

EAST RENFREWSHIRE COUNCIL19 December 2018Report by Chief Officer Legal & ProcurementAMENDMENTS TO CONTRACT STANDING ORDERS**PURPOSE OF REPORT**

1. To seek approval of a revised version of Contract Standing Orders.

RECOMMENDATION

2. The Council is asked to approve revised Contract Standing Orders which form Appendix 1 to this report and agree that said standing orders shall take immediate effect.

BACKGROUND

3. The introduction of the Public Contract (Scotland) Regulations and the Procurement Reform (Scotland) Act in 2015/16 led to the introduction of amended Contract Standing Orders which took effect as of 20th April 2016 following Council approval. At this time the opportunity was taken to streamline the Standing Orders and add some new provisions to help embed best practice and ensure compliance with the new statutory obligations.

4. Whilst these objectives have to a large degree been achieved, experience of using the standing orders in the interim period and ongoing consultation with Services has highlighted that some further changes are required to provide greater clarity and to improve the efficiency of purchasing practices within the Council. With these aims in mind, further amendments are suggested.

REPORT

5. The suggested amended version of Contract Standing Orders is attached as Appendix 1. A track changed version of the current standing orders is attached as Appendix 2 for comparison purposes. Specifically, the following main changes to the current Standing Orders are proposed:

6. **Definitions section** has been expanded.
7. **Clause 5 Best Value** has been amended to provide further clarity on the definition of best value.
8. **Clause 11 Acceptance of Tenders** has been amended to remove any ambiguity around the various levels of contract acceptance.
9. **Clause 12 Purchase Orders and Contracts Register** has been reworded to provide a clear instruction to purchasing departments on the requirements for a purchase order. The clause is now cross referenced to the variation clause to highlight to officers the level of amendment that can take place and the process that needs to be followed.

10. **Clause 13 Contract Strategy** has been amended slightly to reflect that the Contract Strategy which is referred to, and is to be completed and signed off, is the Contract Strategy document, Route 2 or 3, as developed by Corporate Procurement.

11. **Clause 14 Contract Value Variations** has been amended following informal feedback from users which highlighted that the previous wording led to confusion regarding the appropriate variation limits and also that consideration should be given to works contracts where, due to their nature and value, the previous variation threshold was easily reached. It is proposed that the clause is amended to reflect the thresholds stated in Clause 12 and that the Director of the procuring department has the authority to approve the variation up to a maximum of £100,000. Where the total cumulative value of all variations to a particular contract exceeds £100,000 the Director of the procuring department shall submit a report to Cabinet for approval. A guidance note has been prepared to provide further clarity to officers on how this clause is to be applied.

12. **Clause 15 Exemptions from Competition:** the wording has been amended to remove any ambiguity around the exemption process.

13. **Clause 19 Contracts for the appointment of consultants:** additional wording has been incorporated to strengthen the appointment process for consultants where the value of work is below £50,000.

14. **Clause 20 Pre-contract confirmations:** this clause now provides for a second level financial assessment for suppliers who are bidding for high value/high risk contracts as defined from time to time in guidance issued by the Chief Procurement Officer.

15. **Clause 25 Reserved Contract:** the inclusion of this new clause reflects the EU Procurement Regulations whereby the Council can reserve contracts to supported businesses and by doing this, demonstrate a commitment to corporate social responsibility whilst supporting the Corporate Procurement Strategy and the Fairer East Ren plan.

FINANCE AND EFFICIENCY

16. While there is no direct cost to the Council in implementing the recommendations, the provision of additional clarity in the standing orders will minimise unintentional non-compliance and so reduce financial risk to the Council.

CONSULTATION

17. An initial report was submitted to the Corporate Management Team sitting as the Procurement Board where approval for the proposed amendments was given. Further consultation has since taken place with the Environment department in relation to the variation clause and its impact on operational matters.

IMPLICATIONS OF THE PROPOSALS

18. There are no IT, sustainability, staffing or other implications arising from this report.

CONCLUSIONS

19. Whilst the amendments will provide clarity, work has also been ongoing to provide additional guidance in relation to the reserved contract process, financial assessment model

and the variation process. The incorporation of all the changes to Contract Standing Orders (and the issue of associated guidance to staff) will help to improve the efficiency of the Council's contracting processes whilst maintaining appropriate levels of control over contract awards, ensuring compliance from procuring officers and protecting the Council from unnecessary expenditure and risk of challenge.

RECOMMENDATION

20. The Council is asked to approve revised Contract Standing Orders which form Appendix 1 to this report and agree that said standing orders shall take immediate effect.

REPORT AUTHOR: Gerry Mahon, Chief Officer – Legal and Procurement
telephone: – (0141) 577 3801
email: – gerry.mahon@eastrenfrewshire.gov.uk

Background papers – none

BLANK PAGE

East Renfrewshire Council

Standing Orders Relating to Contracts

With Effect from 19 December 2018

BLANK PAGE

INDEX

<u>Order</u>	<u>Topic</u>	<u>Page No</u>
1	DEFINITIONS	3
2	SCOPE	4
3	APPLICATION/EFFECT	5
4	VARIATION, REVOCATION	5
5	BEST VALUE, FAIRNESS AND TRANSPARENCY	5
6	ANNUAL PLAN	5
7	CONTRACT VALUE AND BUDGET	5
8	COMMUNITY BENEFITS AND SUSTAINABLE PROCUREMENT	5
9	CONTRACT PROCESS	6
10	PUBLICITY FOR TENDERS AND CONTRACTS	6
11	ACCEPTANCE OF TENDERS	6
12	PUCHASE ORDERS AND CONTRACT REGISTER	7
13	CONTRACT STRATEGY	7
14	CONTRACT VALUE VARIATIONS	8
15	EXEMPTIONS FROM COMPETITION	9
16	FRAMEWORK AGREEMENTS	10
17	CONTRACTS FOR SOCIAL AND OTHER SPECIFIC SERVICES	10
18	PRIOR APPROVAL FOR SPECIFIC CONTRACTS	11
19	CONTRACTS FOR APPOINTMENT OF CONSULTANTS	11
20	PRE- CONTRACT CONFIRMATIONS	12
21	INSURANCE	12
22	SPECIFICATION STANDARDS	12
23	CONTRACT PROVISIONS	12
24	LIQUIDATE AND ASCERTAINED DAMAGES	13
25	RESERVED CONTRACT	13

BLANK PAGE

**EAST RENFREWSHIRE COUNCIL
STANDING ORDERS RELATING TO CONTRACTS**

1. DEFINITIONS

These words and expressions have the meanings given to them in this standing order:-

“Contract” means a contract for the provision of services, supply of goods/materials or carrying out of public works or a combination of the same whether awarded through direct award without competition, appointment under Quick Quote process, award under tender process or call off from a framework agreement.

