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Huntingdonshire District Council

Procurement Guide

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1 Introduction

This Guidance for Officers supports the practical application of the Council's Contract Procedure Rules (CPRs). The CPRs can be found in Part 4 of the Council's Constitution. If there is any conflict between this document and the CPRs, the CPRs will take precedence. This Guidance will give you practical support in managing the procurement cycle, but you will need to understand the CPRs to fulfil your responsibilities properly. Please note all thresholds referred to in these Rules are inclusive of VAT unless otherwise stated.

If your procurement is valued over £50,000 you must seek support from the Procurement Team before starting the procurement. If your procurement is valued below £50,000, please use this Guide, the flowcharts, and the template documents to manage your own process.

The higher the value of your procurement, the lengthier and more complicated the process will be. This Guidance covers all values of procurement as do the CPRs.

1.1 Definitions

Award Report	The document required for all contract awards valued over £50,000 which must be approved by the relevant Director before the contract can be awarded or standstill started.
Contract	The formal document that sets out the obligations of both parties in relation to the delivery of the requirement. It should always be signed by both parties before any delivery of the requirement begins.
Contract Management	The activities involved in actively managing a contract with a supplier. This will normally involve contract administration, performance management and building relationships with the supplier.
Contract Manager	The officer named in the Contract Register as being responsible for a particular contract. The officer responsible for the publication of the relevant contract management notices (post award).
Contract Procedure Rules (CPRs)	The part of the constitution that governs the way in which the procurement cycle must be managed.
Contract Register	The database on Technology One used to capture the details of all contracts the Council holds valued above £5,000.00
CLT	The Council's Corporate Leadership Team
Delegated Authorities Matrix	The table in the CPRs that shows authorisation levels relating to the procurement cycle. A copy of the matrix is included at the end of this guide.

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Dynamic Market	Is a list of pre-selected suppliers, compliantly procured, which may be used to run a further competition for a requirement. Dynamic Markets cannot be used to do a direct award.
E Procurement System	This is the Council's electronic tendering system. Also referred to as In-Tend.
Evaluation	The process of assessing the quotes/tenders received in response to a procurement exercise to determine who is the winning bidder. This is normally the bidder with the highest evaluation score.
Find a Tender Service	The procurement platform, managed by central government, on which all procurement and contract management notices must be published.
Framework	Is an arrangement already procured by the Council or another public body and which the Council can use to run its own procurements.
Key Performance Indicator	A measurable indicator used to evaluate whether agreed objectives or outcomes are being achieved.
Local Supplier	A supplier whose business address is located with a 'PE' postcode.
Market Engagement	Pre-procurement engagement undertaken to develop requirements, understand the market, and inform the design of a procurement.
Notices	The Procurement Act (2023) requires the publication of various notices during procurement and contract management. The details of these notices and who is responsible for publishing them is contained within the body of this Guidance.
Procurement	The act of buying goods, services or works on behalf of the Council and then managing the ensuing contract.
Procurement Board	This officer Board provides oversight and assurance across HDC's procurement activity where the total contract value exceeds £50k. The Board ensures the process is well governed and is undertaken effectively, efficiently, and in a compliant, fair, and transparent manner in line with the councils Corporate Plan and public procurement regulations. Procurement Board Terms of Reference .
Procurement Team	This is the team at the Council responsible for supporting all procurement activity valued over £50,000. This includes support in planning the procurement.
Procurement Lead	The officer from the Procurement Team allocated to the procurement project.
Procurement Plan	The document required for all procurements valued over £50,000 which must be approved by the relevant Director before the procurement can be published.
Quality	The assessment of how well a tender meets stated requirements.
Quote	This is the offer made by a supplier to fulfil the requirements of a Specification and procurement process.

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RFQ	Request for Quotation
Responsible Officer	The nominated lead from the service area who will be responsible for ensuring the procurement is delivered effectively and compliantly.
Social Value	This is the additional social, economic and environmental benefit generated through a procurement or contract that contributes to the Council's strategic objectives and community wellbeing.
Specification	This is the document that describes what you are procuring and how you are going to manage the delivery of the contract.
Technology One	The Council's Finance and Contract Management platform.
Tender	This is the offer made by a supplier to fulfil the requirements of a Specification and procurement process.
TUPE	This is the legal process by which employees of an existing provider may be transferred to a new provider as a result of a procurement process. This process is managed by the providers themselves but there is a requirement to provide TUPE information (a template is available) as part of the procurement exercise.
UK Procurement Thresholds	The thresholds above which the full weight of the Procurement Act (2023) comes into force. The thresholds are detailed at the end of this guide and in the CPRs.
Value for Money	The most appropriate balance of cost and quality.
VAT	Value Added Tax. All thresholds/values referred to in this guidance and the Rules are inclusive of VAT unless otherwise stated
Waiver/Exception	Approved permission to depart from the CPRs in justified circumstances.
Weighting	The percentage importance assigned to an evaluation criterion when assessing tenders.
Whole Life Costs	The total costs of acquiring, operating, maintaining and disposing of goods, services or works throughout their lifespan.

