



CONTRACT STANDING ORDERS RELATING TO PROCUREMENT

APPLICABLE FOR PROCUREMENTS AFTER 01 March 2018

<u>Version Control:</u>	<u>Amendment record:</u>
v1.0 (01.03.18)	New CSOs – 01.03.18 replaces CSOs
v1.1 (16.05.18)	Clause 21 Modification re-drafted. Annex C Scheme of delegations re; Invoice Payment Works amended

Contract Standing Orders - Procurement

Procurement operates in a complex legal framework set by the UK Government and the European Union. All local authorities are required by law to draw up a set of Contract Standing Orders (CSO's) for the procurement of goods, services and works in order to achieve competition and to regulate procedures for procurement.

By following these Contracts Standing Orders in dealing with the Councils procurement, officers can be sure that they have acted in an appropriate manner and are protected from any accusation of corruption, fraud, illegality or misuse of public funds.

These Contract Standing Orders provide the framework for the procurement of all works, goods and services and must be complied with by all Members, Officers, Consultants and other external Agents appointed to act on behalf of the Council in procurement matters.

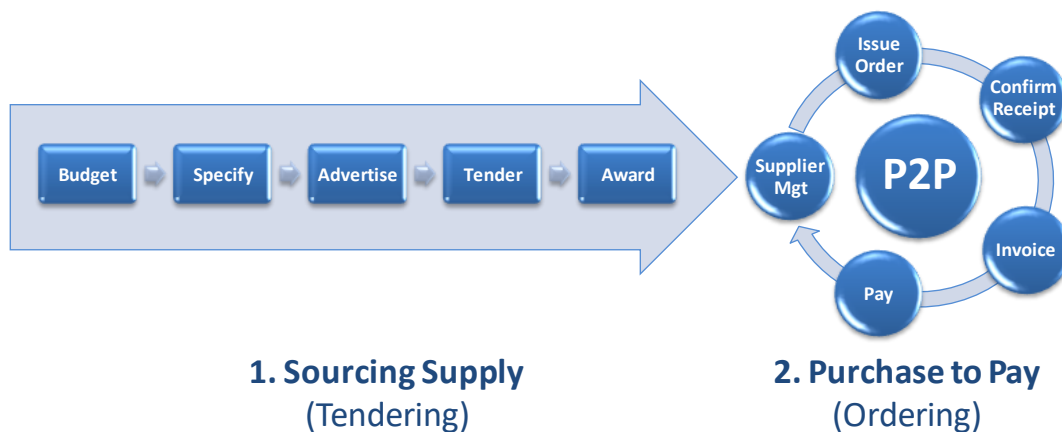
These Contract Standing Orders are numbered with an SO suffix and are broadly sequenced to follow the Procurement process to help the user navigate more effectively to the relevant section.

The Procurement Team will provide advice to Officers on CSO considerations as well as best practice procurement relative to the specific project being planned.

All monetary values referred to in these rules are total contract values, not annual values, and exclude VAT unless otherwise stated. They cover expenditure contracts and income generating contracts.

Please see **Annex A** for a Quick Guide to CSO Procurement Thresholds.

The Procurement Process



CONTRACT STANDING ORDERS (CSO)

SO1 Compliance

- 1.1. Every Member of the Council and every officer and employee of the Council must comply with these Contract Standing Orders.
- 1.2. Any other person who is engaged in the letting, management or supervision of a contract on behalf of the Council must comply with these Rules as if s/he were an officer of the Council.
- 1.3. These Rules apply to all procurement decisions, regardless of the source of funding, or the status of the contractor (i.e. they apply equally to selection of both main contractors and nominated sub-contractors or suppliers).
- 1.4. Every contract must be let in compliance with The Public Contracts Regulations 2015 with applicable European and domestic legal requirements.
- 1.5. Where the Council has established in-house expertise in a function with suitable capacity, whether it be direct works (engineering, building, grounds maintenance, etc.) or professional services (accountancy, legal, surveying, etc.) all relevant works and services shall be delivered by that service.
- 1.6. These Rules are supplemented by a quick guide to the Councils Procurement Thresholds and Sourcing Matrix (**See Annex A**).

