures for tenders subject to EU legislation.**

Other tendering procedures can be used for tenders subject to the Public Contract Regulations 2015. These include the competitive procedure with negotiation and competitive dialogue. The Concession Contract Regulations 2016 can also be used for concession contracts (which has different thresholds). Any of these should only be used with the approval of the Group Manager – Procurement & Contracted Services or the Monitoring Officer.

## **9. Instructions to Tenderers**

All persons who request the tender documents must be provided with the same information and be subject to the same conditions. Any supplementary information must be given on the same basis.

## **10. Timescales for tender returns**

Where tender values are at EU thresholds or above, then the timescales specified in the Public Contract Regulations will apply.

For below EU threshold tenders, a minimum of three weeks should be allowed for the submission of tenders. Shorter timescales can only be permitted with the written approval of the Group Manager – Procurement & Contracted Services.

Tenderers must be given an adequate period of time to prepare a tender submission and the timescales for tender returns must be appropriate to the complexity of the tender requirements

Tender return dates may be extended (subject to the advice from an officer from commissioning and procurement) provided all tenderers are notified of the new return date and time.

## **11. Receipt of tenders (including Supplier Selection Questionnaires)**

All tenders must be submitted through the Council's e-tendering portal by the return date and time specified on the e-tendering portal.

Any tenders sent by e-mail or fax will not be accepted.

Any tender sent after the return date and time will automatically be rejected by the e-tendering portal.

It will be the responsibility of the tenderers to allow sufficient time to upload their tender submissions

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## 12. Selection Criteria and Award Criteria.

The commissioning and procurement team will be able to advise on suitable criteria and the rules surrounding these, however a brief explanation of each is given below.

## 13. Selection Criteria.

Selection criteria are used at the SSQ stage. The criteria and how it will be scored must be stated clearly in the SSQ documentation. Any questions asked (and included in the scoring) must be in relation to their:

- economic & financial standing – see Financial vetting below
- technical & professional ability
- criteria for rejection

## 14. Evaluation Criteria

The majority of tenders are evaluated on the Most Economically Advantageous Tender (MEAT). This is a mixture of the criteria which can include: price, quality, technical merit, Technical ability, aesthetic & functional characteristics, environmental characteristics, running costs, cost effectiveness, after sales service, technical assistance, delivery date, delivery period and period of completion.

Price should always be evaluated on a whole life cost basis

The criteria must be linked to the subject matter of the contract and the weighting should be proportionate and must be stated in the tender documents with the corresponding scoring.

When using the open procedure is it also acceptable to state some minimum criteria (on a pass/fail basis) regarding the tenderers previous experience or technical skills/qualifications.

## 15. Financial vetting

15.1 In accordance with Financial Regulations, the Section 151 Officer's procedures in relation to Financial Vetting shall apply to tender exercises above £75,000 or where deemed necessary by the Council's Commissioning and Procurement Team or the Council's Financial Services Team.

15.2 For a single stage tender process (open tender) the Council will always carry out a financial appraisal on the winning bidder prior to obtaining formal approval to award the contract.

15.3 For a two stage tender process (restricted tender) the Council will carry out a financial appraisal on all bidders who submit a Standard Selection Questionnaire (SQ) or a PAS 91 Pre-Qualification Questionnaire (PQQ). The Council may also choose to carry out further financial vetting on the winning bidder prior to obtaining formal award. This decision will rest with the Council Section 151 Officer.

15.4 Where an assessment has been carried out in accordance with the Financial Vetting Procedure, proper advice shall be taken from the

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Section 151 Officer or Group Manager of Financial Services as to the level and scale of securities such as:

15.4.1 Bonds

15.4.2 Parent company guarantees

15.4.3 Deposits

15.4.4 Guarantees

## 16. Insurances

All potential contractors should be required to produce evidence of insurance,

15.1 Employers liability,

15.2 Public liability,

15.3 Professional Indemnity (professional negligence)

15.4 Bonds etc.

15.5 Products cover

To such standards as may be prescribed the Section 151 Officer or Insurance & Risk Manager and the required values are set out in Appendix Eleven.

## 17. Opening of Tenders

The e-tendering portal will only allow for tender returns to be opened once the tender return date has closed for bidders.

## 18. Acceptance and evaluation of tenders

17.1 Where the minimum number of tenders to be invited has not been received (Restricted procedure only) written agreement to proceed to the evaluation of the tenders must be obtained by any officer of the procurement team.

17.2 All arithmetic in compliant Tenders must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm or withdraw their Tender.

17.3 In the event that post tender submission clarifications are required, advice should be obtained by any officer from the procurement team prior to providing any clarifications via the e-tendering portal.

17.4 Tenders must be evaluated and awarded in accordance with the evaluation criteria. During this process, Officers shall ensure that the tender price of the highest scoring tenderer is within the budget allocated, prior to obtaining approval for award.

## 19. Notifying tenderers on the outcome of the tender exercise and De-brief on the tender scoring.

18.1 Written approval in the form of a signed 'Award Certificate', an Officer Decision Record Sheet (ODRS) published on 'Modern Gov' or a signed 'PH Decision Sheet' must be in place before notifying tenderers on the outcome of a tender exercise.

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- 18.2 Both successful and unsuccessful tenderers must be notified simultaneously via the e-tendering portal, as soon as possible after the decision to accept the winning tender has been approved. Contract award notification template letters are available from the commissioning and procurement team.
- 18.3 If the tender is subject to Public Contract Regulations - a 'standstill' period' (also known as the Alcatel period) will apply, during which unsuccessful tenderers may challenge the decision. The standstill period timescale will be a minimum of ten consecutive days which will commence on the next working date after the tenderers are notified and will end ten days later unless the tenth day is not a working day in which case the last standstill day will be the next working day.
- 18.4 If a decision is challenged by an unsuccessful tenderer during the standstill period then the contract must not be entered into and the Officer must immediately seek the advice of the Group Manager - Procurement & Contracted Services.
- 18.5 The de-brief letter sent to each unsuccessful bidder must show for each of the award criteria the score of the winning bid, the score of the unsuccessful tenderer and notes on how the unsuccessful tender submission compared to the characteristics and relative advantages of the winning bid. No other information should be given without the advice of the Group Manager Procurement & Contracted Services.
- 20. Award Notice for:  
Contracts over EU thresholds**  
As soon as the contract has been signed it is a mandatory requirement to submit an award notice which will appear in the Official Journal of the European Union (OJEU) and the e-tendering portal. The award notice must be completed through the e-tendering portal.
- 21. Under EU thresholds**  
For below EU threshold contracts, the submission of an award notice must be undertaken on the e-tendering portal and published on Contracts Finder.
- 22. Records to be maintained**
- 21.1 Pre-tender information including: market research and any consultation information, business cases, options appraisals and reports including reports obtained from any external organisations e.g. consultants.
- 21.2 The Tender Requisition Form
- 21.3 All tenders projects must be archived on the e-tendering portal and all tender communications and decisions records maintained by the commissioning and procurement team and made available for inspection by the Section 151 and Monitoring Officers for the greater of:  
21.3.1 Such timescale that is prescribed by law, or

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21.3.2 A minimum period of six years plus the current financial year, or  
21.3.3 Such period as is prescribed by the Council's Document Retention Procedure.

21.4 Records to be maintained for all tenders:

21.4.1 All pre-qualification questionnaire documentation and all tender documentation made available to the tenderers

21.4.2 All communications regarding clarification on SSQ and tender documentation from the potential tenderers.

21.4.3 All tender submissions

21.4.4 Evaluation documentation which must include the award criteria, the evaluation matrix, scores awarded to each tenderers against each criteria and the corresponding reasons for each score.

21.4.5 Award Decision (e.g. the contract award certificate, ODRS or the PH Decision Sheet) and the reasons for it

21.4.6 Any tendering exceptions together with the reasons for it

21.4.7 All tender clarification communications

21.4.8 The signed contract documents

21.4.9 All contract monitoring documentation during the contract period.

## 23. Framework Agreements

A 'framework agreement' is 'an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.'

