

Appendix 2

## **(8) Procurement and Contract Standing Orders**

Rules to be followed when buying on behalf of  
East Sussex County Council

Version 0.29

**Version History**

- V0.1 - 4.4.13
- V0.2 – 22.5.13
- V0.3 – 12.6.13
- V0.4 – 18.6.13
- V0.5 – 20.6.13
- V0.10 – 10.9.13
- V0.12 – 07.10.13
- V0.14 – 21.10.13
- V0.15 – 22.10.13
- V0.16 – 24.10.13
- V0.17 – 07.11.13
- V0.18 – 11.11.13
- V0.19 – 18.12.13
- V0.20 – 20.01.14
- V0.21 – 02.05.14
- V0.22 – 19.01.2016
- V0.23 – 04.02.2016
- V0.24 – 04.03.2016
- V0.25 – 10.03.2016
- V0.26 – 21.03.2016
- V0.27 – 17.12.2017
- V0.28 – 09.07.2019
- V0.29 – 28.01.2020

## 1. Introduction

These Procurement and Contract Standing Orders (referred to as 'the Orders' from this point on) set out how the Council authorises and manages ~~spending and~~ **expenditure and resulting commercial** contracts with other organisations. ~~This ensures that prior to any significant expenditure~~ **The purpose of these Orders is to ensure that prior to any significant expenditure there is proper consideration of whether there is a need first of whether to buy or if the need could be serviced at all and service the need internally, or if and that when external expenditure is required, that it is made done in a fair, open and transparent way, whilst delivering value and maximising public benefit.**

Senior Officers (Heads of Service and above) are accountable for all procurement in their respective area of responsibility. Anyone who buys on behalf of the Council, including staff, contractors and consultants, is responsible for following these Orders, all relevant policies (see appendix 1), and the guidance provided by Procurement. Functions delegated to particular officers under these Orders may be carried out by other officers specifically authorised by them for that purpose.

These Orders must be considered along with the Council's Financial Regulations and Schemes of Delegation.

**Note:** ~~In these Orders, 'You' means anyone who needs to buy from an external supplier. 'Regulatory Threshold' means any relevant threshold applicable to procurement by UK law or regulation. Further information about other terms used in these Orders is available as guidance on the Intranet.~~

**All definitions and interpretations used in these Orders, are set out in the Definitions table at Appendix 2.**

### 1.1. Legal status of these Procurement Standing Orders

The Council is required by section 135 of the Local Government Act 1972 to maintain these Orders as part of our Constitution.

The Director of Procurement is the custodian of these Orders and is responsible for keeping them under review. If the law is changed in a way that **significantly** affects these Orders then the Director of Procurement will recommend an update to the Governance Committee.

**The Chief Operating Officer, in consultation with the Deputy Chief Executive and Chief Financial Officer, shall have delegated authority to make the following incidental amendments from time to time to these Orders:**

- a. **changes to the thresholds set out in the applicable Procurement Legislation to reflect changes made by central government;**
- b. **changes to job titles, departments and roles of staff;**
- c. **Links or references to or contained within Appendix 1; and**

- d. Changes required to clarify, add or remove definitions.

## 1.2. Governing Legislation

Procurement Legislation has been updated significantly since the publication of the Public Contracts Regulations 2015 (“PCR”). New procurements undertaken by the Council, apart from those for certain health care services, are regulated by the Procurement Act 2023 (“PA 23”) and the Procurement Regulations 2024.

Procurement of certain health care services is regulated by the Health Care Services (Provider Selection Regime) Regulations 2023 (“PSR”). Schedule 1 of the PSR set out those services that are subject to this regime.

Other legislation may also be applicable, such as the Public Service (Social Value) Act 2012 and the Transparency Code 2015, which also impacts on procurement. It is important that Officers are aware of the wider legislative landscape.

Where a procurement has commenced (i.e. a contract notice has been issued) prior to 24 February 2025, the procurement and management of that contract shall continue to be governed by the PCR rather than the PA 23.

### 1.2.3. Key Principles

These Orders are based on the following key principles:

- a. To ensure that the Council meets its statutory duty to deliver **best value for money** and creates **supports** healthy competition and markets for the Goods, Services and Works purchased.
- b. To **share information and be transparent** to our residents **and supply chain** about the Council’s procurement policies and decisions and how ~~the Council~~ it spends ~~their~~ its money.
- c. To ensure that public money is spent **legally and fairly**.
- d. To act and be seen to act with **integrity**.
- e. To treat suppliers the same unless a difference between the suppliers justifies different treatment and not put any supplier at an unfair advantage or disadvantage.
- f. To address the environmental impacts of our supply chain in accordance with the Council’s Climate and Biodiversity Emergency declaration.
- g. To support ~~sustainability and social value~~ **objectives**, and our public sector **equality** duty, encouraging local small businesses **and maximise public benefit**.
- h. To consider how to remove or reduce any barriers to participation for small and medium sized enterprises.

### ~~1.3~~ 1.4. Compliance

~~All Officers, and any external contractors empowered to form contracts on behalf of the Council, must comply with these Orders at all times. If you breach them this may lead to disciplinary action under the Code of Conduct. The Director of Procurement will report any breaches of these Orders to the Statutory Officers Group on a quarterly basis.~~

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

Any breaches of these Orders will be reported to the Statutory Officers Group and may result in disciplinary action in line with the Council's Disciplinary Policy.

Every contract made by, or on behalf of, the Council or on its behalf must comply with Procurement Legislation, all other applicable legislation regulation, these Orders and the Council's Financial Regulations and Standard Financial Procedures.

Where there is a difference between current Procurement Legislation governing procurement and these Orders, the Procurement Legislation prevails. Where these Orders appear to conflict with other Council-determined rules, the Deputy Chief Executive determines which takes precedence.

### ~~1.4 Scope~~ This section has moved to 1.7 'Exempted Contracts'

~~Apart from the exceptions listed below, these Orders cover all spend with external suppliers regardless of how they are funded or which systems are used to place orders with suppliers.~~

~~These Orders do not apply to the following items, which are managed by separate policies:~~

<b>Exclusion</b>	<b>Relevant Policy/Law</b>
<del>Contracts for the acquisition or lease of land and/or real estate</del>	<del>Managed via Property Services</del>
<del>Contracts for permanent or fixed-term employment</del>	<del>HR/Recruitment Policies</del>
<del>Works or orders placed with utility companies (e.g. re-routing pipe work)</del>	<del>This is carried out as part of larger construction contracts, which remain subject to these orders</del>
<del>Direct payments to customers following care assessment (for example, payments under Self-Directed Support or Individual Budgets)</del>	<del>Section 12 of The Care Act 2014</del>
<del>Non-trade mandatory payments to third parties, such as insurance claims, pension payments, payments to public bodies</del>	<del>These are not subject to competition due to their nature</del>
<del>A declared emergency authorised by the Emergency Planning Officer</del>	<del>The Civil Contingencies Act 2004</del>
<del>Awarding of Grants</del>	<del>Managed according to locally agreed Grant process or Corporate Funding Protocol.</del>
<del>Any contract relating to the engagement of Counsel or other legal specialists</del>	<del>Legal Services are either exempt from Regulations or are subject to the light touch regime, depending on the nature of the advice or representation sought</del>

<p>Placement of a child with Special Educational Needs where already directed following statutory assessment</p>	<p>Children and Families Act 2014 and ESFA guidance 2019-20 para 86</p>
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## 1.5. Roles and Responsibilities

The Director of Procurement is responsible for the complete process from procurement through to ordering and paying suppliers (known as ‘Procure-to-Pay’) across all Services and local systems. Any developments in the design of the process require the approval of the Director of Procurement. **all stages of procurement up to and including contract award across all Services and local systems. This responsibility is managed on a day-to day basis by Procurement, who advise and assist Services in undertaking their procurement activities.**

The Procurement Service is responsible for:

- a. Working closely with Commissioners and Directors to agree and deliver an Annual Procurement Forward Plan to be reported to the Corporate Management Team and Cabinet
- b. Providing expert market knowledge to find the right suppliers for the Council
- c. Maintaining the Contract Management Framework for how contracts are managed
- d. Taking a commercial lead on all major contracts and relationships with suppliers alongside the Contract Manager
- e. Ensuring transparency over spend, contracts and contract opportunities
- f. Embedding social value and sustainability across the supply chain
- g. Ensuring efficient and effective purchasing practices are in place for all staff
- h. Providing commercial support as required, alongside Legal Services, where a decision has been made to decommission or in-source a service
- i. Ensuring suppliers are aware of, and follow, the Council’s Supplier Code of Conduct when bidding and carrying out contracts

Anyone who buys from suppliers is responsible for:

- j. Complying with these Orders and all relevant policies (see appendix 1)
- k. Purchasing from existing contracts where they are in place
- l. Ensuring there is adequate budget available for any purchase
- m. Raising and ensuring a purchase order is approved before the requirements are delivered to the Council, regardless of which system is used
- n. Ensuring specifications meet the defined need and requirements and properly take into account equality and diversity as well as social value implications
- o. Ensuring that HR is consulted and the appropriate approval is obtained in respect of the engagement of any temporary workers or consultants outside of any agreed corporate contract
- p. Following the guidance and procedures set out in the Council Contract Management Framework, according to the value, risk and complexity of the contract.

Contracts are to be managed within Services, either by a dedicated contract manager or by a nominated officer who has these responsibilities as part of a broader role.

**All Officers are responsible for:**

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

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- a. Complying with these Orders, all relevant policies and statutory guidance (see Appendix 1).
- b. Complying with Procurement Legislation.
- c. Adopting the Key Principles set out in paragraph 1.3 throughout all procurement activities.

### **Procurement is responsible for:**

- a. Working closely with Commissioners and Chief Officers to agree and deliver the Procurement Forward Plan.
- b. Providing expert procurement advice to secure the right suppliers for the Council.
- c. Maintaining the Contract Management Framework for how contracts are managed. See Appendix 1.
- d. Ensuring transparency of contract spend, contracts and contract opportunities.
- e. Maintaining accurate procurement records as required by internal and external governance.
- f. Ensuring agreed social value and environmental sustainability requirements are embedded in relevant procurement activities.