SO2 Exemptions

- 2.1 The following contracts are exempt from the requirements of these Rules:
 - i. Orders placed through a framework agreement established by a central or regional purchasing body to which the Council is a named party
 - ii. Employment contracts
 - iii. Contracts for the disposal or acquisition of an interest in land, existing buildings or other immovable property
 - iv. Legal advice sought by the Legal Services Manager, connected with the business of the Council
 - v. Arbitration or conciliation services
 - vi. Financial advice sought by the section 151 officer in connection with council business.
 - vii. Central bank services
 - viii. Public contracts between entities within the public sector
 - ix. Grants to external organisations

SO3 Budgetary Provision and Gateway Review

- 3.1 No quotation or tender shall be invited or order placed unless there is sufficient approved budgetary provision.
- 3.2 A **Gateway Review** shall be conducted on all procurement contracts with an estimated value in **excess of £25,000**. The Gateway Review is carried out at two key stages of the Procurement Sourcing Process. Further details and the Gateway Review form can be found at **Annex B** and on ForestNet Procurement pages.
- 3.3 **Gateway Review - Stage 1 Project Outline & Procurement Planning** sets out the project scope, aims and objectives, confirms budget provision, describes the procurement procedure to be used and requires relevant Service Manager approval in order to proceed to formal tendering. Note: Invitations to quote or tender will not proceed without Service Manager signed off Gateway 1.
- 3.4 **Gateway Review - Stage 2 Contract Award Proposal & Approval** reports on the outcome of the tendering activity, proposes way forward including how contract will be monitored and confirms Service Manager approval to award contract. Note: Formal contract award letters will not be issued without Service Manager signed off Gateway 2.

SO4 Contract Value

- 4.1 All monetary values referred to in these Rules are total contract values, not annual values, and exclude VAT unless otherwise stated. They cover all expenditure contracts and income generating contracts.
- 4.2 Guidance on how to value a contract can be found in the CSO Thresholds and Sourcing Matrix set out in **Annex A**.
- 4.3 Contracts must be packaged appropriately to achieve maximum value for the Council. They should not be split in order to avoid quotation or tendering limits in these Rules or EU procurement thresholds, or packaged in a way to reduce the potential for fair and open competition.

SO5 Contracts valued below £15,000

- 5.1 Service teams will adopt the procedure that is most appropriate to provide best value to the Council. Details of the method used to obtain price checks, benchmark the market or any quotations received will be documented and retained electronically for 12 months (or length of supply agreement plus additional 12 months) to support and justify the ordering decision. Service Manager approval to award contract is required. NFDC terms and conditions should be used unless otherwise agreed with Legal Services.

SO6 Contracts with a value between £15,000 and £25,000

- 6.1 Where the estimated value of a contract is between £15,000 and £25,000 a minimum of three quotations must be invited (via desk-top quotation) for a works, goods or services contract. NFDC terms and conditions should be used unless otherwise agreed with Legal Services. Alternatively, an electronic quotation issued via the Procurement team can be requested to save officer time and make use of our e-procurement system.

SO7 Contracts with a value between £25,000 and £50,000

- 7.1 Where the estimated value of a works, goods or services contract is between £25,000 and £50,000 suitable suppliers for a restricted quotation should be nominated by the Service team and confirmed with Procurement. Procurement will invite quotations via the e-procurement system. However, the option to convert from restricted to open advertising will be used if a wider supplier search would benefit the Council.

SO8 Transparency Threshold (for advertising of contract opportunities)

- 8.1 The Councils standing orders require transparent advertising of any contract with an estimated value of £50,000 or more. Procurement will “openly” advertise such contract opportunities on the Council's Business Portal and the Governments Contracts Finder portal to seek expressions of interest and tender responses from suitably qualified suppliers. Note: ALL procurement documentation must be available from date of publication of contract notice (advert).
- 8.2 Advertising of contracts below £50,000 is not required and Officers in conjunction with Procurement will carry out soft market testing to identify local economy, regional and national suppliers prior to the issue of restricted quotations. However, the option to convert from restricted to open advertising will be used if a wider supplier search would benefit the Council.