## 24. Using another organisations framework agreement

A framework agreement can only be used providing the following criteria are satisfied:

- The Council is legally entitled to use the framework contract.
- The goods, services or works to be procured must properly fall within the framework contract.
- The framework contract must comply with EU legislation (where these apply) and meet these Standing Orders
- Unless a direct award is permitted under the framework; a further mini-competition process must be run which must include inviting all the suppliers on the framework for the goods, services or works required. This is sometimes referred to as a 'mini-tender' competition
- The terms and conditions of the framework will apply.
- The award criteria stated in the framework contract must be used to evaluate any tender submissions.

## 25. Tendering for a framework agreement

- The term of a framework must not exceed four years except in exceptional circumstances.
- The framework must comply with the Public Contract Regulations 2015 and these Standing Orders.

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- A framework agreement may be awarded to one provider; however, when it is decided to award to more than one provider on a multi-supplier framework this must be a minimum of two.
- The tender advert must clearly state all of the public sector organisations which will be able to access the framework contract.

## **26. Collaborative Contracts**

These are contracts involving procurement with one or more public sector bodies.

25.1 In order to secure value for money, the Council may enter into collaborative procurement arrangements. The Officer must take advice from the Group Manager Procurement & Contracted Services where procurement is to be made using collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium.

25.2 Any contracts entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the leading organisation will be deemed to comply with these Standing Orders and no exemption is required. However, where such a situation occurs, the written advice of the Group Manager Procurement & Contracted Services must have been taken prior to letting a contract or granting an extension.

## **27. Extensions to Existing Contracts**

A contract can only be extended if the option to extend has been allowed for within the terms of the existing contract, for the period specified, and where it is in the Council's interests to extend the arrangement on same terms and pricing as in the initial contract period.

26.1 Any extension must be:

26.1.1 fully documented

26.1.2 subject to a written report to be submitted to the Group Manager Procurement & Contracted Services; which shall include reasons for the extension

26.1.3 Subject to approval by the Officer with the relevant authority who shall record that they have considered the reasons for the extension and that they are satisfied that the circumstances justifying the extension are in the interests of the Council.

26.1.4 subject to the EU procurement rules and, in particular, the maximum duration of framework agreements and the aggregations rules. A contract extension cannot operate in breach of EU law.

In the event that the Officer with the relevant authority believes that the proposed extension is a "key decision", then full consideration must be given to whether the decision to extend the contract needs to be referred to the Portfolio Holder or Cabinet as may be appropriate under the circumstances.

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## 28. Starting work

- 27.1 the Supplier/Contractor must not be allowed to start on a contract until all the contract documentation is in place and the Supplier/Contractor and the Council has signed it or the contract has been executed if under seal.



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## SECTION TWELVE TENDERING EXCEPTIONS

These tendering exceptions do not apply to contract values of EU threshold and above unless it is specifically stated. A contract award certificate, or Officer Decision Record Sheet will need to be produced for any contract awarded using a tendering exception. Only members of the commissioning and procurement team can authorise the use of these exceptions.

- 1 Framework agreements that have already been awarded by other public sector bodies can be used by the Council provided such use is permitted by that Contract's terms and conditions and subject to the approval of any officer from the procurement team. Provided that the tendering of the framework has complied with the Public Contract Regulations 2015, then this exception can be used for values over the EU threshold
- 2 Tenders may also be dispensed with where the proposed contract genuinely falls within one of the following exceptions:
  - 2.1 Quotations up to and including £74,999 in respect of supplies, services or works. Quotation procedures must comply with Sections 5 & 6 of the Procurement Standing orders. In any event, the placing of an order must be carried out in accordance with the Council's Financial Regulations.
  - 2.2 Urgent supplies, services or works as necessary for the protection of life or property or to maintain the functioning of a public service for which the Council is responsible (or if there are a number of public service implications that also include any responsibility of Hertfordshire County Council). A record of the supplies, services or works together with the nature of the urgency must be passed to the Group Manager – Procurement & Contracted Services within five working days of the decision being taken.
  - 2.3 Where supplies, services or works are available from Hertfordshire County Council or other public sector authorities under collaborative procurement arrangements. Provided that the tendering of the arrangement has complied with the Public Contract Regulations 2015, then this exception can be used for values over the EU threshold
  - 2.4 Supplies, services or works for:
    - the repair or enhancement of existing proprietary machinery, plant or equipment;
    - Software maintenance;
    - Supplies, Services or works from government departments, government owned companies, public sector organisations and non-departmental public bodies ( or similar organisations -this is not an exhaustive list);
    - Where there is no other reasonable alternative supplier.

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- 2.5 Cabinet Portfolio Holder (or officer approval if there is a delegated authority in place) approval has been obtained to extend an existing contract (subject to the existing Contract being capable of such an extension). If the original contract was tendered in accordance with EU legislation, then this exception can be used for values over the EU threshold

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## **SECTION THIRTEEN** **CONTRACT MANAGEMENT**

The two embedded documents below are guidance on contract management and supplier relationship management, they should be read in conjunction with this section 13 of the standing orders.



Contract  
Management Guide



Supplier  
Relationship Manag

### **1. Managing contracts**

- 1.1 It is the responsibility of Corporate Directors to ensure that any non-corporate contracts that are awarded from within their Directorates budgets have appropriate management arrangements in place for monitoring performance, cost control and compliance with the contract.
- 1.2 Corporate Directors, Assistant Directors or Group Managers shall provide the name of the contract manager for contracts and this shall be documented in the Council's Contract Register.

### **2. Contract Officer Responsibilities**

- 2.1 Contract Officers must
  - Understand the content, processes and deliverables of the contract.
  - Ensure that good communication exists between the contractor and DBC.
  - Ensure that the supplier delivers the service according to the contract.
  - Ensure that the suppliers maintain all insurances and policies required by the contract
  - Monitor supplier performance and standards of delivery of the service.
  - Undertake regular reviews of performance with stakeholders.
  - Monitor the financial stability of the contractor or supplier and that, if required, suitable bonds or PCG are in place.
  - Manage negotiations regarding changes to the contract to deliver further savings and value for money.
  - Ensure risks are identified and contingency plans are in place.
  - Ensure payments are made according to the contract and delivery of service.
  - Prepare an exit strategy for contract end.

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## 3. Contract Register

- 3.1 All contracts that are valued at £5,000 and above shall be recorded in the Council's Contract Register which shall be maintained by the procurement team.

## 4. Risk registers

- 4.1 For all key Council contracts and contracts with a value above the EU threshold, contract managers must:
  - 4.2 Maintain a risk register during the contract period
  - 4.3 Undertake appropriate risk assessments
  - 4.4 For identified risks ensure contingency measures are in place.
  - 4.5 The threshold set out in clause 4.1 may be reduced by the Group Manager Procurement & Contracted Services to any other contract where he considers that risk registers should be in place.

## 5. Contract monitoring and review

- 5.1 All key Council contracts or contracts which have a value above the EU threshold are to be subject to monthly formal review meeting between the contract manager and the contractor. The review may be conducted quarterly if permitted by the Group Manager Procurement & Contracted Services. The meetings held between the Council and the contractor should be documented and recorded as formal meeting minutes and/or action notes.
- 5.2 During the life of any contract, the contract manager must monitor, record and report on any key performance indicators that are specified in contract in addition to the following areas:
  - 5.2.1 Performance
  - 5.2.2 Compliance with specification and contract cost
  - 5.2.3 Any 'value for money' requirements
  - 5.2.4 User satisfaction and risk management.
- 5.3 For all key Council contracts or contracts with a value above the EU threshold, a quarterly report (or more frequent if desired) must be submitted to the Group Manager Procurement & Contracted Services for reporting to the Performance Board.

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## 6. Contract variation and negotiation

- 6.1 Negotiation and managing change over the life of a contract is integral to the contract manager's role however,
- 6.1.1 Negotiation is prohibited on price between award and mobilisation of a contract of OJEU threshold level and above.
- 6.2 The Group Manager Procurement & Contracted Services must be consulted where the proposed changes to an existing contract
- Add to or expand the scope of the contract to include services not originally covered.
  - Introduces criteria that would have allowed another supplier to bid and win the work.
  - It changes the economic balance of the contract in favour of the contractor in a manner which was not provided for in the terms of the initial contract.

