



# CONTRACT PROCEDURE RULES



The Local Government Task Force (LGTF) provides leadership for local authorities in delivering the Efficiency and Improvement agendas, particularly through the use of partnering and framework arrangements. It has targeted four key areas on which to focus current activity.

The LGTF identifies exemplars of good practice, particularly those which support its current area of activity. These are disseminated to local authority practitioners through a variety of case studies.

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# CONTRACT PROCEDURE RULES



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Local authorities now take a wide view of procurement and are addressing the numerous issues within the National Procurement Strategy for local government which in 2003 identified that local authorities spend over £40bn a year providing essential services to millions of people. Local authorities are also implementing the various initiatives associated with the Egan Rethinking Construction agenda.

It is important that we all recognise the impact that efficient and effective procurement of goods, services and works have on service delivery. It is also vital that we procure in an efficient manner whilst ensuring that optimum solutions are delivered to assist the provision of high-quality front-line services to the public.

To be fully effective it is vital that procurement processes operate within the framework of a council's corporate procurement strategy that identifies the actions to be taken to ensure delivery of the council's community plan and corporate objectives. In 2003, CIPFA, together with the Local Government Task Force, produced *How to Develop a Procurement Strategy – A Guide for Local Authorities*. This publication encouraged all those involved in procurement to look outside their specific work areas by considering the wider picture within their authority. It also advocated close working relationships between procurement officers and their auditors, with a view to removing the perceived obstacles to change.

I am now very pleased to welcome this update of the example contract procedure rules that were included in the 2003 CIPFA publication. While not intended to be a model, they illustrate how such rules may be written in order to accommodate the principles of the National Procurement Strategy and the Rethinking Construction agenda. I therefore strongly encourage local authorities to use this document as the platform for undertaking reviews of their contract procedure rules.

As with the earlier version, these example rules are based on those in operation at Cambridgeshire County Council and again have been produced in association with the Local Government Task Force.

I would like to record my thanks and appreciation to Ken Odgers of Contractauditline for compiling these example rules and to Ian Stewart of Cambridgeshire County Council for commenting on the earlier drafts. The help and assistance provided by the Local Government Task Force, and in particular Peter Bishop, is warmly appreciated and CIPFA gratefully acknowledges the time and effort of all those involved in its production.

A handwritten signature in black ink that reads "Richard King". The signature is written in a cursive style with a large, sweeping 'R' and 'K'.

**Richard King**  
Chair of CIPFA's Audit Panel



# FOREWORD BY THE LOCAL GOVERNMENT TASK FORCE



Three defining reports – Egan, Latham and Byatt – have made a lasting impact on local government construction and as a result the industry is in a fitter position than ever before to deliver high-quality construction projects.

Central to this success story has been the transformation of procurement. Procuring major projects is a complex and challenging business and, rather like a piece of music marred by a false note, so the constituent components of the procurement process must work together to deliver the desired outcomes.

Local government will continue to face the dual challenge of improving its services while making them ever more efficient. Indeed, the pace of transformation must quicken and its reach must widen.

That is why I am delighted to endorse these updated example contract procedure rules. In the search for ever better outcomes, we must examine all aspects of the procurement process to make sure they are fit for purpose and help deliver, not hinder, the transformation of our public services.

Prepared by CIPFA in association with the Local Government Task Force, the example contract procedure rules represent an excellent example of two disciplines collaborating with a shared aim. I would urge local authorities to review their contract rules in line with these updated examples to ensure that the transformation of procuring local government construction projects continues apace.

Roger Latham  
Chair of the Local Government Task Force

# PREFACE

The issue of the Byatt Report (*Delivering Better Services for Citizens*), and the subsequent National Procurement Strategy for Local Government, focused the attention of local authorities on the subject of procurement. In particular, it highlighted the need for authorities to widen their horizons by taking a corporate view of procurement issues. This includes a shift in emphasis from initial purchase costs and short-term savings to the examination of whole-life costs and establishing longer-term objectives to secure overall best value. Coupled with the National Procurement Strategy are the various initiatives associated with the Egan Rethinking Construction agenda.

The best authorities recognise the critical contribution that procurement makes to the quality of the services delivered to their communities and that it must be seen in the context of the council's overall objectives. Whilst economy is an essential ingredient of best value, it is also important that procurement decisions are taken in light of the broader objectives that the council is seeking to achieve. Effective procurement must therefore be measured as much by the social outcomes and community benefits that result as by the financial gains that are achieved. Balancing these two dimensions is at the heart of effective best value procurement.

Most authorities have now produced corporate procurement strategies which reflect their corporate vision, plans and objectives. These strategies set out their approach for identifying opportunities for partnering and collaboration, letting authority-wide contracts and framework agreements and exploring various e-procurement initiatives. However, it is important that these authorities ensure that the delivery of their strategies is not obstructed by their contract procedure rules (often referred to as contract standing orders) which should encourage, rather than hinder, the widespread adoption of best practice.

CIPFA, in association with the Local Government Task Force, has produced these updated example contract procedure rules. The example rules are intended to provide local authorities with a document that requires minimal adjustment and revision before it can be adopted by an individual authority. Authorities will need to ensure that the final document adequately reflects their corporate procurement strategies, and some tailoring may be required (eg financial thresholds and designated officers) to accord with provisions in their respective constitutions.

Contract procedure rules are the link between the documented procurement strategy and the development of detailed codes of practice, training and the establishment of operational procedures. Therefore, once completed, it is envisaged that authorities will ensure that their rules are supported by a detailed purchasing guide and standard documents, preferably on their intranets, to steer the systems and procedures that are established at departmental level.

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All costs stated in these contract procedure rules are exclusive of VAT, staff costs and fees.

Terms appearing in the definitions appendix are italicised and capitalised.