SO9 Contracts with a value between £50,000 and EU Threshold*

- 9.1 Where the estimated contract value for a works, goods or services contract exceeds £50,000 but does not exceed the relevant EU public procurement threshold (*see Annex A for EU threshold £ values) or does not fall within a category subject to the EU public procurement rules, an open tender should be issued by the Procurement team.

SO10 Contracts with a value in excess of the EU Threshold*

- 10.1 Where the estimated contract value for a works, goods or services contract exceeds the relevant EU public procurement threshold (*see Annex A for EU threshold £ values) any contract must be issued by the Procurement team in

compliance with the relevant legal requirements, in particular the Public Contracts Regulations 2015 and these Rules.

- 10.2 Procurement will arrange for the issue of a Contract Notice (advert) in the OJEU (Official Journal of the European Union) to be followed by an invitation to tender using one of the mandated procedures set out in the Public Contract Regulations 2015 (namely; open; restricted; competitive dialogue; competitive procedure with negotiation; or innovation partnership). Procurement will advise on the most appropriate procedure to be followed.
- 10.3 Where there is a conflict between legislation and these Rules, the legislation will prevail.

SO11 Content of Invitations to Quote or Tender

- 11.1 Procurement will oversee the contents of all invitation to tender or requests for quotation to ensure they include:
- i. A description of the works, goods or services being procured
 - ii. A specification indicating the outcome required
 - iii. Terms and conditions of contract
 - iv. The evaluation criteria including any weightings
 - v. The Cost (pricing) mechanism and instructions for completing the tender sum response
 - vi. The Quality and Service requirements and associated response form
 - vii. Where there is a potential transfer of employees, the Council's view on whether TUPE will apply
 - viii. The form and content of any method statements to be provided

SO12 Collaborative Procurement

- 12.1 Where procurement is undertaken in collaboration with one or more other public authorities the Contract Standing Orders of one of the other authorities may be used in place of these Rules.
- 12.2 An invitation to tender or to submit quotations may be made for supply to other authorities (including New Forest Town and Parish Councils) in addition to New Forest District Council on similar terms.

SO13 Form and contents of Legal Terms and Conditions (contracts)

- 13.1 The choice of contract terms applicable for a Procurement project should be decided at the start of the process by seeking advice from Procurement and/or Legal Services. A range of standard contract type templates are available from ForestNet, others can be provided by Legal Services to suit need.

- 13.2 The decision whether the contract should be Signed under Hand OR a Sealed Deed should be discussed and agreed with Legal / Procurement. The decision will depend upon the use of Statutory Limitation Period (SLP). A contract signed under hand provides 6 years SLP from end of contract term. A contract executed as a deed and sealed provides 12 years SLP from end of contract term.
- 13.3 Contracts for Works, Goods or Services with a value exceeding the EU threshold for Goods / Services (**See Annex A**) must be entered into as a deed and sealed by Legal Services, thus giving the Council greater protection.
- 13.4 Contracts for Works, Goods and Services with a value NOT exceeding the EU threshold for Goods / Services (**See Annex A**) must be signed under hand should be signed by an officer nominated with that level of responsibility as set out in **Annex C**.

SO14 Submission and Opening of Tenders and Quotations

- 14.1 All invitations to tender or submit a quotation must specify requirements for their submission. Such requirements shall include a time by which tenders or quotations must be received by the Council.
- 14.2 All quotations with an estimated value below £25,000 must be opened, recorded and retained by the nominated officer of relevant Service Team (who is independent of the quotation process). Quotation instructions shall clearly state that the quotations must be returned to the nominated officer only. This can be by email or by post. Returned quotations must be held securely and unopened by the nominated officer until the specified return date. The Contract Administrator must supply the details of the suppliers that have been invited to quotation to the nominated officer prior to the quotations being received.
- 14.3 All quotations and tenders with an estimated value in excess of £25,000 (or any issued by Procurement via the Councils e-procurement system) must be opened by Procurement. Audit history of the opening process will be maintained by the e-procurement system.
- 14.4 Any quotations / tenders received after the specified opening date whether by post or email should not be opened or included in the evaluation.
- 14.5 In the case of quotations / tenders received via the e-procurement system Procurement and Legal Services can agree to accept a late quotation / tender response received via the e-Procurement system in exceptional cases.
- 14.6 If a Quotation or Tender exercise fails to return more than 1 bid response, then the Contract Administrator and Procurement should decide whether the bid represents value for money and delivers the specification in full. A decision to proceed to award based on single bid OR suspension of the procurement