1.2 The Procurement Cycle

The procurement cycle encompasses all elements of the commercial arrangements we have with our suppliers. The cycle will normally involve the following key stages:

- Identifying requirements/commissioning
- Premarket engagement
- Planning the procurement process
- Carrying out the procurement process
- Awarding the contract
- Contract management and performance monitoring
- Contract review

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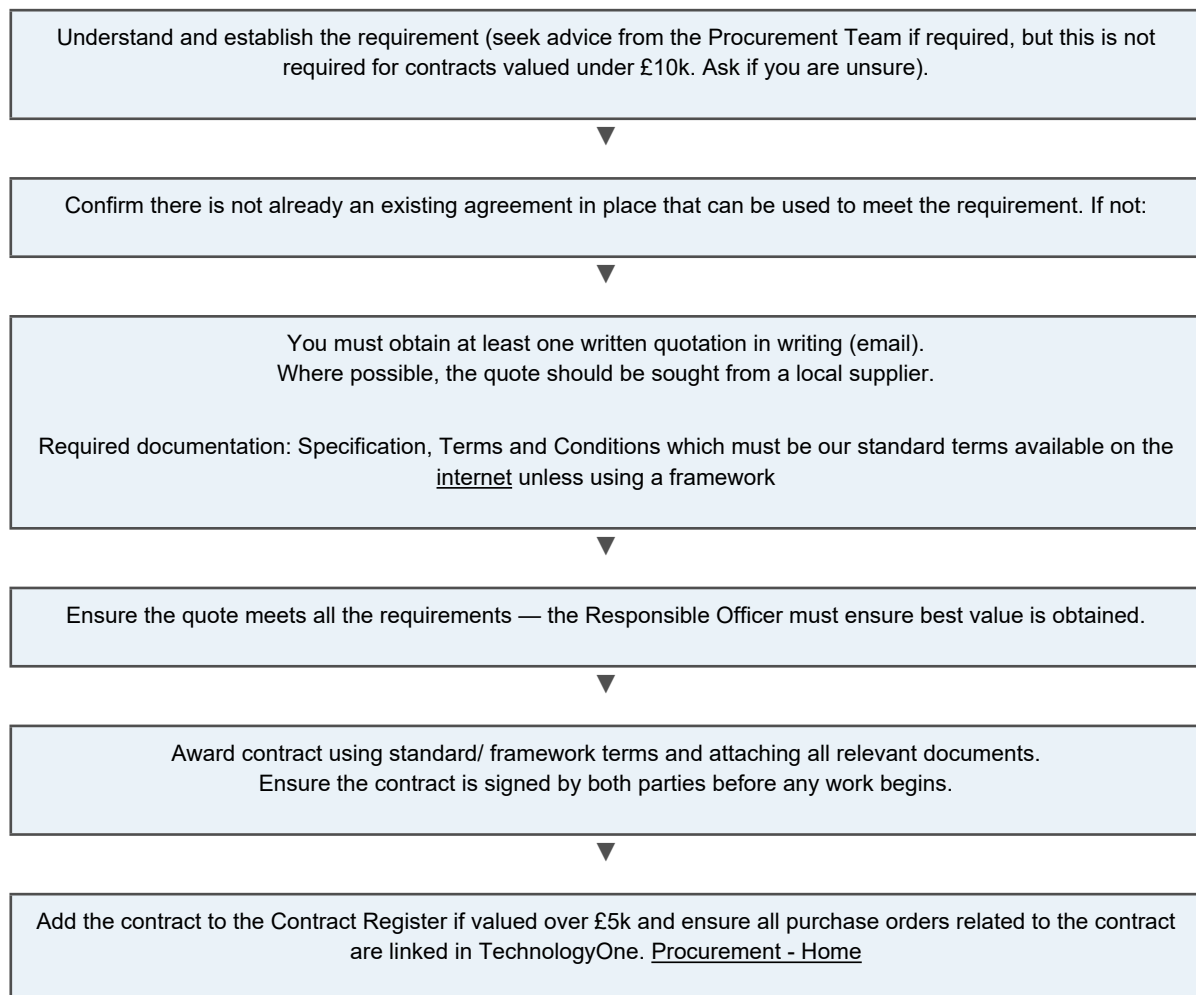
2 Flowcharts

The flowcharts below detail the required process for each threshold of spend taking you through the procurement cycle to the point of contract award. Contract management basic requirements are covered in this document, but more detailed advice is available in the Contract Management Guidance which is available to officers on the [intranet](#).