“Call-off contract” means the mechanism by which specific purchases can be made under a Framework Agreement as indicated in that particular Framework’s terms.

“Contract manager” means a person designated by the relevant department and named on the contract register as having day to day responsibility for managing the contract during its lifetime to ensure appropriate performance by the contractor.

“Consultant” means a professional person, or any firm or company employing such a person, engaged to provide professional advice in their particular field of expertise whether for a specific period or to complete a specific task,

“Contract for Social and other Specific Services” means a contract for any service as defined in Schedule 3 of the Public Contracts (Scotland) Regulations 2015. This includes, but is not limited to, contracts for social care provision, education and training services and event services.

“Contract for works” means a contract for the provision of any works as defined in Schedule 2 of the Public Contracts (Scotland) Regulations 2015. This includes, but is not limited to, contracts for construction, site preparation, demolition, civil engineering, roofing, plumbing and electrical installation.

“ Department” means any Service of the Council as identified in its corporate structure, namely Chief Executive’s Office, Corporate and Community Services, Environment , Education and Health and Social Care Partnership.

“Direct Award” means a form of call-off contract from a Framework Agreement whereby best value is pre-established within the framework terms, and a contractor is appointed without the requirement for further competition.

“Director” means the Chief Officer of the department but also includes the Chief Executive, a Head of Service in that department or the Chief Officer- Legal and Procurement

“EU Threshold” means the value of a contract above which compliance with the full terms of the Public Procurement Regime is required.

“Framework Agreement” means an umbrella contract which sets out the terms and conditions under which specific purchases (call-offs) can be made throughout its lifespan.

“High Value/High Risk” means of a value or level of risk specified in guidance issued from time to time by the Chief Procurement Officer.

“IT related goods and services” means hosting or cloud based services, hardware, software, datasets, communication media, audiovisual equipment and applications and/or the installation, servicing or updating of these goods.

“Mini Competition” means a form of call-off contract from a Framework Agreement whereby competition is restricted to the named suppliers on the Framework.

“Proprietary goods or services” mean goods or services that can only be obtained from one party because of technical or legal reasons

“Public Procurement Regime” means the EU Directives on Public Procurement and the UK legislation implementing the Directives in force at any given time

“Quick Quote” means the quotation process to be followed for goods, services and works as referred to in Clause 9, Contract Process.

“Regulated procurement” means a procurement for goods or services with a value of £50,000 or over or a public works contract with a value of £2,000,000 or over.

“Supported Business” means such business as defined in the European Procurement Regulations.

“Supported Employment Programme” means such business as defined in the European Procurement Regulations.

“Tender” means any offer received in relation to a Quick Quote, Mini Competition, Direct Bid process or Regulated Procurement exercise

“Total Value” means:-

- i. for a goods contract, the total price of the goods as identified in the contract;
- ii. for a services contract, the monthly spend under the contract multiplied by the duration of the contract in months (up to a maximum of 48);
- iii. for a works contract, the total price for the works as indicated in the contract plus the value of any supplies or services supplied by the Council to the contractor that are necessary for the works to be carried out

2. SCOPE

These standing orders apply to all Contracts made by or on behalf of the Council except:-

- a) any contract relating to the engagement of Counsel or other legal specialists;
- b) any tenders invited on behalf of any consortium, collaborative group or similar body the Council is a member of
- c) any procurement conducted under any Framework Agreement set up by the Council or another Public Contracting Authority as defined in the Public Contracts (Scotland) Regulations 2015 as amended, including, but not restricted to, Scotland Excel, Scottish Procurement, Crown Commercial Services, the National Health Service, HUB West Scotland or other grouping of Local Authorities or public bodies.
- d) Any contract relating to a private finance initiative or a public private partnership or to HUB West Scotland.

- e) Any contract progressed by the Council under the City Deal initiative (which will be subject to the procedures and strategy agreed by the Council and others for that particular purpose).

To avoid doubt, these Standing Orders do not apply to any employment contract or any contract relating to the lease, transfer, acquisition or disposal of an interest in land or buildings.

3. APPLICATION/EFFECT

These Standing Orders take effect from 19 December 2018. Any unfinished contract process started prior to that date must be concluded using the previous Standing Orders.

4. VARIATION, REVOCATION

The Chief Officer – Legal and Procurement can vary these standing orders to reflect changes in job titles, departmental restructuring, vacancies in posts or any change in the financial values of the E.U. Thresholds. In all other respects these standing orders may be varied or revoked only by decision of the Council.

5. BEST VALUE, FAIRNESS AND TRANSPARENCY

A department must seek Best Value for the Council in all contract processes it starts. It must be able to demonstrate fairness and transparency to all parties having an interest in a contract. Best value is to be achieved through an appropriate balance of quality and cost to the Council, whilst having regard to efficiency, effectiveness, the economy, the need to meet equal opportunity and sustainability requirements and to minimise risk to health and safety.

6. ANNUAL PLAN

Before the end of March in each year, each Director must give the Chief Procurement Officer a list of proposed regulated procurements which their department expects to progress in the next two financial years. This will allow the Chief Procurement Officer to produce the Council's annual plan which must be submitted to Scottish Government.

7. CONTRACT VALUE AND BUDGET

A department must identify the value of a prospective contract before placing it without competition or starting a tendering process for it. The Director must have a reasonable belief that there will be sufficient budget available to meet the net estimated cost of the contract. If funding is being provided by a third party, the Director must ensure that the Council have approved acceptance of that funding prior to commencing the tendering process.

8. COMMUNITY BENEFITS AND SUSTAINABLE PROCUREMENT

In all quick quotes/ tenders of a value of £50,000 or more, the procuring department must decide whether to require bidders to identify proposed community benefits they will provide together with a method statement as to how they will achieve these benefits. A decision to

include such a requirement will be based on the nature and length of the contract and other local factors.

Where community benefits are being sought from a contractor this fact should be included in any Quick Quote or contract notice

If community benefits are being sought, at the closing date for bids the preferred bid will be considered under the Council's Community Benefits policy current at that time.

For all proposed contracts with a value in excess of £25,000 relating to the matters specified in the Council's Sustainable Procurement Policy current at the time, an environmental opportunities checklist must be completed by the procuring department before they are advertised.

