

Contract Procedure Rules (Contract Standing Orders)

Draft updated September 2021

DRAFT

Contents

1. Introduction and key principles	4
1.1 Introduction	4
1.2 Background	4
1.2 Compliance	5
1.3 Application of the Rules	5
1.4. Exemptions and waivers to these Rules (Refer to Paragraph 4.2 for process).....	6
Procurement framework	8
2.1 The Procurement Cycle.....	8
2.2 Procurement Framework.....	8
2.2 Identifying the right procurement procedure	10
3. Officer Responsibilities	10
3.1. Conflicts of Interest.....	12
3.2 Prevention of Bribery and Corruption	12
3.3 Relevant Legislation	13
4 Plan stage - defining the procurement	14
4.1 Authority to proceed.....	14
4.2 Automatic exemptions or Waivers	14
4.3 Early Market Engagement.....	15
4.4 Estimating the Contract Value	15
4.5 Use of Framework Agreements	16
4.6 Insurances	16
4.7 TUPE.....	16
4.8 Performance Bond	16
4.9 Parent Company Guarantee (PCG)	17
4.10 Collateral Warranty.....	17
4.11 Environmental sustainability	17
4.12 Social Value	17
4.13 Equality and diversity.....	17
4.14 Value for money.....	18
4.15 Form of Contract.....	18
5. Procure stage – managing the procurement	18
5.1 Procurements below the PCR2015 threshold value (£189,330 for Goods and Services and £4,733,252 for Works	18

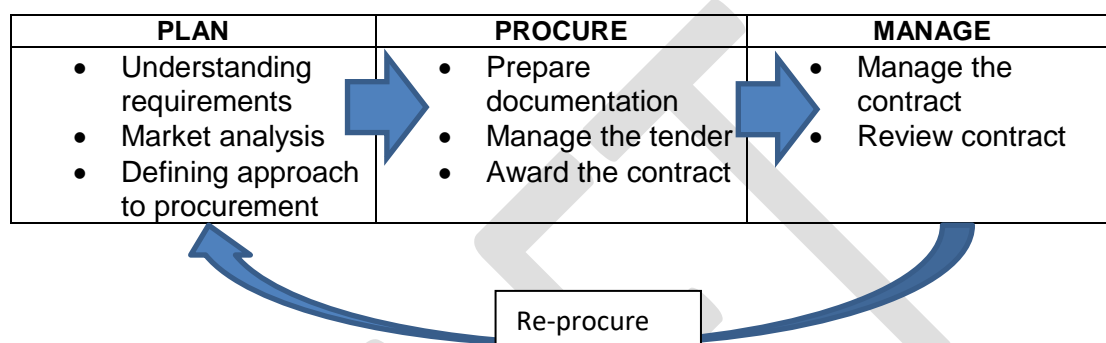
5.2	Procurements above the PCR2015 threshold value	18
5.3	Specification of SSDC requirements.....	19
5.4	Standard Procurement Documents	19
5.5	Overview of the Procurement Procedure Framework for SSDC and PCR2015 financial thresholds	19
5.6.	The Procurement Procedures relative to financial thresholds	20
5.7	Process for Low Value Purchases.....	20
5.8	Process Requiring Quotations.....	21
5.9.	Procurement Procedures (value above £25k) Requiring Publication on ProContract	21
5.10	Procurement Processes for Contracts of a Value Over the PCR2105 Threshold.....	22
5.11	Confidentiality of Tenders and Quotations.....	22
5.12	Submission, Receipt and Opening of Tenders	23
5.13	Contract Selection and Award Criteria	23
5.14	Intention to Award a Contract	24
6.	Authorisations.....	25
6.1	Authority to Procure a Contract.....	25
6.2	Authority to Award or Amend a Contract.....	25
6.3	Authority to Sign a Contract	25
6.4	Further Authorisation for Advance Payments	25
6.5	Deeds, Sealing and Signing of Contracts.....	26
7.	Contract Management – the Manage phase	26
7.1	Contracts Register.....	26
7.2	Contract Documents and Letters of Intent	26
7.3.	Variations and Extensions.....	27
7.4.	Contract Management and Contract Expiry	28
8.	Further Advice.....	28
8.1	Miscellaneous procurement issues.....	28
8.2	Amendments to These Contract Procedure Rules.....	29
Appendix 1	Procurement Procedure Framework.....	30
Appendix 2	Waiver Request Form content.....	35
Appendix 3	Monitoring compliance with Contract Procedure Rules	36
Appendix 4	Glossary of Terms	38

1. Introduction and key principles

1.1 Introduction

1.1.1 These Contract Procedure Rules provide South Somerset District Council (SSDC) Officers and Councillors with the parameters and essential guidance to be followed throughout the Procurement lifecycle shown in Figure 1 below:

Figure 1 Stages of the Procurement Lifecycle



1.1.2 Key reference documents

Key reference documents to the Contract Procedure Rules are:

- SSDC Procurement Strategy 2020
- SSDC Social Value Policy
- SSDC Contract Management Framework.

1.2 Background

1.1.1 SSDC is obligated by S135 of the Local Government Act 1972 to make procedure rules to ensure competition and regulate the procurement process. This document sets out the Contract Procedure Rules (the “Rules”) that Officers at South Somerset District Council (SSDC) and consultants engaged in any capacity to manage or supervise the procurement of any goods, works or services for SSDC must follow when spending money to deliver our services to the people of South Somerset.

1.1.2 Observance of the Rules is mandatory and non-compliance with these Rules may constitute grounds for disciplinary action. The Procurement Specialist is responsible for monitoring and reporting on non-compliance and agreeing proportionate action with Officers (**Refer to Appendix 3 Monitoring Compliance with Contract Procedure Rules**).

1.1.3 The Rules have the following purpose:

- a) To ensure compliance with all legal requirements and to assist officers in achieving best practice;
- b) To ensure transparency, openness, non-discrimination and fair competition;
- c) Demonstrate probity, consistency, accountability and integrity;
- d) To achieve value for money;
- e) To protect the Council, Councillors and Officers from the risk of challenge, undue criticism or allegations of wrongdoing; and
- f) To support delivery of the SSDC's Procurement Strategy.

1.1.4 Where other general guidance provided to Officers appears to conflict with the Rules then the Rules have precedence. In any cases of doubt, advice must be sought in the first instance from the Procurement Specialist. The administration, monitoring and governance of the application of these Rules is the responsibility of the Section 151 Officer.

1.1.5 If there is any relevant change to English or International Law which affects these Rules, then that change must be observed until these Rules can be revised. Where there is a difference between these Rules and the current legislation, the legislation will prevail.