Following these flowcharts will ensure your compliance with the CPRs and enable you to manage the procurement cycle effectively.

Flow Chart A

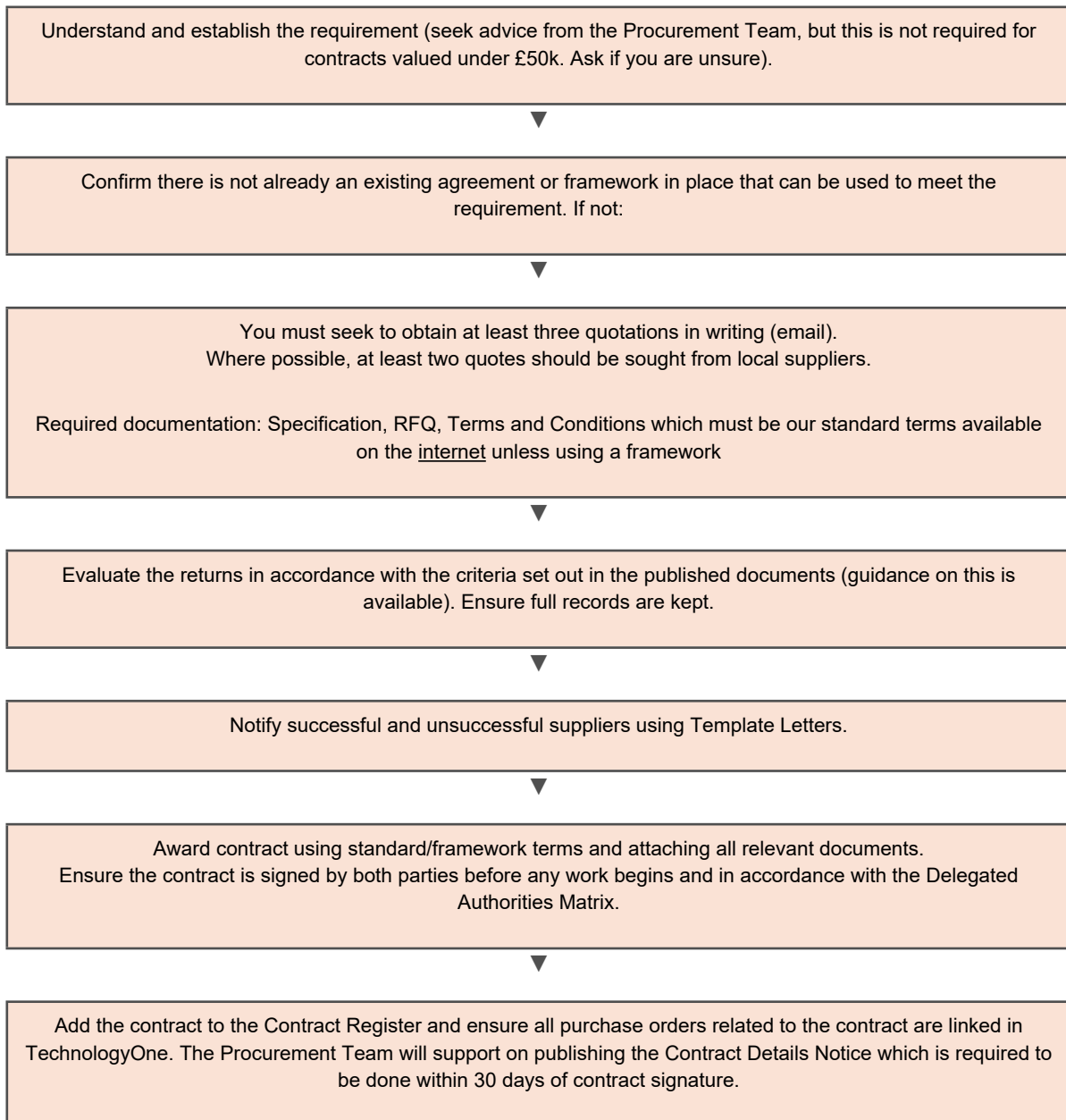
Procurement process for Goods, Services and Works with a value below £10,000



