CONTRACT STANDING ORDERS RELATING TO PROCUREMENT

APPLICABLE FOR PROCUREMENTS AFTER 24 FEBRUARY 2025

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V1	**New CSOs**	**28 October 2024**
V2	**Amendments following go-live of the Procurement Act 2023**	**24 February 2025**
V3	**Amendments to Scheme of Delegation following review of Financial Regulations approved by Council 14 April 2025**	**19 May 2025**

Part 1 – Introduction & Compliance

1. Introduction

1.1. Procurement operates in a complex legal framework set by the UK Government under the Procurement Act 2023. All local authorities are required by law under the Local Government Act 1972 to draw up a set of Contract Standing Orders (CSO's) for the procurement of goods, services and works. Contract Standing Orders are part of the Councils Constitution (section 4/10).

1.2. 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.

1.3. 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.

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

1.5. 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.

1.6. Governance of Contract Standing Orders: The Functions and Responsibility Regulations 2000 set out that Contract Standing Orders as to contracts are expressly excluded as matters that the Executive Management Team can decide upon, therefore any changes will be presented to full Council for ultimate decision.

2. Compliance

2.1. Every Member of the Council and every officer and employee of the Council must comply with these Contract Standing Orders.

2.2. 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.

2.3. 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).

2.4. Every contract must be let in compliance with the Procurement Act 2023 and domestic legal requirements.

2.5. 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 normally be delivered by that service.

2.6. These Rules are supplemented by a quick guide to the Councils Procurement Thresholds and Sourcing Matrix (See Annex A).

3. Exemptions

3.1. The following contracts are exempt from the requirements of these Rules:

3.1.1. Employment contracts

3.1.2. Contracts for the disposal or acquisition of an interest in land, existing buildings or other immovable property

3.1.3. Legal advice sought by the Legal Services Manager, connected with the business of the Council.

3.1.4. Arbitration or conciliation services.

3.1.5. Financial advice sought by the section 151 officer in connection with council business.

3.1.6. Central bank services

3.1.7. Public contracts between entities within the public sector

3.1.8. Grants to external organisations

4. Conflicts of Interest, Bribery and Corruption

4.1. All officers involved with the award of contracts must comply with the Council's Anti-Fraud, Bribery and Corruption Strategy.

4.2. 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.

4.3. No contract can be wholly awarded or managed by an officer who has other interests in the arrangement.

4.4. 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.

Part 2 – Orders

5. Budgetary Provision and Gateway Review

5.1. No quotation or tender shall be invited or order placed unless there is sufficient approved budgetary provision.

5.2. 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. Gateway Review forms can be found on the ForestNet Procurement Pages.

5.3. **Gateway 1 – Project Outline & Procurement Planning.** The Gateway 1 sets out the project scope, aims and objectives, confirms budget provision, describes the procurement procedure to be used and requires relevant Senior/Service Manager and Accountancy approval in order to proceed to formal tendering. Note: Invitations to quote or tender will not proceed without a Senior/Service Manager signed off Gateway 1.

5.4. **Gateway 2 – Contract Award Proposal & Approval.** The Gateway 2 reports on the outcome of the tendering activity, proposes way forward including how the contract will be monitored and confirms Senior/Service Manager and Accountancy approval to award contract. Note: Formal contract award letters will not be issued without a Service Manage signed off Gateway 2.

6. Contract Value (Estimation of)

6.1. All monetary values referred to in these Rules relating to estimation of contract value are total lifetime contract values, not annual values and applies to all expenditure contracts and income generating contracts.

6.2. Estimation of "below UK Threshold" (See *7.1-7.4* herein) contract values should be calculated exclusive of VAT.

6.3. Estimation of "above UK Threshold" (See *7.5* herein) contract values should be calculated inclusive of VAT.

6.4. Advertising of Contracts. Where applicable, under the Councils transparency rules (See *7: Tendering Thresholds* herein) PPN 10/21 also states that for the purposes of advertising, the estimated contract value will continue to be provided exclusive of VAT. Similarly contract award notices will continue to be published exclusive of VAT.

6.5. Guidance on how to calculate the value of a contract can be found in the CSO Thresholds and Sourcing Matrix set out in Annex A herein.

6.6. 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 UK public procurement thresholds or packaged in a way to reduce the potential for fair and open competition.

7. Tendering Thresholds

Different procedures apply based on the estimated contract value:

7.1. Contracts valued below £15,000

Where the estimated contract value is less than £15,000, 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. Senior/Service Manager approval to award contract is required. NFDC terms and conditions should be used unless otherwise agreed with Legal Services.