9 CONTRACT PROCESS

- i) Contracts for goods and services of a total value of £10,000 or less and for works of a total value of £20,000 or less will be progressed in a manner to be determined by the Director of the procuring department, subject to the general requirement to obtain best value and ensure fairness reflected in Standing Order 5.
- ii) Contracts for goods and services of a total value above £10,000 but under £50,000 and for works of a total value above £20,000 but under £150,000 will be progressed by means of the Quick Quote procedure
- iii) Contracts for goods and services of a total value of £50,000 and above and for works of a total value of £150,000 and above will be progressed by the Chief Procurement Officer

10 PUBLICITY FOR TENDERS AND CONTRACTS

This Standing Order does not apply to tenders for Social and other Specific Services which are subject to the terms of Standing Order 17 or to contracts for the appointment of consultants which are subject to Standing Order 19.

All other Contracts for goods and services of a total value of £10,000 or less and for works of a total value of £20,000 or less shall be advertised at the discretion of, and in a manner decided by, the Director of the procuring department taking account of the nature of the contract, its value and the need to ensure best value for the Council. The Director must record the reasons for deciding that a contract will not be advertised and must keep this record as evidence.

All other Contracts for goods and services valued between £10,000 and £50,000 and for works valued between £20,000 and £150,000 shall be advertised by the Director of the procuring department in accordance with the Quick Quote procedure.

All other Contracts for goods and services valued £50,000 and above and for works valued £150,000 and above will be advertised by the Chief Procurement Officer publishing an invitation to tender on the Public Contracts Scotland portal.

11. ACCEPTANCE OF TENDERS

In all cases the tender to be accepted will be the most economically advantageous tender. Where the preferred tender falls within the approved budget it will be accepted:-

- i. If of a total value of £10,000 or less for goods and services or £20,000 or less for works, by the procuring department issuing a purchase order.
- ii. If a Quick Quote for a total value between £10,000 and £50,000 for goods and services or between £20,000 and £150,000 for works, by the placing of a contract award notice on the Quick Quote system by the procuring department
- iii. If for the supply of goods and services and of a total value between £50,000 and £150,000 inclusive, by the Chief Officer – Legal and Procurement, Chief Procurement Officer or the Principal Solicitor.
- iv. If of a total value in excess of £150,000, for goods, works and services by the Chief Officer – Legal and Procurement or the Principal Solicitor.

If it is proposed to accept a tender and the price is in excess of the approved budgetary figure, the prior approval of the Chief Executive or the Chief Finance Officer must be obtained and a report submitted to the next meeting of the Cabinet or appropriate Committee.

12. PURCHASE ORDERS AND CONTRACT REGISTER

At the time of acceptance of any tender, Quick Quote or award of contract, the procuring department must issue a corresponding purchase order. It must thereafter follow the required procedures regarding goods received notification and prompt payment of invoices. For the avoidance of doubt, this clause also applies to call-offs from Framework Agreements in which case the Framework Agreement title and reference number should be stated.

The contract and the purchase order must be cross referenced and all payments in respect of the contract made in accordance with the contract and purchase order terms.

The value of any purchase order should reflect the value of the corresponding contract but may be increased during the life of a contract by a figure no more than 10% of the contract value in the case of goods and services contracts and no more than 15% in the case of works contracts to allow for contingencies which arise. Clause 14, Contract Value Variations, is to be read in conjunction with this Clause.

For contracts that have no guaranteed or fixed expenditure (such as framework agreements or measured term contracts) the purchase order value should be set in line with anticipated spend.

13. CONTRACT STRATEGY

Before issuing any tender for goods and services of a value of £50,000 and above and for works of £150,000 and above, the procuring department must liaise with the Chief Procurement Officer to produce a contract strategy document, Procurement Route 2 or Route 3. Amongst other matters, the strategy will require to identify whether it is relevant and proportionate to evaluate contractors in relation to fair work practices given the nature of the contract.

At the strategy development stage the procuring department should identify all risks associated with the procurement so as to include measures to mitigate them in tender documentation. The procuring department will enter the risk in their service risk register if the Director perceives the risk to be significant.

In developing the contract strategy, procuring departments should identify the appropriate level of contract management to be applied during the contract period taking into account the total contract value, complexity, risk and market conditions. This should be reflected in the invitation to tender.

After awarding the contract, the procuring department must identify a Contract manager to manage it in line with the standards identified in the tender. Contract management reviews shall cover the financial aspects of the contract and other relevant operational issues to establish a measure of supplier performance against the contract requirements with evidence being retained for audit purposes.

14. CONTRACT VALUE VARIATIONS

Contract value may, if necessary, be routinely extended by a sum no more than 10% of the initial contract value (in the case of contracts for goods and services) and 15% (in the case of contracts for works), provided the appropriate authorisation route as outlined below is complied with.

Variations greater than £100,000:-

All variations exceeding £100,000 must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

Variations up to and including £100,000:-

For any contract of quick quote value and below, the variation must be authorised by an appropriate line manager and a full audit trail retained.

For any contract above quick quote value, the procuring department shall provide to their Director for consideration and approval the following details: contract name and reference number, contract period, supplier name, contract award value, nature and value of the variation and confirmation of available budget. On approval, the same detail shall be furnished to Corporate Procurement for the amendment of the related contract records.

Contract value may exceptionally be extended by a sum in excess of the 10 and 15% thresholds provided the appropriate authorisation route as outlined below is complied with.

For any contract of quick quote value and below:-

Where the initial value of the contract plus the proposed variation amounts to a sum below or within quick quote thresholds, the variation must be authorised by an appropriate line manager and a full audit trail retained

Where the initial value of the contract plus the proposed variation amounts to a sum in excess of quick quote value, the procuring department shall provide to their Director for consideration and approval the following details: contract name and reference number, contract period, supplier name, contract award value, nature and value of the variation and confirmation of available budget. On approval, the same detail shall be furnished to Corporate Procurement for the amendment of the related contract records.

For any contract above quick quote value:-

Any desired variation in excess of the 10% or 15% limits must be referred to the Chief Officer – Legal and Procurement for consideration of its legal implications. If sanctioned by the Chief Officer Legal and Procurement the proposed variation must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

15. EXEMPTIONS FROM COMPETITION

Prior to the award of a contract, and provided best value is obtained, exemption from competition may be sought:-

- i. where the Director of the procuring department considers that the contract is urgently required to minimise risk of personal injury or damage to property. If the exemption is granted, a report will be submitted by the Director to the next meeting of the Cabinet or appropriate Committee detailing the risks identified and the action taken.
- ii. where the Director of the procuring department is satisfied that special circumstances apply (such as an urgent need to fulfil an ongoing Council function otherwise incapable of performance).
- iii. where the Director can establish that the contract relates to proprietary works, goods or services.