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Flow Chart B

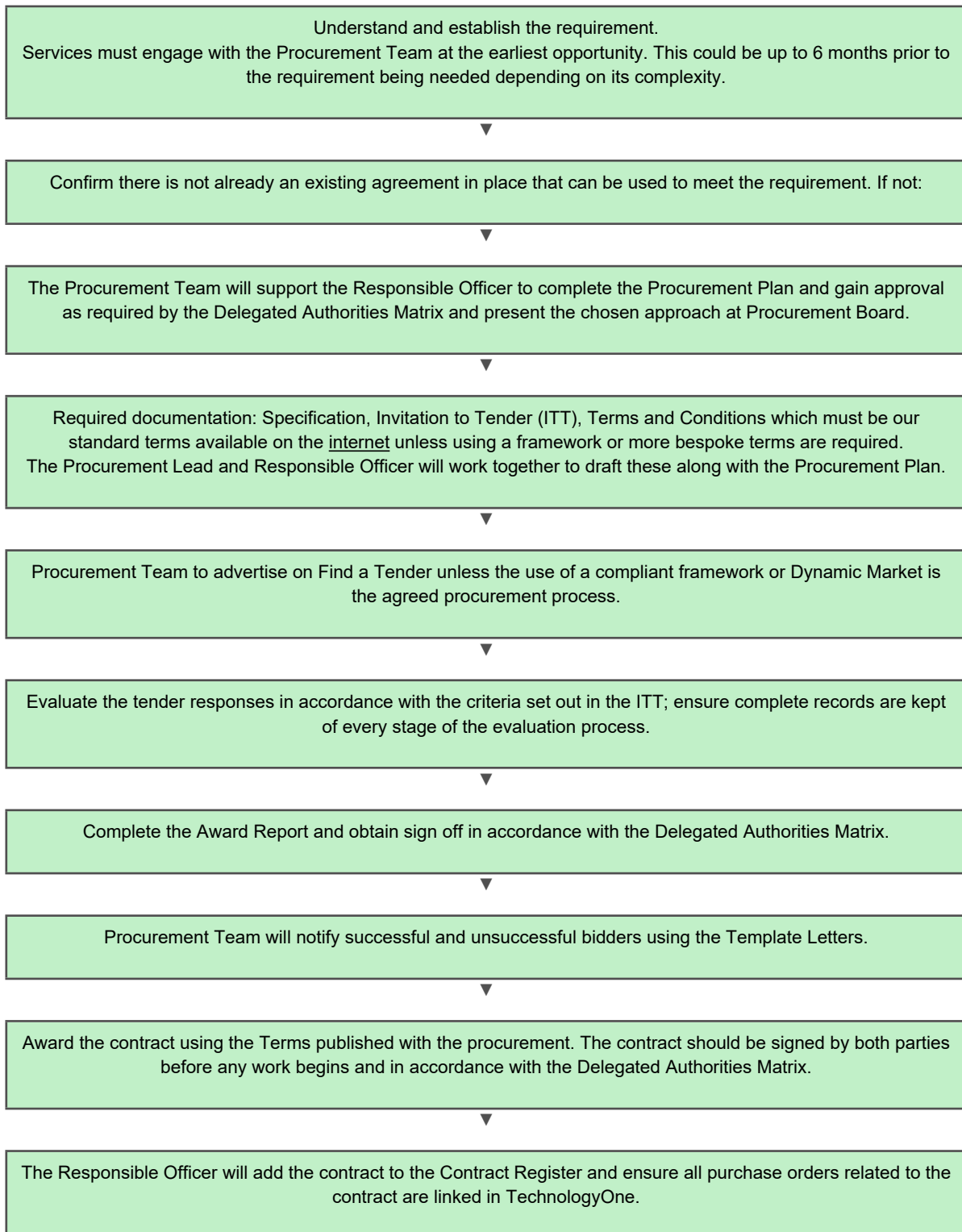
Procurement process for Goods, Services and Works with a value between £10,000 - £49,999.



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Flow Chart C

Procurement process for goods, services and works with a value over £50,000.



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3 Preparing for Procurement

3.1 Identifying the Requirement

3.1.1 Identifying what you want to achieve and how you will measure the successful delivery of the contract is key and should be thought about at the earliest possible stage. You will describe this in your Specification which can be as simple or as complicated as required to set out your requirement.

3.1.2 You should always consider the impact of:

- Budget and other financial constraints, such as grant conditions, savings targets, etc.
- The Council's Policy Documents including:
 - [Corporate Plan](#)
 - [Community Health & Wealth Building Strategy](#)
 - [Climate Strategy](#)
- Equalities
- Social Value including social, economic and environmental benefit (Social Value Policy in progress)
- Local Government Reorganisation (LGR)
- Modern slavery
- Data protection (GDPR)
- TUPE
- Health and safety

3.1.3 You may also want to review any existing Specifications or service models to see if they meet the requirements of your new procurement.