7.2. Contracts valued between £15,000 and £25,000

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.

7.3. Contracts valued between £25,000 and £100,000

Where the estimated value of a works, goods or services contract is between £25,000 and £100,000, the Procurement team will advise and agree, in conjunction with the service team, the most appropriate procurement route depending on the contract and the market. Nevertheless, the minimum requirement will be to request three quotations,, at least one of

which must be from a local supplier (where possible). A local supplier is defined, for this purpose, as operating within the SO, BH and SP postcode regions. 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.

7.4. Contracts valued between £100,000 and UK Threshold*

The Councils standing orders require transparent advertising of any contract with an estimated value of £100,000 or more. Procurement will "openly" advertise such contract opportunities on the Council's e-Tendering platform, the South East Business Portal (SEBP) and in addition the Governments Contracts Finder (CF) portal and for above UK threshold (see Annex A) the Find a Tender Service (FTS) 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).

Advertising of contracts below £100,000 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.

7.5. Contracts valued in excess of UK Threshold*

Where the estimated contract value (inclusive of VAT) for a works, goods or services contract exceeds the relevant UK public procurement threshold (*see Annex A for UK threshold £ values) any contract must be issued by the Procurement team in compliance with the relevant legal requirements, in particular the Procurement Act 2023 and these Rules.

Procurement will arrange for the issue of a Contract Notice (advert) in the UK FTS (Find a Tender Service) to be followed by an invitation to tender using one of the mandated procedures set out in the Procurement Act 2023 (namely; open; or competitive flexible). Procurement will advise on the most appropriate procedure to be followed. Where there is a conflict between legislation and these Rules, the legislation will prevail.

8. Content of Invitations to Quote or Tender

8.1. Procurement will oversee the contents of all invitation to tender or requests for quotation to ensure they include:

- A description of the works, goods or services being procured
- A specification indicating the outcomes required
- Terms and conditions of contract
- The evaluation criteria including any weightings
- The Cost (pricing) mechanism and instructions for completing the tender sum response
- The Quality and Service requirements and associated response form
- Where there is a potential transfer of employees, the Council's view on whether TUPE will apply

- The form and content of any method statements to be provided

9. Climate Change and Sustainability

9.1. On 6 October 2021 NFDC declared a climate change and nature emergency for the district. As such for every procurement, the environmental impact must be considered.

9.2. For all contracts above £100,000, a minimum of 5% of the evaluation weighting must be allocated to climate change and sustainability actions.

10.Collaborative Procurement

10.1. 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.

10.2. 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.

11. Submission and Opening of Tenders and Quotations

11.1. 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.

11.2. 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.

11.3. 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.

11.4. Any quotations / tenders received after the specified opening date whether by post or email should not be opened or included in the evaluation.

11.5. 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.

11.6. 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.

12. Evaluating Quotations and Tenders

12.1. 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.

12.2. 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 Senior/Service Manager by sign off Gateway Stage 2. When forming the panel, please refer to the following table as a minimum requirement:

Tendering Threshold (Excluding VAT)	**Evaluation Panel**	**Moderator**
Up to £15k	Officer	None
£15k - £25k	Officer and Line Manager	None
£25k - £100k	Officer and Line Manager	None (Procurement Team if Open Tender)
£100k – UK Threshold	Officer and Line Manager (including Senior/Service Manager)	Procurement Team
UK Threshold +	Officer and Line Manager (including Senior/Service Manager)	Procurement Team

12.3. 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.

12.4. 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).

12.5. 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).

13.Award Notifications and Entering into Contracts

13.1. Signing and entering into contracts must be strictly in accordance with the Councils scheme of delegations set out in **Annex B**

13.2. The notification of the outcome of a desk-top quotation for contracts below £25,000 will be administered by the relevant Contract Administrator. Senior/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.

13.3. 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:** Senior/Service Manager approval of **Gateway Stage 2** is required prior to formal award of contract.

13.4. 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 Insurance Cover Guidance in ForestNet Procurement for advice and guidance.

13.5. 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.

14. Form and contents of Legal Terms and Conditions (contracts)

14.1. 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.

14.2. The decision whether a contract for Works, Goods or Services (with a value below the UK threshold for Goods / Services (See Annex A)) should be signed under hand or sealed as a 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.

14.3. Contracts for Works, Goods or Services with a value exceeding the UK threshold for Goods / Services (See Annex A) must be sent to Legal Services to determine if they need to be sealed.

14.4. Contracts for Works, Goods and Services with a value NOT exceeding the UK threshold for Goods / Services (See Annex A) may be signed under hand and must be signed by an officer nominated with that level of responsibility as set out in Annex B.