## 7. Breach and protection against the consequences of failure by the contractor

Please note that this is not intended to be a comprehensive legal summary and any contractual action needs to be considered carefully with appropriate advice

- 7.1 In general all contracts will contain various clauses and methods for tackling poor performance with the contractor depending on value and strategic importance to the authority, including a formal dispute resolution process
- 7.2 Contract managers must work closely with Suppliers to ensure that the specified services are delivered and any problems are resolved as quickly as possible.
- 7.3 On a day to day basis the contract manager should alert the supplier to any failures of service and monitor changes put in place to ensure that there is a satisfactory resolution and processes put in place to prevent reoccurrence. If the failure continues then a more formal approach may be required as provided for in the contract.
- 7.4 If a contract manager considers that poor performance by the supplier can only be resolved through a formal contractual action they must first consult the Group Manager Procurement & Contracted Services for advice and support.
- 7.5 If the supplier has committed a default as defined in the contract and the default is capable of remediation then the Council may not cancel the contract without first operating a Remediation Plan process.

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- 7.6 The Remediation Plan process requires the supplier to submit a plan on how it is going to tackle the issues and rectify the situation. It must include how it is to be implemented and the timescales for the actions to be undertaken. After this process if the default continues or the supplier declines to submit a remediation plan the authority may terminate the contract.
- 7.7 The authority also can exercise Step in Rights if the situation constitutes an emergency. This action may only be taken after consultation with the Group Manager Procurement & Contracted Services
- 7.8 The contract will also provide for termination of the contract without default however costs will be payable to the supplier that cover the difference between the charges and costs of delivery of the services for the remainder of the term of the contract.

## 8. Contract Payment & Variation

- 8.1 Services and supplies contracts
  - 8.1.1 The appropriate Corporate Director, or an employee duly authorised, should check that the goods have been received and that the prices charged and any additions in respect of VAT are correct whereupon the invoice should be marked as checked and certified for payment by an employee duly authorised in that behalf.
- 8.2 Works contracts up to and including £100,000
  - 8.2.1 Payment may be made on production of invoices certified by an employee authorised by the appropriate Corporate Director. The names of employees so authorised must be sent to the Section 151 Officer together with specimen signatures and level of the authority of the employees so authorised. A contract manager may at his or her discretion require payment to be made only on certificate in accordance with clause 8.3.1 to 8.3.4 inclusive.
- 8.3 Works contracts above £100,000
  - 8.3.1 Payment may only be made on the appropriate contract manager's certificate in accordance with the terms and conditions of the contract.
  - 8.3.2 Each certificate shall state the value of the work executed to date, retention monies, amount paid to date, the amount now certified and any VAT applicable thereto.
  - 8.3.3 Each certificate shall be signed by the contract manager and, where such officer is not an employee of the Council, countersigned by the appropriate Corporate Director or an employee duly authorised in accordance with clause 8.2 above.

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8.3.4 Each duly signed payment certificate shall be despatched to Financial Services in sufficient time to enable payment to be made in accordance with the contract.

## 8.4 Variation orders / architect's instructions

8.5.1 Every variation on a works contract shall be authorised in writing by the contract manager.

8.5.2 The contract manager shall enter an estimate of the increase or reduction in cost arising out of the variation.

8.5.3 Variations on contracts where the original contract sum or approved budgetary expenditure was £10,000 or more must be reported to the appropriate contract decision maker if the variation necessitates an increase of £5,000 or 2% above the approved budget/contract sum whichever is the greater.

## 8.6 Construction Industry Scheme

8.6.1 Under the Income and Corporation Taxes Act 1988 as amended, any contractor working for the Council is deemed to be a sub-contractor and payments to him or her must be made after deduction of tax unless exempt. A schedule of exempt contractors is maintained by the Section 151 Officer who must be notified of any additions.

8.6.2 The contractor should be asked for production of a current exemption certificate or certifying document as appropriate showing that payments may be made without tax deduction.

8.6.3 The invoice or payment certificate must be marked to show:

8.6.3.1 The date of expiry of the exemption.

8.6.3.2 A split showing the value of labour and materials included in the payment.

8.6.4 The duly certified invoice or payment certificate should then be forwarded to Financial Services in sufficient time to enable payment to be made in accordance with the contract, and any tax to be deducted as appropriate.

## 8.7 Final certificates

8.6.1 Subject to the conditions of contract, the Section 151 Officer has the right to review a statement/final account, together with any supporting documentation relating to prime costs, provisional

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sums, additions, deletions and variations, before the final certificate is authorised for payment.

- 8.6.2 Statements/final accounts for all other contracts must be retained by the Group Manager of the procuring service and made available for inspection by the Section 151 Officer for a period of six years plus the current financial year.
- 8.6.3 The final ascertained cost of all building and construction works contracts shall be reported by the Section 151 Officer to the appropriate contract decision maker.



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## SECTION FOURTEEN APPENDICES

# COMMISSIONING & PROCUREMENT STANDING ORDERS

## APPENDIX ONE TENDER REQUISITION FORM (Version 5)

Question	Response	
<b>Tender name</b>		
<b>Corporate Procurement reference</b>		
<b>Client officer</b>	Name	Job Title
<b>Department / Team</b>		
<b>Type of requirement</b> ( <i>delete as appropriate</i> )	Services / Service & Supply/ Supply only / Supply & Works / Works	
<b>If a 'Service' - Has this been identified as a critical function in your level 2 Business Continuity Plan</b>	YES/NO If YES, then you must ensure that a robust business continuity plan is <b>requested</b> in your specification/tender response <b>and scored</b> as part of the tender evaluation. This can then be included in the contract document itself.	
<b>Proposed contract period</b>		
<b>Estimated contract value</b>	(e.g. annual value x years of contract)	
<b>Is this a new requirement?</b> <i>delete as appropriate</i>	YES NO, existing contract expires on:	
<b>Description of the contract requirement</b>		
<b>Tendering Procedure</b> <i>(delete as appropriate)</i>	Open / Restricted / Negotiated / Competitive dialogue / require advice	
Is Profession Indemnity Insurance required? (Threshold of £2 million?)	YES / NO	If a higher/lower value required – state value here.
Is any specialist insurance cover required? .	YES / NO	If YES, state here or include in specification.
Are there any specific health & safety implications arising from this procurement?	YES / NO. If YES, please state how these will be addressed	
If a works contract – have the CDM Regulations 2015 been taken into consideration	YES / NO. If YES state action required.	
Is Personal Data or Special Category Data is to be processed as part of the contract.	YES / NO/ Not Sure. If YES or you're not sure – complete the Data Protection Impact Assessment – Procurement Pack and send to the Information Security Manager.	
Works contracts only – VAT: domestic reverse charge for	<a href="https://www.gov.uk/guidance/vat-domestic-reverse-charge-for-building-and-construction-services">https://www.gov.uk/guidance/vat-domestic-reverse-charge-for-building-and-construction-services</a>	

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building and construction services	Please confirm that DBC will be classified as the end user: YES/No	
<b>Attach your specification documents and send to Procurement with this Tender Requisition Form</b> If tender is complex, involves TUPE or is politically sensitive - please provide additional documents including the Business Case, Options Appraisal, and Project Initiation Document		
<b>Who will manage the contract when awarded:</b>		
<b>Budget &amp; cost centres</b>	Annual budget	Cost Centre(s)
	Checked & approved by Finance	
<b>Assistant Director to confirm budget is available &amp; agree requirement is to be tendered</b>	Signed	Print Name
<b>Client Officer – signature</b>	Signed	Print Name

## Guidance for completing the Tender Requisition Form

Tender Name	This should be the title that the tender will be advertised under
Corporate Procurement Reference	Leave blank – a reference number will be allocated
Client Officer	Give name and job title of the officer leading the project
Type of Requirement	Select only one of the 5 options given
Service in your departments Level 2 Business Continuity Plan	If your <b>level 2 business continuity plan</b> has identified any critical functions that are delivered by an external service provider, you must ensure that a robust business continuity plan is requested in your specification and in the tender response documents. Your Group Manager will be able to advise if it applies for this particular service
Proposed contract Period	State the contract period and any options for extending the contract thereafter
Estimated contract value	This should be the aggregated value over the period of the contract and must include any extension options, e.g. : <ul style="list-style-type: none"> <li>• annual value x number of years (including any extension options)</li> <li>• Initial purchase value + maintenance value x number of years (including any extension options)</li> <li>• For feasibility studies - value of scheme or contracts which may be awarded as a result.</li> </ul>
Is this a new requirement?	Select YES or NO If no then give the expiry date of the present contract
Description of the contract requirement	Give a brief description of the goods, services or works that are required