3.1.4 Obtaining information from customers/users can be extremely useful in helping to shape your requirement but it's important to understand the difference between their wants and their needs.

3.2 Understanding the Market

3.2.1 Understanding what potential suppliers can deliver is important when you are developing your Specification, and you can do this by consulting and researching the market.

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3.2.2 The Procurement Act (2023) encourages market engagement in procurements which are above UK Procurement Thresholds, but it can be used for any procurement.

3.2.3 Market engagement can be used for the purposes of:

- Developing your requirements and approach to the procurement
- Designing a process and evaluation criteria
- Preparing the requirement notices and procurement documents
- Identifying likely contract terms
- Building capacity and / or capability among suppliers in relation to the contract being awarded
- Planning your procurement process effectively

3.2.4 Market engagement must not create inequalities, distort competition, or cause a lack of transparency so please bear in mind the following:

- That all suppliers engaged understand that you will be carrying out a competitive procurement in due course and that this engagement is to help with your procurement planning.
- That all suppliers are given the same information and where the value of the procurement is above the relevant UK Procurement Threshold, that a Preliminary Market Engagement Notice is published on the Find a Tender Service via the Council's e procurement system. The Procurement Team will support on this.
- Do not let suppliers steer the Council towards their specific solution.
- Do not promise suppliers they will get the work or have any advantage over any other potential supplier.
- Do behave ethically and do not accept anything that could be considered an inducement/bribe. The Council has an [Anti-Fraud and Corruption Strategy](#), do have a look at it if you are in any doubt.
- Ensure there is a record of the market engagement undertaken, and the outputs. It is best practice to share these outputs with bidders to promote transparency and equal treatment, whilst taking care not to share commercially sensitive information.

3.2.5 It's important to be aware of the time it will take for a supplier to support such market engagement activities. For larger procurements, they may be able to afford the time, for smaller procurements perhaps not. So, think about what alternatives you might have to market engagement, such as speaking to other

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Councils, or think about ways to minimise the time suppliers need to spend in engaging.

- 3.2.6 You can seek or accept advice from independent experts and/or from the market in general terms about the nature, level and standard of the market. You must not, however, seek or accept technical advice on the preparation of a procurement from anyone who might have a commercial interest in the outcome of the process where this might prejudice the equal treatment of all potential bidders, breach transparency or distort competition. Such involvement may preclude those suppliers from being involved in the ensuing procurement process.
- 3.2.7 Collaboration with other public bodies may benefit the Council. If another public body is leading a joint procurement, it is the rules of that body that will apply but you will need to ensure that those rules meet the requirements of the Procurement Act (2023).

3.3 Ensuring Value for Money is Achieved

- 3.3.1 The Council has an obligation to ensure that its procurements achieve value for money. There are some hints and tips for achieving value for money below:
- Ensure you understand what you need and what are 'nice to haves' which aren't essential. It's important not to simply re-use an existing Specification, needs change, technology develops and budgets change – what was right for the past is not the best guide for the future.
 - Think about what the market can offer you. Is there a way of achieving what you need in a different way that may be more cost efficient or effective?
 - Have you begun to think about appropriate performance mechanisms to ensure you get what you are paying for? These might also include continuous improvement clauses.
- 3.3.2 There is more advice on Specifications below, but it is important to ensure that you haven't over-designed your requirement or any minimum standards. Doing so may rule out suppliers, lessen the competitiveness of your process and may also lead to increased costs.

3.4 Conflicts of Interest Assessments

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- 3.4.1 The Procurement Act (2023) requires conflicts of interest assessments to be undertaken at the start of any procurement activity and for those assessments to cover both actual conflicts and potential conflicts of interest.
- 3.4.2 A template for this assessment is provided by the Procurement Team on the intranet. The initial assessment should be undertaken at this stage and then updated at each stage of the procurement and through the contract management phase
- 3.4.3 Please note that key information from this assessment must be included in Public Notices during the procurement.

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4 Procurement Planning

4.1 The Contract Value

4.1.1 You need to calculate an accurate contract value to determine the procurement process to follow. The CPRs and the Procurement Act (2023) both rely on the accurate valuation of contracts.