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### **FURTHER ADVICE WITHIN OFFICE OF CORPORATE SERVICES:**

Legal Services  
Internal Audit  
Strategic Procurement and Contract Management Service

# A BRIEF GUIDE TO CONTRACT PROCEDURE RULES

These contract procedure rules (issued in accordance with section 135 of the 1972 Local Government Act) are intended to promote good purchasing practice and public accountability and deter corruption. Following the rules is the best defence against allegations that a purchase has been made incorrectly or fraudulently.

*Officers* responsible for purchasing or disposal must comply with these contract procedure rules. They lay down minimum requirements and a more thorough procedure may be appropriate for a particular contract. (For example, if Rule 8.1 would normally require that quotes be obtained, it might be appropriate in particular circumstances to seek additional quotations in writing or tender submissions. Equally, it may not always be appropriate to make use of an exemption under Rule 3 even if one might apply or be granted.)

For the purposes of these rules, where there is a requirement for communication to be in writing, this shall be deemed to include e-mail and fax transmissions as well as hard copy.

- Follow the rules if you purchase goods or services or order building work.
- Take all necessary legal, financial and professional advice.
- Declare any personal financial interest in a contract. Corruption is a criminal offence.
- Conduct any *Best Value* review and appraise the purchasing need.
- Check whether there is an existing *Corporate Contract* you can make use of before undergoing a competitive process.
- Normally allow at least four weeks for submission of bids (not to be submitted by fax or e-mail).
- Keep bids confidential.
- Complete a written contract or council order before the supply or works begin.
- Identify a contract manager with responsibility for ensuring the contract delivers as intended.
- Keep records of dealings with suppliers.
- Assess each contract afterwards to see how well it met the purchasing need and *Value for Money* requirements.

In accordance with the *Constitution*, the *Chief Finance Officer* shall have the power to make amendments from time to time to these contract procedure rules after consultation with the *Heads of Legal Services* and of Audit and Risk Management.

# SECTION 1: SCOPE OF CONTRACT PROCEDURE RULES

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## 1. BASIC PRINCIPLES

All purchasing and disposal procedures must:

- achieve *Best Value* for public money spent
- be consistent with the highest standards of integrity
- ensure fairness in allocating public contracts
- comply with all legal requirements
- ensure that *Non-commercial Considerations* do not influence any *Contracting Decision*
- support the council's corporate and departmental aims and policies
- comply with the council's corporate *Procurement Strategy* and competition policy.

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## 2. OFFICER RESPONSIBILITIES

### 2.1 Officers

**2.1.1** *Officers* responsible for purchasing or disposal must comply with these contract procedure rules, *Financial Regulations*, the Code of Conduct and with all UK and European Union binding legal requirements. *Officers* must ensure that any *Agents*, *Consultants* and contractual partners acting on their behalf also comply.

**2.1.2** *Officers* must:

- have regard to the guidance in the *Purchasing Guide*
- check whether a suitable *Corporate Contract* exists before seeking to let another contract; where a suitable *Corporate Contract* exists, this must be used unless there is an auditable reason not to
- keep the records required by Rule 6
- take all necessary legal, financial and professional advice.

**2.1.3** When any employee either of the authority or of a service provider may be affected by any transfer arrangement, *Officers* must ensure that the Transfer of Undertaking (Protection of Employment) (*TUPE*) issues are considered and obtain legal advice before proceeding with inviting *Tenders* or *Quotations*.

## 2.2 Chief Officers

### 2.2.1 Chief Officers must:

- ensure that their staff comply with Rule 2.1
- keep registers of:
  - contracts completed by signature, rather than by the council's seal (see Rule 16.3) and arrange their safekeeping on council premises
  - exemptions recorded under Rule 3.2.

## 3. EXEMPTIONS, COLLABORATIVE AND E-PROCUREMENT ARRANGEMENTS

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- 3.1** The council and its *Cabinet* have power to waive any requirements within these contract procedure rules for specific projects, and any such decision may be a *Key Decision*.
- 3.2** In exceptional circumstances, a *Chief Officer* also has the power, under the scheme of delegation in the *Constitution*, to waive any requirements within these contract procedure rules, provided that, where the contract is likely to exceed £40,000, the relevant *Portfolio Holder* is consulted.
- 3.3** Where a proposed contract is likely to exceed the *EU Threshold*, a *Chief Officer* has no delegated powers and the matter has to be determined by the *Cabinet* or council (see Rule 3.1). No exemption can be used if the *EU Procedure* applies.
- 3.4** Where an exemption is necessary because of an unforeseeable emergency involving immediate risk to persons, property or serious disruption to council services, the *Officer* and the *Chief Finance Officer* may jointly approve the exemption but they must prepare a report for the next *Cabinet* to support the action taken.
- 3.5** All exemptions, and the reasons for them, must be recorded using the form in the *Purchasing Guide*. Exemptions shall be signed by the *Officer* and countersigned by the *Chief Finance Officer*.
- 3.6** The *Strategic Procurement and Contract Management Service* must be consulted and an exemption approved by the *Director of Governance* prior to commencing any procurement process using Office of Government Commerce (OGC) Buying Solutions Contracts. The terms and conditions of contract applicable to any OGC arrangement, including the requirement to undertake competition between providers, must be fully complied with.
- 3.7** *Financial Officers* must monitor the use of all exemptions.

**3.8** In order to secure *Value for Money*, the authority may enter into collaborative procurement arrangements. The *Officer* must consult the *Chief Finance Officer* and the *Head of Legal Services* where the purchase is to be made using collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium.

**3.8.1** All purchases made via a local authority purchasing and distribution consortium are deemed to comply with these contract procedure rules and no exemption is required. However, purchases above the *EU Threshold* must be let under the *EU Procedure*, unless the consortium has satisfied this requirement already by letting their contract in accordance with the *EU Procedures* on behalf of the authority and other consortium members.

**3.8.2** Any contracts entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the leading organisation, will be deemed to comply with these contract procedure rules and no exemption is required. However, advice must be sought from the *Strategic Procurement and Contract Management Service*.

**3.9** The use of e-procurement technology does not negate the requirement to comply with all elements of these contract procurement rules, particularly those relating to competition and *Value for Money*.