1.2 Compliance

1.2.1 Every contract entered into on behalf of SSDC must comply with:

- a) These Contract Procedure Rules;
- b) The Council's Financial Procedure Rules;
- c) All relevant English legislation;
- d) The Public Contract Regulations 2015 (PCR2015). These continue to apply until repealed and replaced following exit from the EU on 31 December 2020. The PCR2015 can be viewed at:

<https://www.legislation.gov.uk/uksi/2015/102/contents/made>

- e) The Concessions Contracts Regulations 2016 (CCR). The CCR2015 can be viewed at:

<https://www.legislation.gov.uk/uksi/2016/273/contents/made>

1.2.2 If there is any doubt about the application of the Rules, the issues should be referred in the first instance to the Procurement Specialist.

1.3 Application of the Rules

1.3.1 These Rules apply to:

- a) All contracts for the supply of goods, works or services to SSDC;
- b) Partnership and collaborative arrangements with other Local Authorities where the Council is not the Lead Authority. Assurance is to be sought that the Lead Authority is acting in compliance with its own Contract Procedure Rules; and
- c) Concession Contracts where the Council grants rights, land or property in return for services or for a particular use.

1.3.2 These Rules do not apply to:

- a) Contracts solely for the acquisition, disposal or transfer of any interest in land; or
- b) Contracts of employment that make an individual a direct employee of the Council.

1.4. Exemptions and waivers to these Rules (Refer to Paragraph 4.2 for process)

1.4.1 Under the Local Government Act 1972, Contract Procedure Rules made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited, but may exempt from any such provision contracts for a price below that specified in standing orders and may authorise the authority to exempt any contract from any such provision when the authority are satisfied that the exemption is justified by special circumstances.

1.4.2 The expectation is that the Procurement Procedure Rules will be followed. However, an automatic exemption may apply or a waiver to the requirements of the Contract Procedure Rules may be requested when PCR2015 rules for above threshold procurements do not apply. For Goods and Services, the PCR2015 threshold is £189,330 and it is £4,733,252 for Works contracts.

For further information on thresholds, please refer to Procurement Policy Note – New Thresholds 2020 (PPN 06/19) at:

<https://www.gov.uk/government/publications/procurement-policy-note-new-thresholds-2020>

1.4.2 Automatic exemption applies when:

- a) Goods, works or services procured in a genuinely unforeseeable emergency (e.g. natural disasters such as flooding or fires, immediate changes to legislation) because of a need to respond to events that were beyond the genuine control of the Council. Any such contract entered into by the Council must not be for a term of more than 6 months. It must be noted that not allowing sufficient time to tender will not be considered an emergency;

- b) Life or death – where there is a significant chance that the life or health of Officers, Councillors or the public will be put at real risk;

1.4.3 A waiver to the Rules may be requested where one or more of the following circumstances apply:

- a) Legal services falling within Regulation 10(1)(d) of the Public Contracts Regulations 2015;
- b) Dealings in the money market or obtaining finance within Regulation 10(1)(e) and 10(1)(f);
- c) Purchases at auction or at public fairs or markets;
- d) Contracts falling within the Light Touch Regime for services listed in Schedule 3 of the PCR2015;
- e) Goods or materials are proprietary items or are sold only at a fixed price and no satisfactory alternative is available;
- f) Contracts for the execution of mandatory works by statutory undertakers, such as utilities providers;
- g) Goods or Services where the Council's needs are only capable of being met by one supplier and where the contract assists the Council in meeting its statutory duties;
- h) Where a contract for the execution of works or the undertaking of services or the supply of goods involves highly specialised technical, scientific or artistic knowledge such that it is not possible to achieve competitive tenders;
- i) Where the work to be executed or the goods or materials to be supplied consists of repairs to or the supply of parts for existing machinery or plant or are additions to an existing style or design which would involve the council in greater cost and additional work in trying to harmonise two differing systems, designs or solutions;
- j) Where waiving the application of the Rules would be in the interests of the efficient management of SSDC services (i.e. where the Council would incur avoidable cost or reduced income by not waiving the application of the Rules);
- k) Limited markets – supply of the product or service is demonstrably restricted to a single source of supply;
- l) Where under specific one-off project conditions it is demonstrated that Value for Money is to be achieved by approaching one supplier to deliver goods, works or services within well-defined parameters; or,
- m) Other unforeseen circumstances or specific project conditions that would result in unacceptable commercial and/or reputational impact.

1.4.4 Above PCR2015 threshold exemptions

a) Teckal exemption

Some contracts above the PCR2015 threshold may be subject to a Teckal exemption. This applies in circumstances where SSDC awards contracts for providing services or works to an organisation considered to be equivalent to an 'in-house' provider. The Teckal exemption is subject to strict legal tests regarding whether a proposed supplier is to be regarded as an 'in-house' provider.

b) Inter-Authority co-operation

Where Local Authorities and Public Bodies work together to jointly discharge their shared responsibilities to deliver public services, as opposed to one public body acting as the other's service provider.

c) Trading companies

Where a Local Authority sets up a trading company, the specific structure of that trading company will determine whether the PCR2015 apply or not. In the first instance advice should be sought from the Procurement Specialist.

Procurement framework

2.1 The Procurement Cycle

The Contract Procedure Rules and all associated guidance is organised to support Officers in managing the three stage of the procurement cycle as shown in [Figure 1](#): Plan, Procure and Manage.

2.2 Procurement Framework

SSDC has created a Procurement Framework based on four contract bands according to the value of the goods, works or services being procured. These are shown in Table 1 below:

Table 1: SSDC Procurement Framework

Contract band description	Goods and Services estimated value limit	Works estimated value limit	Summary requirement	Authority to recommend procurement
Very low value	£0 - £5,000	£0 - £10,000	At least one written quotation Anyone with procurement	Procuring Officer: Anyone with the required procurement

			<p>responsibility must operate in accordance with Financial Procedure Rules.</p> <p>Any purchase in excess in excess of £500 must have a Purchase Order raised.</p>	<p>responsibility and competency.</p> <p>Approval by an authorised signatory.</p>
Low value	£5,001 - £25,000	£10,001 - £25,000	<p>A minimum of three written quotations</p> <p>Application of waiver may be applied through appropriate approval route. Anyone with procurement responsibility must operate in accordance with Financial Procedure Rules.</p> <p>Any purchase in excess in excess of £500 must have a Purchase Order raised.</p>	<p>Anyone with the required procurement responsibility and competency</p> <p>Approval by an authorised signatory under Financial Procedure Rules.</p>
Medium value	£25,001 – PCR2015 threshold (£189,330)	£25,001 – PCR2015 threshold (£4,733,252)	<p>Default position is Request for Quotations or ITT using standard documentation via e-tendering system to select list or on an open basis subject to supply market conditions.</p>	<p>Anyone with the required procurement responsibility and competency.</p> <p>Approval by an authorised signatory under Financial</p>

			Application of waiver may be applied through appropriate approval route.	Procedure Rules.
High value	>PCR2015 threshold (£189,330)	>PCR2015 threshold (£4,733,252)	ITT using e-tendering system following PCR2015 rules and regulations	Anyone with the required procurement responsibility and competency. Approval by an authorised signatory under Financial Procedure Rules.