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Tendering Procedure	Select one of the options, Procurement will be happy to advise
Professional indemnity insurance	This is normally required where a supplier would be giving us professional advice. The Councils standard cover required is £2 million. You should ask the Council's Insurance & Risk Officer for advice on cover for less or more than this.
Specialist Insurance	If you require any specialist insurance then please consult the Council's Insurance & Risk Officer for advice on the cover required.
Are there any specific health & safety implications	If YES, state how you will address these
If a works contract – have the CDM Regulations 2015 been taken into consideration	If YES state action required
Is Personal Data or Special Category Data is to be processed as part of the contract.	Link to Data Protection Impact Assessment – Procurement Pack below: <a href="http://dennis/Docs/_layouts/15/WopiFrame.aspx?sourcedoc=/Docs/Documents/Information%20Management%20and%20Security/GDPR/Privacy%20Impact%20Assessment/Data%20Protection%20Impact%20Assessment%20-%20Procurement%20Pack.docx&amp;action=default">http://dennis/Docs/_layouts/15/WopiFrame.aspx?sourcedoc=/Docs/Documents/Information%20Management%20and%20Security/GDPR/Privacy%20Impact%20Assessment/Data%20Protection%20Impact%20Assessment%20-%20Procurement%20Pack.docx&amp;action=default</a> Once completed you should send to the Information Security Officer who will be able to advise you on any requirements that will need to be included in your tender specification.
Attach your specification	Send to Procurement the specification, any draft evaluation criteria or other relevant documents for the tender process. If tender is complex, involves TUPE or is politically sensitive – you should provide the. Business Case, Options Appraisal, and Project Initiation Document
Who will manage the contract when awarded	State who will manage the contract, this person should also be involved in the tender and evaluation process.
Budget & Cost Centre Approval by Finance	Provide details of your available budget and the relevant cost centres. This will also need to be approved by your accountant in finance, <b>before</b> you send the form to Procurement
Assistant Director Signature	This is sign off from your Assistant Director that they are giving permission to tender the service/requirement
Client Officer Signature	This is your permission to proceed with the tender process.

**Timescales for tenders vary depending on complexity of the process, the approval process, TUPE transfer and lead- in times to contract. Please check with Procurement on the tender timescales.**

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## **APPENDIX TWO** **POLICIES, STRATEGIES & LEGISLATION.**

The following strategies, policies, legislation and documents must be considered during the commissioning process.

### Level One Corporate Business Continuity Plan

<http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2FResilience%2FService%20Level%20Business%20Continuity%20Plans>

### Public Services Social Value Act 2012

<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

The following policies can be found on DENNIS Policy & procedures:

<http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2Folicies%20%2d%20Procedures%20%2d%20Sustainability%20Tool%20Kit%2Folicies&FolderCTID=0x012000C990015FAD2BBD4D8D6DBCF9CAE03911>

- Policy Statement on Social Value
- Children & Young People Safeguarding Policy & Procedures 2018

### Corporate Plan

<http://www.dacorum.gov.uk/home/council-democracy/vision-priorities>

### Equality & Diversity Strategy (2018 – 2021)

<http://dennis/Docs/Documents/Employment%20Handbook/Employment%20Handbook/Section%2002%20-%20Equal%20Opportunities/Equality%20and%20Diversity%20Strategy.pdf>

### Sustainability

<http://www.dacorum.gov.uk/home/environment-street-care/climate-change>

### Bribery Act 2010

<http://www.legislation.gov.uk/ukpga/2010/23/contents>

### TUPE

<https://www.acas.org.uk/tupe>

### Health and Safety at Work

<http://www.hse.gov.uk/guidance/index.htm>

### The Construction (Design and Management) Regulations 2015

<http://www.legislation.gov.uk/ukSI/2015/51/contents/made>

### Financial Regulations

[http://www.dacorum.gov.uk/docs/default-source/council-democracy/finance-regs-review-july-2017-\(post-audit-committee\).pdf?sfvrsn=2](http://www.dacorum.gov.uk/docs/default-source/council-democracy/finance-regs-review-july-2017-(post-audit-committee).pdf?sfvrsn=2)

### Freedom of Information Act (Information Management & Security)

<http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2FInformation%20Management%20and%20Security%2FFreedom%20of%20Information%20Act%202000>

### National Procurement Strategy for Local Government in England 2018

<https://www.local.gov.uk/national-procurement-strategy>

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Guidance and templates for the following can be found on DENNIS in the Document Centre

- Community Impact Assessment
- Sustainability Impact Assessment

This is not an exhaustible list and other documents not listed here may be relevant to the particular service, supply or works you require.

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## APPENDIX THREE EUROPEAN UNION PROCUREMENT THRESHOLDS

The E.U. procurement rules apply where the value of the contract exceeds the relevant thresholds. The thresholds change on a regular basis and so it is important to check the current values with the commissioning & procurement team.

The thresholds, as at 1 January 2018 are:

Category	£ Sterling	Euro
Services	£181,302	€221,000
Supplies	£181,302	€221,000
Services (Light Touch)	£615,278	€750,000
Works	£4,551,413	€5,548,000
Concession Contracts	£4,551,413	€5,548,000

Please note that the thresholds are reviewed every two years and can go up as well as down: the next review is due in January 2020.

The Public Contracts Regulations 2015 (Statutory Instrument 2015 No. 102) were laid in Parliament on 5 February 2015 and came into force on 26 February 2015. The new public procurement rules apply to new procurement exercises commenced on or after 26 February, subject to a small number of exceptions listed in the Regulations.

The **Concession Contracts Regulations 2016** (“CCR 2016”) are in force from 18 April 2016 in relation to all in-scope **concessions** advertised in the OJEU on or after that date, whether by a **contracting** authority or by a utility. The CCR 2016 apply to over threshold public works **concessions** and public services **concessions**.

### **Leaving the European Union (BREXIT)**

In the event that the UK leaves the European Union without a deal, then the Public Contract Regulations (as and when updated) will take precedence over any previous EU legislation.

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## **APPENDIX FOUR** **TRANSPARENCY REQUIREMENTS**

The Local government transparency code 2015 can be found by clicking on the following link.

<https://www.gov.uk/government/publications/local-government-transparency-code-2015>

**All local authorities will be required to publish as minimum:**

**1. Details of all invitation to tenders for contracts to provide goods and/or services with a value that exceeds £5,000 on a quarterly basis.**

For each invitation the following details must be published:

- 1.1. reference number
- 1.2. title
- 1.3. description of the goods and/or services sought
- 1.4. start, end and review dates
- 1.5. Local authority department responsible.

**2. Details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreements with a value that exceeds £5,000 on a quarterly basis.**

For each contract the following details must be published:

- 2.1. reference number
- 2.2. title of agreement
- 2.3. local authority department responsible
- 2.4. description of the goods and/or services being provided
- 2.5. supplier name & details
- 2.6. sum to be paid over the length of the contract or the estimated annual Spending or budget for the contract
- 2.7. Start, end & review dates
- 2.8. whether or not the contract was the result of an invitation to quote or a published invitation to tender
- 2.9. Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

**3. Tenders and/or Invitations to Quote;**

Recommendation to place on Contracts Finder, as well as any other local portal every ITT or ITQ for goods and /or services over £10,000.

**4. There is some flexibility on how the above information can be published, it can be:**

- a) Published on a contract register; or
- b) The requirements can be met by publication of documents; e.g. contracts purchase orders, etc. that will include all the details required



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## 5. The following are discretionary recommendations:

### Local authorities are encouraged to:

- 5.1 It is recommended that local authorities place on Contracts Finder, as well as any other local portal, every invitation to tender or invitation to quote for contracts to provide goods and/or services with a value that exceeds £10,000. For each invitation, the details that should be published are the same as those set out in paragraph 1 above.
- 5.2 It is recommended that local authorities should go further than the minimum publication requirements and publish:
- information on a monthly instead of quarterly basis, or ideally, as soon as it is generated and therefore becomes available (commonly known as 'real-time' publication)
  - Every invitation to tender for contracts to provide goods and/or services with a value that exceeds £500 instead of £5,000. The details that should be published are the same as those set out in paragraph 1 above
  - Details of invitations to quote where there has not been a formal invitation to tender. The details that should be published are the same as those set out in paragraph 1 above
  - all contracts in their entirety where the value of the contract exceeds £5,000
  - company registration number at Companies House
  - Details of invitations to tender or invitations to quote that are likely to be issued in the next twelve months. The details that should be published are the same as those set out in paragraph 1 above
  - details of the geographical (e.g. by ward) coverage of contracts entered into by the local authority
  - details of performance against contractual key performance indicators, and
  - information disaggregated by voluntary and community sector category (e.g. whether it is registered with Companies House, Charity or Charitable Incorporated Organisation, Community Interest Company, Industrial and Provident Society, Housing Association, etc.).