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## 4. RELEVANT CONTRACTS

**4.1** All *Relevant Contracts* must comply with these contract procedure rules. A *Relevant Contract* is any arrangement made by, or on behalf of, the authority (including schools) for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

- the supply or disposal of goods
- the hire, rental or lease of goods or equipment
- the delivery of services, including (but not limited to) those related to:
  - the recruitment of staff
  - land and property transactions
  - financial and consultancy services.

**4.2** *Relevant Contracts* do not include:

- contracts of employment which make an individual a direct employee of the authority, or
- agreements regarding the acquisition, disposal, or transfer of land (for which *Financial Regulations* shall apply).

# SECTION 2: COMMON REQUIREMENTS

## 5. STEPS PRIOR TO PURCHASE

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5.1 The *Officer* must appraise the purchase, in a manner commensurate with its complexity and value, and taking into account any guidance in the *Purchasing Guide*, by:

- taking into account the requirements from any relevant *Best Value* review
- appraising the need for the expenditure and its priority
- defining the objectives of the purchase
- assessing the risks associated with the purchase and how to manage them
- considering what procurement method is most likely to achieve the purchasing objectives, including internal or external sourcing, partnering, packaging strategy and collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium
- consulting users as appropriate about the proposed procurement method, contract standards and performance and user satisfaction monitoring
- drafting the terms and conditions that are to apply to the proposed contract
- setting out these matters in writing if the *Total Value* of the purchase exceeds £30,000.

5.2 and by confirming that:

- there is member or delegated approval for the expenditure and the purchase accords with the approved policy framework and scheme of delegation as set out in the *Constitution*
- if the purchase is a *Key Decision*, all appropriate steps have been taken.

## 6. RECORDS

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- 6.1 Where the *Total Value* is less than £30,000, the following records must be kept:
- invitations to quote and *Quotations*
  - a record:
    - of any exemptions and the reasons for them
    - of the reason if the lowest price is not accepted
  - written records of communications with the successful contractor or an electronic record if a written record of the transaction would normally not be produced.
- 6.2 Where the *Total Value* exceeds £30,000 the *Officer* must record:
- the method for obtaining bids (see Rule 8.1)
  - any *Contracting Decision* and the reasons for it
  - any exemption under Rule 3 together with the reasons for it
  - the *Award Criteria* in descending order of importance
  - *Tender* documents sent to and received from *Candidates*
  - pre-tender market research
  - clarification and post-tender negotiation (to include minutes of meetings)
  - the contract documents
  - post-contract evaluation and monitoring
  - communications with *Candidates* and with the successful contractor throughout the period of the contract.
- 6.3 Records required by this rule must be kept for six years after the end of the contract. However, written documents which relate to unsuccessful *Candidates* may be microfilmed or electronically scanned or stored by some other suitable method after 12 months from award of contract, provided there is no dispute about the award.

## 7. ADVERTISING, APPROVED LISTS AND FRAMEWORK AGREEMENTS

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### 7.1 Identifying and Assessing Potential Candidates

**7.1.1** *Officers* shall ensure that, where proposed contracts, irrespective of their *Total Value*, might be of interest to potential *Candidates* located in other member states of the EU, a sufficiently accessible advertisement is published. Generally, the greater the interest of the contract to potential bidders from other member states, the wider the coverage of the advertisement should be. Examples of where such advertisements may be placed include:

- the council's website
- portal websites specifically created for contract advertisements
- national official journals, or
- the Official Journal of the European Union (OJEU)/ Tenders Electronic Daily (TED) (even if there is no requirement within the *EU Procedure*).

**7.1.2** *Officers* are responsible for ensuring that all *Candidates* for a *Relevant Contract* are suitably assessed. The assessment process shall establish that the potential *Candidates* have sound:

- economic and financial standing
- technical ability and capacity

to fulfil the requirements of the authority.

**7.1.3** This shall be achieved in respect of proposed contracts that are expected to exceed £75,000 by selecting firms from:

- *Approved Lists* of providers, maintained by the authority or on its behalf, and compiled following responses to a public advertisement, or
- shortlists assessed from expressions of interest in a particular contract submitted in response to a public advertisement.

**7.1.4** Public advertisements issued in respect of Rule 7.1.3 above shall reflect the potential degree of interest from *Candidates* located within other member states of the EU.

### 7.2 Approved Lists

**7.2.1** *Approved Lists* should be used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise. *Approved Lists* cannot be used where the *EU Procedure* applies.

**7.2.2** *Chief Officers* may draw up in consultation with the Strategic Procurement and Contract Management Service:

- *Approved Lists* of persons ready to perform contracts to supply goods or services of particular types including without limitation on the basis of agreed contract terms
- criteria for *Shortlisting* from the lists.

**7.2.3** No person may be entered on an *Approved List* until there has been an adequate investigation into both their financial and their technical ability to perform the contract, unless such matters will be investigated each time bids are invited from that list.

**7.2.4** *Approved Lists* must be drawn up after an advertisement inviting applications for inclusion on the list. The advertisement must be placed to secure the widest publicity among relevant suppliers throughout all member states of the EU. Persons may be entered on a list between the initial advertisement and re-advertisement provided the requirements of Rule 7.2.3 are met.

**7.2.5** The list and *Shortlisting* criteria must be reviewed at least annually and re-advertised at least every three years. On re-advertisement, a copy of the advertisement must be sent to each person on the list, inviting them to reapply. Review means:

- the reassessment of the financial and technical ability and performance of those persons on the list, unless such matters will be investigated each time bids are invited from that list
- the deletion of those persons no longer qualified, with a written record kept justifying the deletion.

**7.2.6** All *Approved Lists* shall be maintained in an open, fair and transparent manner and be open to public inspection.

**7.2.7** A register of pre-qualified contractors and *Consultants* maintained by or on behalf of central government (eg Constructionline) will be deemed to be an *Approved List* for the purpose of these contract procedure rules and shall not be subject to the requirements of Rules 7.2.2 to 7.2.6 inclusive.