2.2 Identifying the right procurement procedure

2.2.1 The following process steps should be followed:

1. You have a requirement
2. Can it be met from an existing resource or contract?
3. What are the key outcomes sought?
4. What is the estimated value of the contract (annual price x duration)?
5. Is it for goods, services or works?
6. Identify the right procedure to follow, depending on the value, complexity and risk.

2.2.2 Appendices 1a and 1b provide a summary of procedure selection.

3. Officer Responsibilities

Table 2 Officer Responsibility matrix

Officer	Plan Stage	Procure Stage	Manage Stage
---------	------------	---------------	--------------

<p>Procuring Officer (including Lead Specialist and Director of Service Area)</p>	<p>Approve procurement commencement and confirm budget</p> <p>Understand what is required</p> <p>Explore supplier market</p> <p>Consider best approach to market, consulting with Procurement Specialist as necessary</p> <p>Consider contract management requirements at planning stage</p>	<p>Write the specification</p> <p>With support of procurement, develop the tender documentation</p> <p>Evaluate and identify preferred supplier in accordance with the Procurement Procedure</p> <p>Arrange for contract signing</p> <p>Prepare mobilisation plan</p>	<p>Implement Contract Management approach as defined at Planning Stage and in accordance with the Contract Management Framework</p>
<p>Procurement Specialist and/or Procurement Business Partners</p>	<p>Support Procuring Officer in defining the most appropriate approach to the market</p>	<p>Support Procuring Officer to produce tender documentation</p> <p>Oversee the tender process</p>	<p>Support contract mobilisation as required</p> <p>Monitor compliance with the Rules</p>
<p>Monitoring Officer</p>	<p>Support any contract planning</p>	<p>Provide advice on contract clarifications</p>	<p>Agree contractual terms in more complex cases</p>
<p>Section 151</p>	<p>Have oversight of budget requirements for high value procurements</p>	<p>Provide Finance support on evaluation (as required)</p>	<p>Approve budget commitment for high value procurements</p>

3.1. Conflicts of Interest

3.1.1 Members of staff must avoid any conflict between their own interests and the interests of the Council. This is a requirement of the Council's Code of Conduct for Officers and includes:

- a) Not accepting gifts or hospitality from organisations or suppliers that the Council has dealings with;
- b) Not working for organisations or suppliers that the Council has dealings with;
- c) Notifying the Procurement Specialist in writing if an Officer has links with an organisation or supplier who is tendering or quoting for a contract with the Council or already has a contract with the Council (for example, where a family member or close friend works for the organisation).

3.1.2 All consultants engaged to act on behalf of the Council must declare that they will avoid any conflict between their own interests or those of any of their other clients and the interests of the Council.

3.1.3 If a Councillor or a member of staff has an interest (direct or indirect), financial, otherwise, in a contract or proposed contract, he/she must declare it in writing to the Monitoring Officer as soon as he/she becomes aware of the interest. A Councillor or member of staff who has an interest in a contract must not take part in the procurement or management of that contract.

3.1.4 The Monitoring Officer must maintain a record of all declarations of interest notified by Councillors and Officers.

3.2 Prevention of Bribery and Corruption

3.2.1 A contract may be terminated immediately and any losses to SSDC arising from the termination recovered from the supplier, if the supplier, or anyone acting on his behalf (with or without the supplier's knowledge), offers or promises or gives a financial or other advantage to a Councillor, any member of staff, or any consultant in connection with the contract.

3.2.2 Any Councillor, member of staff or consultant who becomes aware or has reason to believe that a supplier or potential supplier has committed fraud, bribery or corruption, must report it to the Monitoring Officer.

3.3 Relevant Legislation

3.3.1 For the purposes of these Contract Procedure Rules, Relevant Legislation is defined as the following legislation:

- a) Public Contracts Regulations 2015 (PCR 2015);
- b) Concession Contracts Regulations 2016 (CCR 2016);
- c) Localism Act 2011;
- d) Public Services (Social Value) Act 2012;
- e) Freedom of Information Act 2000;
- f) General Data Protection Regulation (GDPR) and the Data Protection Act 2018;
- g) Equality Act 2010;
- h) Modern Slavery Act 2015;
- i) Transfer of Undertakings (Protection of Employment) Regulations 2006;
- j) Any industry or sector-specific legislation pertaining to the subject matter of the Contract.
- k) The following SSDC policy areas:

Whistleblowing policy (SSDC)
Conflict of Interest Declaration (SSDC)
Communications Policy (including restrictions and joint Communications) - SSDC
Anti-Bribery Policy (SSDC)
Data Retention Policy (SSDC)
Safeguarding Policy (SSDC)
Complaints Policy (SSDC)
Environmental Policy (SSDC)
Business Continuity Planning (Policy / Framework) (SSDC)
Prompt Payment Scheme (Public Sector)
Data Security Policy (SSDC)
Data Protection Policy (SSDC)

Public Sector Equalities Duty (Legal Requirement)
Equalities Policy (SSDC)
Health & Safety Policy (SSDC)
Employment Law
Compliance Statement on Living / Minimum Wage (SSDC)

3.3.2 The Procuring Officer should be aware that the Relevant Legislation may operate to dictate the method of procurement and the content of any related contract.

3.3.3 When planning and preparing all procurement and contracting activities the Procuring Officer shall have regard to the Relevant Legislation and seek advice from the Procurement Specialist where necessary to ensure that any applicable Relevant Legislation has been complied with.

3.3.4 Procurement activity in SSDC is devolved to individual Service Directors, who are supported in their purchasing activities by the Procurement Specialist, Case Officers, other SSDC Specialists as relevant and the Monitoring Officer.

3.3.5 Each Director must ensure that Officers within their service area having responsibility for procuring contracts (the Responsible Officer(s)) have received adequate training on the role and are aware of and follow the Rules and guidance when letting contracts.

4 Plan stage - defining the procurement

4.1 Authority to proceed

4.1.1 Before commencing any procurement, the Procuring Officer must ensure that the appropriate authority to proceed is in place in accordance with the [Procurement Framework](#) for the contract given its value, strategic importance and potential risks to SSDC. Appropriate business approval is to be sought by the Procuring Officer and the required budget confirmed in advance of any procurement exercise.

4.2 Automatic exemptions or Waivers

4.2.1 Automatic exemptions or waivers may be applied in accordance with paragraph 4.1 of the Contract Procedure Rules.

4.2.2 The Procurement Specialist is responsible for maintaining a register of procurement waivers and ensuring all waivers awarded are reported to the Monitoring Officer on a quarterly basis.