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## APPENDIX FIVE

TERMS & CONDITIONS TO BE USED IN TENDER DOCUMENTATION.

Supplies: Please refer to the commissioning & procurement team for latest version of the terms & conditions for a supplies contract

Services: Please refer to the commissioning & procurement team for latest version of the terms & conditions for a services contract

Works: In accordance with the relevant JCT or NEC contract terms & conditions

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## APPENDIX SIX

### GLOSSARY OF TERMS

#### **Agent**

A person or organisation acting on behalf of the Council or on behalf of another organisation.

#### **Award criteria**

The criteria by which the successful Quotation or Tender is to be scored

#### **Award procedure**

The approval procedure for awarding a contract.

#### **Bond**

An insurance policy: if the contractor does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the bond (sometimes 10% of the contract value). A bond is intended to protect the Council against a level of cost arising from the contractor's failure.

#### **Cabinet**

The Council's Cabinet as defined in the Constitution.

#### **Section 151 Officer**

The Director of Finance & Corporate Services or such other Officer as may be designated the Section 151 Officer by the Council.

#### **Chief Officer**

The Officers defined as such in the Constitution. A Chief Officer is also known as a Director and, for the purposes of these Standing Orders, the Chief Executive is also a Chief Officer.

#### **Codes of Conduct**

The codes regulating the conduct of officers and Members.

#### **Committee**

A committee which has power to make decisions for the Council, for example a joint committee with another local authority, but not an Overview & Scrutiny Committee.

#### **Complex Procurement**

Tendering exercises that:

- Have a strategic impact upon the delivery of services,
- Are critical to the Council's reputation,
- Involve outsourcing significant functions where there are a number of disciplines involved, transfers of staffing, large annual payments and complexities that

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arise from the type of work or the condition the service is in when it is outsourced,

- Utilise the competitive dialogue or negotiated procedures.

## **Constitution**

The constitutional document approved by the Council which:

- allocates powers and responsibility within the Council and between it and others
- delegate's authority to act to the Cabinet, Committees, Portfolio Holders and Officers
- regulates the behaviour of individuals and groups through
- Rules of procedure, codes and protocols.

## **Consultant**

Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered who brings specialist skills or knowledge to the role, and where the Council has no ready access to employees with the skills, experience or capacity to undertake the work.

## **Contract**

The legally binding agreement to purchase or deliver services, supplies and works.

## **Contract or Client Officer**

The Officer designated by the Chief Officer to deal with the contract in question.

## **Delegated Authority**

Where authority to make a decision is granted to a specific officer.

## **Contracting Decision**

Any of the following decisions:

- withdrawal of Invitation to Tender
- whom to invite to submit a Quotation or Tender Shortlisting
- award of contract
- Any decision to terminate a contract.

## **Corporate Contract**

A contract let by the Corporate Procurement Team to support the council's aim of achieving value for money as further defined in Appendix Two.

## **EU procedures**

The tendering procedures required by the EU procurement rules where the Total Value of the contract exceeds the EU threshold.

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## **EU threshold**

The contract value at which the EU procurement rules apply.

## **European Economic Area**

The member states of the European Union and Norway, Iceland and Liechtenstein.

## **Financial Regulations**

The Financial Regulations outlining officer responsibilities for financial matters issued by the Section 151 Officer in accordance with the Constitution.

## **Framework agreement**

An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.

## **High profile**

A high-profile purchase is one that could have an impact on functions integral to Council service delivery should it fail or go wrong.

## **High risk**

A high-risk purchase is one which presents the potential for substantial exposure on the Council's part should it fail or go wrong.

## **High value**

A high-value purchase is where the value exceeds the EU threshold values.

## **Invitation to tender**

Invitation to tender documents in the form required by these commissioning and procurement standing orders.

## **Key decision**

Decisions that are defined as key decisions in the Constitution.

## **Line Manager**

The Officer's immediate superior or the officer designated by the Chief Officer to exercise the role reserved to the line manager by these Standing Orders.

## **Most Economically Advantageous Tender (MEAT)**

Award criteria that take account of other criteria other than just price.

## **Monitoring Officer**

The Head of Legal Services or such other Officer as may be designated the Monitoring Officer by the Council.

## **Nominated suppliers and sub-contractors**

Those persons specified in a main contract for the discharge of any part of that contract.

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## **Non-commercial considerations**

- The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters').
- Whether the terms on which contractor's contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only.
- Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.
- The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').
- The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.
- Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.
- Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support.
- Use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984 or the Building (Scotland) Act 1959.
- Workforce matters and industrial disputes, as defined in paragraphs (a) and (d), cease to be non-commercial considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which the Transfer of undertakings (Protection of Employment) Regulations 1981 (TUPE) may apply.

## **Parent company guarantee**

A contract which binds the parent of a subsidiary company as follows: if the subsidiary company fails to do what it has promised under a contract with the council, the council can require the parent company to do so instead.

## **Portfolio Holder**

A member of the Cabinet to whom political responsibility is allocated in respect of specified functions.

## **PH Decision Sheet**

A report that must be produced for decisions that require a Portfolio Holder decision.

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## **Priority services**

Those services required to be tendered as defined in the EU public procurement directives.

## **Procurement Strategy**

The document setting out the Council's approach to procurement and key priorities for the next few years.

## **Quotation**

A quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender).

## **Relevant contract**

Contracts to which Procurement Standing Orders apply

## **Selection Criteria**

Criteria that are used to determine the scoring of a SQ based upon the capability & financial assessment.

## **Selling to the Council Guide**

The guidance note that supports the implementation of Procurement Standing Orders.

## **Short listing**

The process of selecting Tenderers who are to be invited to quote or bid or to proceed to final evaluation.

## **Supervising officer**

The Line Manager's immediate superior.

## **Tender**

A Tenderer's proposal submitted in response to an Invitation to Tender.

## **Tenderer**

Any person who asks or is invited to submit a Quotation or Tender.

## **Tender record log**

The log kept by the Corporate Procurement Team to record details of Tenders.

## **Total value**

The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows:

- Where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period
- Where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months

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- Where the contract is for an uncertain duration, by multiplying the monthly payment by 48
- For feasibility studies, the value of the scheme or contracts which may be awarded as a result
- For Nominated Suppliers and Sub-contractors, the total value shall be the value of that part of the main contract to be fulfilled by the Nominated Supplier or Sub-contractor.

## **Whole Life Costs**

The total cost of ownership over the life of an asset or contract period.



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## **APPENDIX SEVEN** **WRITING A BUSINESS CASE**

Please complete this template, including the Commercial Impact Assessment.

### **Business Case**

<b>Contract Name</b>	
<b>Contracting Officer</b>	
<b>Chief Officer</b>	
<b>Start Date of Contract</b>	
<b>Date Business Case Prepared</b>	
<b>Date Contract to be Advertised</b>	

#### **A. The Strategic Fit**

Explain how the scope of the proposed project fits within the existing business and other strategies (where relevant e.g. IT, Evidence Based Decision Making etc.) of the Council;

**Identify the service need** and a compelling case for change, look at the existing (as-is) and forecast the future (to be) operational need of the organisation / Department/ service.

Minimum content needed for this section:

1. Description of the business need expressed as an outcome or output
2. The contribution to the DBC's business strategy
3. Objectives, why it is needed now
4. Key benefits to be realised
5. Key risks
6. Critical success factors and how they will be measured;
7. Main stakeholders.

Questions you should address:

- How well does the desired outcome support DBC's objectives and current priorities?
- If it is a poor fit, can the scope be changed?
- Is the project needed at all?
- Have the stakeholders made a commitment to the project?