4.1.2 The thresholds and therefore your valuation must **INCLUDE VAT**.

4.1.3 The contract value is calculated by multiplying the annual value by the term of the contract, including all potential extension periods. For example:

- The annual value is £40,000.
- One off implementation cost: £20,000
- Initial term: 3 years
- Extension options (total): 3 years
- Total contract value = £40,000 x 6 + £20,000 = **£260,000**

4.1.4 It is important that you don't minimise your estimates or split your requirement into smaller parts to avoid elements of the CPRs. Likewise, if you buy similar items regularly throughout the year(s), your total combined spend on those items will be your contract value.

4.1.5 You should also ensure that you have considered the whole life costs when calculating your contract value. This will ensure that you have a true picture of the costs you will incur so that you can judge whether the requirement is affordable. Some examples of whole life costs are:

- Installation or set up costs.
- Training
- Consumables
- Energy costs
- Replacement parts
- Maintenance
- Disposal/removal

4.1.6 Where you do not know the value of your procurement or it can't be calculated accurately, your procurement must be treated as though it is above the relevant UK Procurement Threshold.

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4.2 Risk Assessment

- 4.2.1 All procurements valued over £50,000 will need a continuously reviewed and updated risk assessment. This will need to be established during the procurement planning phase and kept updated until the contract is terminated. The Responsible Officer will need to establish the risk assessment and keep it updated during the procurement phase and then pass it on to the Contract Manager so that it can be updated through the contract management phase.
- 4.2.2 For each risk you should establish the likelihood of it happening, the impact of it happening and any mitigations that can be put in place.
- 4.2.3 Maintaining a robust risk assessment is particularly important under the Procurement Act 2023. Where a risk identified in the tender notice (or transparency notice) subsequently materialises, the Act may permit a contract modification without re-procurement, provided the statutory conditions for modification are met.
- 4.2.4 Some example procurement risks are provided below but this list is not exhaustive.
- Not enough time to complete the procurement
 - Insufficient resources to complete the procurement.
 - Lack of a competitive market
 - Supplier stability
 - Poor performance
 - Market inflation

4.3 Procurement Timetable

- 4.3.1 Developing a robust procurement timetable at an early stage will help to ensure that your procurement stays on track. Think carefully about the time you will need for each stage and remember to build in the Council's governance requirements.
- 4.3.2 It's also important to consider suppliers when developing your timetable. How long might they need to respond to market engagement, to submit a tender etc?
- 4.3.3 Some typical stages are summarised below, but the timing is just an example.

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Drafting the procurement documentation, including the specification. Instructing legal support at this stage so they can draft the Contract for you	Up to 8 weeks
Authorisation of the procurement	3 to 4 weeks depending on the authorisations needed
Publishing the tender to market	No less than 4 weeks
Evaluating bids received	Up to 6 weeks depending on the number of bids received and the complexity of the evaluation process
Award process	2 to 4 weeks depending on the authorisations needed and whether a standstill period is required

4.4 Specification

4.4.1 Specifications fulfil 2 purposes; they communicate your requirements to the market and give you areas to measure performance against.

4.4.2 There are 3 different types of specification:

- Input Specification: describes the technical standards which need to be met and the different elements you expect the supplier to 'input' into their delivery of the requirement. It is most useful when the solution is known and no innovation or deviation is required. Be aware, though, if you have missed an input or require something different during the contract term, you are likely to have to pay more as it will sit outside the original specification.
- Outcome Specification: describes the outcomes that need to be achieved, not the means of achieving them. This allows the supplier to fulfil the contract in the best way for them and might deliver better value for money. However, you are likely to get very different bids which may make evaluation more difficult.
- Output specification: describe the function that needs to be performed and the outcomes required. This is a balance of an input and an outcome specification and is most often used.

4.4.3 Whilst you may wish to review the specification of the existing contract (if there is one), it is important that you don't just simply use it again. Remember you need to work hard to achieve value for money, reviewing specifications and ensuring that you are only asking for what you need. You don't want to build into the new contract mistakes from the previous one. You also want to explore partnership opportunities with other councils.

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4.4.4 Please find below some hints and tips for developing your specification:

- Always use plain English and explain any acronyms.
- Be clear about the level of service or technical standards required.
- Ensure that all your performance requirements are capable of being measured.
- Ensure that any supporting documents needed to support your specification are available and clear.
- Be clear about what is essential and what is desirable, remember you may only be able to afford what is essential.
- Never assume that the Suppliers will know what you mean, be as clear as possible so that everyone would understand the requirement detailed.
- Never specify requirements that discriminate unfairly between suppliers, or which could be judged as being anti-competitive. The use of brand names or standards should never be used without the words 'or equivalent' and where possible the requirements should be described rather than using brand names or standards.
- If your procurement is below the relevant UK Procurement Threshold, you have a duty to consider the barriers that might be faced by SMEs and do what you can to reduce or remove those barriers. This is particularly important in relation to the specification.