- 4.2.3 For contracts less than £25,000, the Procuring Officer must complete the relevant Waiver Request Form (See Appendix 2 for content) and seek the approval of the Procurement Specialist and the relevant Lead Specialist.
- 4.2.4 For contracts at and above £25,000 and below PCR2015 Threshold, the Procuring Officer must complete the relevant waiver request form and seek the approval of the Procurement Specialist and the relevant Service Director.
- 4.2.5 The Procuring Officer is responsible for ensuring that the waiver request forms are duly completed and signed prior to the award of a contract.
- 4.2.6 No waiver will be granted for contracts over The PCR2015 Threshold unless expressly permitted by the Director of Strategy and Commissioning and the Monitoring Officer and in accordance with 'above threshold' exemptions.
- 4.2.7 Regardless of whether a waiver has been sought, the necessary authorisations to procure, award, amend or sign a contract must also be obtained.

4.3 Early Market Engagement

- 4.3.1 Officers may, prior to commencing the procurement process and on the advice of the Procurement Specialist, consult potential suppliers in general terms about the nature, level and standard of the supply and seek market views and intelligence that can be used in the planning and conduct of the procurement process.

4.4 Estimating the Contract Value

- 4.4.1 The value of a contract is the total amount that the Council expects to pay for the contract over its expected lifetime, including any additional options, lots, renewals and/or extensions. The value used should be exclusive of VAT.
- 4.4.2 Where the contract period is indefinite or uncertain, the value must be calculated on the basis that the contract will be for a period of 48 months.
- 4.4.3 Contracts must not be packaged or divided into smaller units for the purpose of creating lower value contracts to avoid any provision of these Rules or the PCR2015 (disaggregation). When tendering, consideration must be given to the extent to which it is appropriate to divide the contract into lots to facilitate opportunities for local suppliers, small and medium sized enterprises and voluntary organisations.
- 4.4.4 The repeat direct award of contracts or purchase orders for the same or similar services, whatever the value of the individual contracts/purchase orders, to the same supplier will, for the purposes of determining the aggregated contract value and the application of these Rules, be regarded as extensions to a single

contract. Rolling contracts are subject to evidence of benchmarking requirements to ensure continued value for money and form part of spot checks by Procurement Specialist.

4.5 Use of Framework Agreements

4.5.1 The Procurement Specialist is responsible for maintaining a register of Framework Agreements that SSDC has access to.

4.5.2 The use of framework agreements is permitted for any value of contract. The Procurement Specialist must be consulted, and confirmation given that the Council may lawfully access the framework before a purchase. The relevant Director must be informed of SSDC access to a Framework Agreement.

4.5.2 In order to select a supplier for a call-off contract under a multi-supplier Framework Agreement, or to conduct a mini competition, the Procuring Officer must follow the procedure set out in that Framework Agreement.

4.5.3 The Procuring Officer may make a direct award under a Framework Agreement when its call-off procedures allow and the call-off must be in accordance with the Framework procedures for award.

4.6 Insurances

4.6.1 It is the responsibility of the Procuring Officer, in consultation with the Procurement Specialist to set, where appropriate, adequate levels of insurance for every procurement.

4.6.2 The Procuring Officer must ensure that any insurance required by the Council is held by the provider with a reputable insurance company and that the policy/s are renewed as necessary during the contract period.

4.7 TUPE

4.7.1 Where relevant, the Procuring Officer must consider the implications of the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended and consult with the Procurement Specialist as to their application to the specific procurement.

4.8 Performance Bond

4.8.1 The Procuring Officer must consult the Procurement Specialist and Section 151 Officer concerning whether a performance bond or a deposited sum is needed where:

- a) The contract is for construction and the value of the contract is in excess of £500,000; or

- b) The contract value is above £1,000,000; or
- c) Where it is proposed to make stage or other payments in advance of receiving the whole of the contract and there is a concern about the stability of the candidate.
- d) For any value contract where the risk presented to SSDC is significant e.g. reputational.

4.9 Parent Company Guarantee (PCG)

4.9.1 The Procuring Officer must consult the Procurement Specialist and Section 151 Officer concerning whether a parent company guarantee is needed where:

- a) The Total Contract Value exceeds the PCR2015 Threshold; or
- b) The award of the contract is based on the evaluation of the parent company or there is some concern about the stability of the supplier.

4.10 Collateral Warranty

4.10.1 The Procuring Officer must consult the Procurement Specialist and Monitoring Officer concerning whether under specific contract conditions a collateral warranty is needed whereby an agreement needs to be put in place with a third party outside of the primary contract.

4.11 Environmental sustainability

4.11.1 In accordance with the SSDC Procurement Strategy and the SSDC Social Value Policy, the Procuring Officer must consider how to incorporate the principles of sustainability into each procurement. The Procurement Specialist can provide support in this subject area.

4.12 Social Value

4.12.1 In accordance with the Social Value Act 2012, SSDC Procurement Strategy and the **SSDC Social Value Policy** the Procuring Officer must consider how the procurement might improve the economic, social and environmental well-being of the area. The Procurement Specialist can provide support in this subject area.

4.13 Equality and diversity

4.13.1 In accordance with the **SSDC Procurement Strategy** and the **Equality Act 2010**, the Procuring Officer must have due regard to the public sector equality duty. All suppliers will be expected to comply with Equality legislation to deliver contracts fairly and without unlawful discrimination.

4.14 Value for money

4.14.1 The Procuring Officer must consider the criteria required to determine what represents value for money for the given contract. This must be defined before commencing a procurement. The Procurement Specialist can provide support in this subject area.

4.15 Form of Contract

4.15.1 All contracts, regardless of value, will be accompanied either by the Council's:

- a) Relevant Standard Terms and Conditions of contract; or,
- b) A standard form of contract; or,
- c) Bespoke terms.

4.15.2 Further guidance regarding the contract terms to be included in SSDC contracts can be sought from the Monitoring Officer.

4.15.3 All Contracts are to be executed in accordance with these Contract Procedure Rules.

5. Procure stage – managing the procurement

Before commencing any procurement, the Procuring Officer must complete all the planning identified in Section 4 of these Contract Procedure Rules as required relative to the value, strategic importance and risk to SSDC presented by the requirement.

5.1 Procurements below the PCR2015 threshold value (£189,330 for Goods and Services and £4,733,252 for Works

(The EU thresholds introduced on 1 January 2020, and detailed above, will remain in place until 1 January 2022. Future thresholds will be determined by the World Trade Organisation's (WTO) Government Procurement Agreement (GPA) – which the UK has been a member of since 1 January 2021.)

5.1.1 For procurements with a Total Contract Value below the PCR2015 Threshold, the Procuring Officer must act in accordance with SSDC procedural guidance.

5.2 Procurements above the PCR2015 threshold value

5.2.1 For procurements with a Total Contract Value in excess of the PCR2015 Threshold, the Procuring Officer must consult with the Procurement Specialist to develop the procurement sourcing strategy.

5.3 Specification of SSDC requirements

5.3.1 Each procurement must be appropriately specified, using early market engagement as required.

5.3.2 The specification must be a clear and comprehensive description of SSDC's requirements and should incorporate measurable and, so far as is possible, objective quality and performance criteria to enable a proper assessment to be made of the supplier's ability to meet SSDC's requirements. The Specification standard template provides guidance on this.