## **7.3 Framework Agreements**

**7.3.1** The term of a *Framework Agreement* must not exceed four years and, while an agreement may be entered into with one provider, where an agreement is concluded with several organisations, there must be at least three in number.

**7.3.2** Contracts based on *Framework Agreements* may be awarded by either:

- applying the terms laid down in the *Framework Agreement* (where such terms are sufficiently precise to cover the particular call-off) without reopening competition, or
- where the terms laid down in the *Framework Agreement* are not precise enough or complete for the particular call-off, by holding a mini competition in accordance with the following procedure:
  - inviting the organisations within the *Framework Agreement* that are capable of executing the subject of the contract to submit written *Tenders*
  - fixing a time limit which is sufficiently long to allow *Tenders* for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract
  - awarding each contract to the tenderer who has submitted the best *Tender* on the basis of the *Award Criteria* set out in the specifications of the *Framework Agreement*.

# SECTION 3: CONDUCTING PURCHASE AND DISPOSAL

## 8. COMPETITION REQUIREMENTS FOR PURCHASE, DISPOSAL AND PARTNERSHIP ARRANGEMENTS

The *Officer* must calculate the *Total Value*.

The following procedures apply where there are no other procedures which take precedence. Other procedures may include agency agreements with government. If in doubt, *Officers* must seek the advice of the *Director of Governance*.

### 8.1 Purchasing – Competition Requirements

**8.1.1** Where the *Total Value* for a purchase is within the values in the first column below, the *Award Procedure* in the second column must be followed. *Shortlisting* shall be done by the persons specified in the third column.

Total Value	Award Procedure	Shortlisting
Up to £2,000	One oral <i>Quotation</i> (confirmed in writing where the <i>Total Value</i> exceeds £500)	<i>Officer</i>
£2,00–1£30,000	Three written <i>Quotations</i>	<i>Officer</i> and <i>Line Manager</i>
£30,001–£75,000	<i>Invitation to Tender</i> to at least three and no more than five <i>Candidates</i>	<i>Officer</i> and <i>Line Manager</i>
£75,001–EU Threshold	<i>Invitation to Tender</i> by advertisement/list to at least three and no more than six <i>Candidates</i>	<i>Officer</i> , <i>Line Manager</i> and <i>Chief Finance Officer</i>
Above EU Threshold	<i>EU Procedure</i> or, where this does not apply, <i>Invitation to Tender</i> by advertisement/list to at least four and no more than six <i>Candidates</i>	Consult the <i>Head of Legal Services</i> – see Rule 8.1.4

**8.1.2** Where it can be demonstrated that there are insufficient suitably qualified *Candidates* to meet the competition requirement, all suitably qualified *Candidates* must be invited.

**8.1.3** An *Officer* must not enter into separate contracts nor select a method of calculating the *Total Value* in order to minimise the application of these contract procedure rules.

**8.1.4** Where the *EU Procedure* is required, the *Officer* shall consult the *Head of Legal Services* to determine the method of conducting the purchase.

## 8.2 Assets for Disposal

**8.2.1** Assets for disposal must be sent to public auction except where better *Value for Money* is likely to be obtained by inviting *Quotations* and *Tenders*. (These may be invited by advertising on the council's internet site.) In the latter event, the method of disposal of surplus or obsolete stocks/stores or assets other than land must be formally agreed with the *Financial Officer*.

## 8.3 Providing Services to External Purchasers

**8.3.1** The *Director of Governance* and the *Strategic Procurement and Contract Management Service* and *Financial Regulations* must be consulted where contracts to work for organisations other than the authority are contemplated.

## 8.4 Collaborative and Partnership Arrangements

**8.4.1** Collaborative and partnership arrangements are subject to all UK and EU procurement legislation and must follow these contract procedure rules. If in doubt, *Officers* must seek the advice of the *Head of Legal Services* and the *Strategic Procurement and Contract Management Service*.

## 8.5 The Appointment of Consultants to Provide Services

**8.5.1** Consultant architects, engineers, surveyors and other professional *Consultants* shall be selected and commissions awarded in accordance with the procedures detailed within these contract procedure rules and as outlined below.

Total Value	Award Procedure	Shortlisting
Up to £30,000	One oral <i>Quotation</i> (confirmed in writing where the <i>Total Value</i> exceeds £2,000)	<i>Officer</i>
£30,001–£100,000	Three written <i>Quotations</i>	<i>Officer</i> and <i>Line Manager</i>
£100,001–EU Threshold	<i>Invitation to Tender</i> by advertisement/list to at least three and no more than six <i>Candidates</i>	<i>Officer</i> , <i>Line Manager</i> and <i>Chief Finance Officer</i>
Above EU Threshold	<i>EU Procedure</i> or, where this does not apply, <i>Invitation to Tender</i> by advertisement/list to at least four and no more than six <i>Candidates</i>	Consult the <i>Head of Legal Services</i> – see Rule 8.1.4

**8.5.2** The engagement of a *Consultant* shall follow the agreement of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment.

**8.5.3** Records of consultancy appointments shall be maintained in accordance with Rule 6.

- 8.5.4 *Consultants* shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the relevant *Chief Officer* for the periods specified in the respective agreement.

## 9. PRE-TENDER MARKET RESEARCH AND CONSULTATION

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- 9.1 The *Officer* responsible for the purchase:
- may consult potential suppliers prior to the issue of the *Invitation to Tender* in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, provided this does not prejudice any potential *Candidate*, but
  - must not seek or accept technical advice on the preparation of an *Invitation to Tender* or *Quotation* from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential *Candidates* or distort competition, and
  - should seek advice from the *Strategic Procurement and Contract Management Service*.