The Chief Procurement Officer will decide all exemption requests under i, ii and iii above for contracts valued within the Quick Quote thresholds.

The Chief Officer Legal and Procurement will decide all exemption requests under i above when the value of the contract is £50,000 and above (goods and services) or £150,000 and above (works).

The Chief Officer Legal and Procurement will decide all exemption requests under ii and iii above when the value of the contract is £50,000 and above but less than £100,000 (goods and services) or £150,000 and above but less than £200,000 (works).

The Director shall complete the exemption form (embed link) outlining the basis on which the exemption is sought and e-mail it to the relevant approving officer.

Exemption requests under ii and iii above relating to contracts with a value of £100,000 or more (goods and services) and £200,000 or more (works) must be reported to the Cabinet or appropriate committee for approval prior to entering into the contract. The report must

outline the circumstances justifying use of this provision and a copy must be retained by the procuring department for audit purposes.

These exemptions do not apply where the contract value exceeds the EU threshold.

16. FRAMEWORK AGREEMENTS

In cases where there is likely to be an ongoing demand for works, goods or services over an extended period, Directors should consider the use of a Framework Agreement to engage a variety of contractors.

The Director should seek advice from the Chief Procurement Officer to confirm the suitability of a framework arrangement and/or the availability of any pre-existing frameworks which can be used by the Council.

No Framework Agreement set up by the Council shall last longer than 4 years unless there are exceptional circumstance to justify a longer term. A written record of the exceptional circumstances must be kept with the Framework Agreement.

The way in which future contracts under a Framework are to be called off and the terms and conditions of those call-off contracts must be specified in the Framework agreement and must be honoured by the procuring department throughout the life of the Framework.

17. CONTRACTS FOR SOCIAL AND OTHER SPECIFIC SERVICES

Standing Orders 9 and 10 do not apply to contracts for Social and other Specific Services.

The Director of the procuring department may decide on the procedure to be used to award any contract or framework for "Social and other Specific Services." In particular, the Director will decide whether the contract requires to be advertised for competition. To avoid doubt, Standing Order 5 continues to apply to all such procedures

For Contracts with a value in excess of £589,000, the Director will liaise with the Chief Procurement Officer to identify what formal notices, if any, require to be published before commencing the procedure.

The Director will provide the Chief Procurement Officer with all details required to enable the publication of any necessary notice.

The Director of the Health and Social Care Partnership (HSCP) may decide on the procedure to be used to award any contract or framework for social care services taking into account the specific nature of the services sought and the needs and requirements of the clients likely to use the services.

Any award of a contract or framework for social care services with a value in excess of £589,000 must be based on the best price quality ratio, taking into account the following criteria:-

- the need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;

- the specific needs of different categories of users, including disadvantaged and vulnerable groups;

- the involvement and empowerment of users; .
- innovation; and
- any other relevant consideration

The Director of the HSCP will keep a full written record of his/her position regarding the specialist nature of the services to be procured and/or the availability of appropriate providers and will retain the record with the contract.

The Director of the HSCP must submit an annual report to the Council detailing the contracts awarded in relation to the provision of specialist social care services. This report will not identify the recipients of such services but will be submitted on an anonymised basis.

In the event that the contract involves the provision of services across a range of Council functions eg Education and Social Care, the Director of the HSCP will consult with any other relevant director prior to commencing the award process.

18. PRIOR APPROVAL FOR SPECIFIC CONTRACTS

Prior to commencing a process to let any of the following types of contract (of whatever value), the procuring department shall liaise with and seek approval of the senior officer identified below.

- any contract for the purchase of IT related goods and services, the Head of ICT and Digital Enablement,
- any contract involving work to Council land and buildings, the Head of Housing, Property and Technical Services
- any contract involving the handling of records containing personal data, the Council's Chief Officer - Legal and Procurement.

19. CONTRACTS FOR APPOINTMENT OF CONSULTANTS

Where the fee for the desired consultancy work is likely to be less than £50,000 the Director of the Procuring department may decide on the procedure to be used to make the appointment, but must always take into account the need for equal treatment, best value and transparency in reaching such a decision. The procuring department shall provide to the consultant, as a minimum, a statement of requirements and terms and conditions of contract and shall also require the consultant to complete a pricing schedule. The procuring department must be satisfied that best value is being achieved prior to the commencement of the consultancy.

If an award of consultancy is made without competition, a written record of the basis on which the appointment is made identifying relevant factors in the decision must be retained by the Director.

The details of contracts awarded under this clause must be submitted to the Chief Procurement Officer within 2 weeks of the award to allow for the contract register to be updated.

Where it is anticipated that a fee bid is likely to exceed £50,000, the appointment process will be conducted by the Chief Procurement Officer as per Standing Order 9 (iii).

Any consultant appointed will be required to comply with these Standing Orders as though they were officers of the Council.

Any consultant appointed will be required, upon request at any time during the contract, to produce all records maintained by them in relation to the contract and on completion of the contract deliver all such records to the Director of the procuring department, if so requested.

20. PRE- CONTRACT CONFIRMATIONS

Before any contract is awarded, the Council shall satisfy itself that a preferred bidder:-

- i. is complying with the responsibilities placed on them by the Equality Act 2010 relating to discrimination in employment.
- ii. if the contract is valued in excess of £50,000, is of satisfactory financial standing as confirmed by the Chief Procurement Officer checking with a reputable credit reference agency.

Where it has been established at the contract strategy stage that the contract is deemed to be of high value and / or high risk, supplementary financial checks will be carried out to assess turnover and review solvency and profitability. Only where a tenderer passes those checks and receives a satisfactory credit rating shall a contract be awarded

- iii. is operating health and safety policies which conform to current legislation including, where appropriate, the Construction (Design and Management) Regulations 2015 or any future amendment or replacement of those regulations.

21. INSURANCE

The Director of the procuring department must identify the level of liability insurance relevant to any prospective contract based on the risks to the Council inherent in the contract. This should be stated in the tender documentation. Before any contract is awarded, contractors must provide details of all insurances held by them relevant to the contract, including, but not restricted to, Public Liability, Employers' Liability, Professional Indemnity, Product Liability and Contract Works. No contract shall be awarded to a contractor who does not exhibit the relevant level of insurance cover.