5.3.3 Selection and Award criteria, aligned to the specification of requirements, must be agreed in advance of inviting expressions of interest to ensure SSDC obtains value for money and the procurement process is transparent.

5.4 Standard Procurement Documents

5.4.1 The Procuring Officer must use standard SSDC Procurement Documents obtained from the Procurement Specialist, where the value of the contract is above £25,000 and an SSDC tender procedure is used.

5.4.2 If a Framework Agreement or a Dynamic Purchasing System (DPS) is used, the Procuring Officer must use the relevant Framework Agreement or Dynamic Purchasing System documents if required.

5.4.3 Where it is necessary to vary the documents at 5.4.1 or 5.4.2, the Procuring Officer must consult with the Procurement Specialist or the external Framework Manager as appropriate.

5.5 Overview of the Procurement Procedure Framework for SSDC and PCR2015 financial thresholds

5.5.1 The procedure to be adopted is determined by the lifetime value of the specific contract.

5.5.2 The procedure must be robust, yet proportionate to the value of the contract.

5.5.3 The relevant financial thresholds and the applicable procedures are set out in Appendix 1 to these Contract Procedure Rules.

5.5.4 Use of SSDC's Electronic Tendering System

Where a contract value estimate is in excess of £25,000, the following requirements apply:

- a) SSDC's Electronic Tendering System must be used where an SSDC procedure is run. This can be for selected suppliers or via an open tender competition, depending on the specific supply market. Officers should refer to the Procurement Specialist for further information on this.
- b) A Contracts Finder Notice must be published if an open tender competition is used.

5.6. The Procurement Procedures relative to financial thresholds

5.6.1 The following is applicable to each procedure:

- a) Where there is a suitable Framework Agreement, Dynamic Purchasing System or Corporate Contractual Arrangement approved by the Procurement Specialist, that Framework Agreement, Dynamic Purchasing System or Corporate Contractual Arrangement will be used, provided that such a course of action achieves the principles of Value for Money;
- b) Where acceptance of a quote or tender is made by the issuing of a Purchasing Order, the Purchase Order must refer to the Council's Standard Terms and Conditions of Contract, except for where the complexity of the contract requires more bespoke terms, in which case the Purchase Order will make separate reference to these;
- c) Unless otherwise specified in these Rules, unsuccessful suppliers will be notified and, at their request, will be given the reason why they were unsuccessful without breaching the commercial confidentiality of other candidates.

5.7 Process for Low Value Purchases

5.7.1 For contracts up to and including the Total Contract Value of £5,000 (goods and services), or £10,000 (works), the Procuring Officer is required to achieve a minimum of one written quotation to demonstrate compliance. Where compliance with the principle of Value for Money cannot be demonstrated by seeking one written quotation, the Procuring Officer will seek more than one quote.

5.7.2 Compliance with the principle of Value for Money will be demonstrated by evidence of value for money considerations in the decision and a demonstrable conclusion that a better value outcome is unlikely to be achieved without a disproportionate application of further resource in the process.

5.7.3 The Procuring Officer may choose to either:

- a) Place an order with the selected supplier on the basis of a pre-quoted price (such as in a supplier's catalogue), having satisfied themselves that the price to be paid represents Value for Money; or
- b) Select a minimum of one potential supplier to be invited to submit a quotation.

5.7.5 Where the Procuring Officer is unable to select a potential supplier and/or demonstrate Value for Money, the procedure set out at paragraph 5.8 (Quotations) must be followed.

5.7.6 Acceptance will be notified to the successful supplier by issue of a Purchase Order.

5.7.7 The Procuring Officer must document their decision-making process to demonstrate compliance with this section.

5.8 Process Requiring Quotations

5.8.1 For contracts with a Total Contract Value of more than £5,000 (£10,000 for works) but less than £25,000, the Procuring Officer is required to achieve a minimum of 3 quotations.

5.8.2 Compliance with the principle of Value for Money will be demonstrated by evidence of value for money considerations in the decision and a demonstrable conclusion that a better value outcome is unlikely to be achieved without a disproportionate application of further resource in the process.

5.8.3 Where compliance with the principle of Value for Money cannot be demonstrated by seeking 3 written quotations, the Procuring Officer shall seek more than 3 quotations and, if considered necessary, run an open tender competition.

5.8.4 A Purchase Order must be raised.

5.8.5 A Contract Award Record must be made on SSDC's Contracts Register where the contract value is over £5,000.

5.9. Procurement Procedures (value above £25k) Requiring Publication on ProContract

5.9.1 Procedures with a Total Contract Value above £25,000 and below the PCR2015 Thresholds must be published via ProContract when openly advertised. SSDC Standard Tender Documents must be used and the Procuring Officer must seek the advice of the Procurement Specialist.

5.9.2 The Procuring Officer is required to invite tenders from any and all qualified candidates by advertising the opportunity via the Council's Electronic Tendering System and in Contracts Finder. Where an Approved Selection List or a selected list

of contractors is used because of the nature of the supply market, the Procuring Officer must seek at least 3 confirmed expressions of interest.

5.9.3 An Invitation to Tender will be sent to all parties who have expressed an interest.

5.9.4 The successful supplier and unsuccessful suppliers will be notified of the outcome by issue of a letter sent electronically via the Council's Electronic Tendering System.

5.9.5 A Purchase Order must be raised.

5.9.6 A Contract Award Record must be made on the Council's Contracts Register, and in Contracts Finder when openly advertised.

5.10 Procurement Processes for Contracts of a Value Over the PCR2105 Threshold

5.10.1 The Lead Specialist must obtain approval from the Procurement Specialist before beginning a procurement exercise in respect of any contract at and above the relevant PCR2015 Threshold.

5.10.2 For contracts at and above the relevant PCR2015 Threshold, the Procuring Officer is required to invite tenders from any and all qualified suppliers by advertising the opportunity via SSDC's Electronic Tendering System, in Contracts Finder and in the Find a Tender Service.

5.10.3 A statutory minimum period of advertising will apply which will vary depending on the procedure used (**refer to Regulation 47 of PCR2015**).

5.10.4 In most cases, the Open Procedure, Restricted Procedure or Competitive Procedure with Negotiation will be used, however, the advice on the appropriate route to procurement must be sought from the Procurement Specialist.

5.10.5 The successful supplier and unsuccessful suppliers will be notified in accordance with the Relevant Legislation and a Standstill Period of a minimum of 10 calendar days will be observed.

5.10.6 A Purchase Order must be raised.

5.10.7 A Contract Award Record must be made on SSDC's Contracts Register, in Contracts Finder and in Find a Tender (or elsewhere in accordance with International Legislation).

5.11 Confidentiality of Tenders and Quotations

5.11.1 All matters concerned with quotations and tenders must be treated as confidential, and any information, discussion or correspondence entered into should

be confined to those officers of, or consultants to the Council who are directly concerned.