## 10. STANDARDS AND AWARD CRITERIA

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- 10.1 The *Officer* must ascertain what are the relevant British, European or international standards which apply to the subject matter of the contract. The *Officer* must include those standards which are necessary properly to describe the required quality. The *Head of Legal Services* must be consulted if it is proposed to use standards other than European standards.
- 10.2 The *Officer* must define *Award Criteria* that are appropriate to the purchase and designed to secure an outcome giving *Value for Money* for the authority. The basic criteria shall be:
- ‘lowest price’ where payment is to be made by the authority
  - ‘highest price’ if payment is to be received, or
  - ‘most economically advantageous’, where considerations other than price also apply.

If the last criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations. These may include price, service, quality of goods, running costs, technical merit, previous experience, delivery date, cost effectiveness, quality, relevant environmental considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance and any other relevant matters.

**10.3** *Award Criteria* must not include:

- *Non-commercial Considerations*
- matters which discriminate against suppliers from the *European Economic Area* or signatories to the *Government Procurement Agreement*.

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## 11. INVITATIONS TO TENDER/QUOTATIONS

**11.1** The *Invitation to Tender* shall state that no *Tender* will be considered unless it is received by the date and time stipulated in the *Invitation to Tender*. No *Tender* delivered in contravention of this clause shall be considered.

**11.2** All *Invitations to Tender* shall include the following:

- (a) A specification that describes the authority's requirements in sufficient detail to enable the submission of competitive offers.
- (b) A requirement for tenderers to declare that the *Tender* content, price or any other figure or particulars concerning the *Tender* have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose).
- (c) A requirement for tenderers to complete fully and sign all *Tender* documents including a form of *Tender* and certificates relating to canvassing and non-collusion.
- (d) Notification that *Tenders* are submitted to the council on the basis that they are compiled at the tenderer's expense.
- (e) A description of the *Award Procedure* and, unless defined in a prior advertisement, a definition of the *Award Criteria* in objective terms and if possible in descending order of importance.
- (f) Notification that no *Tender* will be considered unless it is enclosed in a sealed envelope or container which bears the word '*Tender*' followed by the subject to which it relates, but no other name or mark indicating the sender.
- (g) A stipulation that any *Tenders* submitted by fax or other electronic means shall not be considered.
- (h) The method by which any arithmetical errors discovered in the submitted *Tenders* is to be dealt with. In particular, whether the overall price prevails over the rates in the *Tender* or vice versa.

**11.3** All *Invitations to Tender* or *Quotations* must specify the goods, service or works that are required, together with the terms and conditions of contract that will apply (see Rule 16).

**11.4** The *Invitation to Tender* or *Quotation* must state that the council is not bound to accept any *Quotation* or *Tender*.

- 11.5** All *Candidates* invited to *Tender* or quote must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.

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## 12. SHORTLISTING

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- 12.1** Any *Shortlisting* must have regard to the financial and technical standards relevant to the contract and the *Award Criteria*. Special rules apply in respect of the *EU Procedure*.
- 12.2** The officers responsible for *Shortlisting* are specified in Rule 8.1.1.
- 12.3** Where *Approved Lists* are used, *Shortlisting* may be done by the *Officer* in accordance with the *Shortlisting* criteria drawn up when the *Approved List* was compiled (see Rule 7.2.2). However, where the *EU Procedure* applies, *Approved Lists* may not be used.

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## 13. SUBMISSION, RECEIPT AND OPENING OF TENDERS/ QUOTATIONS

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- 13.1** *Candidates* must be given an adequate period in which to prepare and submit a proper *Quotation* or *Tender*, consistent with the complexity of the contract requirement. Normally at least four weeks should be allowed for submission of *Tenders*. The *EU Procedure* lays down specific time periods (see guidance in the *Purchasing Guide*).
- 13.2** All *Tenders* must be returned to the *Deputy Chief Executive* – Corporate Services.
- 13.3** *Tenders* received by fax or other electronic means (eg email) must be rejected, unless they have been sought in accordance with an electronic tendering system approved by the *Chief Finance Officer* and *Head of Legal Services*.
- 13.4** The *Officer* must not disclose the names of *Candidates* to any staff involved in the receipt, custody or opening of *Tenders*.
- 13.5** The *Deputy Chief Executive* – Corporate Services shall be responsible for the safekeeping of *Tenders* until the appointed time of opening. Each *Tender* must be:
- suitably recorded so as to subsequently verify the date and precise time it was received
  - adequately protected immediately on receipt to guard against amendment of its contents
  - recorded immediately on receipt in the *Tender Record Log*.

- 13.6** The *Deputy Chief Executive – Corporate Services* must ensure that all *Tenders* are opened at the same time when the period for their submission has ended. The *Officer* or his or her representative must be present. *Tenders* must be opened in the presence of two officers representing the Deputy Chief Executive – Corporate Services, neither of whom can be the *Officer*. Where the *Total Value* is more than the *EU Threshold*, one must be the *Chief Finance Officer*.
- 13.7** Upon opening, a summary of the main terms of each *Tender* (ie significant issues that are unique to each *Tender* submission and were not stated in the *Tender* invitation documents such as *Tender* sum, construction period, etc) must be recorded in the *Tender Record Log*. The summary must be initialled on behalf of the *Deputy Chief Executive – Corporate Services*.

## **14. CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATION**

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- 14.1** Providing clarification of an *Invitation to Tender* to potential or actual *Candidates* or seeking clarification of a *Tender*, whether in writing or by way of a meeting, is permitted. However, discussions with tenderers after submission of a *Tender* and before the award of a contract with a view to obtaining adjustments in price, delivery or content (ie post-tender negotiations) must be the exception rather than the rule. In particular, they must not be conducted in an *EU Procedure* where this might distort competition, especially with regard to price.
- 14.2** If post-tender negotiations are necessary after a single-stage *Tender* or after the second stage of a two-stage *Tender*, then such negotiations shall only be undertaken with the tenderer who is identified as having submitted the best *Tender* and after all unsuccessful *Candidates* have been informed. During negotiations tendered rates and prices shall only be adjusted in respect of a corresponding adjustment in the scope or quantity included in the *Tender* documents. *Officers* appointed by the *Chief Officer* to carry out post-tender negotiations should ensure that there are recorded minutes of all negotiation meetings and that both parties agree actions in writing.
- 14.3** Post-tender negotiation must only be conducted in accordance with the guidance issued by the *Head of Legal Services* who, together with the *Strategic Procurement and Contract Management Service*, must be consulted wherever it is proposed to enter into post-tender negotiation. Negotiations must be conducted by a team of at least two *Officers*, one of whom must be from a division independent to that leading the negotiations.
- 14.4** Where post-tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered.