### **All Commissioners and those who buy on behalf of the Council are responsible for:**

- a. Purchasing from existing compliant contracts (for example a Framework arrangement) where they are available and appropriate.
- b. Ensuring there is adequate budget available for any purchase.
- c. Ensuring that the requirement and specification takes into account and addresses environmental impacts, wherever possible.
- d. Considering how the Council's social value priorities should be supported by the requirements and the supplier.
- e. Ensuring suppliers act ethically and responsibly in accordance with legislation and Council policies.
- f. Raising a properly completed purchase order and ensuring it is approved *before* the requirements are delivered to the Council, regardless of which system is used.
- g. Ensuring specifications meet a defined need and requirements and properly take into account wider local and national priorities where applicable.
- h. Ensuring that HR is consulted, and the appropriate approval obtained for requirements of temporary workers or consultants outside any agreed corporate contract.
- i. Following the guidance and procedures set out in the Contract Management Framework, according to the value, risk and complexity of the contract.

**All Contract Managers and those who manage contracts on behalf of the Council are responsible for:**

- a. Following the guidance and procedures set out in the Contract Management Framework, according to the value, risk and complexity of the contract.
- b. Ensuring Contracts are monitored and managed in accordance with procurement legislation requirements as well as individual contractual requirements, including applicable transparency notifications (See Appendix 1).
- c. Ensuring Social Value and, where applicable, Environmental commitments are tracked and delivered.

### **1.6. Procurement Type**

Prior to commencing any procurement activity, you are required to identify which of the below procurement types the activity falls into as this will determine which Procurement Legislation, and subsequently which thresholds, will be applicable.

- a. Goods and Services;
- b. Works;
- c. Light Touch (certain social, health, education, and other public services);
- d. Provider Selection Regime (some Healthcare services); or
- e. Concessions.

There is no flexibility in the application of the Procurement Legislation, so it is crucial the correct provisions are applied.

The Procurement Legislation contains a list of Common Procurement Vocabulary (CPV) codes which can be used to identify the types of services where the Light Touch and Provider Selection Regime can be applied. Similarly, CPV Codes can be used to determine where a requirement will be regarded as 'Works' for the purposes of the Procurement Legislation. A link to the CPV code lists is provided in Appendix 1.

Table 1 below shows the definitions for the types of procurement, the Relevant Thresholds for them and the Procurement Legislation that could apply.

To determine which Relevant Threshold applies, it is necessary to estimate the value of the Contract. Further guidance on how to do this is included in paragraph 1.8.



## CONSTITUTION – PART 4 – RULES OF PROCEDURE

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**Table 1:**

Procurement Type	Definition	Thresholds (inc. VAT where applicable)
<b>A: Goods or Services</b> Procurement Act 2023	Goods or Services* (Excluding Light-Touch and Healthcare services – see <b>Type C/D</b> below as applicable)	<b>£214,904</b>
<b>B: Works</b> Procurement Act 2023	<b>Works</b> - A contract is a “works contract” if its main purpose is— (a) the carrying out of works under the contract (whether or not resulting in a complete work), or (b) to facilitate the carrying out of works otherwise than under the contract, where those works are intended to result in a complete work that complies with specifications set out in, or determined under, the contract.  “Works” means the activities which fall within the CPV codes listed in Schedule 3 to the Procurement Regulations 2024.	<b>£5,372,609</b>
<b>C: Light Touch</b> Procurement Act 2023	Contracts wholly or mainly for the supply of services of a kind specified in regulations. These “light touch services” are set out in Schedule 1 of the Procurement Regulations 2024 using CPV codes These services include adult and children’s social care, community services and legal services	<b>£663,540</b>
<b>D: Provider Selection Regime (PSR 2023)</b> Health Care Services Regulations 2023	PSR 2023 covers procurement of certain healthcare services in England. The services in scope of PSR 2023 are set out in Schedule 1 of those regulations and describe services delivered to patients and service users, contracted by local authorities and NHS Trusts. Examples include some Public Health services which are aimed at providing healthcare interventions for individuals.	<b>No threshold</b> Purchases of any value
<b>E: Concessions</b> Procurement Act 2023	A contract for the supply, for pecuniary interest, of works or services to a contracting authority where— (a) at least part of the consideration for that supply is a right for the supplier to exploit the works or services, and (b) under the contract the supplier is exposed to a real operating risk.  NB. For the purposes of this section of the Orders, Concession contracts also include Light Touch Services Concession Contracts.	<b>£5,372,609</b>

**\*World Trade Organisation (WTO) General Procurement Thresholds change every 2 years. The Thresholds listed here are applicable between 1 January 2024 and 31 December 2025.**

**1.6 Annual Procurement Forward Plan** **This section has moved to 2.1 Approvals Procurement Forward Plan**

~~Chief Officers have delegated authority to carry out procurements with a view to managing the services for which they are responsible. To enable the Council to maintain an accurate oversight of procurement activity across a full range of Council services, the Director of Procurement is responsible for the development of an Annual Procurement Forward Plan (APFP). This is to list the following:~~

- ~~a. For each Department, all contracts over Regulatory Thresholds which are due for extension, renewal or replacement in the coming financial year, and the notice required for this —~~
- ~~b. The aggregate contract value across the life of the contract~~
- ~~c. The agreed budget allocated for the year in question~~
- ~~d. The procurement activity required~~
- ~~e. The expected start date for procurement~~
- ~~f. The expected start date of any new contract or extension~~
- ~~g. Whether there is an option to extend the existing contract or not~~
- ~~h. Whether the spend is capital, revenue, or a combination~~

~~The APFP must be developed and agreed with the Directors of the relevant services, and submitted to the Corporate Management Team for information and monitoring purposes during the business planning cycle each year.~~

~~If a need arises during the year for procurement activity on contracts over the Regulatory Thresholds which have not been reported through the APFP, then these must be reported to CMT by the relevant Chief Officer concerned as soon as reasonably practicable.~~

~~Planned procurements for the financial year ahead with a value of £1m or more will be set out in the Portfolio Plan. Failure to include a procurement in the Portfolio Plan does not prohibit the procurement, but will be reported, together with an explanation as to why it was not in the Plan, through the Council's quarterly monitoring process.~~

**1.7. Exempted Contracts**

Apart from the exceptions listed below, these Orders cover all spend with external suppliers regardless of how they are funded, or which systems are used to place orders with suppliers.

These Orders do not apply to the following items, which are managed by separate policies:

The exceptions listed below are managed by separate legislation, policies and / or procedures as well as the applicable Constitutional requirements and Internal Schemes of Delegation (all of which may be amended, repealed and superseded, from time to time):

Exclusion	Relevant Policy/Law
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CONSTITUTION – PART 4 – RULES OF PROCEDURE

Services exempt under Schedule 2 of Procurement Act 2023	
Contracts for the acquisition or lease of land and/or real estate	Managed via Property Services
Contracts for permanent or fixed-term employment	HR/Recruitment Policies
<del>Works or orders placed with utility companies (e.g. re-routing pipe-work)</del>	<del>This is carried out as part of larger construction contracts, which remain subject to these orders</del>
Direct payments to customers following care assessment (for example, payments under Self-Directed Support or Individual Budgets)	Section 12 of The Care Act 2014
Non-trade mandatory payments to third parties, such as insurance claims, pension payments, payments to public bodies	<del>These are not subject to competition due to their nature</del>
A declared emergency authorised by the Emergency Planning Officer / <b>Emergency Planning Resilience Team</b>	The Civil Contingencies Act 2004 / <b>Council's emergency planning or business continuity procedures</b>
Awarding of Grants	Managed according to locally agreed Grant process or Corporate Funding Protocol, <b>in consultation with Legal Services</b>
Any contract relating to the engagement of Counsel or other legal specialists	Legal Services are either exempt from Regulations or are subject to the light touch regime, depending on the nature of the advice or representation sought. <b>All instructions of this nature shall need to be referred to and managed by Legal Services</b>
Placement of a child with Special Educational Needs where already directed following statutory assessment, <b>including but not limited to, overarching contracts with independent schools</b>	<del>Children and Families Act 2014, and ESFA guidance 2019-20 para 86</del> <b>Education Act 1996, SEND Code of Practice: 0 to 25 years and/or any guidance issued by the Education and Skills Funding Agency</b>

### 1.8. Valuation of Contracts

Procurement Legislation defines how Contract values should be estimated, and this must be complied with at all times. Guidance on the financial valuation of Contracts and principles to be applied is included in Appendix 1. Accurately estimating the value of the contract is important because it determines whether the contract is above or below the Relevant Threshold and therefore the legal obligations that must be complied with (and the relevant procedure (as set out in paragraph 1.10)).

Contracts must not be artificially underestimated or disaggregated into two or more separate contracts with the intention of avoiding the application of these Orders or **Procurement Legislation**. **Requirements that can reasonably be aggregated for the purposes of their estimation should be included, unless there are good reasons for not doing so.**

'Contract value' means the estimated **total aggregate or recurring value payable in pounds sterling exclusive inclusive of Value Added Tax (VAT)** over the entire contract period **and must include all of the facts which are material to the estimate and available at the time, including for example any permitted extensions of the contract, any additional options to procure, or fees, commissions, or interest payments.** ~~Where the contract period is not fixed the estimated value of the contract must be calculated by multiplying the monthly spend value by 48.~~

~~Where an existing contract is being extended, the aggregate value includes the amount spent to date plus the expected forward value.~~

In the case of Framework Agreements ~~or and~~ Dynamic **Markets, Purchasing Systems** the contract value must be calculated to include the total estimated value, **net inclusive** of VAT, of all the **call-off** contracts envisaged ~~to that could~~ be awarded ~~for the total~~ **during the** term of the Framework Agreement or the Dynamic **Purchasing System-Market (as applicable).**

If you are unable to estimate the value of the Contract (or Framework / Dynamic Market), it must be treated as above threshold and the relevant Procurement Legislation applied.

### **1.9. Procurement Method**

Procurement must maintain a proper audit trail of all decisions and record all savings and benefits committed by the successful provider(s).

The Procurement Type Summary tables below detail who is authorised to carry out each of the procurement types, the procurement methods available and the Relevant Thresholds.