exercise should be agreed, documented and approved via the Gateway 2 review. If the procurement exercise is suspended a decision to a) revise the project and re-tender OR b) abandon the whole project should be set out in the Gateway 2 review.

SO15 Evaluating Quotations and Tenders

- 15.1 Tenders and quotations will be evaluated as per the agreed evaluation criteria set out in the quotation or tender documentation. Procurement provides an evaluation matrix (spreadsheet) for this purpose. Please refer to the documents area of the procurement pages on ForestNet.
- 15.2 The Contract Administrator must ensure that evaluation of tenders takes place involving suitably experienced officers to form “the evaluation panel”. The results of the evaluation must reflect the consensus of the panel and be approved by the appropriate Service Manager by sign off **Gateway Stage 2**.
- 15.3 It is permissible to use consultants to assist with tender evaluation, but the final decision must be made by an NFDC officer with delegated authority.
- 15.4 If during the evaluation of tenders the panel requires post-tender clarifications from any or all of the tenderers, this must be communicated via the e-procurement system messaging function by the Procurement team).
- 15.5 The results of the evaluation must be retained for the period of SLP from the end of the contract. A copy of the approved evaluation matrix will be provided to Procurement to store electronically in the e-procurement system (along with the award decision letters and final contract documents).

SO16 Award Notification and Entering into Contracts

- 16.1 Signing and entering into contracts must be strictly in accordance with the Councils scheme of delegations set out in **Annex C**
- 16.2 The notification of the outcome of a desk-top quotation for contracts below £25,000 will be administered by the relevant Contract Administrator. Service Manager approval to award contract is required. All tenderers (successful and unsuccessful) will be notified on the same date along with details of their evaluation scores. Template letters are available from Procurement.
- 16.3 The notification of the outcome of a quotation or tender for contracts issued and received via the e-procurement system will be administered by Procurement. All tenderers (successful and unsuccessful) will be notified along with details of their evaluation scores. **Note:** Service Manager approval of **Gateway Stage 2** is required prior to formal award of contract.
- 16.4 Suppliers / Contractors are required to hold and maintain appropriate levels of insurance during the period of any contract awarded by the Council. Evidence

of the insurance cover held must be confirmed prior to the award of contract. See ForestNet Procurement for advice and guidance.

- 16.5 An official purchase order will be issued (unless otherwise agreed with Procurement) to awarded supplier(s) to call-off goods or services, cross referencing the Councils contract number and awarded suppliers quotation number (if available). Works orders will be instructed as set out in the works contract documents, with payment certificates used to authorise payments. The terms and conditions of contract will be as set out in the quotation / tender pack.

SO17 Performance Bonds & Parent Company Guarantees

- 17.1 As part of the evaluation of short-listed tender responses the Contract Administrator will request from Procurement an independent financial appraisal report.

The financial appraisal provides the Council with an overall financial risk score (referred to as failure score) used to assess the applicant's financial standing. The failure score ratings (0 poor to 100 good) are matched to a pass/fail result as detailed below:

- Score of 0 to 10 will mean automatic "**FAIL**" and the suppliers will be excluded from the procurement process.
- Score of 11 to 50 will be a "**PASS - SUBJECT TO**" provision of a performance bond or parent company guarantee if/when deemed appropriate.
- Score of 51 and over is a "**PASS**" meaning the Council will not request a performance bond or parent company guarantee (although this can be overruled on a case by case basis).

