



**COMMISSIONING &  
PROCUREMENT  
STANDING  
ORDERS**

**2019-2024**

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

<b>TABLE OF CONTENTS</b>		<b>Page</b>
<b>Section</b>	<b>Heading</b>	
1	Introduction	3
2	General advice and guidance	7
3	Determining the Type of Contract and its Value	10
4	Commissioning	11
5	Quotations table for contract values up to £74,999	16
6	Obtaining Quotations	18
7	Who has the Authority to Award the Contract	20
8	Consultants	22
9	Tendering Table for contract values £75,000 & above	25
10	Guidance on Writing a Specification	27
11	Tendering Rules	33
12	Tendering exceptions	42
13	Contract management	44
14	Appendices	50
<b>APPENDICES</b>		
1	Tender Requisition Form - template	
2	Policies, Strategies & Legislation	
3	European Union procurement thresholds & definitions	
4	Transparency Requirements	
5	Contract Terms & Conditions	
6	Glossary	
7	Writing a Business Case	
8	Minimum Insurance Thresholds	
9	Service Delivery – Options Appraisal	
10	Request for Quotation - template	
11	Change Control	

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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;

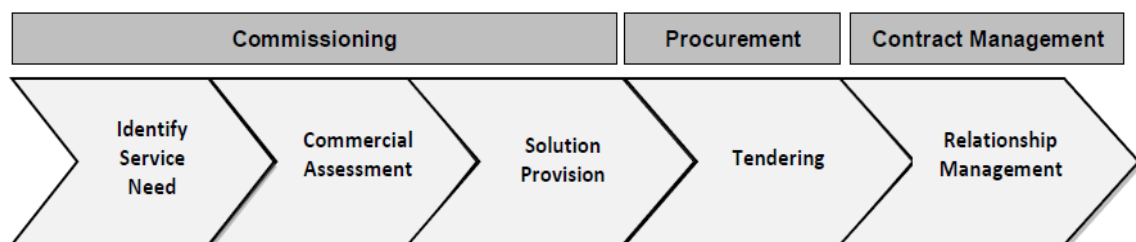


Diagram 1 - Commercial Cycle

### 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

---

- 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

---

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

---

- 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

---

## 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

---

[%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

---

## 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

---

## **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

---

## **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

---

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.