If the value of the procurement is below the Relevant Threshold, please follow the guidance set out in paragraph 1.11.

The person responsible for carrying out the procurement (as determined by the Procurement Type Summary Tables in paragraph 1.10) must ensure that all requirements are met, including publishing the required procurement notices within legislative timescales.

Any procurement, including extensions to contracts, set out in Part A of the Procurement Forward Plan (Approval to Procure) and approved by Chief Officers, is regarded as authorised irrespective of the contract value, and must be awarded and signed/sealed in line with the Procurement Type Summary Tables below (see paragraph 2.1 for further information about the Procurement Forward Plan).

### **1.10. Procurement Type Summary Tables:**

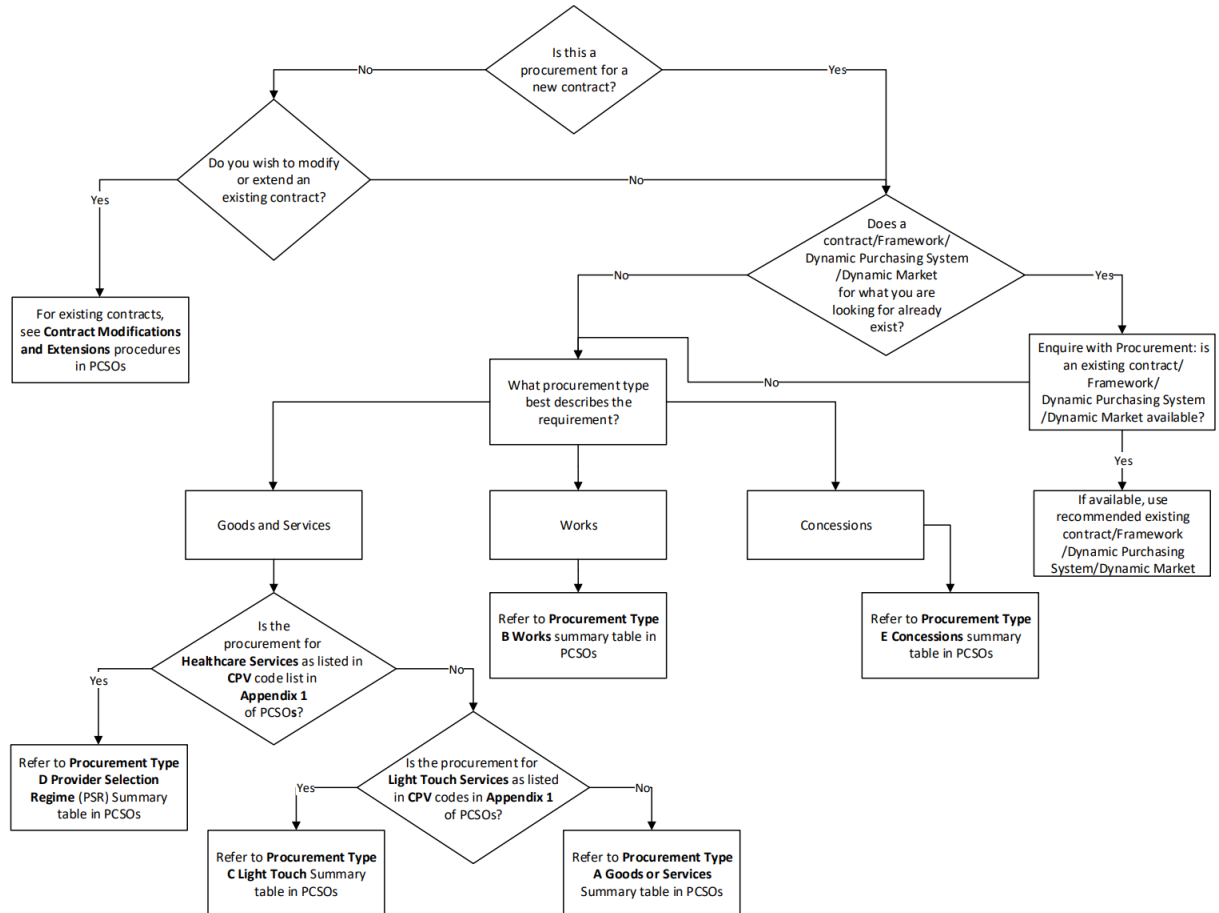
**Step 1** Identify which Procurement Type applies to your procurement using **Table 1** located in paragraph 1.6.

**Step 2** Identify which Procurement Legislation applies (this will depend on when the procurement commenced and the Procurement type).

# CONSTITUTION – PART 4 – RULES OF PROCEDURE

**Step 3 Once you have identified the Procurement Type and Procurement Legislation that applies, undertake the procurement accordingly.**

The decision tree below can be used to help you identify which Summary table applies– if you are unsure, contact Procurement for support/advice.



## CONSTITUTION – PART 4 – RULES OF PROCEDURE

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### Procurement Type A: Goods or Services

Procurements Below the Relevant Threshold must also meet specific Procurement Legislation obligations, and you should familiarise yourself with the requirements of Below the Relevant Threshold procurements set out in Appendix 1.

Estimated Contract Value Inc VAT (see paragraph 1.8)	Procurement Method	Teams authorised to undertake the Procurement	Type of Contract Required	Who must approve Contract Award prior to commencement	Who signs the contract on the Council's behalf
<b>£0 - £29,999</b>	Use available Frameworks or Dynamic Purchasing Systems where they offer best value; or One written quote or commercial negotiation with supplier.	All Council Officers	Council's Standard Terms & Conditions (see the Council's Website) or the established Framework or DPS Terms	Budget Holder	Not Required if Council's standard terms apply – Budget Holder's approval of the Purchase Order is sufficient. If Framework or DPS: Budget holder to sign both Access Agreements and subsequent Call-Off Contracts.
<b>£30,000 – £214,903*</b> *Current regulatory threshold	Use available Frameworks or Dynamic Purchasing Systems where they offer best value. Alternatively, seek a minimum of 3 quotes.	Procurement, unless agreed otherwise by Head of Procurement (or delegate)	Council's Standard Terms & Conditions (see the Council's website) or the established Framework or DPS Terms	Assistant Director for the Service or delegated manager	Under £100k: Assistant Director or delegated manager Over £100k: 2 Authorised Signatories via Legal Services
<b>£214,904 and above</b> (Above regulatory threshold)	This may be through a new procurement process in accordance with PA 2023 or via existing compliant Frameworks, DPS's or Dynamic Markets.	Procurement	Council's Standard Terms & Conditions, bespoke Contract terms agreed by Legal Services or established Framework, DPS or Dynamic Market Terms	Chief Officer for the Service  Lead Member for the Service at Chief Officer's discretion	Under £500k: 2 Authorised Signatories in Legal Services  Over £500k: Sealed as a Deed via Legal Services

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

### Procurement Type B: Works

Procurements Below the Relevant Threshold must also meet specific Procurement Legislation obligations, and you should familiarise yourself with the requirements for Below the Relevant Threshold procurements set out in Appendix 1.

Estimated Contract Value Inc VAT (see paragraph 1.8)	Procurement Method	Teams authorised to undertake the Procurement	Type of Contract Required	Who must approve Contract Award prior to commencement	Who signs the contract on the Council's behalf
<b>£0 - £29,999</b>	Use available frameworks, or DPS's where they offer best value; or One written quote or commercial negotiation with supplier.	All Council Officers	Industry standard form of contract with Council amendments	Budget Holder	Not Required if Council's standard terms apply – (Approval of Purchase Order) If Framework or DPS: Budget holder to sign
<b>£30,000 – £214,903</b>	Use available Frameworks, or DPS's where they offer best value. Alternatively, seek a minimum of 3 quotes.	Procurement, unless agreed otherwise by Head of Procurement (or delegate)	Industry standard form of contract with Council amendments, bespoke Contract terms agreed by Legal Services or established Framework Terms, DPS Terms or JCT / NEC Model Forms.	Assistant Director for the Service or delegated manager	Under £100k: Assistant Director or delegated manager  Over £100k: 2 Authorised Signatories via Legal Services  JCT and NEC works contracts must be sealed as a Deed via Legal Services for contracts of any value.
<b>£214,904 - £999,999</b>	Use available Frameworks, DPS's or Dynamic Markets where they offer best value; Alternatively, seek a minimum of 3 quotes.	Procurement, unless agreed otherwise by Head of Procurement (or delegate)	Industry standard form of contract with Council amendments, bespoke Contract terms agreed by Legal Services or established Framework Terms, DPS Terms, Dynamic Market Terms or JCT / NEC Model Forms.	Chief Officer for the Service  Lead Member for the Service at Chief Officer's discretion	Under £500k: 2 Authorised Signatories in Legal Services  Over £500k: Sealed as a Deed via Legal Services.  JCT and NEC works contracts, must be sealed as a Deed via Legal Services for contracts of any value.

CONSTITUTION – PART 4 – RULES OF PROCEDURE

<p><b>£1m and over</b></p>	<p><b>If below £5,372,608 (inc VAT):</b> Use available Frameworks, Dynamic Purchasing System's or Dynamic Markets where they offer best value. Alternatively, seek a minimum of 3 quotes.</p> <p><b>If over £5,372,608 (inc VAT):</b> This may be through a new procurement process in accordance with the PA 23, or via existing compliant Frameworks, DPS's or Dynamic Markets.</p>	<p>Procurement</p>	<p>Industry standard form of contract with Council amendments, bespoke Contract terms agreed by Legal Services or established Framework Terms, DPS Terms, Dynamic Market Terms or JCT / NEC Model Forms.</p>	<p>Chief Officer for the Service</p> <p>Lead Member for the Service at Chief Officer's discretion</p>	<p>Sealed as a deed via Legal Services</p>
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## CONSTITUTION – PART 4 – RULES OF PROCEDURE

### Procurement Type C: Light Touch

Procurements Below the Relevant Threshold must also meet specific Procurement Legislation obligations, and you should familiarise yourself with the requirements for Below the Relevant Threshold procurements set out in Appendix 1.