- 17.2 A performance bond (PB) or parent company guarantee (PCG) provides the Council with a financial guarantee, typically limited to 10% of the contract price to protect against losses and/or damages as result of the Contractor failing to perform its contractual obligations upto practical completion. A performance bond is a tripartite agreement between the Contractor, its surety (a bank / insurer) and the Council. Likewise, a parent company guarantee is a tripartite agreement between the Contractor, its Parent Company and the Council.

- 17.3 The decision to seek the assurance of a performance bond (PB) or parent company guarantee (PCG) will depend on the risk factors related to the specific contractor and proportionate to the contract value and cost to the Council of the assurance. Advice from Procurement, Accountancy and Legal should be sought by the Contract Administrator where a contractor's financial appraisal highlights concerns. Please see ForestNet for an NFDC template performance bond or parent company guarantee.

SO18 Maintenance of the Contract Register

- 18.1 Under Government Transparency Law the Council must publish and maintain details of ALL “live” contracts. In order to achieve this requirement, Procurement will add details of all contracts to the e-procurement systems contract register accessible via a link on the Councils website for enquiries.
- 18.2 The e-procurement systems contract register allows for “private” documents to be stored. Procurement will add an electronic copy of the final signed / sealed contract and any relevant documents. This will be accessible to Council officers linked to the procurement.
- 18.3 All original sealed deed contract documents must be held centrally by Legal Services for the term of the contract (including any agreed extension periods), plus the statutory limitation period (12 years for sealed deeds). They must be referenced back to the Central Register.
- 18.4 All original signed under hand contracts must be held by the relevant Service unit for the term of the contract (including any agreed extension periods), plus the statutory limitation period (6 years for contracts under hand). They must be referenced back to a Service based register.
- 18.5 Service Managers are responsible for ensuring that:
- the original signed/sealed copies of the contract and any subsequent signed variations, have been stored as set out in 18.3 and 18.4.
summary details of any contract that has been entered into, that binds the Council to the terms and conditions of the contract plus a .pdf copy of the signed / sealed contract is provided to Procurement to be entered on the Contracts Register administered by Procurement;
 - an electronic copy of the contract and any subsequent variations to the contract that are entered into during its lifetime are stored in their service filing areas (working copy);
 - Procurement will maintain the online Contracts Register (via the electronic procurement system) to ensure the Council complies with the obligations of the Local Government Transparency Code (2015).

SO19 Conflicts of Interest, Bribery and Corruption

- 19.1 All officers involved with the award of contracts must comply with the Council's Anti-Fraud, Bribery and Corruption Strategy.
- 19.2 No gifts or hospitality, other than simple refreshments, shall be accepted by Officers or members from any tenderers to any contract being let by the Council until the time that the contract has been awarded.
- 19.3 No contract can be wholly awarded or managed by an officer who has other interests in the arrangement.

- 19.4 If it comes to the knowledge of a member or officer of the Council that a contract in which s/he has a pecuniary interest has been or is proposed to be entered into by the Council, s/he shall immediately inform the Monitoring Officer.

SO20 Waivers of Contract Standing Orders

- A waiver is the process to follow where circumstances mean that Contract Standing Orders cannot be adhered to, in accordance with the following rules:
- A waiver must not result in a breach of EU Procurement Regulations for contracts within the EU tendering thresholds or of procurement law below EU procurement thresholds. In all cases, the Council must apply general principles of equal treatment, transparency and non-discrimination.
- An officer may request a waiver by completing the waiver template which can be found on the procurement pages on ForestNet.
- All waiver requests will be presented to the Service Manager Legal. The arbiter of a waiver decision shall be the Executive Head, Governance and Regulation.
- All approved waivers where a contract award is sanctioned shall be added to the Contracts Register by Procurement to ensure compliance with the Local Government Transparency Code.