5.11.2 The amount or value of any tender or quotation which is to be considered by the Council or Executive must not be made public before the meeting and must be omitted from any written report on the subject which may be circulated before the meeting unless the report is marked as confidential.

5.12 Submission, Receipt and Opening of Tenders

5.12.1 For Quotation procedures relating to low value contracts below £25,000 (where use of the Electronic Tendering System is discretionary), the Procuring Officer must record the names of suppliers who submitted a quotation within the deadline provided and the value of the quotation. A record of how value for money has been achieved through the Quotation procedure must be kept. These records must be made available to the Procurement Specialist on request.

5.12.2 Contracts above £25,000

- a) All openly advertised Contracts at and above the Total Contract Value of £25,000 will be submitted electronically through SSDC's Electronic Tendering System (refer to paragraph 5.9);
- b) Submissions will be verified and opened on SSDC's Electronic Tendering System.
- c) Tenders received after the stated date and time must not be accepted, unless there are extenuating circumstances that can be confirmed via the ProContract portal provider and that there is a high level of confidence that it is not a fraudulent act. The Procurement team must agree with any decision to accept a tender and approval of the Monitoring Officer should be sought. For the purposes of these Rules the time will be deemed to be at the first stroke, e.g. noon will be 12:00:00;

5.13 Contract Selection and Award Criteria

5.13.1 The Selection Questionnaire shall be used to assess a supplier's ability to meet SSDC's requirements or minimum standards of suitability, capability, legal status or financial standing.

5.13.2 For all Contracts over the Total Value of £25,000 the Officer will include the Selection Questionnaire within the Procurement Documents. For works contracts the Procuring Officer should seek guidance from the Procurement Specialist in respect of the correct use of Selection Questionnaires.

5.13.3 The Award Criteria will be used to assess a supplier's ability to deliver SSDC's requirements under the Contract, achieving Value for Money through the agreed balance of Price and Quality criteria (Note: referred to as Most Economically Advantageous Tender or MEAT in PCR2015. The Government Green Paper: Transforming public procurement proposes changing the basis of contract awards from MEAT to MAT, Most Advantageous Tender. In practice there is already good opportunity to take non-financial considerations into account in procurement).

5.13.4 The Contract will be awarded to the supplier whose tender best meets the Award Criteria (as set out in the Procurement Documents).

5.13.5 The Procuring Officer will consult with the Procurement Specialist for guidance on the Selection and Award criteria prior to issuing the Procurement Documents.

5.14 Intention to Award a Contract

5.14.1 For contracts with a Total Contract Value below the PCR2015 Threshold, the Procuring Officer should allow candidates a discretionary minimum Standstill Period of 10 calendar days before entering into a contractually binding agreement with the successful supplier(s). It is most important that any communication with the preferred candidate(s) does not constitute a Contract award, conditional or otherwise.

5.14.2 For contracts with a Total Contract Value over the PCR2015 Threshold, the Procuring Officer must allow candidates a mandatory minimum Standstill Period of 10 calendar days before entering into a contractually binding agreement with the successful supplier(s). It is most important that any communication with the preferred candidate(s) does not constitute a Contract award, conditional or otherwise.

5.14.3 Following any Standstill Period and the signing of a contract, an Award Notice must be placed as delegated by the Procurement Specialist.

5.14.4 All suppliers must be simultaneously notified in writing of the award and all letters informing them of the outcome of the Tender must comply with the Relevant Legislation.

5.14.5 Should any further communication with the suppliers be requested/required, advice should be sought by the Procurement Specialist prior to any such communication.

5.14.6 Any complaints, correspondence threatening challenge or formal court proceedings challenging the decision must be immediately submitted to the Procurement Specialist and the Monitoring Officer.

6. Authorisations

6.1 Authority to Procure a Contract

6.1.1 Lead Specialists or a Director may authorise a procurement exercise in respect of contracts of any value so long as:

- a) The decision to procure a contract is not a Key Decision;
- b) The procurement relates to their service area and in accordance with relevant authority;
- c) In doing so they are acting in accordance with the Financial Procedure Rules; and,
- d) Where the contract value is above the relevant PCR2015 Threshold, the approval of the Procurement Specialist has been obtained.

6.2 Authority to Award or Amend a Contract

6.2.1 Approval to award or amend a contract, Framework Agreement or Dynamic Purchasing System can only be given as set out in Financial Procedure Rules.

6.2.2 In respect of contract amendments, the Total Contract Value is the total value of the contract plus the value of any proposed amendment.

6.3 Authority to Sign a Contract

6.3.1 The Chief Executive, Section 151 Officer and Monitoring Officer may sign any contract.

6.3.2 Lead Specialists or a Director may sign contracts in respect of procurement within their service area.

6.3.3 Lead Specialists or a Director may delegate their Authority to sign to an Officer, however this must be in accordance with the requirement in the Finance Procedure Rules.

6.3.4 As well as signing, contracts may also require sealing under Contract Procedure Rules. Procuring Officer must agree and liaise with the Monitoring Officer where a seal is required.

6.4 Further Authorisation for Advance Payments

6.4.1 Contracts requiring payment in advance must be authorised in accordance with the Financial Procedure Rules. In particular:

- a) Payments in advance in excess of £5,000 must be authorised by a Finance Specialist; and,

- b) Payments in advance in excess of £50,000 must be authorised by the Section 151 Officer.

6.5 Deeds, Sealing and Signing of Contracts

6.5.1 A Contract must be sealed with the common seal of SSDC where:

- a) SSDC may wish to enforce the contract more than 6 years after its end (e.g. construction works); or,
- b) The price paid or received under the contract is a nominal price and does not reflect the value of the goods, services or works; or,
- c) The risk presented by the contract requires it, as agreed by the Monitoring Officer and the Procurement Specialist.

6.5.2 Before a contract can be sealed by SSDC, the Procuring Officer must provide the relevant Authority to award in writing from the appropriate decision maker.

7. Contract Management – the Manage phase

7.1 Contracts Register

7.1.1 All contracts having a value or estimated value of £5,000 (five thousand pounds) or more must be entered in SSDC's Contracts Register, which will be monitored by the Procurement Specialist and published under Transparency Regulations requirements.

7.1.2 The Procuring Officer will ensure that signed copies of the contract are stored in and copied to the Procurement Specialist.

7.1.3 The Procuring Officer must keep and maintain records in respect of each Tender and Contract (such records should include the materials relating to all of the stages of the procurement cycle).

7.1.4 The Procurement Specialist will carry out quarterly spot checks to check compliance with these rules.

7.2 Contract Documents and Letters of Intent

7.2.1 Wherever practicable, work under a contract must not start until the contract documents and all other procedures have been completed to the satisfaction of a Lead Specialist (who is not responsible for the contract) or, in the case of a procurement presenting a significant risk in accordance with the Contract Management Framework, a Lead Specialist (who is not responsible for the contract) and the Procurement Specialist. A letter of intent must not be issued unless approved by the Monitoring Officer.