Estimated Contract Value Inc VAT (see paragraph 1.8)	Procurement Method	Teams authorised to undertake the Procurement	Type of Contract Required	Who must approve Contract Award (prior to commencement)	Who signs the contract on the Council's behalf
<b>£0 - £29,999</b>	Use available Frameworks, existing Approved Lists or DPS's where they offer best value; or One written quote or commercial negotiation with supplier	All Council Officers	Council's Standard Terms & Conditions (see the Council's Website)	Budget Holder	Not Required if Council's standard terms apply. Budget Holder's approval of the Purchase Order is sufficient.  If Framework, Existing Approved Lists or DPS: Budget holder to sign subsequent Call-Off Contracts.
<b>£30,000 – £663,539</b> Below Light Touch regulatory threshold	In consultation with Procurement, determine the best and most proportionate route to market for below threshold. This may include use of available Frameworks, existing Approved Lists or DPS's where they offer best value.	Procurement, unless agreed otherwise by Head of Procurement (or delegate)	Council's Standard Terms & Conditions, bespoke Contract terms agreed by Legal Services or established Framework or DPS Terms.	Assistant Director for the Service or delegated manager	Under £100k: Assistant Director or delegated manager  Over £100k: 2 Authorised Signatories via Legal Services  Over £500k: Sealed as a Deed via Legal Services
<b>£663,540 and over</b> Above Light Touch regulatory threshold	This may be through a new procurement process in accordance with the PA 23, or via existing compliant Frameworks, DPS's or Dynamic Market	Procurement	Council's Standard Terms & Conditions, bespoke Contract terms agreed by Legal Services or established Framework, DPS or Dynamic Market Terms.	Chief Officer for the Service  Lead Member for the Service at Chief Officer's discretion	Sealed as a Deed via Legal Services

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

### Procurement Type D: Provider Selection Regime (PSR)

Healthcare and Public Health Services that are in-scope of PSR have no minimum threshold.

Estimated Contract Value *Inc VAT (see paragraph 1.8)	Procurement Method	Teams authorised to undertake the Procurement	Type of Contract Required	Who must approve Contract Award prior to commencement	Who signs the contract on the Council's behalf
<p><b>£0 - £663,539</b> Below Light Touch regulatory threshold</p>	<p>One of the following PSR procedures:</p> <ul style="list-style-type: none"> <li>• Direct Award A</li> <li>• Direct Award B</li>   <li>• Direct Award C</li> <li>• Most Suitable Provider</li> <li>• Competitive Process</li> </ul>	<p>Procurement, unless agreed otherwise by Head of Procurement (or delegate)</p> <p>Procurement</p>	<p>Council's Standard Terms &amp; Conditions or bespoke Contract terms agreed by Legal Services</p>	<p>Assistant Director for the Service or delegated manager</p>	<p>Under £100k: Assistant Director or delegated manager</p> <p>Over £100k: 2 Authorised Signatories via Legal Services</p> <p>Over £500k: Sealed as a Deed via Legal Services</p>
<p><b>£663,540 and over</b> Above Light Touch regulatory threshold</p>	<p>One of the following PSR procedures:</p> <ul style="list-style-type: none"> <li>• Direct Award A</li> <li>• Direct Award B</li> <li>• Direct Award C</li> <li>• Most Suitable Provider</li> <li>• Competitive Process</li> </ul>	<p>Procurement</p>	<p>Council's Standard Terms &amp; Conditions or bespoke Contract terms agreed by Legal Services</p>	<p>Chief Officer for the Service</p> <p>Lead Member for the Service at Chief Officer's discretion</p>	<p>Sealed as a deed via Legal Services</p>

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

### Procurement Type E: Concessions

Procurements below regulatory threshold must also meet specific procurement legislation obligations, and you should familiarise yourself with the requirements of below threshold requirements in Appendix 1.

Estimated Contract Value *Inc VAT (see paragraph 1.8)	Procurement Method	Teams authorised to undertake the Procurement	Type of Contract Required	Who must approve Contract Award prior to commencement	Who signs the contract on the Council's behalf
<b>£0 - £214,903</b>	Seek a minimum of 3 quotes.	Procurement, unless agreed otherwise by Head of Procurement (or delegate)	Council's Standard Terms & Conditions, bespoke Contract terms agreed by Legal Services.	Assistant Director for the Service or delegated manager	Under £100k: Assistant Director or delegated manager  Over £100k: 2 Authorised Signatories via Legal Services
<b>£214,904 - £1m</b>	Seek a minimum of 3 quotes.	Procurement	Council's Standard Terms & Conditions, bespoke Contract terms agreed by Legal Services.	Chief Officer for the Service  Lead Member for the Service at Chief Officer's discretion	Under £500k: Authorised Signatories in Legal Services  Over £500k: Sealed as a deed via Legal Services
<b>£1m and over</b>	<b>If below £5,372,608 (*inc VAT):</b> Seek a minimum of 3 quotes. <b>If over £5,372,608 (*inc VAT):</b> Procure in compliance with the relevant Procurement Legislation.	Procurement	Council's Standard Terms & Conditions, bespoke Contract terms agreed by Legal Services.	Chief Officer for the Service  Lead Member for the Service at Chief Officer's discretion	Sealed as a deed via Legal Services

\*For details on which goods and services attract VAT and the current VAT rates, please speak to your Finance Business Partner.

### **1.11. Below Threshold Procurements**

Below threshold procurements must also meet Procurement Legislation obligations and you should familiarise yourself with the requirements of the Below Relevant Threshold requirements in Appendix 1.

Any existing below threshold contracts which, when modified, exceed the Relevant Threshold should be brought to Procurement for review and consideration if it can become a Convertible Contract (see paragraphs 2.2 and 2.3.)

### **1.12. Direct award**

Contracts below and above the Regulatory Threshold may be awarded directly as long as at least one direct award justification in the Procurement Legislation can be applied (See Appendix 1).

You must contact Procurement prior to undertaking a direct award to ensure one or more of the direct award criteria are met.

### **1.13. Evaluation**

Tenders over Regulatory Thresholds are evaluated in accordance with Procurement Legislation.

### **1.14. Collaboration with other public bodies and Private Entities**

The Council may enter into collaborative agreements for the procurement of goods and services with other public bodies or Central Purchasing Bodies **and / or partnership agreements with private entities** where this offers best value for money for residents. Where this is proposed, you must seek advice from Procurement in the first instance.

### **1.15. Framework agreements, Dynamic Purchasing Systems (DPS) and Dynamic Markets**

All **proposals** requirements to **establish or** use existing frameworks, DPS' or **Dynamic Markets** to set up new ones, must be referred to Procurement, who will make appropriate arrangements in consultation with Legal Services as required.

~~Where the Council accesses an existing Framework Agreement or DPS, the Framework Agreement or DPS terms and conditions of contract must be used, amended as appropriate, as permitted by the Framework Agreement or DPS and the Regulations.~~

~~Before entering into these, due diligence checks must be carried out to demonstrate that the Council can lawfully access them and that they are fit for purpose and provide value for money.~~

There are strict legislative requirements for the use of Frameworks, DPS' and Dynamic Markets, and additional guidance for their appropriate use can be found in Appendix 1.

### **1.16. Access Agreements**

Where a contracting authority requires the Council to sign an Access Agreement relating to a Framework, Dynamic Purchasing System, or Dynamic Market, and there is no commitment to call-off, the signing of the Access Agreement must be authorised by the Head of Procurement. Access Agreements that are executed as a simple contract may be signed by the Head of Procurement and those executed as a deed shall be referred to Legal Services for sealing.

### **1.17. Concession Contracts**

Concession Contracts are contracts under which the council outsources works or services to a contractor or provider, who then has the right to commercially exploit those works or services in order to recoup its investment and make a return. The key feature is that the contractor/provider bears the operating risk of the arrangement and so has no guarantee of recouping its investment or operating costs. Concession Contracts must meet certain requirements, and advice must be sought from Procurement in the first instance if a concession contract is required.

### **1.18. Procurement Notices**

All procurement processes must follow publication requirements as set out in the Procurement Legislation. (Guidance in Appendix 1).

## **~~2. Finding and contracting with suppliers~~ Now section 4**

## **2. Approvals**

### **2.1. Procurement Forward Plan**

Chief Officers have a general delegation to manage the services for which they are responsible. This includes authorising the procurement of goods, works and services, where they deem this appropriate, provided they do so in accordance with these Orders and the Council's Financial Procedure Regulations and Financial Procedure Rules.

To enable the Council to maintain an accurate oversight of procurement activity across the full range of its Council services, the Director of Procurement is responsible for the development of a Procurement Forward Plan (PFP). This PFP will be in two parts, as follows:

#### **PART A: Approval to Procure**

A 12-month detailed forward plan shall be developed to identify, for each directorate, all contracts over the Goods/Services Regulatory Threshold which are due for extension, renewal, replacement or is a new requirement in the coming financial year.

The PFP: Part A must be developed and agreed with the Directors of the relevant services and submitted to the Corporate Management Team for information and monitoring purposes during the business planning cycle each year.

If a need arises during the year for procurement activity on contracts over the Regulatory Thresholds which have not been reported through the PFP: Part A, then an Approval to Procure form must be raised by the service and approved by the Head of Procurement and the relevant

Chief Officer before resource can be assigned to this procurement. Where the procurement includes IT & Digital, the Approval to Procure requires additional approval from the Chief Digital Information Officer.

Planned procurements for the financial year ahead with a value of £1m or more will be set out in the Portfolio Plans for transparency purposes.

### **PART B: Procurement Pipeline**

Under Procurement Legislation, the Council is required to publish a 'Pipeline Notice', which consists of a list of procurement activity proposed to take place in the forthcoming 24 month period. In addition to Part A, the PFP will include (as Part B) procurements proposed to take place in the financial year which follows on from PFP Part A: Approval to Procure. For the avoidance of doubt, appearance on Part B alone does not constitute an approval to procure.

The Procurement Pipeline will be published on the Central Digital Platform (and/or any related platform as required by Procurement Legislation from time to time).

### **2.2. Contract Modifications and Extensions**

Procurement Legislation sets out that above threshold contracts that have been advertised with extension and / or modification options already set out in the contract can be extended and / or modified (as applicable) in accordance with the terms set out in the contract.