A contractor's insurance cover should be checked annually by the contract manager during the term of the contract.

22. SPECIFICATION STANDARDS

Any tender submitted in response to an invitation to tender shall require to comply with any recognised British, European or International standard current at the date of tender return and the goods, materials or services to be used or supplied and all relevant workmanship shall meet that standard as a minimum requirement.

23. CONTRACT PROVISIONS

Every Contract issued by the Council will include a clause :

- i. prohibiting the contractor from transferring or assigning to a 3rd party any part of the contract without the prior written consent of the Chief Procurement Officer or Director of the procuring department;
- ii. identifying the extent to which the contract may be sub-contracted, if at all;
- iii. entitling the Council to cancel the contract and to recover from the contractor any loss resulting from the cancellation, if the contractor or the contractor's representative (whether with or without knowledge of the contractor) has colluded in tendering for that contract or any other contract with the Council or has employed any corrupt or illegal practices in either the procurement or the execution of the contract or any other contracts with the Council.
- iv. requiring the contractor to maintain relevant levels of insurance throughout the terms of the contract.

24. LIQUIDATE AND ASCERTAINED DAMAGES

If the contract must be performed by a particular date or with reference to a series of dates, the Director of the procuring department will identify a genuine pre-estimate of any loss that may arise from its non-performance in that timeframe so that a clause may be inserted into the contract allowing recovery of such sums should the contractor default.

25. RESERVED CONTRACT

In respect of a Regulated Procurement, the procuring department may reserve the right to participate in the procurement exercise to Supported Businesses only or provide for a contract to be performed in a Supported Employment Programme. Any such decision must be recorded in the Contract Strategy Document before the procurement begins.

BLANK PAGE

East Renfrewshire Council

Standing Orders Relating to Contracts

With Effect from ~~20 April 2016~~ 19 December 2018.

BLANK PAGE

INDEX

<u>Order</u>	<u>Topic</u>	<u>Page No</u>
1	DEFINITIONS	3
2	SCOPE	4
3	APPLICATION/EFFECT	45
4	VARIATION, REVOCATION	45
5	BEST VALUE, FAIRNESS AND TRANSPARENCY	45
6	ANNUAL PLAN	45
7	CONTRACT VALUE AND BUDGET	5
8	COMMUNITY BENEFITS AND SUSTAINABLE PROCUREMENT	5
9	CONTRACT PROCESS	56
10	PUBLICITY FOR TENDERS AND CONTRACTS	56
11	ACCEPTANCE OF TENDERS	6
12	PURCHASE ORDERS AND CONTRACT REGISTER	67
13	CONTRACT STRATEGY	7
14	CONTRACT <u>VALUE</u> VARIATIONS	78
15	EXEMPTIONS FROM COMPETITION	78
16	FRAMEWORK AGREEMENTS	89
17	CONTRACTS FOR SOCIAL AND OTHER SPECIFIC SERVICES	89
18	PRIOR APPROVAL FOR SPECIFIC CONTRACTS	910
19	CONTRACTS FOR APPOINTMENT OF CONSULTANTS	10
20	PRE- CONTRACT CONFIRMATIONS	110
21	INSURANCE	110
22	SPECIFICATION STANDARDS	11
23	CONTRACT PROVISIONS	11
24	LIQUIDATE AND ASCERTAINED DAMAGES	124
25	RESERVED CONTRACT	12

BLANK PAGE

**EAST RENFREWSHIRE COUNCIL
STANDING ORDERS RELATING TO CONTRACTS**

1. DEFINITIONS

These words and expressions have the meanings given to them in this standing order:-

“Contract” means a contract for the provision of services, supply of goods ~~or~~ materials or carrying out of public works or a combination of the same whether awarded through direct award without competition, appointment under Quick Quote process, award under tender process or call off from a framework agreement.

“Call-off contract” means the mechanism by which specific purchases can be made under a Framework Agreement as indicated in that particular Framework’s terms.

“Contract manager” means a person designated by the relevant department and named on the contract register as having day to day responsibility for managing the contract during its lifetime to ensure appropriate performance by the contractor.

“Consultant” means a professional person, or any firm or company employing such a person, engaged to provide professional advice in their particular field of expertise whether for a specific period or to complete a specific task,

“Contract for Social and other Specific Services” means a contract for any service as defined in Schedule 3 of the Public Contracts (Scotland) Regulations 2015. This includes, but is not limited to, contracts for social care provision, education and training services and event services.

“Contract for works” means a contract for the provision of any works as defined in Schedule 2 of the Public Contracts (Scotland) Regulations 2015. This includes, but is not limited to, contracts for construction, site preparation, demolition, civil engineering, roofing, plumbing and electrical installation.

“ Department” means any Service of the Council as identified in its corporate structure, namely Chief Executive’s Office, Corporate and Community Services, Environment , Education and Health and Social Care Partnership

“Direct Award” means a form of call-off contract from a Framework Agreement whereby best value is pre-established within the framework terms, and a contractor is appointed without the requirement for further competition

“Director” means the Chief Officer of the department but also includes the Chief Executive, a Head of Service in that department or the Chief Officer- Legal and Procurement

“EU Threshold” means the value of a contract above which compliance with the full terms of the Public Procurement Regime is required.

“Framework Agreement” means an umbrella contract which sets out the terms and conditions under which specific purchases (call-offs) can be made throughout its lifespan.

“High Value/High Risk” means of a value or level of risk specified in guidance issued from time to time by the Chief Procurement Officer.

“IT related goods and services” means hosting or cloud based services hardware, software, datasets, communication media, audiovisual equipment and applications and/or the installation, servicing or updating of these goods

“Mini Competition” means a form of call-off contract from a Framework Agreement whereby competition is restricted to the named suppliers on the Framework.

“Proprietary goods or services” mean goods or services that can only be obtained from one party because of technical or legal reasons

“Public Procurement Regime” means the EU Directives on Public Procurement and the UK legislation implementing the Directives in force at any given time

“Quick Quote” means the quotation process to be followed for goods, services and works as referred to in Clause 9, Contract Process.

“Regulated procurement” means a procurement for goods or services with a value of £50,000 or over or a public works contract with a value of £2,000,000 or over.

“Supported Business” means such business as defined in the European Procurement Regulations.

“Supported Employment Programme” means such business as defined in the European Procurement Regulations.