15. Performance Bond / Parent Company Guarantee

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

15.2. 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 <u>will not</u> request a performance bond or parent company guarantee (although this can be overruled on a case-by-case basis).

15.3. 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 up to 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.

15.4. 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.

16.Maintenance of the Contracts Register

16.1. Under Government Transparency Law the Council must publish and maintain details of ALL "live" contracts. 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.

16.2. 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.

16.3. 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.

16.4. 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.

16.5. Senior/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 16.3 and 16.4.
- 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).

17. Breaches of Contract Standing Orders

17.1. Breaches of these Contract Standing Orders are extremely serious matters and will be fully investigated and reported on following referral or discovery. Any breach of these Orders could lead to disciplinary action being taken against the individual(s) concerned.

17.2. Strategic Directors, Assistant Directors, Service Managers and Senior Managers are responsible for reporting all known or discovered breaches of these Orders to the Statutory Officers Group as soon as they become aware of such instances.

17.3. Any breaches reported to the Statutory Officers Group will be reported to the Audit Committee on an annual basis.

18. Waivers of Contract Standing Orders

18.1. A waiver is the process to follow where circumstances mean that Contract Standing Orders cannot be adhered to, in accordance with the following rules:

18.2. A waiver must not result in a breach of UK Public Procurement Regulations for contracts within the UK tendering thresholds or of procurement law below UK public procurement thresholds.

18.3. An officer may request a waiver by completing the waiver eForm which can be found on the procurement pages on ForestNet.

18.4. All waiver requests will be presented to the Monitoring Officer. The arbiter of a waiver decision shall be the Section 151 Officer.

18.5. Alternative options should have firstly been explored and exhausted with Procurement by Senior/Service Managers prior to seeking a waiver. This should be documented as part of the waiver request.

18.6. 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.

18.7. All approved waivers will be subject to scrutiny of the Audit Committee on an annual basis.

19. Contract Modifications

19.1. Under the Procurement Act 2023 (Reg 74 and section 8), a modification to an existing pre-tendered contract may be possible, without the need to re-advertise or re-tender, under the following circumstances.

19.2. 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.

19.3. 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 current 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%.

19.4. 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. In any event, any contract modifications must be in adherence to the Financial Regulations.

19.5. 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. The Gateway 2 amendment must be approved and signed by the appropriate Senior/Service Manager to confirm the budget increase, confirm the extension does not exceed that allowed for in this clause and provide formal approval to proceed. If the modification results in the total contract value reaching the next threshold of the Scheme of Delegation, authorisation will also be required by the relevant officer as per section 11.1.1 of the Council’s Financial Regulations. 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.

19.6. Contract modifications will be tracked by the Procurement team and reported to the Executive Management Team twice yearly.

20. Contract Mobilisation and Monitoring

20.1. 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).

20.2. Senior/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.

21. References and Testimonials

21.1. The Council officers may be asked to provide a reference or testimonial for an organisation with which the Council is in a contractual relationship or partnership. As public entities, district councils are expected to follow certain principles of transparency, fairness, and accountability.

21.2. A **reference** is considered a business-to-business communication and should be kept confidential by both parties. It is reasonable to accept requests for references, especially if the supplier has performed well and/or has exceeded expectations. Any opinions offered must be accurate and backed by contemporaneous records. For example, if commenting on supplier performance, such evidence might include performance against KPIs. Subjective assessments should be avoided, and officers should avoid providing "open" references (i.e., a general statement about a supplier not related to any specific contract). Officers need to exercise great care when a request for a reference may result in negative comments about a contractor. It may be appropriate to decline to give a reference in such situations. If in doubt, take advice from the council's procurement team.

21.3. A **testimonial** is considered a communication that may be advertised to the public. The general rule is that officers should not be providing testimonials for marketing purposes to contractors or suppliers. There may be occasions when you are asked to supply a logo or agree to a sign having information such as 'working with / for New Forest District Council' which may be appropriate to agree to for a pre-defined period, after which it should be removed.

21.4. If you are in any doubt, please contact your Senior/Service Manager and/or the procurement contract relationship officer.