#### **2. Commercial Assessment**

Outline the potential commercial arrangement.

Minimum content required for this section:

1. Proposed sourcing option, with rationale for its selection;

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2. Key features of proposed commercial arrangements (e.g. contract terms, contract length, payment mechanisms and performance incentives);
3. The procurement approach/strategy with supporting rationale.
4. Completion of Appendix 1 (Commercial Impact Assessment).

Questions you should address:

- What can the market provide (national, regionally, locally)
- Can funds be raised from grants, PFI etc.?
- Can value for money be obtained from the proposed sources (e.g. partners, suppliers)?
- If not, can the project be made attractive to a wider market?

### 3. Solution Provision

Documents the range of options that you have considered within the broad scope identified in response to DBC's existing and future business needs. You should aim to arrive at the optimum balance of cost, benefit and risk.

Minimum content needed for this section:

1. High level cost/benefit analysis of at least three options for meeting the business need;
2. Analysis of 'soft' benefits that cannot be quantified in financial terms; identify preferred option and any trade-offs.
3. Review resources required

Note that options appraisal should be carried out before selecting a preferred option.

Questions you should address:

- Has a wide range of options been explored?
- Have innovative approaches been considered and/or collaboration with others?
- If not, why not?
- Has the optimum balance of cost, benefit and risk been identified?  
If not, what trade-offs need to be made e.g. foregoing some of the benefits  
In order to keep costs within budget or taking considered risks to achieve more

### 4. The financial case

Assess the affordability and available funding.

Link proposed expenditure to available budget and existing commitments.

Minimum content for this section:

1. Statement of available funding
2. Broad estimates of projected whole-life cost of project, including dept. costs

Questions you should address:

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- Can the required budget be obtained to deliver the whole project?
- If not, can the scope be reduced or delivered over a longer period?
- Could funding be sought from other sources?

## 5. Project Management

Set out the project organisation and actions, which will be needed to support the achievement of the intended outcomes including procurement activity or the detailed study with existing providers.

Minimum content for this section:

1. high level plan for achieving the desired outcome, with key milestones and major dependencies (e.g. interface with other projects);
2. key roles, with named individual as the project's owner; outline contingency plans e.g. addressing failure to deliver service on time;
3. Major risks identified and outline plan for addressing them; provider's plans for the same, as applicable, skills and experience required.

Questions you should address:

- Can this project be achieved within DBC's current capability and capacity?
- If not, how can the required capability be acquired?
- Can the risks be managed – e.g. scale, complexity, uncertainty?
- Does the scope or timescale need to change?

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## Appendix 1 - Commercial Impact Assessment

Proposed Contract budget:

Proposed contract length:

New contract/ Renewal /Variation:

Contracting officers to enter the relevant answer

	Y (es)	N (o)	FTE's <sup>1</sup>
Q1. Does the budget exist for this procurement?			
Q2. Is there an overall net benefit to the Council?			
Q3. Will any "one-time costs" be recovered in 24-36 months?			
Q4. If a variation is it more than 10% of original value?			
Q5. If Q4=Y was this variation foreseen in the original OJEU <sup>2</sup>			
Q6. Please estimate what resources Finance; HR; legal and Procurement will be require for the duration of the procurement			
a Finance staff be required			
b Legal staff be required			
c Procurement staff be required			
Q7. If Q1=N please say how funds will be secured {E.g. a capital bid will be made.}			

Agreed by

Name	
Signature	
Date	

<sup>1</sup> FTE = Full Time Equivalent number of staff.

<sup>2</sup> OJEU= Official Journal of the European Union.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## APPENDIX EIGHT MINIMUM INSURANCE THRESHOLDS

### **Supplies, services and works**

Public liability	£5 million
Employers liability	£10 million
Professional indemnity	if required, £2 million
Products cover	if required - seek advice
Bonds etc.	If required - seek advice

### **“If required - seek advice”**

The “if required – seek advice” comment means that the extent of cover should relate to the specific contract and appropriate advice should be taken from:

- Insurance & Risk Manager
- Group Manager – Financial Services
- Assistant Director of Finance & Resources

### **Review**

These thresholds are subject to change and may be updated from time to time.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## APPENDIX NINE SERVICE DELIVERY - OPTIONS APPRAISAL

When considering how services should be delivered, there are seven approaches that can be adopted. These are:

### Withdraw from the activity

This is not likely to be possible for those services which the Council has a duty to provide (the majority of Council services fall into this category), although it may be possible to withdraw from aspects of these 'mandatory' services. It is clearly legally possible to withdraw from an activity where the service area is 'discretionary' rather than being required under a legal duty.

### Improved in-house service

Where an improved in-house service is desired, there will need to be a plan setting out improvements and targets so that the service aspirations are achieved.

### Joint commissioning

This involves joining with other local authorities or public bodies to jointly provide or purchase services. It can include delegation of powers to another authority, pooling of budgets, working with other government agencies or arrangements with non-profit organisations.

### Market testing

This is where the Council subjects an in-house service to open competition with the market place.

### Externalisation

This is where the Council subjects an in-house service to competitive tendering and does not allow an in-house bid, thereby securing future delivery by a third party.

### Transfer

This includes circumstances where the Council's client role is passed to another organisation. This may be a not-for-profit organisation, such as a housing or community association or a public/private partnership such as Joint Venture Company. In such cases, the Council sometimes retains a residual interest, e.g. rights to nominate people to use the service, a seat on the board etc. Examples of transfers include: housing stock transfers, leisure centres etc.

### Hybrid options

In reviewing a service or function, the Council must consider whether to break up activities currently treated as a single service or delivered through a single contract and, equally, to consider whether to amalgamate services currently delivered separately. Where a service includes a variety of different types of activity, the option most likely to deliver value for money may well be different for each of the activities.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

## Options Appraisal

Options appraisals are the key to effectively evaluating and determining how services should be delivered. Each option will be appropriate in particular circumstances and some of the options can manifest themselves in different ways. The following tables set out when each option may be more, or less, appropriate. The bullet points are alternative reasons why the option may be more or less suitable; they are not checklists of conditions that must be met.

<b>Withdrawal</b>	
The Council decides that it should withdraw from providing a service or taking part in an activity.	
More suitable	<ul style="list-style-type: none"> <li>▪ Evidence of no need or demand for the service;</li> <li>▪ Other providers can continue without intervention or support from the local authority;</li> <li>▪ Costs of the service or activity considerably outweigh benefits;</li> <li>▪ Service or activity makes no contribution to corporate objectives.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ Doubts about the evidence;</li> <li>▪ Uncertainty about whether the alternative providers do meet existing needs or demands;</li> <li>▪ Potential for future service development.</li> </ul>

<b>Improved internal service management</b>	
This is where the service is provided in-house. Management may be through traditional hierarchy, internal trading arrangements or service level agreements. The authority may involve or consult users in decisions about overall objectives and in monitoring service quality.	
More suitable	<ul style="list-style-type: none"> <li>▪ The existing internal service is, or is close to, meeting local targets and national standards;</li> <li>▪ There is no supply market;</li> <li>▪ Costs of externalisation are likely to be high;</li> <li>▪ High impact if service fails.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ Poor existing internal services;</li> <li>▪ Need for external investment;</li> <li>▪ Active, competitive, market with established suppliers;</li> <li>▪ Service is easy to specify and monitor.</li> </ul>

<b>Joint commissioning</b>	
This is where two or more public service organisations agree to commission or provide services together. There is no "client" or "contractor" and the organisations are jointly involved in management.	
More suitable	<ul style="list-style-type: none"> <li>▪ Services are provided from a single point;</li> <li>▪ Participating organisations are willing to agree mutual objectives in the interests of the joint service;</li> <li>▪ Financial and other risks can be shared on an equitable basis;</li> <li>▪ Participating organisations do not have the wide range of expertise or sufficient resources to deal with all requests for service, but the volume of requests does not justify investment by each authority;</li> <li>▪ Sharing resources, staff, etc. will produce significant economies and improve quality;</li> <li>▪ All participating organisations require the same, or very similar service;</li> <li>▪ Clear lines of responsibility and accountability can be established.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ Organisational identities and imperatives are more important than a seamless service;</li> <li>▪ There are no obvious and willing partners;</li> <li>▪ Legal constraints cannot be overcome.</li> </ul>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