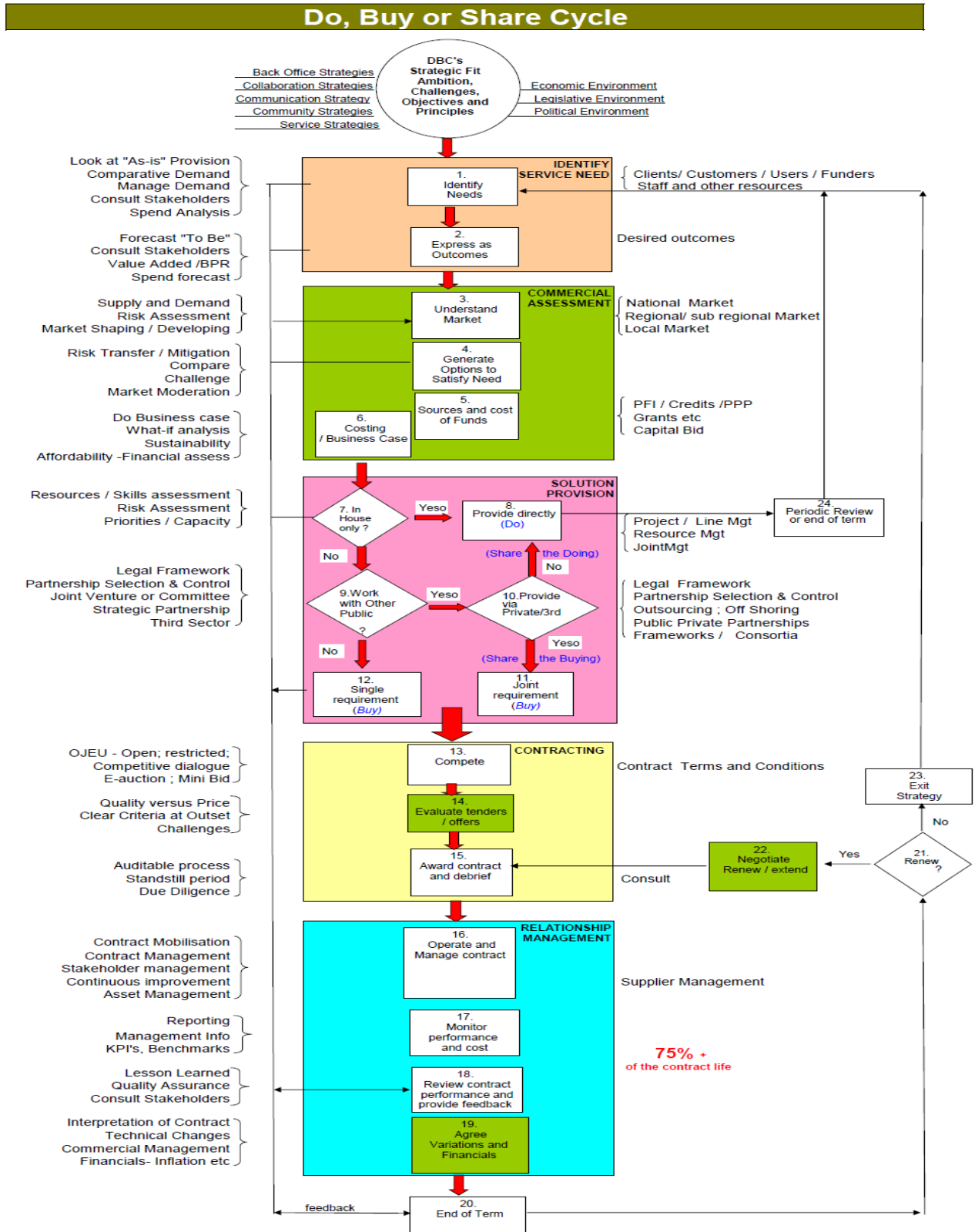


Diagram 4 – Detailed Commercial Cycle

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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