7.3. Variations and Extensions

7.3.1 Variations must not exceed the scope, financial value or duration of the advertised contract.

7.3.2 Where the relevant Officer considers that a proposed variation may materially change or exceed the specification, price or duration of a contract, advice must be obtained from the Procurement Specialist.

7.3.3 Variations to contracts must be approved and signed by the relevant officers in accordance with Financial Procedure Rules.

7.3.4 Extensions of contracts may only be made where:

- a) There is an existing budgetary provision; or,
- b) There is a budgetary provision agreed by the S151 Officer, and
- c) Value for Money can be clearly demonstrated, and that the extension will not contravene any legal requirement.

7.3.5 For Contracts below the PCR2015 Threshold:

- a) There is a provision stipulated in the original contract for an extension; or,
- b) The extension does not exceed 50% of the original contract value; and
- c) The extension does not cause the Total Contract Value to exceed the relevant PCR2015 Threshold.

7.3.6 For contracts at or over the PCR2015 Threshold, the original Contract Notice advertised, and the contract permits the extension.

7.3.7 Where the Officer responsible considers that a proposed extension may materially change or exceed the specification, price or duration of a contract, Authority for the extension must be obtained from the Lead Specialist or a Director for the service area to which the procurement relates and the Procurement Specialist.

7.3.8 Extensions to contracts must be approved and signed by the relevant officers in accordance with the approval levels set out in Financial Procedure Rules.

7.3.9 For contracts with a Total Contract Value exceeding the PCR2015 Threshold, any variation or extension to a Contract which in aggregate results in additional costs exceeding 10% of the original contract value will be subject to the prior approval of the Lead Specialist or the Director for the service area to which the procurement relates and the Monitoring Officer.

7.3.10 For contracts with a Total Contract Value exceeding the PCR2015 Threshold, any variation or extension to a contract which in aggregate results in:

- a) additional costs exceeding 10% of the original contract value;
- b) A significant delay in the time for completion; or,
- c) Significant risks not initially identified,

will be reported at the earliest opportunity to the Section 151 Officer and will be subject to their approval in conjunction with an appropriately empowered Officer.

7.3.11 The Officer responsible for the amendment to the contract must ensure that all variations and/or extensions, are stored with the original signed and dated contract.

7.4. Contract Management and Contract Expiry

7.4.1 For all new Gold contracts (as defined in the Contract Management Framework), a contract manager must be appointed and named in the Procurement Documents and contract.

7.4.2 All contracts with a Total Contract Value over the relevant PCR2015 Threshold or where supplier failure would have an adverse impact on SSDC's service delivery must have in place:

- a) A contract management plan;
- b) A risk register, and risk mitigation strategy;
- c) A contingency plan;
- d) An exit management plan, together with appropriate contract clauses, to minimise the potential impact on SSDC's service delivery, as a result of the expiry, or early termination, of the contract.

8. Further Advice

8.1 Miscellaneous procurement issues

Should the procurement or management of a contract involve the following, or should the Procuring Officer have any queries regarding the following, the Officer should seek the advice of the Procurement Specialist or the Monitoring Officer as appropriate:

- a) Confidentiality of sensitive commercial information;
- b) The organisation of Presentations, Demonstrations, Site visits and interviews;

- c) Abnormally low bids;
- d) Contracts exceeding the written estimate;
- e) Clarification of tenders from candidates;
- f) Post tender negotiation and best and final offers;
- g) Electronic auctions;
- h) Early termination of a contract;
- i) Assignment or novation of a contract;
- j) State aid;
- k) Development agreements.

8.2 Amendments to These Contract Procedure Rules

The Monitoring Officer will be empowered to review in consultation with the Procurement Specialist the Contract Procedure Rules from time to time and as often as may be necessary in consultation with the S151 Officer and Lead Councillor and, following formal approval by Full Council, will publish details of any amendments.

For minor amendments the Monitoring Officer in consultation with the Portfolio Holder has delegated authority to makes changes to the Contract Procedure Rules and report on these at the next Council meeting for transparency. (Minor amendments would include for example changes to Officer roles in procedures).

Appendix 1 Procurement Procedure Framework

Table 1A Goods and Services

This table provides a summary framework for SSDC contract procedures required per life time contract value for **Goods and Services**

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
From	To						
£0	£5,000	Quotation	Demonstrate Value for Money	Low Value Purchase Not applicable	Quotation may be delivered by e-mail. Purchasing Officer to maintain records demonstrating Value for Money.	Not required	Not applicable
£5,000	£25,000	RFQ (Request for quotation)	Minimum of three written quotations based on a Request for Quotation (RFQ) document with Standard T&Cs	Discretionary requirement 1. RFQ from selected suppliers via email or 2. Selected Suppliers via Supplying the Southwest portal or 3. All Suppliers via Supplying the Southwest portal and Contracts Finder (See Note 1)	Must be based on a written specification provided to the supplier by SSDC. Quotation should be returned by email, post or via the e-tendering system. Lead Officer to maintain records demonstrating Value for money.	Mandatory requirement Publish on SSDC Contracts Register (See Note 3)	Waiver Request Form required
£ 25,000	PCR2015 Threshold	Formal tender	RFQ or tender process with appropriate T&Cs	Mandatory requirement 1. Supplying the southwest portal	ITT documentation as relevant. Bids must be returned via e-tendering system.	Mandatory requirement 1. Publish on Contracts Finder	

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
				2. Contracts Finder	Lead Officer to maintain records demonstrating vfm.	if openly advertised 2. Publish on SSDC Contracts Register	Waiver Request Form required
Over PCR2015 Threshold		Formal tender	Full tender process with appropriate T&Cs	Mandatory requirement 1. Supplying the southwest 2. Find a Tender 3. Contracts Finder	ITT documentation as relevant. Bids must be returned via e-tendering system.	Mandatory requirement 1. Find a Tender award notice 2. Publish on Contracts Finder 3. Council Contract Register	Waiver Request Form required

Note 1 The obligation to advertise prospective contracts on Contracts Finder is set out in Regulation 110 of the Public Contracts Regulations 2015.

This obligation applies only, “where a contracting authority advertises a contract award opportunity”.

It does not apply where there is no “public advertisement” of the contract opportunity, such as where a contracting authority approaches a single contractor (for example, the incumbent to extend an existing contract for a short period to cover a delayed procurement), or a “closed list” of contractors invited to tender by the contracting authority.

This is made clear in Regulation 110(5)(b) which states clearly that a contracting authority

“does not advertise an opportunity where it makes the opportunity available only to a number of particular contractors selected for that purpose”.

There are only two circumstances in which a contracting authority is required to advertise a contract valued below the PCR2015 tendering threshold publicly:

- where the contract may be of “cross border” interest to contractors based in other EU member states (which is often relevant for supplies contracts or for contracting authorities based in Northern Ireland, but not usually for contracting authorities seeking contractors or service providers within mainland Britain); or
- where the project is being funded by grant (particularly European Structural Investment Funding such as ERDF or ESF) and the grant conditions require public advertising.