## 15. EVALUATION, AWARD OF CONTRACT, AND DEBRIEFING CANDIDATES

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- 15.1** Apart from the debriefing required or permitted by these contract procedure rules, the confidentiality of *Quotations*, *Tenders* and the identity of *Candidates* must be preserved at all times and information about one *Candidate's* response must not be given to another *Candidate*.
- 15.2** Contracts must be evaluated and awarded in accordance with the *Award Criteria*. During this process, *Officers* shall ensure that submitted *Tender* prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 15.3** The arithmetic in compliant *Tenders* must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm or withdraw their *Tender*. Alternatively, if the rates in the *Tender*, rather than the overall price, were stated within the *Tender* invitation as being dominant, an amended *Tender* price may be requested to accord with the rates given by the tenderer.
- 15.4** *Officers* may accept *Quotations* and *Tenders* received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these contract procedure rules and, in respect of proposed contracts that are expected to exceed £200,000, the approval of the relevant *Portfolio Holder* has been secured. The awarding of contracts that are expected to exceed £500,000 shall also be approved by the *Cabinet*.
- 15.5** Where the *Total Value* is over £30,000, the *Officer* must notify all *Candidates* simultaneously and as soon as possible of the intention to award the contract to the successful *Candidate*. The *Officer* must provide unsuccessful *Candidates* with a period of at least ten days in which to challenge the decision before the *Officer* awards the contract. If the decision is challenged by an unsuccessful *Candidate* then the *Officer* shall not award the contract and shall immediately seek the advice of the *Head of Legal Services*.
- 15.6** The *Officer* shall debrief in writing all those *Candidates* who submitted a bid about the characteristics and relative advantages of the leading bidder. No information, other than the following, should be given without taking the advice of the *Head of Legal Services*:
- how the *Award Criteria* were applied
  - the prices or range of prices submitted, in either case not correlated to *Candidates' names*
  - the names of *Candidates* where there were three or more *Candidates*.

- 15.7** If a *Candidate* requests in writing the reasons for a *Contracting Decision*, the *Officer* must give the reasons in writing within 15 days of the request. If requested, the *Officer* may also give the debriefing information at Rule 15.6 above to *Candidates* who were deselected in a pre-tender *Shortlisting* process.

# SECTION 4: CONTRACT AND OTHER FORMALITIES

## 16. CONTRACT DOCUMENTS

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### 16.1 Relevant Contracts

**16.1.1** All *Relevant Contracts* that exceed £75,000 shall be in writing.

**16.1.2** All *Relevant Contracts*, irrespective of value, shall clearly specify:

- what is to be supplied (ie the works, materials, services, matters or things to be furnished, had or done)
- the provisions for payment (ie the price to be paid and when)
- the time, or times, within which the contract is to be performed
- the provisions for the council to terminate the contract.

**16.1.3** The council's order form or standard terms and conditions issued by a relevant professional body must be used wherever possible.

**16.1.4** In addition, every *Relevant Contract* of purchase over £30,000 must also state clearly as a minimum:

- that the contractor may not assign or sub-contract without prior written consent
- any insurance requirements
- health and safety requirements
- ombudsman requirements
- data protection requirements, if relevant
- that charter standards are to be met if relevant
- race relations requirements
- Disability Discrimination Act requirements
- Freedom of Information Act requirements
- where *Agents* are used to let contracts, that *Agents* must comply with the council's contract procedure rules
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant.

**16.1.5** The formal advice of the *Head of Legal Services* must be sought for the following contracts:

- where the *Total Value* exceeds £75,000
- those involving leasing arrangements
- where it is proposed to use a supplier's own terms
- those involving the purchase of application software with a *Total Value* of more than £30,000
- those that are complex in any other way.

## 16.2 Contract Formalities

**16.2.1** Agreements shall be completed as follows:

Total Value	Method of Completion	By
Up to £30,000	signature	<i>Line Manager</i> (see Rule 16.2.3)
£30,001 to £75,000	signature	<i>Supervising Officer</i> (see Rule 16.2.3)
Above £75,000	sealing	See Rule 16.3

**16.2.2** All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the *Deputy Chief Executive*. An award letter is insufficient.

**16.2.3** The *Officer* responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it.

## 16.3 Sealing

**16.3.1** Where contracts are completed by each side adding their formal seal, such contracts shall be signed by at least two *Officers* which, together with the fixing of the council's seal, must be witnessed by a further officer on behalf of the *Head of Legal Services*.

**16.3.2** Every council sealing will be consecutively numbered, recorded and signed by the person witnessing the seal. The seal must not be affixed without the authority of the *Cabinet*, a *Committee*, a *Portfolio Holder*, or a *Deputy Chief Executive* acting under delegated powers.

**16.3.3** A contract must be sealed where:

- the council may wish to enforce the contract more than six years after its end
- the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services
- there is any doubt about the authority of the person signing for the other contracting party, or
- the *Total Value* exceeds £75,000.

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## **17. BONDS AND PARENT COMPANY GUARANTEES**

**17.1** The *Officer* must consult the *Head of Finance* about whether a *Parent Company Guarantee* is necessary when a *Candidate* is a subsidiary of a parent company and:

- the *Total Value* exceeds £250,000, or
- award is based on evaluation of the parent company, or
- there is some concern about the stability of the *Candidate*.