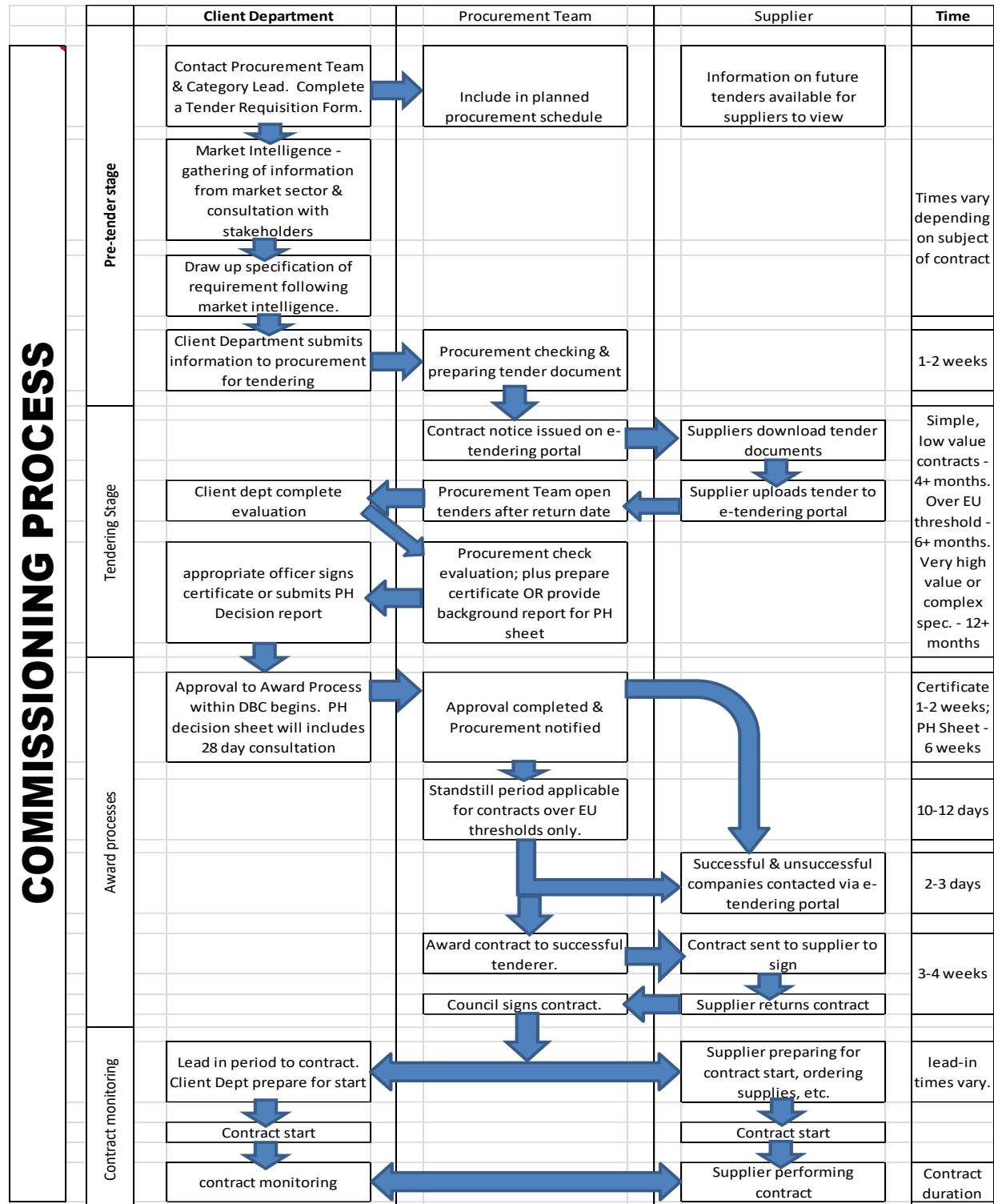


Diagram 3 – Example commissioning and procurement timescale

# 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>▪ 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>▪ Team Leader or above approve the award of contract via the Agresso finance system</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>▪ 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

---

## 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

---

## 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 £25,000 or above, use the Request for Quotation (RFQ) template (see appendix 10) to invite your chosen suppliers to quote via email.
- 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 £25,000 and above.
- 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, providing feedback 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.
- 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:
  - 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:

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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 (between £25,000 and 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</li> </ul>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

		<p>detailing the procurement &amp; 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=0x012000C990015FAD2BBD4D8D6DBCF9CAE03911&amp;View=%7B8E3311E3%2D1A55%2D48AE%2D91C5%2DF86E41D6816D%7D">http://dennis/Docs/Documents/Forms/AllItems.aspx?RootFolder=%2FDocs%2FDocuments%2FTemplates%20and%20Forms&amp;FolderCTID=0x012000C990015FAD2BBD4D8D6DBCF9CAE03911&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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

## 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 an Officer Decision Record Sheet (ODRS).</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 an Officer Decision Record Sheet (ODRS).</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>
Using framework agreements for a value of £75,000 and over, including	<ul style="list-style-type: none"> <li>• A fully completed and signed Tender Requisition Form (TRF) must be received by the</li> </ul>	Approval process to be same as non-framework contract values.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

OJEU values	<p>Commissioning and Procurement Team</p> <ul style="list-style-type: none"> <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>	
Collaborative Procurements	<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>	Approval process for each authority to be as per the rules for that authority.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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)

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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.

### 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.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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

---

- 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 (SQ) will be made available on the e-tendering portal for any interested supplier to view and download. The purpose of a SQ is to assess the

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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 SQ – 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 on 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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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 SQ stage. The criteria and how it will be scored must be stated clearly in the SQ 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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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
- 21.3.2 A minimum period of six years plus the current financial year, or

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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 SQ 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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.



### **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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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



# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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>	

# COMMISSIONING & PROCUREMENT STANDING ORDERS

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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.**

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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%2fPolicies&FolderCTID=0x012000C990015FAD2BBD4D8D6DBC9CAE03911>

- 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>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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 2020 are:

Category	£ Sterling	Euro
Services	£189,330	€214,000
Supplies	£189,330	€214,000
Services (Light Touch)	£663,540	€750,000
Works	£4,733,252	€5,350,000
Concession Contracts	£4,733,252	€5,350,000

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 2022.

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.



# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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.).

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## 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

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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



# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

## **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;

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

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:

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

- 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?

# COMMISSIONING & PROCUREMENT STANDING ORDERS

## 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

---

## 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

---

## 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>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

<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>

# COMMISSIONING & PROCUREMENT STANDING ORDERS

<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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

	<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

---

## 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 and 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.

# COMMISSIONING & PROCUREMENT STANDING ORDERS

---

**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 Group Manager (for contracts between £25,000 and 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 (above £25,000). 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.

**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

---

## APPENDIX ELEVEN

### CHANGE CONTROL OF AMENDMENTS

	<b>Changes</b>	<b>Officer</b>	<b>Cabinet</b>	<b>Full Council</b>
1	The Commissioning and Procurement Standing Orders are adopted		12 Nov 2019	27 Nov 2019