4.5 Evaluation Methodology and Criteria

4.5.1 The evaluation process must be fully explained in your procurement documents, including detail on weightings and clarity around any pass/fail criteria.

4.5.2 Conditions of participation (previously known as selection criteria) can only be used as a separate stage in procurements valued above the relevant UK Procurement Threshold, or for works procurements valued over the Goods/Services threshold. When they are used, they must be proportionate and a way of ensuring that suppliers have the legal and financial capacity and technical ability to perform the contract. They look backwards at a supplier's experience and history.

4.5.3 For procurements valued over the relevant UK Procurement Threshold, a supplier's core information (economic and financial standing, exclusion grounds etc) will be held on the government's Find a Tender Service and will need to be accessed from there via the Council's e-procurement system.

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- 4.5.4 Award criteria must be forward looking and allow you to determine how a supplier will deliver your contract. Usually, the criteria are a balance of cost and quality. If using price only criteria, they could be accompanied by a range of pass/fail quality questions.
- 4.5.5 Each scored quality question will need to be allocated a weighting depending on its importance and there should be a clear link between the specification and the quality questions asked. For example, if you have a quality question relating to Contract Management, you must have set out a baseline expectation of contract management within the Specification. It may be possible to create pass/fail quality questions although you will need to be clear when a bid may be rejected. It may also be possible to set a quality threshold under which bids may be excluded, again clarity is important. Advice should be sought from the Procurement Team should either pass/fail or thresholds be set.
- 4.5.6 You must ask for a price clearly and consistently, with breakdowns of total costs to be provided, so that bids can be easily compared.

4.6 Terms and Conditions

- 4.6.1 A document clearly stating the terms and conditions that will be utilised for the contract should be issued with the procurement. Advice on terms and conditions/contract is available from 3C Legal Services. You should ensure that the contract document meets the requirements of contract delivery including effective performance management and adequate allowance for modifications in line with the Procurement Act (2023).
- 4.6.2 Where your procurement is valued below the UK Procurement Threshold for goods/services and it is of a standard nature, the Councils template terms and conditions must be used. These are available on the internet.
- 4.6.3 Every contract entered into by the Council shall contain provisions appropriate to the nature, value and risk of the arrangement and, as a minimum, shall address:
 - a. The goods, services or works to be provided;
 - b. The contract term and any extension provisions;
 - c. Pricing and payment arrangements;
 - d. Performance standards and, where appropriate, key performance indicators (KPIs);

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- e. Contract management, monitoring and escalation arrangements;
- f. Procedures for variations and modifications; and
- g. Termination rights and exit arrangements.

4.7 Other Procurement Documents

- 4.7.1 It is usual to provide bidders with an instruction document. For procurements valued under £50,000, the Request for Quotation Template should be used. Where the requirement is above £50,000, the Procurement Team will work with the Responsible Officer to produce the full set of tender documents that will vary depending on the nature of the procurement.

4.8 Social Value

- 4.8.1 Social value is the wider financial and non-financial impacts that procurements may have in addition to the core delivery of the contract. This may include the wellbeing of individuals and communities, social capital and the environment.
- 4.8.2 The Council has a duty to have regard to social value evaluation criteria for procurements valued over the relevant UK Procurement Threshold. In practice, the inclusion of such criteria is considered where the value of the procurement is over £100,000 and a minimum of 10% is typically applied.
- 4.8.3 For example, a procurement over £100,000 might include a weighting of 50% quality and 50% price. If a social value weighting is also included, this falls within the 50% quality weighting, and the weighting applied to the social value question/s should equate to 20% resulting in the equivalent of a 10% social value evaluation criteria.
- 4.8.4 Refer to the Procurement Outcomes - the Social Value Policy for more guidance (currently in progress)

4.9 Environmentally Sustainable Procurement

- 4.9.1 Environmental benefits are a subset of the Social Value described above.
- 4.9.2 At the Full Council meeting on 22nd February 2023, Councillors agreed the formal recognition of a climate crisis and ecological emergency in Huntingdonshire. Council also adopted a Climate Strategy that sets out priorities and actions.

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4.9.3 When undertaking a procurement exercise, officers should consider how the procurement can support the Council's Climate Strategy.

Procurement activity should seek to:

- Reduce greenhouse gas emissions
- Support energy efficiency and renewable energy adoption
- Reduce waste and increase reuse and recycling
- Minimise transport-related emissions
- Protect and enhance biodiversity
- Improve climate resilience
- Encourage innovation and low-carbon solutions

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5 The Procurement Process

5.1 Advertising

5.1.1 If your procurement is valued over £50,000 but below the relevant UK Procurement Threshold, a Below Threshold Tender Notice must be published on the Find a Tender Service via the Council's e-procurement system unless you are using an existing framework. The Procurement Team will support on this.