**17.2** The *Officer* must consult the *Head of Finance* about whether a *Bond* is needed:

- where the *Total Value* exceeds £1,000,000, or
- where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract and there is concern about the stability of the *Candidate*.

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## **18. PREVENTION OF CORRUPTION**

**18.1** The *Officer* must comply with the *Code of Conduct* and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the *Officer* to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime under the statutes referred to in Rule 18.2 below.

**18.2** The following clause must be put in every written council contract:

*“The Council may terminate this contract and recover all its loss if the Contractor, its employees or anyone acting on the Contractor’s behalf do any of the following things:*

- (a) offer, give or agree to give to anyone any inducement or reward in respect of this or any other Council contract (even if the Contractor does not know what has been done), or*
- (b) commit an offence under the Prevention of Corruption Acts 1889 to 1916 or Section 117(2) of the Local Government Act 1972, or*
- (c) commit any fraud in connection with this or any other Council contract whether alone or in conjunction with Council members, contractors or employees.*

*Any clause limiting the Contractor’s liability shall not apply to this clause.”*

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## **19. DECLARATION OF INTERESTS**

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**19.1** If it comes to the knowledge of a member or an employee of the authority that a contract in which he or she has a pecuniary interest has been or is proposed to be entered into by the council, he or she shall immediately give written notice to the chief executive. The chief executive shall report such declarations to the appropriate *Committee*.

**19.2** Such written notice is required irrespective of whether the pecuniary interest is direct or indirect. An indirect pecuniary interest is distinct from a direct pecuniary interest in as much as it is not a contract to which the member or employee is directly a party.

**19.3** A shareholding in a body not exceeding a total nominal value of £1,000 or 1% of the nominal value of the issued share capital (whichever is the less) is not a pecuniary interest for the purposes of this standing order.

**19.4** The chief executive shall maintain a record of all declarations of interests notified by members and *Officers*.

**19.5** The chief executive shall ensure that the attention of all members is drawn to the National Code of Local Government Conduct.

# SECTION 5: CONTRACT MANAGEMENT

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## 20. MANAGING CONTRACTS

- 20.1** Heads of service in sponsoring departments are to name contract managers for all new contracts. All contracts must have a named council contract manager for the entirety of the contract.
- 20.2** Contract managers must follow the procedures set out in the council's *Purchasing Guide*.

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## 21. RISK ASSESSMENT AND CONTINGENCY PLANNING

- 21.1** A business case must be prepared for all procurements with a potential value over the *EU Threshold*. Provision for resources for the management of the contract, for its entirety, must be identified in the business case.
- 21.2** For all contracts with a value of over £75,000, contract managers must:
- maintain a risk register during the contract period
  - undertake appropriate risk assessments and for identified risks
  - ensure contingency measures are in place.

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## 22. CONTRACT MONITORING, EVALUATION AND REVIEW

- 22.1** All contracts which have a value higher than the *EU Threshold* limits, or which are *High Risk*, are to be subject to monthly formal review with the contractor. The review may be conducted quarterly if permitted by the *Director of Governance*.
- 22.2** For all contracts with a value higher than the *EU Threshold* limits, or which are *High Risk*, an annual report must be submitted to the *Contract Management Board*.
- 22.3** A council-developed Gateway review process must be applied to all contracts deemed to be *High Risk*, *High Value*, or *High Profile*. This process must be applied at key stages of major procurements.

**22.4** During the life of the contract, the *Officer* must monitor in respect of:

- performance
- compliance with specification and contract
- cost
- any *Value for Money* requirements
- user satisfaction and risk management.

**22.5** Where the *Total Value* of the contract exceeds £200,000, the *Officer* must make a written report to the relevant *Portfolio Holder* evaluating the extent to which the purchasing need and the contract objectives (as determined in accordance with Rule 5.2) were met by the contract. This should be done normally when the contract is completed. Where the contract is to be re-let, a provisional report should also be available early enough to inform the approach to reletting of the subsequent contract.

# DEFINITIONS

## APPENDIX

<b>Agent</b>	A person or organisation acting on behalf of the council or on behalf of another organisation.
<b>Approved List</b>	A list drawn up in accordance with Rule 7.2.
<b>Award Criteria</b>	The criteria by which the successful <i>Quotation</i> or <i>Tender</i> is to be selected (see further Rules 10 and 11.2e).
<b>Award Procedure</b>	The procedure for awarding a contract as specified in Rules 8, 10 and 15.
<b>Best Value</b>	<p>The duty, which Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the council.</p> <p>This terminology has now in many instances been superseded by <i>Value for Money</i>.</p>
<b>Bond</b>	An insurance policy: if the contractor does not do what it has promised under a contract with the council, the council can claim from the insurer the sum of money specified in the bond (often 10% of the contract value). A bond is intended to protect the council against a level of cost arising from the contractor's failure.
<b>Cabinet</b>	The council's cabinet as defined in the <i>Constitution</i> .
<b>Candidate</b>	Any person who asks or is invited to submit a <i>Quotation</i> or <i>Tender</i> .
<b>Chief Finance Officer</b>	The director of finance and performance or such other officer as may be designated chief finance officer by the council.
<b>Chief Officer</b>	The officers defined as such in the <i>Constitution</i> .
<b>Code of Conduct</b>	The code regulating conduct of <i>Officers</i> issued by the <i>Deputy Chief Executive – Corporate Services</i> .
<b>Committee</b>	A committee which has power to make decisions for the council, for example a joint committee with another local authority, but not a scrutiny committee.
<b>Constitution</b>	<p>The constitutional document approved by the council which:</p> <ul style="list-style-type: none"> <li>• allocates powers and responsibility within the council and between it and others</li> <li>• delegates authority to act to the <i>Cabinet, Committees, Portfolio Holders</i> and <i>Officers</i></li> <li>• regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.</li> </ul>
<b>Consultant</b>	Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the council has no ready access to employees with the skills, experience or capacity to undertake the work.
<b>Contract Management Board</b>	The group of <i>Officers</i> that meets regularly to consider procurement issues on a corporate basis.