“Tender” means any offer received in relation to a Quick Quote, Mini Competition, Direct Bid process or Regulated Procurement exercise

“Total Value” means:-

- i. for a goods contract, the total price of the goods as identified in the contract;
- ii. for a services contract, the monthly spend under the contract multiplied by the duration of the contract in months (up to a maximum of 48);
- iii. for a works contract, the total price for the works as indicated in the contract plus the value of any supplies or services supplied by the Council to the contractor that are necessary for the works to be carried out

2. SCOPE

These standing orders apply to all Contracts made by or on behalf of the Council except:-

- a) any contract relating to the engagement of Counsel or other legal specialists;
- b) any tenders invited on behalf of any consortium, collaborative group or similar body the Council is a member of
- c) any procurement conducted under any Framework Agreement set up by the Council or another Public Contracting Authority as defined in the Public Contracts (Scotland) Regulations 2015 as amended, including, but not restricted to, Scotland Excel, Scottish Procurement, Crown Commercial Services, the National Health Service, HUB West Scotland or other grouping of Local Authorities or public bodies.
- d) Any contract relating to a private finance initiative or a public private partnership or to HUB West Scotland.
- e) Any contract progressed by the Council under the City Deal initiative (which will be subject to the procedures and strategy agreed by the Council and others for that particular purpose).

To avoid doubt, these Standing Orders do not apply to any employment contract or any contract relating to the lease, transfer, acquisition or disposal of an interest in land or buildings.

3. APPLICATION/EFFECT

These Standing Orders take effect from ~~20 April 2016~~ 19 December 2018. Any unfinished contract process started prior to that date must be concluded using the previous Standing Orders.

4. VARIATION, REVOCATION

The Chief Officer – Legal and Procurement can vary these standing orders to reflect changes in job titles, departmental restructuring, vacancies in posts or any change in the financial values of the E.U. Thresholds. In all other respects these standing orders may be varied or revoked only by decision of the Council.

5. BEST VALUE, FAIRNESS AND TRANSPARENCY

A department must seek Best Value for the Council in all contract processes it starts. It must be able to demonstrate fairness and transparency to all parties having an interest in a contract -Best value is to be achieved through an appropriate balance of quality and cost to the Council, whilst having regard to efficiency, effectiveness, the economy, the need to meet equal opportunity and sustainability requirements and to minimise risk to health and safety.

6. ANNUAL PLAN

Before the end of March in each year, each Director must give the Chief Procurement Officer a list of proposed regulated procurements which their department expects to progress in the next two financial years. This will allow the Chief Procurement Officer to produce the Council's annual plan which must be submitted to Scottish Government.

7. CONTRACT VALUE AND BUDGET

A department must identify the value of a prospective contract before placing it without competition or starting a tendering process for it. The Director must have a reasonable belief that there will be sufficient budget available to meet the net estimated cost of the contract. If funding is being provided by a third party, the Director must ensure that the Council have approved acceptance of that funding prior to commencing the tendering process.

8. COMMUNITY BENEFITS AND SUSTAINABLE PROCUREMENT

In all quick quotes/tenders of a value of £50,000 or more, the procuring department must decide whether to require bidders to identify proposed community benefits they will provide together with a method statement as to how they will achieve these benefits. A decision to include such a requirement will be based on the nature and length of the contract and other local factors.

Where community benefits are being sought from a contractor this fact should be included in any Quick Quote or contract notice

If community benefits are being sought, at the closing date for bids the preferred bid will be considered under the Council's Community Benefits policy current at that time.

For all proposed contracts with a value in excess of £25,000 relating to the matters specified in the Council's Sustainable Procurement Policy current at the time, an environmental opportunities checklist must be completed by the procuring department before they are advertised.

9. CONTRACT PROCESS

- i) Contracts for goods and services of a total value of £10,000 or less and for works of a total value of £20,000 or less will be progressed in a manner to be determined by the Director of the procuring department, subject to the general requirement to obtain best value and ensure fairness reflected in Standing Order 5.
- ii) Contracts for goods and services of a total value above £10,000 but under £50,000 and for works of a total value above £20,000 but under £150,000 will be progressed by means of the Quick Quote procedure
- iii) Contracts for goods and services of a total value of £50,000 and above and for works of a total value of £150,000 and above will be progressed by the Chief Procurement Officer

10 PUBLICITY FOR TENDERS AND CONTRACTS

This Standing Order does not apply to tenders for Social and other Specific Services which are subject to the terms of Standing Order 17 or to contracts for the appointment of consultants which are subject to Standing Order 19.

All other Contracts for goods and services of a value of £10,000 or less and for works of a value of £20,000 or less shall be advertised at the discretion of, and in a manner decided by, the Director of the procuring department taking account of the nature of the contract, its value and the need to ensure best value for the Council. The Director must record the reasons for deciding that a contract will not be advertised and must keep this record as evidence.

All other Contracts for goods and services valued between £10,000 and £50,000 and for works valued between £20,000 and £150,000 shall be advertised by the Director of the procuring department in accordance with the Quick Quote procedure.

All other Contracts for goods and services valued £50,000 and above and for works valued £150,000 and above will be advertised by the Chief Procurement Officer publishing an invitation to tender on the Public Contracts Scotland portal.

11. ACCEPTANCE OF TENDERS

In all cases the tender to be accepted will be the most economically advantageous tender. Where the preferred tender falls within the approved budget it will be accepted:-

- i. If of a value of £10,000 or less (for goods and services) or £20,000 or less (for works), by the procuring department issuing ~~an acceptance letter together with~~ a purchase order.
- ii. If a Quick Quote for a total value between £10,000 and £50,000 for goods and services or between £20,000 and £150,000 for works, by the placing of a contract award notice on the Quick Quote system by the procuring department
- iii. If for the supply of goods and services and of a total value between £50,000 and £150,000 inclusive, by the Chief Officer – Legal and Procurement, Chief Procurement Officer or the Principal Solicitor.
- iv. If of a total value in excess of £150,000 for goods, works and services, by the Chief Officer – Legal and Procurement or the Principal Solicitor.

If it is proposed to accept a tender and the price is in excess of the approved budgetary figure, the prior approval of the Chief Executive or the Chief Finance Officer must be obtained and a report submitted to the next meeting of the Cabinet or appropriate Committee.

12. PURCHASE ORDERS AND CONTRACT REGISTER

At the time of acceptance of any tender, Quick Quote or award of contract, the procuring department must issue a corresponding purchase order. It must thereafter follow the

required procedures regarding goods received notification and prompt payment of invoices. For the avoidance of doubt, this clause also applies to call-offs from Framework Agreements in which case the Framework Agreement title and reference number should be stated.