<b>Market testing</b>	
The in-house organisation competes with external service providers to win the work. This is the same as "voluntary competitive tendering".	
More suitable	<ul style="list-style-type: none"> <li>▪ The pressure of competition is necessary to ensure improvements or clarity of definition in in-house performance;</li> <li>▪ There is an active and competitive supply market;</li> <li>▪ The service is easy to specify and monitor;</li> <li>▪ A new service area is being developed where there is the possibility of both in-house provision and the use of external provision;</li> <li>▪ In-house performance can be benchmarked against competition.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ Potential suppliers likely to suspect the authority is "going through the motions" and not bid;</li> <li>▪ In-house team are unlikely to be able to make the improvements necessary;</li> <li>▪ The costs of preparing for competition (both client and contractor) outweigh benefits;</li> <li>▪ The authority's service objectives go beyond a simple cost calculation;</li> <li>▪ The in-house team has no real chance of winning;</li> <li>▪ Market testing is suggested as a last ditch effort to avoid externalisation.</li> </ul>

<b>Externalisation - Third party contractor</b>	
Service is provided by external organisations that compete to do the work. Management is conducted through the specification, which sets out the work to be done, and the contract conditions that form the basis of the relationship between client and service provider.	
More suitable	<ul style="list-style-type: none"> <li>▪ Poor existing internal services, or new services where internal supply is thought inappropriate;</li> <li>▪ There will be a clear client / contractor relationship;</li> <li>▪ There is an active, competitive market with established suppliers;</li> <li>▪ Benefits of using the market outweigh the costs;</li> <li>▪ Service is easy to specify and monitor.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ Internal service management is demonstrably delivering value for money;</li> <li>▪ Opportunists or monopolists dominate the market;</li> <li>▪ The authority's service objectives go beyond a simple cost calculation;</li> <li>▪ Service is difficult to specify and monitor;</li> <li>▪ Other methods of provision offer better value.</li> </ul>

<b>Externalisation - Partnership</b>	
This is where there is a contract which is supplemented by a formal 'partnership' arrangement. The services are supplied through a contract that places greater emphasis on shared objectives and on the relationship with the supplier. These arrangements are also referred to as 'partnering arrangements'.	
More suitable	<ul style="list-style-type: none"> <li>▪ The service is difficult to specify and monitor;</li> <li>▪ The authority wants to work with an organisation it can 'do business with' rather than one that just 'does the business';</li> <li>▪ It is possible to agree on a programme of future innovation;</li> <li>▪ There is a high level of mutual trust between authority and suppliers;</li> <li>▪ External suppliers can offer savings, innovation, or other benefits that cannot be found in-house.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ Opportunists dominate the market;</li> <li>▪ The service is easy to specify and monitor;</li> <li>▪ In-house supply is more likely to deliver best value;</li> <li>▪ The authority's main objective is to achieve savings.</li> </ul>



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<b>Transfer</b>	
<p>This is where the Council ceases to be the 'client'. That role is taken over by another organisation. This may be a residents' association, community group, charity, co-operative or trust. The authority may still have a residual role, for example, a seat on the board, nominating people for services; grant aid or by subsidising service delivery to the public.</p>	
More suitable	<ul style="list-style-type: none"> <li>▪ The activities of, or services provided by, the organisation fit with the council's overall objectives;</li> <li>▪ The local authority and other organisations agree on the level of accountability required;</li> <li>▪ Community groups already exist or are being formed;</li> <li>▪ Services are provided to the community or the community and individuals make a contribution to the service;</li> <li>▪ Community groups have, or can be trained in, necessary management skills;</li> <li>▪ The authority has a commitment to community development and the involvement of communities in service management;</li> <li>▪ Organisational independence is necessary to ensure users' trust or 'ownership' of the service or activity.</li> <li>▪ Where transfer offers advantages financially or in other ways by means of the legal standing of another organisation, for example, a trust.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ The Council has clear service objectives that it wants to achieve;</li> <li>▪ The service is significant (in financial or operational terms) and needs close management, specification, and monitoring;</li> <li>▪ Personal or highly regulated services;</li> <li>▪ It would be more appropriate (in line with Value for Money and the Council's policies) to make contracts, or partnering arrangements, with local or community businesses;</li> <li>▪ There is little, or no, community interest in service management and delivery;</li> <li>▪ There is an active supply market and no policy gain can be made by transfer</li> </ul>

<b>Hybrid options</b>	
<p>This is where the Council decides that no single option is appropriate. The service includes a variety of different types of activity, or the "Value for Money" tests applied to different parts of the service come up with different answers.</p>	
More suitable	<ul style="list-style-type: none"> <li>▪ A 'service' is made of discrete aspects that have different Value for Money tests applied to them;</li> <li>▪ Areas of excellence exist side-by-side with services that need considerable improvement;</li> <li>▪ Different elements make clearly different contributions to overall service delivery and value for money;</li> <li>▪ There is a wide range of user needs which are best met in different ways;</li> <li>▪ External resources can most effectively be used to support in-house services rather than competing with them;</li> <li>▪ Evidence from the review is equivocal.</li> </ul>
Less suitable	<ul style="list-style-type: none"> <li>▪ The service is easy to specify and monitor;</li> <li>▪ The service is a clearly definable single service;</li> <li>▪ The service is made up of so many separate elements that a hybrid approach could lead to an unmanageable complexity of contracts, agreements, and inter-dependencies;</li> <li>▪ Economy and effectiveness are served best by a single service delivery organisation.</li> </ul>

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<b>Making the decision</b>	
The following questions should be asked.	
What is the gap between:	<ul style="list-style-type: none"> <li>▪ What we want to achieve and what we are achieving?</li> <li>▪ What we want to achieve and users' needs?</li> <li>▪ Our performance and national standards?</li> <li>▪ Our performance and both local and national targets?</li> <li>▪ Our performance and that of others?</li> <li>▪ How we do things and how stakeholders want us to do them?</li> <li>▪ How we do things and how others do them?</li> <li>▪ Our competitiveness and that of others?</li> </ul>
What are the trends?	<ul style="list-style-type: none"> <li>▪ Are we getting better or worse?</li> <li>▪ Where will we be in five years' time if we continue with current service management and delivery methods?</li> <li>▪ Are failures in current performance due to trade-offs in longer-term plans?</li> </ul>
What kind of gap is it?	<ul style="list-style-type: none"> <li>▪ Is it significant or insignificant?</li> <li>▪ What do stakeholders think about the gap?</li> <li>▪ Are we doing the right thing (specification)?</li> <li>▪ Are we doing things right (management and delivery)?</li> <li>▪ Can we measure the gap in terms of efficiency, economy, or effectiveness?</li> </ul>

<b>What other organisations have to offer</b>	
There are a number of issues that need to be taken into account when considering an alternative provider. These include:	
Economies of scale	<ul style="list-style-type: none"> <li>▪ Where an organisation can spread overhead costs through a wider customer base to produce as good (or better) levels of service at a lower unit cost.</li> </ul>
Economies of scope	<ul style="list-style-type: none"> <li>▪ Where an organisation has specialist skills and expertise that the existing supplier cannot afford. This dedicated expertise can be used more effectively to deliver a high standard of service at an economical cost.</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>▪ Where an organisation has a way of doing things that is now a prerequisite for a service and which the existing supplier cannot duplicate within an acceptable time-scale.</li> </ul>
Access to capital	<ul style="list-style-type: none"> <li>▪ Where an organisation can provide the necessary investment in capital assets in order to ensure the delivery of best value services. Within the legal context of local government, restrictions on borrowing may suggest this option.</li> </ul>

## Managing uncertainty

A degree of uncertainty always exists between objectives and the service delivery mechanisms used to deliver them. It is important that the contractor does what they are supposed to do. However, where there is uncertainty because of the nature of the requirement, environment or otherwise, the more likely that in-house service provision or a modified contractual relationship may sustain better value for money.

The following grid is an example of how uncertainty in the service can lead to conclusions about the appropriate approach to service delivery.