Where the option for an extension and / or modification has not been included in the original public notice or the contract itself, an extension and / or modification may still be permissible without triggering a requirement for a new Procurement exercise, provided one of the grounds set out in the Procurement Legislation are satisfied.

In all cases you must contact Procurement for advice to determine if any of the circumstances under which contract modifications or extensions are permitted apply to your extension and / or modification.

The approvals required for an Extension or Modification are as follows:

<b>Total Value of Original Contract</b>	<b>Approvals where contract has been advertised with extension and/or modification options (permitted)</b>	<b>Approvals where extensions and/or modification options were not included in the contract or notice</b>
<b>Below relevant Regulatory Threshold (see Procurement type summary tables)</b>	Assistant Director for relevant service in consultation with the Head of Procurement (or delegate).	Chief Officer for relevant service in consultation with the Head of Procurement (or delegate).
<b>Above relevant Regulatory Threshold including Convertible Contracts (see Procurement type summary tables and section 2.3)</b>	Chief Officer for relevant Service in Consultation with Head of Procurement.	Chief Officer for relevant service in consultation with the Head of Procurement and the Deputy Chief Executive

## **2.1. Purchase Orders Now section 4.1**

~~Once you have found the right supplier in accordance with these Orders, you must not make verbal commitments but must raise a Purchase Order (via SAP or equivalent service-specific system). This must be approved in accordance with the Council's Financial Regulations before it is sent to the supplier, and before any goods or services have been received. Details of financial approval levels are available on the Intranet.~~

## **2.2. Using Purchase Cards Now section 4.2**

~~The Council makes use of general Purchase Cards, which are effectively like credit cards and are used to make small purchases in a wide range of situations.~~

~~You must use purchase cards only as set out in the 'Purchase Card Rules and Guidance', unless otherwise agreed in writing by Procurement, or in emergency circumstances (see also section 4.2).~~

## **2.3 Convertible Contracts**

S.74 of the Procurement Act 2023 introduces the concept of a “convertible contract”. This is a contract which, at the point of being awarded, is below the Regulatory Threshold (and therefore not a public contract) but which, if modified, would then exceed the Regulatory Threshold and become a public contract.

Where a modification or extension of a below Regulatory Threshold may cause the total value of the contract to increase above the Regulatory Threshold, these should be referred to Procurement for review to determine if it should be regarded as a Convertible Contract.

If Procurement determine that a below Regulatory Threshold contract has become a convertible contract, the modification and / or extension of the contract must be approved by the Chief Officer for the relevant Service in consultation with the Head of Procurement.

## **2.4. Key Decisions**

Any procurement/contract decision that:

- a. involves expenditure/savings of £500,000 or more per year; or
- b. will be significant in its effects on communities in 2 or more electoral divisions,

is a **key decision** and will require a formal Officer or Member decision.

This includes the advertising/award of contracts as well as contract extensions and modifications (whether or not provided for in the original contract documents).

Any such decision must be included on the Council's Forward Plan (which is different from the Procurement Forward Plan) at least 28 days before the decision is taken. It is the responsibility of the Service Lead to ensure their procurement/contract decisions are on the Council's Forward Plan in the timescales required.

For decisions taken by Cabinet or Lead Member, and key decisions taken by Officers, a record of the decision must be published, and the decision shall not be implemented until four working days after publication, to allow for call-in.

Officers should contact Member Services for further information regarding key decisions. See Appendix 1 for link to Member Services intranet page.

## 2.5. Technology, Digital Services and Software

Procurement works closely with IT & Digital to manage the Council's technology and digital needs and the security of the Council's data and network. This applies to any provision of technology, digital services and software that is used by the Council. No technology, digital services or software, including Software as a Service (SaaS), may be procured by the Council without prior approval from Chief Digital Information Officer.

## 2.6. Temporary Staff, Consultants and Professional Services

~~Procurement works closely with HR to manage the Council's temporary workforce needs. This applies to any appointment that is outside the Council's direct employment. No temporary worker, agency or consultant may be procured or engaged outside of existing contract or framework arrangements without prior approval from HR. See Appendix 1 for link to HR guidance.~~

A consultant is a person (not an employee), agency or firm engaged for a limited period of time on a project or requirement specific basis to carry out a specific task or tasks which meet a desired set of outputs or outcomes. A consultant provides subject matter expertise, support and/or experience to the Council either because it does not possess the skills or resources in-house or requires an independent evaluation/assessment **is required**. ~~to be made.~~

This definition excludes:

- a. Agency staff, interim or role specific duties which should be sourced through the Council's Corporate Contract;
- b. Routine services e.g. maintenance, cleaning and security; and
- c. Professional services e.g. Architects, structural engineers, forensic archaeologists, specialist social care support, training etc.

Refer to the guidance available on the Intranet for agency workers and consultants.

Temporary & agency staff, and other consultants or ~~contractors~~, **suppliers**, must abide by the terms of their contract with the Council and follow ~~the Council's Code of Conduct and Conflict of Interest Policy~~. **All applicable Council Policies (see Appendix 1 for link to guidance).**

## ~~2.4 Contract Value Calculation~~ **This section has moved to 1.8 Valuation of Contracts**

~~Contract value means the estimated aggregate or recurring value payable in pounds sterling exclusive of Value Added Tax over the entire contract period including any extensions of the contract. Where the contract period is not fixed the estimated value of the contract must be calculated by multiplying the monthly spend value by 48.~~

~~Where an existing contract is being extended, the aggregate value includes the amount spent to date plus the expected forward value.~~



~~Contracts must not be artificially underestimated or disaggregated into two or more separate contracts with the intention of avoiding the application of these Orders or legislation.~~

~~In the case of Framework Agreements or Dynamic Purchasing Systems the contract value must be calculated to include the total estimated value, net of VAT, of all the contracts envisaged to be awarded for the total term of the Framework Agreement or the Dynamic Purchasing System.~~

## **2.5. Grants**

~~The making of grants is not subject to these Orders. You must follow the rules and guidance for grant-making available on the Intranet (see appendix 1) and take into account the legal requirements concerning State Aid.~~

## **2.6 Bribery, Corruption, Canvassing and Collusion Now section 4.3**

### **Bribery and Corruption**

~~You must comply with the Code of Conduct and the Council's anti-fraud strategy. You must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for you, the Officer, to prove that anything received was not received corruptly. Gifts and Hospitality must be recorded in the online register.~~

### **Canvassing and Collusion**

~~All Invitations to Tender must include a requirement for tenderers to complete fully and sign a form of tender including certificates relating to canvassing and non-collusion. Every contract must contain a clause entitling the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative has practiced collusion in tendering for the contract or any other contract with the Council.~~

~~See the Counter-fraud Strategy (appendix 1).~~

## **2.7 Procurement and Contracting - Overview and summary table This section is now part of 1.9 & 1.10**

~~Any Procurement, including extensions and variations to Contracts, set out in the Annual Procurement Forward Plan and reviewed by CMT is deemed as authorised irrespective of the Contract value, and must be advertised, awarded and signed/sealed in line with table 2.7.a columns F-J.~~

~~Any procurement not authorised as above must be authorised in accordance with table 2.7.a column E below.~~

~~Procurement must maintain a proper audit trail of all approvals and decisions, and track the delivery of savings and benefits in line with the Value Strategy agreed between Finance and Procurement.~~

CONSTITUTION – PART 4 – RULES OF PROCEDURE

**2.7.a Summary table**

A	B	C	D	E	F	G	H	I	J
Aggregate value including extensions	Purchase Card permitted?	Procurement Method?	How should you approach the market?	Who leads procurement?	Must the contract be formally advertised?	What type of contract is required?	Who must approve the contract award?	Who signs the contract on the Council's behalf?	Contract Award Notice needed?
<b>£0 to £24,999</b>	Yes if within rules & guidance and card limits	One written quote	Email / Call Supplier. Use a local supplier if they offer value for money	Service Officer	No	Standard Terms (see Council's website)	Budget Holder	Not Required – (Approval of Purchase Order)	No
<b>£25,000 to £213,476</b>	Only in formal emergency cases (see section 4.2)	Minimum of two quotes, but seek at least three. If using a framework, follow the rules for its use.	Contact Sourcing Solutions, who will lead sourcing activity	Sourcing Solutions	Yes, must be published via Contracts Finder	Standard Contract in line with agreed level of risk and complexity	Assistant Director for the Service or delegated manager	Under £100k Assistant Director or delegated manager Over £100k: Authorised Signatories via Legal Services	Yes – on Contracts Finder
<b>£213,477 to £999,999</b>	No	Goods and Services – Tender Works – Competitive quotation Health, educational, cultural and social are related services above £663,540: Light Touch Regime Tender	Issue Tender via Procurement	Procurement	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	The relevant Chief Officer or Lead Cabinet Member	Under £500k: Authorised Signatories in Legal Services Over £500k: Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

<b>£1m and over</b>	No	Works – up to £5,336,936 – Competitive quotations Works and Concession Contracts over £5,336,937: Full Tender or other compliant route Goods and Services: Full Tender or other compliant route Health, educational, cultural and social care related services: Light Touch Regime Tender	Issue Tender via Procurement	Procurement	Yes, as required by Public Contracts Regulations	Contract in line with agreed level of risk and complexity	The relevant Chief Officer or Lead Cabinet Member	Sealed as a deed via Legal Services	Yes – as required by Public Contracts regulations
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~~\*Note: Where additional advice/guidance is required in respect of aggregate contract values, please contact Procurement.~~

~~\*Note: The values included in the table are inclusive of VAT. For details on which goods and services attract VAT and current VAT rates, please speak to your Finance Business Partner.~~

### **Now section 2.4 Key Decisions**

~~\*Note: Any procurement/contract that: (a) involves expenditure/savings of £500,000 or more per year; or (b) will be significant in its effects on communities in 2 or more electoral divisions is a **key decision** and will require a formal officer or Lead Member decision. Any such decision should be included on the Council's Forward Plan at least 28 days before the decision is taken. It is the responsibility of the service lead to ensure their contract is on the Council's Forward Plan in the timescales required. Please contact the Democratic Services team for further information regarding key decisions.~~

### 3. Waivers and Emergencies

#### 3.1. Waivers

~~In the event that the application of these orders prevents or inhibits the delivery or continuity of service, a waiver may be sought.~~ A waiver is required for any proposed procurement or contractual action which is not compliant with these Orders. A waiver cannot be given if it would contravene the ~~Public Contracts Regulations 2015~~ **Procurement Legislation** or any other applicable legislation.