The contract and the purchase order must be cross referenced and all payments in respect of the contract made in accordance with the contract and purchase order terms.

The value of any purchase order should reflect the value of the corresponding contract but may be increased during the life of a contract by a figure no more than 10% of the contract value in the case of goods and services contracts and no more than 15% in the case of works contracts to allow for contingencies which arise. Clause 14, Contract Value Variations, is to be read in conjunction with this Clause.

For contracts that have no guaranteed or fixed expenditure (such as framework agreements or measured term contracts) the purchase order value should be set in line with anticipated spend

~~Departments must advise the Chief Procurement Officer by e-mail of the award of any contracts of Quick Quote value and above and the corresponding purchase order references so that they can be entered on the Council's Contract register.~~

13. CONTRACT STRATEGY

Before issuing any tender for goods and services of a value of £50,000 and above and for works of £150,000 and above, the procuring department must liaise with the Chief Procurement Officer to produce a contract strategy document, Procurement Route 2 or Route 3. Amongst other matters, the strategy will require to identify whether it is relevant and proportionate to evaluate contractors in relation to fair work practices given the nature of the contract.

At the strategy development stage the procuring department should identify all risks associated with the procurement so as to include measures to mitigate them in tender documentation. The procuring department will enter the risk in their service risk register if the Director perceives the risk to be significant.

In developing the contract strategy, procuring departments should identify the appropriate level of contract management to be applied during the contract period taking into account the total contract value, complexity, risk and market conditions. This should be reflected in the invitation to tender.

After awarding the contract, the procuring department ~~should~~ must identify a Contract manager to manage it in line with the standards identified in the tender. Contract management reviews shall cover the financial aspects of the contract and other relevant operational issues to establish a measure of supplier performance against the contract requirements with evidence being retained for audit purposes.

14. CONTRACT VALUE VARIATIONS

~~Any contract variation under £50,000 must be authorised in writing by the Director of the procuring department or other officer nominated in writing for that purpose by that Director. In such cases, any variation over £30,000 or 15% of the original contract value (whichever is greater) must be reported to Cabinet as soon as practicable.~~

~~Variations over £50,000 must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. The variation should be reported to Cabinet as soon as practicable after such approval.~~

Contract value may, if necessary, be routinely extended by a sum no more than 10% of the initial contract value (in the case of contracts for goods and services) and 15% (in the case of contracts for works), provided the appropriate authorisation route as outlined below is complied with.

Formatted: Font: Arial

Variations greater than £100,000:-

All variations exceeding £100,000 must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

Variations up to and including £100,000:-

For any contract of quick quote value and below, the variation must be authorised by an appropriate line manager and a full audit trail retained.

For any contract above quick quote value, the procuring department shall provide to their Director for consideration and approval the following details: contract name and reference number, contract period, supplier name, contract award value, nature and value of the variation and confirmation of available budget. On approval, the same detail shall be furnished to Corporate Procurement for the amendment of the related contract records.

Contract value may exceptionally be extended by a sum in excess of the 10 and 15% thresholds provided the appropriate authorisation route as outlined below is complied with.

For any contract of quick quote value and below:-

Formatted: Font: Arial

Where the initial value of the contract plus the proposed variation amounts to a sum below or within quick quote thresholds, the variation must be authorised by an appropriate line manager and a full audit trail retained

Formatted: Font: Arial

Formatted: Font: Arial

Where the initial value of the contract plus the proposed variation amounts to a sum in excess of quick quote value, the procuring department shall provide to their Director for consideration and approval the following details: contract name and reference number, contract period, supplier name, contract award value, nature and value of the variation and confirmation of available budget. On approval, the same detail shall be furnished to Corporate Procurement for the amendment of the related contract records.

Formatted: Font: Arial

For any contract above quick quote value:-

Formatted: Font: Arial

Any desired variation in excess of the 10% or 15% limits must be referred to the Chief Officer – Legal and Procurement for consideration of its legal implications. If sanctioned by the Chief Officer Legal and Procurement the proposed variation must be reported to Cabinet for approval prior to the variation being instructed. If the variation is urgently required, approval may be given by two members of Cabinet. In that case, the variation should be reported to full Cabinet as soon as practicable after such approval.

15. EXEMPTIONS FROM COMPETITION

Prior to the award of a contract, and provided best value is obtained, exemption from competition may be sought:-

- i. where the Director of the procuring department considers that the contract is urgently required to minimise risk of personal injury or damage to property. A report will be submitted by the Director to the next meeting of the Cabinet or appropriate Committee detailing the risks identified and the action taken.
- ii. where the Director of the procuring department is satisfied that special circumstances apply (such as an urgent need to fulfil an ongoing Council function otherwise incapable of performance).
- iii. where the Director can establish that the contract relates to proprietary works, goods or services.

The Chief Procurement Officer will decide all exemption requests under i,ii and iii above for contracts valued within the Quick Quote thresholds.

The Chief Officer Legal and Procurement will decide all exemption requests under i above when the value of the contract is £50,000 and above (goods and services) or £150,000 and above (works).

The Chief Officer Legal and Procurement will decide all exemption requests under ii and iii above when the value of the contract is £50,000 and above but less than £100,000 (goods and services) or £150,000 and above but less than £200,000 (works).

The Director shall complete the exemption form (embed link) outlining the basis on which the exemption is sought and e-mail it to the relevant approving officer.

Exemption requests under ii and iii above relating to contracts with a value of £100,000 or more (goods and services) and £200,000 or more (works) must be reported to the Cabinet or appropriate committee for approval prior to entering into the contract. The report must outline the circumstances justifying use of this provision and a copy must be retained by the procuring department for audit purposes.

These exemptions do not apply where the contract value exceeds the EU threshold.

16. FRAMEWORK AGREEMENTS

In cases where there is likely to be an ongoing demand for works, goods or services over an extended period, Directors should consider the use of a Framework Agreement to engage a variety of contractors.

The Director should seek advice from the Chief Procurement Officer to confirm the suitability of a framework arrangement and/or the availability of any pre-existing frameworks which can be used by the Council.

No Framework Agreement set up by the Council shall last longer than 4 years unless there are exceptional circumstance to justify a longer term. A written record of the exceptional circumstances must be kept with the Framework Agreement.

The way in which future contracts under a Framework are to be called off and the terms and conditions of those call-off contracts must be specified in the Framework agreement and must be honoured by the procuring department throughout the life of the Framework.