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	<b>Certainty</b>	<b>Mixed</b>	<b>Uncertainty</b>
<b>Service</b>	<ul style="list-style-type: none"> <li>▪ Service is easy to specify</li> <li>▪ Service delivery is easy to monitor</li> <li>▪ Continuous or regular monitoring</li> <li>▪ Unambiguous tests of success or failure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Some elements easy to specify</li> <li>▪ Some elements easy to monitor</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service is difficult to specify</li> <li>▪ Service is difficult to monitor</li> <li>▪ Ad-hoc or partial monitoring</li> <li>▪ Subjective tests of success or failure</li> </ul>
<b>Relationship</b>	<ul style="list-style-type: none"> <li>▪ Contract with outside supplier</li> <li>▪ Competition to find the cheapest supplier</li> <li>▪ Focus on the supplier's efficiency</li> <li>▪ Contractors involvement limited to the contracted service</li> </ul>	<ul style="list-style-type: none"> <li>▪ Modified contract relationships:</li> <li>▪ Partnerships or relational contracts:</li> <li>▪ Competition takes account of both cost and quality</li> <li>▪ Open-book approaches to information</li> <li>▪ Authority puts policy objectives alongside service objectives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hierarchy, rules and instructions</li> <li>▪ Competition is based on individual competence</li> <li>▪ Management through a mixture of control and co-ordination</li> <li>▪ Employer and employee are inter-dependent</li> </ul>

## Selecting the correct option

The process of selecting the correct option for service delivery is key to the successful delivery of the Council's aims and objectives. Whatever solution is considered, the rationale shall be set out in the Tender Requisition Form which is a requirement within Procurement Standing Orders for all procurements that exceed £10,000 in value and be reviewed in the context of the Council's:

### Policy Framework

- Corporate Plan
- Sustainable Community Strategy
- Medium Term Financial Strategy
- Capital Strategy
- Asset Management Plan
- Commissioning & Procurement Strategy

### Governance framework

- The Constitution (including delegated authorities)
- Financial Regulations
- Commissioning & Procurement Standing Orders

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## APPENDIX TEN REQUEST FOR QUOTATION

### **Request for Quotation – Guidance for DBC Staff.**

This document is to be used for obtaining quotations for purchases up to and including £74,999 and when the goods or services are simple to specify and where delivery would normally conclude the contract. If your requirements are more complex you are advised to contact a member of the Procurement Team to discuss your requirements.

Instructions for use:

**For values up to an including £24,999**, a minimum of one quotations should be obtained (with a least one from a local supplier where available)

**For values from £25,000 up to and including £74,999**, the Request for Quotation Form must be made available on the Councils e- tendering portal and advertised on Supply Hertfordshire and Contracts Finder websites.

**Plan your timetable**, including RFQ advert/despatch date, the closing date (allow 2-3 weeks for return of quotes) and the award date.

**The specification**, include a description of what you want done or supplied. You must be clear about what you want and what you expect from the supplier during the life of the contract. If you have a very detail specification, then this can be added as an attachment.

**Timescales**, be clear on the timescales, including delivery dates, period of completion and key milestone dates during the life of the contract.

**Constraints/Minimum Requirements**, should be clearly stated. If a certain qualification is key to the service or there are minimum warranty requirements, then state these.

**Other documents**, such as drawings or reports that need to be made available should be listed on the template.

**Use a Price Schedule table**, unless this is a very simple requirement, adapt the pricing schedule table on the template so you can get a breakdown of prices,

**Decide your Evaluation Criteria**, four criteria have been listed on the template: Price, Delivery, Technical Merit and Quality. If price is the only criteria to be considered, then allocate 100% of the score to this. If other criteria are important then share 100% score across the criteria giving a higher score to the most important.

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**Keep your evaluation notes and scoring**, these must be kept for up to six years after the contract has been performed and details may be requested by Internal or external Audit.

**Before awarding the contract**, approval must be given by your Team Leader (for values up to £24,999) or your Group Manager (up to 74,999) by signing a Contract Award Certificate (these can be obtained from the Procurement Team)

**Award of contract**, can be made after a Contract Award Certificate has been signed. Contract award can be made by completing a Purchase Order through the Agresso system or putting an Agreement together to be signed by both parties. The Council's Procurement Unit must be informed of all contracts that have a value above £5,000 so that they can be listed on the Council's Contract Register.

**All bidders should be informed of the contract award decision.** Quotations; that have been advertised on the e-tendering portal and contracts finder must complete an award notice to appear on those websites

Please use the ITQ template below for all quotations.



ITQ Template.doc

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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## APPENDIX ELEVEN

### CHANGE CONTROL OF AMENDMENTS

	<b>Changes</b>	<b>Officer</b>	<b>Cabinet</b>	<b>Full Council</b>
1	Update commissioning & procurement standing orders		24 Jun 2014	9 Jul 2014
2	Update standing orders with new EU Thresholds	10 Dec 2015		
3	General update on thresholds and job titles	26/Feb 2019		
4	Update commissioning & procurement standing orders			
5				

# Agenda Item 9

Clerk: Trudi Angel (ext. 2224)

## Finance and Resources Overview & Scrutiny Committee: Work Programme 2019/20

*Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committee promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.*

Meeting Date	Report Deadline	Items	Contact Details	Background information
13 November 2019	4 November 2019	Action Points (from previous meeting)		
		Budget Monitoring Report Q2	Assistant Director Finance & Resources <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		Finance and Resources Q2 Performance Report	Assistant Director Finance & Resources <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		Corporate & Contracted Services Q2 Performance Report	Assistant Director, Corporate & Contracted Services <a href="mailto:Mark.brookes@dacorum.gov.uk">Mark.brookes@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q2 Performance Report	Assistant Director, Performance, People & Innovation <a href="mailto:linda.roberts@dacorum.gov.uk">linda.roberts@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		Car Parking Charges	Assistant Director, Corporate & Contracted Services <a href="mailto:Mark.brookes@dacorum.gov.uk">Mark.brookes@dacorum.gov.uk</a>	
Joint Budget  3 Dec 2019		**** Joint Budget**** ****2019-2020****  *****	Corporate Director Finance & Operations <a href="mailto:James.deane@dacorum.gov.uk">James.deane@dacorum.gov.uk</a>	
		Corporate Plan	Chief Executive <a href="mailto:Sally.marshall@dacorum.gov.uk">Sally.marshall@dacorum.gov.uk</a>	
15 January 2020	3 January 2020	Action Points (from previous meeting)		
		Performance of the Leisure Contract	Group Manager, Commissioning, Procurement and Compliance <a href="mailto:Ben.Hosier@dacorum.gov.uk">Ben.Hosier@dacorum.gov.uk</a>	<i>To monitor the contract</i>

<b>Joint Budget 4 February 2020</b>		<p><b>**** Joint Budget****</b>  <b>****2020-2021****</b></p> <p>*****</p> <p><i>Ideally no further items to be added</i></p>	<p>Corporate Director  Finance &amp; Operations  <a href="mailto:James.deane@dacorum.gov.uk">James.deane@dacorum.gov.uk</a></p>	
<b>24 March 2020</b>	<b>12 March 2020</b>	<b>Action Points (from previous meeting)</b>		
		<b>Budget Monitoring Report Q3</b>	<p>Assistant Director  Finance &amp; Resources  <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a></p>	<i>To review and scrutinise quarterly performance</i>
		<b>Finance and Resources Q3 Performance Report</b>	<p>Assistant Director  Finance &amp; Resources  <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a></p>	<i>To review and scrutinise quarterly performance</i>
		<b>Corporate &amp; Contracted Services Q3 Performance Report</b>	<p>Assistant Director, Corporate &amp;  Contracted Services  <a href="mailto:Mark.brookes@dacorum.gov.uk">Mark.brookes@dacorum.gov.uk</a></p>	<i>To review and scrutinise quarterly performance</i>
		<b>Performance, People &amp; Innovation Q3 Performance Report</b>	<p>Assistant Director, Performance,  People &amp; Innovation  <a href="mailto:linda.roberts@dacorum.gov.uk">linda.roberts@dacorum.gov.uk</a></p>	<i>To review and scrutinise quarterly performance</i>
		<b>Parking Enforcement Contract</b>	<p>Group Manager,  Commissioning, Procurement  and Compliance  <a href="mailto:Ben.Hosier@dacorum.gov.uk">Ben.Hosier@dacorum.gov.uk</a></p>	<i>To monitor the contract</i>