You must obtain approval for a waiver in writing specifically identifying the **PSO Order** that is being waived and the reason for which the waiver is sought, including justification and risk. ~~The approval process for waivers is set out in the table below.~~ When a waiver is sought **required**, advice from Procurement should be sought at the earliest opportunity. A waiver cannot be granted retrospectively; **undertaking a procurement exercise or any other action that is contrary to or not in accordance with the requirements of these Orders without a waiver constitutes non-compliance with these Orders.**

Procurement must maintain a log of all waivers, and store documentation ~~for waivers on the Contract Management System.~~ **to provide an audit trail of how the Council has ensured value for money and accountability and, where appropriate, to facilitate 'lessons learned'.**

The approval required for a waiver is as follows:

<b>Contract Value (for waivers in relation to existing contracts this refers to the value of the original contract)</b>	<b>Approval</b>
Up to Regulatory Thresholds	Chief Officer in consultation with Head of Procurement (ESCC) <b>and review by Legal Services.</b>
Over Regulatory Thresholds	Chief Officer in consultation with the Head of Procurement (ESCC) and the Deputy Chief Executive

#### 3.2. Emergency Purchases

An emergency purchase is only allowed for purchasing outside the hours 9am to 5pm on ~~working days or at weekends and during~~ **Monday to Friday (excluding public holidays)** where there is an imminent risk to life or property.

An emergency purchase can also apply in situations ~~outside~~ **within** these hours where there is a need to arrange for emergency care where an adult or child is at risk of physical harm, or to secure Council property or assets e.g. when there has been a break in or equipment failure, such as flood.

You can use a Purchasing Card, within your allocated limits, to pay **for an emergency purchase.** If the supplier does not accept Purchase Cards then you may give a verbal order and raise a

formal purchase order the following working day. You must also inform Procurement **Business Administration** of any emergency purchases on the following working day.

Issues arising with contracts leading to a requirement for urgent mitigation action are not necessarily considered emergency purchases. This will be dealt with as part of business continuity within the contract management process.

### **3. Procurement methods**

#### **3.1. Tenders over Regulatory Thresholds**

Procurement is responsible for selecting the most appropriate route to market.

#### **3.2. Use of Selection Questionnaires (SQs)**

Procurement will apply minimum standards of experience, reputation and economic standing to suppliers to test their suitability to bid for a Council contract.

Procurement must use the Council's standard Selection Questionnaire and adhere to statutory guidance for all procurements of contracts above the relevant Regulatory Threshold.

Procurement must not use a two-stage process for contracts with a value less than regulatory threshold for goods and services, regardless of whether the contract is for goods, services or works (including Light Touch services).

All the methods and criteria used for assessing the suitability of suppliers must be transparent, objective and non-discriminatory.

#### **3.3. Contracts reserved for social enterprises and the employee-owned sector**

The Council may reserve participation in procurement processes for limited types of services contracts to certain qualifying organisations from the employee ownership and voluntary sectors. The maximum duration of contracts awarded under this power is three years.

Procurement must obtain approval from Legal Services before commencing a procurement in reliance on this Order.

#### **3.4. Evaluation **Now section 1.13****

Tenders over Regulatory Thresholds are evaluated based on the identification of the 'Most Economically Advantageous Tender (MEAT)'. This takes price into account, alongside quality and social value considerations, but does not require the tender to be awarded to the lowest priced bidder. The weighting given to the considerations will be determined by the Head of Procurement in consultation with the Chief Officer. Where written quotations are invited for contracts below regulatory thresholds MEAT should also be used, but where no clear quality criteria are specified then the Head of Procurement can determine that an assessment can be made based on price. The relevant Chief Officer can accept the most economically advantageous tender, or the lowest cost tender, where such a contract award criterion is being used.

For all tenders over Regulatory Thresholds, a full record of all key decisions and process in relation to the procurement procedure must be kept in the Procurement Report, including such details as required by Regulation 84 of the Public Contracts Regulations 2015.

### **3.5. Collaboration with other public bodies** **Now section 1.14**

The Council may enter into collaborative agreements for the procurement of goods and services with other public bodies or Central Purchasing Bodies where this offers best value for money for residents. Where this is proposed, you must seek advice from Procurement in the first instance.

### **3.6. Approved or 'Select' Lists**

The Council does not operate general 'approved' or 'select' lists of suppliers, instead a formal arrangement must be in place via either a framework agreement, a dynamic purchasing system or other mechanism compliant with regulations.

### **3.7. Framework agreements and Dynamic Purchasing Systems (DPS)** **Now section 1.15**

All requirements to use existing frameworks or DPS, or to set up new ones, must be referred to Procurement, who will make appropriate arrangements in consultation with Legal Services as required.

Where the Council accesses an existing Framework Agreement or DPS, the Framework Agreement or DPS terms and conditions of contract must be used, amended as appropriate, as permitted by the Framework Agreement or DPS and the Regulations.

Before entering into these, due diligence checks must be carried out to demonstrate that the Council can lawfully access them and that they are fit for purpose and provide value for money.

### **3.8. Concession Contracts** **Now section 1.17**

Concession Contracts are contracts under which the council outsources works or services to a contractor or provider, who then has the right to commercially exploit those works or services in order to recoup its investment and make a return. The key feature is that the contractor/provider bears the operating risk of the arrangement and so has no guarantee of recouping its investment or operating costs. Concession Contracts must meet certain requirements and advice must be sought from Procurement in the first instance if a concession contract is required.

### **3.9. Sustainability and Social Value** **Now sections 5.1 & 5.2**

The Public Services (Social Value) Act 2012 places an obligation on the Council to consider the economic, social and environmental well-being of our area when we award contracts over Regulatory Thresholds.

Our procurement approach covers these areas:

- **Economic Sustainability** — we aim to purchase goods, works and services which enhance the local economy. We recognise the importance of Small & Medium Enterprises (SME) and Voluntary & Community organisations and Social Enterprises (VCSE) to the local

~~community and ensure every effort is made to make our contract opportunities and tender processes accessible to them~~

- ~~• Social Sustainability – we aim to purchase goods, works and services which promote community well-being, and that supply chain partners operate fair and ethical working practices including compliance with the Modern Slavery Act 2015~~
- ~~• Environmental Sustainability – we aim to purchase goods, works and services which minimise our carbon footprint, encourage a positive impact on the local environment, and have the best value costs and benefits taking into account their whole life cycle from origination to disposal~~
- ~~• Equalities & Diversity – we only purchase goods, works and services from suppliers who meet our standards of equality of employment and service delivery, and we ensure that the tender process is free from discrimination or perceived discrimination in accordance with the Council's Equality Scheme~~
- ~~• Compact – where we are purchasing from the voluntary and community sector you must comply with the Compact Code of Practice on Funding and Procurement~~

~~Procurement must carry out an assessment of relevant Social Value and record the results in the Procurement Report. Contract Managers should include social value delivery checks in line with the Contract Management Framework.~~

~~All suppliers to the Council are required to comply with all relevant environmental legislation and regulation, and any such superseding legislation. The Council may also introduce from time to time particular local and national policies which support environmental and sustainable procurement and Officers should include these in relevant procurement documentation and procedures.~~

### **3.10. Voluntary Ex-Ante Transparency Notice (VEAT)**

~~Should a VEAT Notice be assessed by the Head of Procurement (ESCC) and Legal Services as being required to manage potential risk to the Council, this will be approved by the Director of Procurement and Monitoring Officer, and a log of all published VEAT notices maintained by Procurement.~~

### **3.11. Developing Local suppliers**

~~The Council is committed to encouraging businesses in the county to compete for contract opportunities in order to support the development of the local economy. It provides information and support via dedicated websites and through supplier events. We actively encourage the use of locally-based suppliers where they can offer best value for money. Local is defined as within the county boundaries of East Sussex. If no supplier exists within these boundaries this can be extended to include Orbis partner county boundaries.~~

~~You must use our purchasing power to work with local businesses wherever possible where this provides equal or better Value for Money for the Council than alternatives. However it must also be noted that the Public Contracts Regulations require that any procurement activity should not discriminate, favour or show bias.~~

~~You should carefully review the required specifications of any contract to ensure that small and medium-sized enterprises are not being disadvantaged in their ability to tender for goods, works or services with the Council.~~

For contracts over Regulatory Threshold you must also consider whether the contract should be divided into Lots in order that small and medium sized enterprises can bid for local work. The decision not to divide into Lots should be clearly documented in the Procurement Report.

### **3.12. Commercial Confidentiality and Intellectual Property**

If you are discussing developments with suppliers you should take care to ensure that you do not inadvertently share key commercial or confidential information such as budgets, existing pricing from other suppliers, or suggestions for improvements unless you have a Non-Disclosure Agreement in place.

This protects the Council's interests and our intellectual property. Procurement are responsible for putting these agreements in place where appropriate with advice from the Monitoring Officer, and can provide commercial advice and support in dealing with suppliers. Where arrangements include the Intellectual property of the Council, appropriate or relevant contract clause/s must be included.

Intellectual property is a generic term that includes inventions and writings. If these are created by the Council as a general rule they belong to the Council not the supplier. Certain activities undertaken by the Council may give rise to items that may be patentable, for example software development. These items are collectively known as Intellectual Property.

## **4. Waivers and Emergencies Now section 3.1**

### **4.1. Waivers**

In the event that the application of these orders prevents or inhibits the delivery or continuity of service, a waiver may be sought. A waiver is required for any proposed procurement or contractual action which is not compliant with these Orders. A waiver cannot be given if it would contravene the Public Contracts Regulations 2015 or any other applicable legislation.

You must obtain approval for a waiver in writing specifically identifying the PSO that is being waived and the reason for which the waiver is sought, including justification and risk. The approval process for waivers is set out in the table below. When a waiver is sought advice from Procurement should be sought at the earliest opportunity. A waiver cannot be granted retrospectively; this is viewed as non-compliance with these Orders.