SO21 Modifications of Contracts During their Term

- 21.1 Under Public Contracts Regulations 2015 (Reg 72), a modification to an existing pre-tendered contract may be possible, without the need to re-advertise or re-tender, under the following circumstances.
- 21.2 The Contract Administrator, following legal advice, has included a modification (or review) clause in the original contract Terms & Conditions at tender stage providing the possible options for a modification (or variation) to the contract (if required) based on quantity, time or monetary value. Any such modification clause must be clear, precise and unequivocal and must not alter the overall nature of the contract. Legal approval is required to invoke any modification clause.
- 21.3 Where no modification clause was added at tender stage, a modification to the contract may be undertaken providing that:
- the additional costs incurred are below 15% (if Works) or 10% (if Goods / Services) of the original contract value; or
 - Where there are “unforeseen circumstances”, and the increase is not greater than 50%; or
 - Where additional works have become necessary and to change suppliers would not be practical and would cause significant

inconvenience or duplication of costs, and the increase is not greater than 50%.

- 21.4 Certain other factors may also permit contract modifications, such as for minor changes or as a result of corporate restructuring. Please seek advice from Legal Services.
- 21.5 Gaining approval for modification of a contract: Any modification to an existing pre-tendered contract must be documented by amendment of the original Gateway Review 2 form. The Contract administrator will document the reason for the modification and under CSO clause 21. The Gateway 2 amendment must be approved and signed by the appropriate Service Manager to confirm the budget increase, confirm the extension does not exceed that allowed for in this clause 21 and provide formal approval to proceed. The signed Gateway 2 amended form should be scanned and sent to Procurement to store alongside the original documents in the Contract Register. The contract variation between the Council and the supplier / contractor can then be arranged by the Contract Administrator.

SO22 Contract Mobilisation and Monitoring

- 22.1 The Contract Administrator should establish regular reviews with the awarded supplier(s) to monitor the performance of the contract and ensure the cost, service and quality elements of the supplier offer meet (or improve upon) the tendered specification. The contract monitoring regime should be commensurate and proportionate to the contract and should include the use of simple and effective performance measurement. The proposed arrangement to mobilise and monitor the contract throughout its lifetime should be set out in **Gateway Review Stage 2** (contract award proposal & approval).
- 22.2 Service Managers are accountable for ensuring the performance monitoring regime for awarded contracts is maintained in line with the contract documents and the Gateway Review Stage 2.

Annex A – Contract Standing Orders (Thresholds & Sourcing Matrix)

CONTRACT STANDING ORDER (QUICK GUIDE)

Contract Value	Type of Procurement	Advert Required	Sourcing Method to be Used
Less than £15,000	Best Value Price Check (BV) <i>via desk-top</i>	NO	<ul style="list-style-type: none"> Use a National / Regional Framework, <i>or</i> Use an existing NFDC Corporate contract, <i>or</i> Undertake price checks to demonstrate best value for the Council. Document and retain price checks.
£15,000 - £25,000	Request for Quotation (RFQ) <i>via desk-top</i>	NO	<ul style="list-style-type: none"> Use a National / Regional Framework. Use an existing NFDC Corporate contract. Invite a minimum of 3 written Quotations via your desk-top (eMail) using templates available from Procurement. OR contact Procurement who will run a “restricted” Quotation via the South East Business Portal on your behalf.
£25,000 - £50,000	Request for Quotation (RFQ) <i>via Procurement Team</i>	NO <i>(with Yes option)</i>	<ul style="list-style-type: none"> Gateway Review to be approved by Service Manager. Discuss with Procurement (Add to Procurement Pipeline). <p>Procurement options are;</p> <ul style="list-style-type: none"> Use a National / Regional Framework. Use an existing NFDC Corporate contract. Work with Procurement who will run a “restricted” Quotation exercise inviting nominated suppliers via the South East Business Portal on your behalf. <i>Note: the use of an “open” Quotation is optional where potential tenderers are unknown.</i>
£50,000 upto EU Threshold*	Invitation to Tender (ITT) <i>via Procurement Team</i>	YES (SEBP & CF)	<ul style="list-style-type: none"> Gateway Review to be approved by Service Manager. Discuss with Procurement (Add to Procurement Pipeline). <p>Options are;</p> <ul style="list-style-type: none"> Use a National / Regional Framework. Contact Procurement who will fully manage an “open” Tender process via the South East Business Portal on your behalf.
EU Threshold* & above	Invitation to Tender (ITT) <i>via Procurement Team</i>	YES (SEBP & OJEU)	<ul style="list-style-type: none"> Gateway Review to be approved by Service Manager. Discuss with Procurement (Add to Procurement Pipeline). <p>Options are;</p> <ul style="list-style-type: none"> Use a National / Regional Framework. Contact Procurement who will fully manage an “EU compliant” Tender process via OJEU and the South East Business Portal on your behalf.