Part 3 – Appendices

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

CONTRACT STANDING ORDER (QUICK GUIDE)

Estimated Contract Value (Excl VAT)	Type of Procurement	Advert Required	Sourcing Method to be Used
Less than £15,000	**Best Value Price Check (BV)** *via desk-top*	**NO**	• Use a National / Regional Framework, *or* • Use an existing NFDC Corporate contract, *or* • Undertake price checks to demonstrate best value for the Council. Document and retain price checks. Senior/Service Manager Approval required.
£15,000 - £25,000	**Request for Quotation (RFQ)** *via desk-top OR* *via Procurement*	**NO**	• Use a National / Regional Framework. • Use an existing NFDC Corporate contract. • Invite a minimum of 3 written Quotations via your desk-top (eMail), inviting a minimum of 1 Local supplier, using templates available from Procurement if required. • **OR** contact Procurement who will run a "restricted" Quotation via the South East Business Portal.
£25,000 - £100,000	**Request for Quotation (RFQ)** *via Procurement Team*	**NO** *(with Yes option)*	• Gateway Review to be approved by Senior/Service Manager. • Discuss with Procurement (Add to Procurement Pipeline). Procurement options are; • Use a National / Regional Framework. • Use an existing NFDC Corporate contract. • Work with Procurement who will advise and agree the appropriate procurement route. The minimum requirement is to run a "restricted" Quotation exercise inviting nominated suppliers via the South East Business Portal, inviting a minimum of 1 Local supplier. *Note: the use of an "open" Quotation is optional where potential tenderers are unknown.*
£100,000 upto *UK Threshold	**Invitation to Tender (ITT)** *via Procurement Team*	**YES** (SEBP & CF)	• Gateway Review to be approved by Senior/Service Manager. • Discuss with Procurement (Add to Procurement Pipeline). Procurement Options are; • Use a National / Regional Framework. • Contact Procurement who will fully manage an "open" Tender process via the South East Business Portal (SEBP) and Contracts Finder (CF).
***ABOVE UK Threshold & above**	**Invitation to Tender (ITT)** *via Procurement Team*	**YES** (SEBP, CF & FTS)	• Estimate contract value inclusive of VAT • Gateway Review to be approved by Senior/Service Manager. • Discuss with Procurement (Add to Procurement Pipeline). Procurement Options are; • Use a National / Regional Framework. • Contact Procurement who will fully manage a "UK compliant" Tender process via the "Find a Tender Service" (FTS), Contracts Finder (CF) and the South East Business Portal (SEBP).

Please see The Procurement Act 2023 https://www.legislation.gov.uk/ukpga/2023/54/contents

***UK Thresholds @ 10/09/24 = Goods/Services £214,904; Works £5,372,609 (inc VAT)**

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

23. Procurement Contract Definitions

23.1. **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.)

23.2. **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)

23.3. **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)

23.4. **Senior/Service Manager**: Member of the Senior Leadership Team as agreed from time to time by the Chief Executive.

24. Contract Value Calculation

24.1. 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.

24.2. **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). **Note: All estimates for "Above UK Threshold" contracts should include VAT at applicable rate.**

24.3. 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.

24.4. 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.

24.5. 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.

24.6. 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.

24.7. 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 UK public procurement thresholds, or be packaged in a way to reduce the potential for fair and open competition.

25. Annex B - NFDC Scheme of Delegations Vs. Procurement Contracts

Process	Covers	Strategic Procurement Manager	Budget Responsible Officer (BRO)	Senior/Service Manager	Assistant Director (AD)	Strategic Directors	Chief Exec & S151 Officer
Awarding a Contract	Award a contract following a quotation or tender exercise to a supplier with whom orders can be placed (in accordance with procurement rules). Select the winning tender from a procurement exercise.	Up to £50k	Up to £50k	Up to £1M	Up to £3M	Unlimited	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).	Up to £50k	Up to £50k	Up to £1M	Up to £3M	Unlimited	Unlimited
Sealing a Deed	All contracts estimated over the value of £213,477 (the UK Threshold effective from 01 Jan 2022 for Goods/Services) must be referred to Legal Services to confirm whether they require sealing.	N/A	N/A	Up to £1M (Legal Services)	Up to £3M (Legal Services)	Up to £5M (Legal Services)	Unlimited (Legal Services)
Purchase Order Approval	Purchases Orders (PO) are mandatory for the supply of works, goods or services. Use Finance Mgt System to create PO once contract is signed / sealed.	N/A	BROfficer = Upto £50k BRAdmin = Up to £10k	Up to £450K	Up to £2M	Up to £5m	Unlimited
Invoice payment	All works, goods and services invoices must be checked and approved for payment (via GRN process) being processed for payment by Accounts Payable. Supplier Invoice must quote a valid NFDC PO number.	N/A	BROfficer = Up to £50k BRAdmin = Up to £10k	Up to £450K	Up to £2M	Up to £5m	Unlimited

* Values are excluding VAT