Procurement must maintain a log of all waivers, and store documentation for waivers on the Contract Management System.

The approval required for a waiver is as follows:

<b>Contract Value (for waivers in relation to existing contracts this refers to the value of the original contract)</b>	<b>Approval</b>
Up to Regulatory Thresholds	Chief Officer in consultation with Head of Procurement (ESCC)



Over Regulatory Thresholds	Chief Officer in consultation with the Head of Procurement (ESCC) and the Deputy Chief Executive
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## 4.2. Emergency Purchases **Now section 3.2**

An emergency purchase is only allowed for purchasing outside the hours 9am to 5pm on working days or at weekends and during public holidays where there is an imminent risk to life or property.

An emergency purchase can also apply in situations outside these hours where there is a need to arrange for emergency care where an adult or child is at risk of physical harm, or to secure Council property or assets e.g. when there has been a break in or equipment failure, such as flood. You can use a Purchase Card, within your allocated limits, to pay. If the supplier does not accept Purchase Cards then you may give a verbal order and raise a formal purchase order the following working day. You must also inform Procurement of any emergency purchases on the following working day.

Issues arising with contracts leading to a requirement for urgent mitigation action are not necessarily considered emergency purchases. This will be dealt with as part of business continuity within the contract management process.

## 4. Contracting with suppliers

### 4.1. Purchase Orders

Once you have found **identified** the right supplier in accordance **compliance** with these Orders, you must not make verbal commitments but must raise a Purchase Order (via **the Council's ERP System**) SAP or equivalent service-specific system). This must be approved in accordance with the Council's Financial Regulations **and Financial Procedure Rules** before it is sent to the supplier, and before any goods **have been ordered**. or services have been received. Details of financial approval levels are **included in the summary tables in paragraph 1.10**. available on the Intranet.

### 4.2. Using Purchasing Cards

The Council makes use of general Purchasing Cards (P Cards) to make small purchases in a wide range of situations.

You must use purchasing cards only as set out in the '**Purchase Card Rules and Guidance**', '**ESCC Purchasing Card Policy**' and in the **guidance available on the Intranet (see Appendix 1 for link to guidance)** unless otherwise agreed in writing by Procurement, or in emergency circumstances (see also section **3.2 4.2**).

### 4.3. Bribery, Corruption, Canvassing and Collusion

#### Bribery and Corruption

You must comply with the Code of Conduct and the Council's Anti-Fraud **and Corruption Strategy and Framework (see Appendix 1 for link)**. You must not invite or accept any gift or

reward in respect of the award or performance **management** of any contract. It will be for you, the Officer, to prove that anything received was not received corruptly. Gifts and Hospitality must be recorded in the online register **declared (see Appendix 1 for link)**.

### **Canvassing and Collusion**

All Invitations to Tender must include a requirement for ~~tenderers~~ **bidders** to complete fully and sign a 'form of tender' including certificates relating to canvassing and non-collusion. Every contract must contain a clause entitling the Council to cancel the contract and to recover from the ~~contractor~~ **supplier** the amount of any loss resulting from such cancellation if the ~~contractor~~ **supplier** or his representative has practiced collusion in tendering for the contract or any other contract with the Council. See the Counter-Fraud **and Corruption Strategy and Framework**.

### **Conflict of Interest**

All officers with influence or involvement in a procurement should comply with Procurement Legislation and must declare any actual, potential or perceived conflict of interest related to a specific procurement/contract and comply with any mitigating actions agreed. This may include the requirement to complete a Conflict of Interest Assessment at the start of the procurement process that is proportionate to the procurement being undertaken. This must be updated at key points during the procurement, or when new information becomes available. Guidance on the Conflict of Interest Assessment and how to comply can be found in Appendix 1. All Officers must also comply with the Council's Declarations of Interest Policy and any declarations required as part of a specific procurement.

### **4.4. Audit Requirements**

The procurement process must be documented throughout and a record of all material decisions must be kept.

## **5. Council Requirements / Obligations**

### **5.1. Social Value**

The Public Services (Social Value) Act 2012 places an obligation on the Council to consider the economic, social and environmental well-being of our area **County** when we award contracts ~~over Regulatory Thresholds~~. All Officers should review the requirements and procurement strategies prior to carrying out procurement activity to ensure that opportunities for maximising public benefit in relation to the use of Social Value are utilised. The factors to consider include but are not limited to:

~~Our procurement approach covers these areas:~~

- ~~• Economic Sustainability – we aim to purchase goods, works and services which enhance the local economy. We recognise the importance of Small & Medium Enterprises (SME) and Voluntary & Community organisations and Social Enterprises (VCSE) to the local community and ensure every effort is made to make our contract opportunities and tender processes accessible to them~~
- ~~• Social Sustainability - we aim to purchase goods, works and services which promote community well-being, and that supply chain partners operate fair and ethical working practices including compliance with the Modern Slavery Act 2015~~
- ~~• Environmental Sustainability – we aim to purchase goods, works and services which minimise our carbon footprint, encourage a positive impact on the local environment, and have the best value costs and benefits taking into account their whole life cycle from origination to disposal~~

## CONSTITUTION – PART 4 – RULES OF PROCEDURE

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- ~~Equalities & Diversity – we only purchase goods, works and services from suppliers who meet our standards of equality of employment and service delivery, and we ensure that the tender process is free from discrimination or perceived discrimination in accordance with the Council's Equality Scheme~~
- ~~Compact – where we are purchasing from the voluntary and community sector you must comply with the Compact Code of Practice on Funding and Procurement~~

~~Procurement must carry out an assessment of relevant Social Value and record the results in the Procurement Report. Contract Managers should include social value delivery checks in line with the Contract Management Framework.~~

~~All suppliers to the Council are required to comply with all relevant environmental legislation and regulation, and any such superseding legislation. The Council may also introduce from time to time particular local and national policies which support environmental and sustainable procurement and Officers should include these in relevant procurement documentation and procedures.~~

- ~~Requirements and specifications should be designed to enable suppliers to contribute to wider local and national social outcomes, such as local business, skills and employment, community needs, when performing the requirement;~~
- ~~Bidders should be provided with relevant and targeted information in order to enable more effective Social Value commitments;~~
- ~~As part of the tendering process, an assessment of relevant Social Value must be carried out and procurement record the results in the statutory procurement reports and relevant systems as identified;~~
- ~~Appropriate weighting, criteria or other mechanisms should be included in the procurement strategy to secure Social Value; and~~
- ~~Appropriate measures should be included to ensure that Social Value requirements and commitments are monitored, delivered and, where required, reported on during performance of the requirement.~~

~~Contract Managers are responsible for tracking and reporting Social Value delivery in line with the Contract Management Framework and applicable legislation.~~

### **5.2. Environmental Sustainability**

~~The Council is committed to ensuring their operations (including the goods, works and services purchased) are environmentally sustainable and resilient to future climate change, promote a circular economy and protect and enhance the natural environment.~~

~~Officers are required to support the implementation of the Council's environmental priorities and policies through inclusion of considerations into market engagement, specifications, questions and contract management.~~

~~If undertaking a procurement, Officers must ensure that environmental sustainability requirements are included in any procurement and contract management activity, including but not limited to:~~

- ~~Ensuring the minimum agreed award criteria weighting for environmental sustainability is included for relevant contracts;~~

- b. Ensuring all relevant procurements and contracts include the requirement for a supplier Carbon Reduction Plan;
- c. Ensuring specifications and requirements are reviewed in line with current local procedures and objectives, using any relevant systems, and appropriate measures which address environmental impacts; and
- d. Having regard to current related environmental policies and measures adopted by the Council and act to address these in the requirement and procurement activity.

Contract Managers are responsible for tracking and reporting any environmental measures in line with the Contract Management Framework and applicable legislation.

### **5.3. Modern Slavery**

The Council has pledged to tackle modern slavery to support global and national efforts to eradicate slavery and exploitation. This includes a commitment to mitigating risks in our procurement activity and associated supply chains. Officers have a responsibility to have due regard to the risk of modern slavery and unethical labour practices in the supply chains of the goods, services and works that are being procured. Officers should implement appropriate due diligence measures in procurement and contract management activity to ensure that suppliers and their supply chain partners are conducting their business dealings fairly and ethically to mitigate the risk of exploitative practices. This includes, but is not limited to:

- a. Ensuring adherence to Section 54 (transparency in supply chains) of the Modern Slavery Act 2015;
- b. Building modern slavery considerations into specification requirements;
- c. Including modern slavery considerations in conditions of participation and tender stage to assess supplier capability to manage risks; and
- d. Embedding due diligence requirements in contractual terms and conditions.

The Council may also introduce from time to time particular local and national policies which support ethical, environmental and sustainable procurement and support social value priorities, and Officers should include these in relevant procurement documentation and procedures. See Appendix 1.

## **5- 6. Liability and Security**

### **5.4. 6.1. Insurance Liability**

To protect the Council, insurance is required where we use goods, works or services provided by a supplier (including consultancy).

The ~~minimum~~ **standard recommended** levels of cover for Public Liability Insurance, and Employers' Liability Insurance ~~required~~ and Professional Indemnity Insurance are set out below.

- a. Public Liability - £10m
- b. Employers Liability - £5m-~~£10m~~ depending on the contract used
- c. Professional Indemnity - £1m-£5m (undertake a risk assessment and take advice from the Insurance Team)
- d. **Product Liability (as appropriate)**

In some instances where the contract value, risk or scope may be particularly high, additional levels of cover may be required. Equally, where some contracts may be suitable for micro-business lower levels of insurance may be considered. Any variation from the standard levels above must have the agreement of the Insurance team and be noted in the Procurement Report. For further information on what level of insurance is appropriate, see guidance in Appendix 1 and / or for advice contact the relevant officer within the Insurance Team. The agreed level of insurance must be recorded in the contract.

During the procurement, bidders do not need to have the required level of insurance in place, but must confirm that such insurance(s) will be in place for the commencement of the contract, and evidence of this should be seen prior to the contract being agreed.

## 6.2. Supplier Exclusion

Procurement Legislation requires that suppliers are assessed to determine if they are excluded or excludable from the procurement. Refer to guidance in Appendix 1 on how to assess a supplier.