Please refer to Procurement Rules, Regulations & Contract Standing Orders on Forestnet >> <http://forestnet/article/2591/NFDC-Procurement-Documents>

Please see [The Public Contracts Regulations 2015](#)

*EU Threshold @ 1st Jan 2018 = Goods/Services £181,302; Works £4,551,413

Procurement Contract Definitions:

Works: These contracts relate to construction, demolition, building and civil engineering work and completion work such as joinery, plastering and decoration. It includes major repairs or complete refurbishment. (e.g. *building affordable housing, repairing building structures, resurfacing a car park, repairing a roof, installing a heating system.*)

Goods / Supplies: These contracts relate to the purchase, hire, siting or installation of goods, but not their maintenance. (e.g. *equipment, clothing, vehicles & spare parts, office stationery, consumables, gas, electricity, IT Hardware/Software*)

Services: These contracts relate to the provision by a person or other entity to provide services. (e.g. *Provision of maintenance services, professional services (consultancy), financial services, cleaning services, servicing an installed product or system*)

How to estimate the total contract value of your procurement:

The contract value should be the summation of the whole life costs of the contract on offer. e.g. the complete life cycle from start to finish.

Contract Value = Initial non-recurring elements (e.g. capital items, materials, supplies, training, refurbishments & labour, set-up costs, etc.) **+ recurring costs over the contract duration** (e.g. materials, parts, maintenance, labour, annual licences, upgrading and ultimate decommissioning / disposal, etc.) for the term duration (e.g. 3 / 4 years)

If the contract is a one-off purchase then the total value will be quite easy to estimate, based on "should cost" or benchmarked comparisons

If the contract is spread over a number of years (i.e. 3 years + 2 years optional extension), the contract value is the total whole life cost value over the maximum contract duration

If you intend to buy similar goods or services year-on-year but you do not know the length of the contract or it is indefinite, you will need to estimate the total value of your purchasing over the next 48 months (4 years) to arrive at a Contract value.

Contracts over 5 years duration should be approved by Legal Services in conjunction with Procurement. Single supplier / multi supplier Framework Agreements cannot exceed 4 years duration. Provision should be made for long term agreements whereby an extension period beyond the initial term may be beneficial to the Council in the future.

Contracts must be packaged appropriately to achieve maximum value for the Council. They should not be split in order to avoid quotation or tendering limits in Contract Standing Orders or EU procurement thresholds, or be packaged in a way to reduce the potential for fair and open competition