Outside of these two circumstances, there is nothing in the Regulations that requires contracting authorities to advertise “below PCR2015 Threshold” tender opportunities publicly.

Note 2 It is compulsory to post award notice on contracts finder for contract value >£25k (does not apply for call-offs under a framework agreement)

Note 3 Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. (Contract Register)

For each contract, the following details must be published: reference number title of agreement local authority department responsible description of the goods and/or services being provided supplier name and details sum to be paid over the length of the contract or the estimated annual spending or budget for the contract Value Added Tax that cannot be recovered start, end and review dates whether or not the contract was the result of an invitation to quote or a published invitation to tender, and whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number.

Table 1B Works

This table provides a summary framework for SSDC contract procedures required per life time contract value for **Works**

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
From	To						
£0	£10,000	Quotation	Demonstrate Value for Money	Low Value Purchase Not applicable	Quotation may be delivered by e-mail. Purchasing Officer to maintain records demonstrating Value for Money for money.	Not required	Not applicable
£10,000	£25,000	Quotation	Demonstrate Value for Money	Discretionary requirement 1. RFQ from selected suppliers via email or 2. Supplying the Southwest portal 3. Contracts Finder	Quotation may be delivered by e-mail. Purchasing Office to record details demonstrating Value for Money for money.	Mandatory requirement 1. SSDC Contracts Register (>£5k)	Not applicable
£ 25,000	PCR2015 Threshold	RFQ or Formal tender as appropriate	RFQ or Full tender process with appropriate T&Cs	Mandatory requirement 1. Supplyingthesouthwest 2. Contracts Finder	ITT documentation as relevant. Bids must be returned via e-tendering system.	Mandatory requirement 1. Publish on Contracts Finder if openly advertised 2. Publish on SSDC Contracts Register	Waiver Request Form required

Contract Value		Process	Award Procedure	Contract Opportunity Publication	Documentation	Contract award notice	Application of exemptions/waivers
Over PCR2015 Threshold		Formal tender	Full tender process with appropriate T&Cs	Mandatory requirement <ol style="list-style-type: none"> 1. Supplying the southwest 2. Contracts Finder 3. Find a Tender 	ITT documentation as relevant. Bids must be returned via e-tendering system.	<ol style="list-style-type: none"> 1. Find a Tender award notice 2. Publish on Contracts Finder 3. SSDC Contracts Register 	Waiver Request Form required

DRAFT

Appendix 2 Waiver Request Form content

The following information will be required as a minimum:

1. Details of goods, services or works
2. Total value of waiver request and period of appointment
3. What is the background to the waiver request?
4. What are the circumstances [paragraph 1.4.3](#) of the Contract Procedure Rules that apply?
5. How does the waiver deliver Value for Money?
6. What are the risks associated with this waiver?
7. What action can be taken to remove the need for a waiver in the future?

DRAFT

Appendix 3 Monitoring compliance with Contract Procedure Rules

Sampling and monitoring process for compliance with Contract Procedure Rules

The following sampling approach is to be implemented from end of Quarter 3 2021/22. The Procurement Specialist will complete this on a quarterly basis (10 days after quarter end):

Contract band description	Goods and Services estimated value limit	Works estimated value limit	Sampling approach
Very low value	£0 - £5,000	£0 - £10,000	Sample 2 transactions from Contract Register data for good and services for compliance with PO procedure and vfm evidence <£10k, Procurement Specialist will sample 2 transactions from Contracts Register for Works
Low value	£5,001 - £25,000	£10,001 - £25,000	Procurement Specialist will sample 2 goods & services and 2 works transactions for compliance with quotation procedure
Medium value	£25,001 – PCR2015 threshold (£189,330)	£25,001 – PCR2015 threshold (£4,733,252)	Procurement Specialist will sample 2 goods & services and 2 works transactions for compliance with Procontract procedure
High value	>PCR2015 threshold (£189,330)	>PCR2015 threshold (£4,733,252)	Any transaction >PCR2015 threshold will be tested for compliance

Reviewing and agreeing appropriate action on breaches to Contract Procedure Rules

- Below threshold 1 (£5k or £10k) – Procurement Specialist, Lead Specialist and Officer concerned to review
- Below threshold 2 (£25K) – Procurement Specialist, Lead Specialist and Officer concerned to review
- Below threshold 3 (PCR2015) – Procurement Specialist, Director/Lead Specialist and Officer concerned to review
- Above threshold 3 (PCR2015) – Procurement Specialist, Director/Monitoring Officer

Reporting

- The Procurement Specialist will report to Monitoring Officer on all breaches quarterly.
- This report will also include a list of all waivers agreed in the same quarter.

DRAFT

Appendix 4 Glossary of Terms

Term	Description
Contracts Finder	Contract Finder is the portal that allows suppliers to search for Public Sector contract opportunities by setting up email updates for different categories of procurement. When SSDC issues a contract notice on Contracts finder all relevant suppliers will be notified of the opportunity.
Collateral Warranty	A Collateral Warranty is a supporting document to a primary contract where an agreement needs to be put in place with a third party outside of the primary contract. It can provide the third-party contractual rights enabling it to claim for losses which would not otherwise be recoverable. On a construction or engineering project, a collateral warranty is a contract under which a professional consultant (e.g. architect), contractor or sub-contractor warrants to a third party that it has complied with its appointment.
MEAT	Most Economically Advantageous Tender is a method of assessment used for evaluating and awarding a contract. It allows SSDC to award the contract on quality criteria other than just Price.
MAT	Most Advantageous Tender is the proposal within the Government's Green Paper: Transforming public procurement to change the basis of contract awards from Most Economically Advantageous Tender (MEAT) to Most Advantageous Tender (MAT). The objective of this proposed change is to remove the perceived restrictions that prevent Authority's having regard to broader non-financial considerations.
Parent Company Guarantee	A Parent Company Guarantee is a guarantee given by one contracting party's ultimate or intermediate holding company in favour of the other contracting party (SSDC) to secure the performance of that party's obligations under a contract.
Performance Bond	A Performance Bond is common in construction and is a financial instrument issued by a bank or insurance company to ensure the successful completion of a large project. It protects SSDC against a contractor failing to deliver the work e.g. through bankruptcy.
ProContract	SSDC's Electronic Tendering System
Selection and Award Criteria	Selection criteria are the minimum requirements or standards that bidders must meet to progress in a procurement. For bidders having met the selection criteria, award criteria are used to determine which bidder is best placed to be awarded the contract.
Selection Questionnaire	A Selection Questionnaire enables suppliers to make a self-declaration on grounds for exclusion from a procurement process – the standard form is set out in Procurement Policy Note 8/16.
Value for Money	Value for Money is the most advantageous combination of cost, quality and social value to meet SSDC requirements. Please see MEAT and MAT.