## 5.4 6.3 Financial Security

Procurement and Finance must confirm that suppliers are financially robust through the completion of a financial appraisal, both prior to contract award and during the life of the contract as appropriate. Details of the requirements or potential guarantees a supplier may need to provide must be set out in the procurement documents.

If either the total aggregate value of the contract exceeds £2m within twelve months, or there is doubt as to the financial credibility of a supplier but the Council Service has decided proposed to accept the level of risk, then additional forms of security to a level determined between the Deputy Chief Executive and the Chief Finance Officer are required, for example:

- a. a Parent Company, Ultimate Company or Holding Company guarantee where their financial standing proves acceptable;
- b. a Director's Guarantee or Personal Guarantee where finances prove acceptable;
- c. a Performance Bond, retained funds or cash deposit;
- d. any other security (such as escrow arrangements) as determined by the Section 151 Officer and/or the Monitoring Officer. Deputy Chief Executive and the Chief Finance Officer.

All documents inviting tenders and contracts issued must contain a statement that the supplier needs may be required to provide security for performance and as well as the level of security needed that will be required, any financial checks to that will be applied at to the tender, plus and how financial suitability will be assessed. and In addition, any checks that will be required during the life of the contract should also be set out in the tender documents.

Additional documentation, where required, should be stored on the electronic tendering system.

Documentation relating to financial security, where required, should be stored on the relevant systems.

## 5.4 6.4. Document Retention periods

The retention of tenders and contractual documentation is prescribed in the Limitation Act 1980 and the ~~Public Contract Regulations~~ **Procurement Legislation and must be followed**. In summary:

- a. All received Tenders & ~~SQs~~ **supporting documents** must be retained for a minimum of eighteen months following the issue of the Contract Award Notice;
- b. All signed contracts ~~under £499,999~~ (including all tender documentation) must be retained for a minimum of ~~six~~ **twelve** years following contract expiry;
- ~~c. All sealed contracts over £500,000 (including all tender documentation) must be retained for a minimum of twelve years following contract expiry.~~  
**c. Records that are significant to explain material decisions throughout the procurement must be kept (including communications with suppliers). Appendix 1 provides guidance on how to record and keep appropriate records, including after contract award.**

Procurement must maintain an online record confirming the location of the contract/tender and scheduled date of destruction.

## **5 7. Managing Contracts**

All purchases must be delivered under a form of contract approved by Legal Services and Procurement. ~~(Contracts can take various forms from Frameworks, Spot purchases, call off agreement and purchase orders).~~ The Council manages the process of awarding contracts via its e-tendering and contract management systems, to ensure that contracts are properly filed and documented.

### **6.1 Contract Segmentation and Management**

Heads of Service are responsible for the performance of contracts in their area in line with the ~~contract segmentation model,~~ and all Contract Management **Framework**.

**All Contracts must have a designated Contract Manager named on the relevant systems throughout the life of the contract. Contract Management** activities are to be delivered either by a dedicated Contract Manager or by someone with that responsibility as part of a wider role.

**If the Contract Manager changes, this should be declared to Procurement so that the contract records can be updated.**

~~Procurement is responsible for assessing the level of risk, value and complexity of managing a contract once it has been established (known as 'segmentation') using a consistent model approach with six levels (1 being the higher value, higher risk, most complex and 6 the lowest). Procurement will provide support, training and guidance in line with the segmentation model.~~

**Contracts should be proportionately managed in line with the Contract Management Framework. See Appendix 1.** All identified Level 1 and 2 contracts must have a written business continuity plan, ~~to be held on the contract management system,~~ and a **contract management plan**.

Where contract funding is received by the Council from a third party (for example, an incoming grant), the contract terms must include a provision for dealing with liabilities under the contract should that funding cease to be available.

### **6.1 Contract Award Notices**

A full Contract Award Notice must be published no later than 30 days after the award of a contract for all contracts over the Regulatory Threshold values, excluding call-offs from framework agreements. For all contracts called off from a DPS, the Notice must be published within 30 days of the call off or be grouped together and published on a quarterly basis within 30 days of the end of each quarter.

For contracts above threshold and where commercial sensitivity or personal information is associated with the publication of this information, please contact Procurement for advice.

For all other contracts under Regulatory Thresholds a simplified Contract Award Notice must be published on the Contracts Finder website for all contracts awarded over a value of £25,000 (including all call-off contracts from Framework Agreements) as soon as is reasonably practicable after the conclusion of the contract.

All staff undertaking procurement competitions from Framework Agreements are responsible for the providing the required appropriate information to enable publication of the Contract Award Notice.

### **7.1. Notices required during the life of the Contract**

All contracts must follow publication requirements as set out in the Procurement Legislation, which includes notices relating to contract management during the life of some contracts. See Guidance in Appendix 1.

### **6.2 7.2 Contracts Register**

All contracts over £530,000 (inclusive of VAT), including any variations or amendments, must be registered and maintained in the Electronic appropriate Contract Management System (eCMS) managed by Procurement. The Council is required by law to publish transparency data. about our contracts on a quarterly basis. Data regarding contracts may additionally be maintained in other systems for local use.

All original signed contracts over Regulatory Threshold must have a completed summary contract certificate and be stored in a secure fireproof location.

All contracts over Regulatory Thresholds must have a designated Contract Manager throughout the life of the contract as defined in the Council contract management framework segmentation model.

### **6.1. Contract Modifications and Extensions Now section 2.2**

#### **Extensions**

Contracts that have been originally advertised with extension options can be extended subject to acceptance in accordance with Table 2.7.a. and under Regulation 72 of the Public Contracts Regulations 2015.

Extensions or renewals of an existing Contract which are not included in the original public notice or the contract itself can, in certain circumstances, be made without triggering a requirement for a new Procurement exercise. For contracts with an original estimated value below the Regulatory Threshold the extension can be approved by the Chief Officer in consultation with the Head of Procurement.

For those contracts with an original estimated value over the Regulatory Threshold any extension which is not defined by the original public notice or the contract itself may be approved by the Chief

~~Officer where permitted by law and where best value to the Council has been demonstrated. The Chief Officer must consult with the relevant Lead Cabinet Member, the Head of Procurement and the Deputy Chief Executive.~~

### **Other Modifications**

~~For contracts with an original estimated value over the Regulatory Threshold the agreement of the Head of Procurement (ESCC) and the Deputy Chief Executive is required before any modifications (save for extensions which are dealt with in the proceeding paragraph) are made.~~

~~Any extension or modification must have an approved budget allocation. All amendments must then be recorded in writing, signed appropriately and retained with the original contract on the Contract Management System.~~

~~Procurement guidance is available on the Intranet setting out the circumstances under which contract modifications or extensions are permitted by Regulation 72 in the Public Contract Regulations 2015, or superseding legislation or regulation.~~

### **6.5 7.3 Contract Novation**

Where a contractor sells, merges or transfers their business to another organisation, the existing contract(s) the Council has with that contractor should be novated if this is acceptable to the Council and permitted by law. A Chief Officer may approve the novation of a contract to a new supplier if they are satisfied as to the financial standing and the technical competence of the proposed supplier. The agreement of the Chief Finance Officer and ~~the Deputy Chief Executive~~ is required and if a novation is agreed, then ~~the revised contract will be passed to Procurement Sourcing Solutions~~ **a formal agreement to record the novation must be completed in collaboration with Procurement** who will update the contract register and ensure that the master data is updated on the relevant purchase to pay system.

## **5. Paying our suppliers**

### **7.1 Invoice Payments**

~~The Council aims to move all invoicing to electronic format to make it easier for our suppliers to trade with us and to track the progress of orders and payments.~~

~~Where you are using a supplier registered for electronic invoicing you must follow the rules and guidance issued by Procurement.~~

~~Suppliers must issue all invoices via the route provided by Business Operations. No invoice may be received or processed directly by your Service unless it is agreed as a payment exception by the Head of Procurement, who may agree general exceptions where Service-specific systems are in use. Business Operations are responsible for maintaining a register of all agreed payment exceptions.~~

~~All invoices received in Business Operations must include a Purchase Order number. Invoices without a Purchase Order number will be returned to the supplier.~~

~~Suppliers cannot be paid until you have confirmed that the requirement has been satisfactorily delivered. A Purchase Order must be followed by a Goods Receipt Notice before an invoice can be paid. It is the purchaser's responsibility to ensure all purchases are receipted to the appropriate value and in a timely fashion.~~

### **7.3 Payment Terms**



## CONSTITUTION – PART 4 – RULES OF PROCEDURE

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The standard payment terms are 30 days from the invoice date, with payments made via BACS (electronic bank transfer). If a Supplier has identified themselves as an SME (“small or medium enterprise”), they can be paid on preferential payment terms of 10 working days.

You must obtain the agreement of the Head of Procurement (ESCC) and the Section 151 Officer (or authorised delegates) for any deviation from the standard payment terms. This must be in writing as a Payment Exception.

Where payments are agreed in advance, appropriate review of a supplier’s financial stability and standing and due regard for risk in the event of supplier failure must be undertaken and agreed by the Head of Procurement (ESCC) and the Section 151 Officer.

### **6. Disposing of surplus goods**

Disposal of surplus materials, goods or assets (including recycling of materials that have a scrap value), must have adequate defined processes and controls to ensure that the council receives proper reimbursement, where appropriate and cost effective.

In principle, for assets being sold with a value of:

£0 - £14,999	A minimum of 1 bid is required
£15,000 - £99,999	A minimum of three bids must be invited;
£100,000 and over	A minimum of three sealed bids must be invited

You must seek advice from Procurement when making valuations and the book value of the asset will be primarily used to calculate value. In most cases, it is anticipated that the highest bid received will be accepted.

Where recycling of materials can be progressed to sale or scrap, the council may enter into a profit share arrangement with Contractor. Examples are construction, servicing and repair type contracts, where scrap metals or building materials can be re-sold. The contractor will need robust processes to define how they deal with disposal and council authorisation to sell scrap value materials or goods.

Care must be taken to ensure that environmental sustainability as well as security and other associated issues and obligations (including those from the Data Protection Act and WEEE Regs) are considered and complied with when disposing of goods.