<b>Contracting Decision</b>	Any of the following decisions: <ul style="list-style-type: none"> <li>• composition of <i>Approved Lists</i></li> <li>• withdrawal of <i>Invitation to Tender</i></li> <li>• whom to invite to submit a <i>Quotation</i> or <i>Tender</i></li> <li>• <i>Shortlisting</i></li> <li>• award of contract</li> <li>• any decision to terminate a contract.</li> </ul>
<b>Corporate Contract</b>	A contract let by the <i>Strategic Procurement and Contract Management Service</i> to support the council's aim of achieving <i>Value for Money</i> .
<b>Deputy Chief Executive</b>	As defined in the <i>Constitution</i> .
<b>Director of Governance</b>	As defined in the <i>Constitution</i> .
<b>EU Procedure</b>	The procedure required by the EU where the <i>Total Value</i> exceeds the <i>EU Threshold</i> .
<b>EU Threshold</b>	The contract value at which the EU public procurement directives apply.
<b>European Economic Area</b>	The 15 members of the European Union, and Norway, Iceland and Liechtenstein.
<b>Financial Officer</b>	The most senior <i>Officer</i> representing the <i>Deputy Chief Executive</i> – Corporate Services or designated by him to provide financial advice to the <i>Chief Officer</i> .
<b>Financial Regulations</b>	The financial regulations outlining <i>Officer</i> responsibilities for financial matters issued by the <i>Chief Finance Officer</i> in accordance with the <i>Constitution</i> .
<b>Framework Agreement</b>	An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
<b>Government Procurement Agreement</b>	The successor agreement to the General Agreement on Trade and Tariffs. The main signatories other than those in the <i>European Economic Area</i> are the USA, Canada, Japan, Israel, South Korea, Switzerland, Norway, Aruba, Hong Kong, China, Liechtenstein and Singapore.
<b>Head of Legal Services</b>	As identified in the <i>Constitution</i> .
<b>High Profile</b>	A high-profile purchase is one that could have an impact on functions integral to council service delivery should it fail or go wrong.
<b>High Risk</b>	A high-risk purchase is one which presents the potential for substantial exposure on the council's part should it fail or go wrong.
<b>High Value</b>	A high-value purchase is where the value exceeds the <i>EU Threshold</i> values.
<b>Invitation to Tender</b>	Invitation to tender documents in the form required by these contract procedure rules.
<b>Key Decision</b>	Decisions that are defined as key decisions in the <i>Constitution</i> .
<b>Line Manager</b>	The <i>Officer's</i> immediate superior or the <i>Officer</i> designated by the <i>Chief Officer</i> to exercise the role reserved to the line manager by these contract procedure rules.
<b>Nominated Suppliers and Sub-contractors</b>	Those persons specified in a main contract for the discharge of any part of that contract.

<b>Non-commercial Considerations</b>	<p>(a) The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters').</p> <p>(b) Whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only.</p> <p>(c) Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</p> <p>(d) The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').</p> <p>(e) The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</p> <p>(f) Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</p> <p>(g) Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support.</p> <p>(h) Use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984 or the Building (Scotland) Act 1959.</p> <p>Workforce matters and industrial disputes, as defined in paragraphs (a) and (d), cease to be non-commercial considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which the Transfer of undertakings (Protection of Employment) Regulations 1981 (TUPE) may apply.</p>
<b>Officer</b>	The officer designated by the <i>Chief Officer</i> to deal with the contract in question.
<b>Parent Company Guarantee</b>	A contract which binds the parent of a subsidiary company as follows: if the subsidiary company fails to do what it has promised under a contract with the council, the council can require the parent company to do so instead.
<b>Portfolio Holder</b>	A member of the <i>Cabinet</i> to whom political responsibility is allocated in respect of specified functions.
<b>Priority Services</b>	Those services required to be tendered as defined in the EU public procurement directives.
<b>Procurement Strategy</b>	The document setting out the council's approach to procurement and key priorities for the next few years.
<b>Purchasing Guide</b>	The suite of guidance documents, together with a number of standard documents and forms, which supports the implementation of these contract procedure rules. The guide is available on the council's intranet.
<b>Quotation</b>	A quotation of price and any other relevant matter (without the formal issue of an <i>Invitation to Tender</i> ).
<b>Relevant Contract</b>	Contracts to which these contract procedure rules apply (see Rule 4).
<b>Shortlisting</b>	The process of selecting <i>Candidates</i> who are to be invited to quote or bid or to proceed to final evaluation.
<b>Strategic Procurement and Contract Management Service</b>	The council's central procurement unit charged with providing strategic direction and advice to secure <i>Value for Money</i> in the council's procurement activities.
<b>Supervising Officer</b>	The <i>Line Manager's</i> immediate superior.

<b>Tender</b>	A <i>Candidate's</i> proposal submitted in response to an <i>Invitation to Tender</i> .
<b>Tender Record Log</b>	The log kept by the director of resources to record details of <i>Tenders</i> (see Rule 13.5).
<b>Total Value</b>	The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows: <ul style="list-style-type: none"> <li>(a) where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period</li> <li>(b) where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months</li> <li>(c) where the contract is for an uncertain duration, by multiplying the monthly payment by 48</li> <li>(d) for feasibility studies, the value of the scheme or contracts which may be awarded as a result</li> <li>(e) for <i>Nominated Suppliers and Sub-contractors</i>, the total value shall be the value of that part of the main contract to be fulfilled by the <i>Nominated Supplier or Sub-contractor</i>.</li> </ul>
<b>TUPE Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006 No.246)</b>	Subject to certain conditions, these regulations apply where responsibility for the delivery of works or services for the authority is transferred from one organisation (eg private contractor, local authority in-house team) to another (eg following a contracting-out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer. These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.
<b>Value for Money</b>	Value for money is not the lowest possible price; it combines goods or services that fully meet your needs, with the level of quality required, delivery at the time you need it, and at an appropriate price.

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