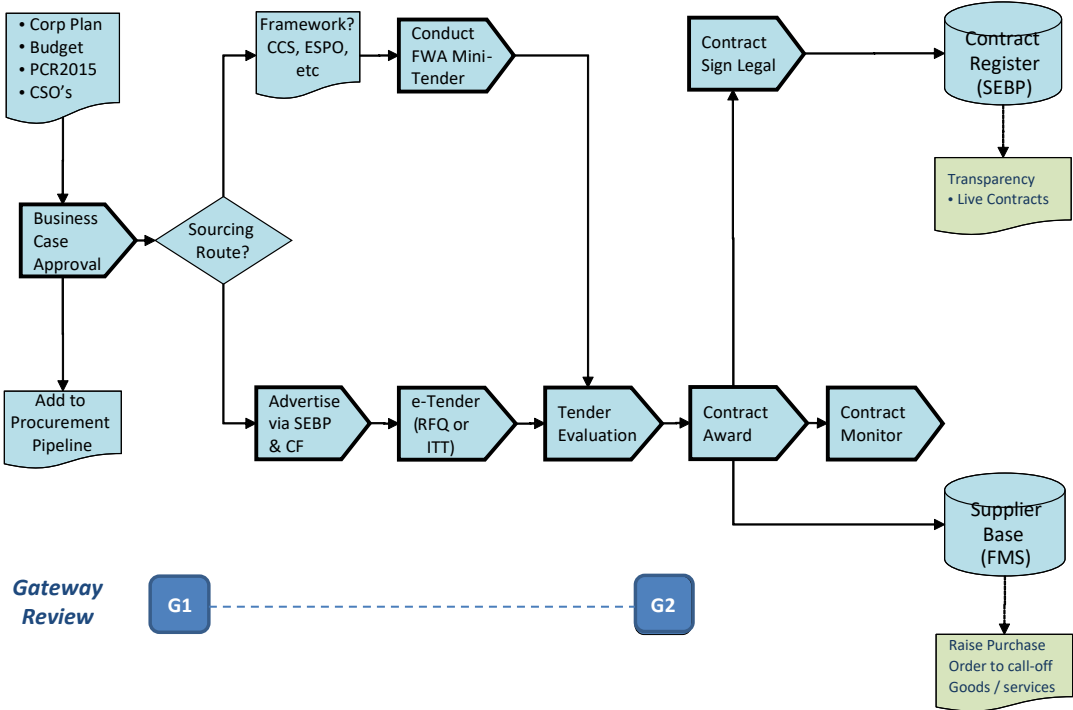
Transparency – NFDC Advertising Threshold:

All contracts in excess of £50,000 must be advertised transparently on the Council's Business Portal. Please contact Procurement to arrange. See SO8 for further details.

Annex B – The Sourcing Supply Process

These Contract Standing Orders apply to the Sourcing Supply process used by the Council to ensure fairness and transparency in the advertising, selection and award of contract opportunities whilst delivering the goals of the Corporate Plan.

The flow diagram below shows the key steps in the Sourcing Supply process and indicates the Gateway decision points



Gateway Review (G1 to G2)

A Gateway Review shall be conducted on all procurement contracts with an estimated value in excess of £25,000. The scale of the reviews shall be proportionate to the value of the work and the risks and complexity of the project. See SO8 for further details.

The purpose of the Gateway Review process is to ensure that;

- projects are properly defined and well managed
- effective communication established
- roles and responsibilities identified and assigned
- opportunities and risks identified and managed

Gateway reviews shall be undertaken at the following key stages of the project:



Note: Service Manager approval of Gateway Stages 1 & 2 is required prior to commencement of any Procurement activity and award of contract.

Annex C - NFDC Scheme of Delegations relating to Procurement Contracts

Process	Covers	Strategic Procurement Manager	Budget Responsible Officer (BRO)	Service Manager	Member of EMT
Awarding a Contract	Award a contract to a supplier with whom orders can be placed (in accordance with procurement rules). Select the winning tender from a procurement exercise.	Upto £50k	Upto £10k	Upto £1M	£ Unlimited
Signing a Contract	Sign under hand a contract awarded under a request for quotation or tender process. Sign up to an agreement which ties the council into expenditure (e.g. maintenance agreement). Sign up to an agreement which ties the council into a set of terms and conditions (e.g. grant agreement, IT facility agreement).	Upto £50k	Upto £10k	Upto £1M	£ Unlimited
Sealing a Deed	Signing the seal affixed to a document or deed. All contracts over the value of £164,176 (<i>the EU Threshold for Goods/Services</i>) must be referred to Legal Services to confirm whether they require sealing.	N/A	N/A	Service Manager	Executive Head (Gov & Reg) Chief Executive
Invoice payment (Works)	All works contract payments must be checked and signed by the suitable signatory before being passed to Accounts Payable for payment.	Upto £100k	BROfficer = Upto £50k BRAdmin = Upto £10k	Upto £500k	£ Unlimited
Invoice payment (Goods and Services)	All goods and services invoices for contracts can be paid in line with the Council's authorised signatories policy.	N/A	BROfficer = Upto £50k BRAdmin = Upto £10k	Upto £150k	£ Unlimited