17. CONTRACTS FOR SOCIAL AND OTHER SPECIFIC SERVICES

Standing Orders 9 and 10 do not apply to contracts for Social and other Specific Services.

The Director of the procuring department may decide on the procedure to be used to award any contract or framework for "Social and other Specific Services." In particular, the Director will decide whether the contract requires to be advertised for competition. To avoid doubt, Standing Order 5 continues to apply to all such procedures

For Contracts with a value in excess of £589,000, the Director will liaise with the Chief Procurement Officer to identify what formal notices, if any, require to be published before commencing the procedure.

The Director will provide the Chief Procurement Officer with all details required to enable the publication of any necessary notice.

The Director of the Health and Social Care Partnership (HSCP) may decide on the procedure to be used to award any contract or framework for social care services taking into

account the specific nature of the services sought and the needs and requirements of the clients likely to use the services.

Any award of a contract or framework for social care services with a value in excess of £589,000 must be based on the best price quality ratio, taking into account the following criteria:-

- the need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;
- the specific needs of different categories of users, including disadvantaged and vulnerable groups;
- the involvement and empowerment of users; .
- innovation; and
- any other relevant consideration

The Director of the HSCP will keep a full written record of his/her position regarding the specialist nature of the services to be procured and/or the availability of appropriate providers and will retain the record with the contract.

The Director of the HSCP must submit an annual report to the Council detailing the contracts awarded in relation to the provision of specialist social care services. This report will not identify the recipients of such services but will be submitted on an anonymised basis.

In the event that the contract involves the provision of services across a range of Council functions eg Education and Social Care, the Director of the HSCP will consult with any other relevant director prior to commencing the award process.

18. PRIOR APPROVAL FOR SPECIFIC CONTRACTS

Prior to commencing a process to let any of the following types of contract (of whatever value), the procuring department shall liaise with and seek approval of the senior officer identified below.

- any contract for the purchase of IT related goods and services, the Head of ICT and Digital Enablement,
- any contract involving work to Council land and buildings, the Head of Housing, Property and Technical Services
- any contract involving the handling of records containing personal data, the Council's Chief Officer - Legal and Procurement.

19. CONTRACTS FOR APPOINTMENT OF CONSULTANTS

Where the fee for the desired consultancy work is likely to be less than £50,000 the Director of the Procuring department may decide on the procedure to be used to make the appointment, but must always take into account the need for equal treatment, best value and transparency in reaching such a decision. The procuring department shall provide to the

consultant, as a minimum, a statement of requirements and terms and conditions of contract and shall also require the consultant to complete a pricing schedule. The procuring department must be satisfied that best value is being achieved prior to the commencement of the consultancy.

If an award of consultancy is made without competition, a written record of the basis on which the appointment is made identifying relevant factors in the decision must be retained by the Director.

The details of contracts awarded under this clause must be submitted to the Chief Procurement Officer within 2 weeks of the award to allow for the contract register to be updated.

Where it is anticipated that a fee bid is likely to exceed £50,000, the appointment process will be conducted by the Chief Procurement Officer as per Standing Order 9 (iii).

Any consultant appointed will be required to comply with these Standing Orders as though they were officers of the Council.

Any consultant appointed will be required, upon request at any time during the contract, to produce all records maintained by them in relation to the contract and on completion of the contract deliver all such records to the Director of the procuring department, if so requested.

20. PRE- CONTRACT CONFIRMATIONS

Before any contract is awarded, the Council shall satisfy itself that a preferred bidder:-

- i. is complying with the responsibilities placed on them by the Equality Act 2010 relating to discrimination in employment.
- ii. If the contract is valued in excess of £50,000, is of satisfactory financial standing as confirmed by the Chief Procurement Officer checking with a reputable credit reference agency.
 - ii. Where it has been established at the contract strategy stage that the contract is deemed to be of high value and / or high risk, supplementary financial checks will be carried out to assess turnover and review solvency and profitability. Only where a tenderer passes those checks and receives a satisfactory credit rating shall a contract be awarded
- iii. is operating health and safety policies which conform to current legislation including, where appropriate, the Construction (Design and Management) Regulations 2015 or any future amendment or replacement of those regulations.

Formatted: Left, Indent: Left: 1.27 cm, Space After: 10 pt, Line spacing: Multiple 1.15 li, No bullets or numbering

Formatted: Indent: Left: 1.27 cm, No bullets or numbering

21. INSURANCE

The Director of the procuring department must identify the level of liability insurance relevant to any prospective contract based on the risks to the Council inherent in the contract. This should be stated in the tender documentation. Before any contract is awarded, contractors must provide details of all insurances held by them relevant to the contract, including, but not restricted to, Public Liability, Employers' Liability, Professional Indemnity, Product Liability

and Contract Works. No contract shall be awarded to a contractor who does not exhibit the relevant level of insurance cover.

A contractor's insurance cover should be checked annually by the contract manager during the term of the contract.

22. SPECIFICATION STANDARDS

Any tender submitted in response to an invitation to tender shall require to comply with any recognised British, European or International standard current at the date of tender return and the goods, materials or services to be used or supplied and all relevant workmanship shall meet that standard as a minimum requirement.

23. CONTRACT PROVISIONS

Every Contract issued by the Council will include a clause :

- i. prohibiting the contractor from transferring or assigning to a 3rd party any part of the contract without the prior written consent of the Chief Procurement Officer or Director of the procuring department;
- ii. identifying the extent to which the contract may be sub-contracted, if at all;
- iii. entitling the Council to cancel the contract and to recover from the contractor any loss resulting from the cancellation, if the contractor or the contractor's representative (whether with or without knowledge of the contractor) has colluded in tendering for that contract or any other contract with the Council or has employed any corrupt or illegal practices in either the procurement or the execution of the contract or any other contracts with the Council.
- iv. requiring the contractor to maintain relevant levels of insurance throughout the terms of the contract

24. LIQUIDATE AND ASCERTAINED DAMAGES

If the contract must be performed by a particular date or with reference to a series of dates, the Director of the procuring department will identify a genuine pre-estimate of any loss that may arise from its non-performance in that timeframe so that a clause may be inserted into the contract allowing recovery of such sums should the contractor default.

25. RESERVED CONTRACT

In respect of a Regulated Procurement, the procuring department may reserve the right to participate in the procurement exercise to Supported Businesses only or provide for a contract to be performed in a Supported Employment Programme. Any such decision must be recorded in the Contract Strategy Document before the procurement begins.