5.1.2 Where your procurement is valued over the relevant UK Procurement Threshold, the Procurement Team will provide advice on what Notices are required to be published. Please therefore contact them before taking any action on an above threshold procurement, including market engagement.

5.2 The Flowcharts

5.2.1 Section 2 provides you with 3 flowcharts covering the main thresholds set out in the CPRs. They take you through, step by step, the process that you must follow depending on the value of your requirement.

5.2.2 If your procurement is valued below £50,000, you are responsible for managing your own process and need to follow the guidance contained here and elsewhere and use the Request for Quotation Template document. For clarity, you can only run a one stage (open) process – there can be no prequalification of bidders.

5.2.3 If your procurement is valued over £50,000 you will be supported by the Procurement Team to run a procurement that is compliant with the Procurement Act (2023). This may be a one stage (open) procedure or a Competitive Flexible Procedure that could include numerous stages where the value permits.

5.3 Clarifications

5.3.1 Bidders may ask clarification questions during the time defined in the instructions for the procurement. If a bidder considers the question to be confidential then they must state that when asking the question. Otherwise, an anonymised version of the question and response should be provided to all interested bidders. Please seek advice from the Procurement Team if you are unsure of how to validate any claim of confidentiality.

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5.3.2 Information you provide in response to a clarification should not materially change the nature or scope of the requirement.

5.3.3 Below are some hints and tips on clarification questions:

- Clarifications should be responded to as quickly as possible.
- You should state a deadline for receipt of clarifications in your procurement documents so that you are able to manage the clarification process effectively.
- A record must be kept of all clarification questions asked, who by, the responses sent and whether responses were sent to all bidders or just the bidder in question.
- Clarifications must be raised in writing and where the procurement is being managed via the e-procurement system, using that system.
- Do not agree to meet individual bidders during the tender response period unless site visits are explicitly stated to be allowed and set up in accordance with the rules of the site visit contained within the procurement documents.

5.4 Evaluation

5.4.1 The evaluation must be carried out in accordance with the criteria and process that you set out in your procurement documents. There can be no deviation from the process or amendment of criteria once the procurement is live to the market. Remember to update your conflicts of interest assessment at this stage as necessary.

5.4.2 Normally, the tenders received should be evaluated by at least 3 evaluators. Evaluators should score separately and then come together as a Panel to moderate and agree a final score and comments.

5.4.3 A complete record of both the individual evaluations and the moderation meeting should be kept on file.

5.4.4 If there are areas of the bids that you feel need further clarification, please seek advice from the Procurement Team before seeking that clarification. There are limits on what can be asked by way of further information once the deadline for quote/tender returns has passed.

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- 5.4.5 Normally the bidder with the highest score will be awarded the contract. If for some reason the outcome of the process suggests this will not be the case, please contact the Procurement Team before taking any further action.
- 5.4.6 If you consider one (or more) of the prices submitted to be abnormally low, to the extent that you think the requirements of the contract may not be able to be fulfilled for the price submitted, you should seek advice from the Procurement Team. Usually, the Council will be required to inform the supplier that their price is abnormally low, and they should be given a reasonable opportunity to demonstrate that they will be able to perform the contract. If that information does not satisfy the Council, the tender may be excluded but advice should be sought from the Procurement Team/3C Legal Services before doing so.
- 5.4.7 Full guidance on evaluation is available on the Procurement intranet page.

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6 Frameworks and Dynamic Markets

- 6.1 A framework is a contract between the Council or another public body and one or more suppliers that provides for the future award of contracts. A Dynamic Market is a list of qualified suppliers who have met the conditions of the market and so are eligible to participate in future procurements.
- 6.2 Frameworks and Dynamic Markets may be set up by the Council or by other public bodies for our use, for example ESPO or Government Commercial Agency (GCA).
- 6.3 A contract of any value can be procured using a framework agreement and, providing that the Council is eligible to use the framework and the rules of the framework are followed, the procurement will be compliant. Please remember that if your procurement is valued over £50,000, you will still need to contact the Procurement Team for support on your procurement.
- 6.4 If you are thinking about making a Direct Award via a framework, of any value, you will need to seek the approval of the Procurement Manager before doing so. This is because the Council can usually gain better value by running a further competition.
- 6.5 Dynamic Markets can only be used for contracts valued over the relevant UK Procurement Threshold and so the Procurement Team should always be contacted for advice before you consider using a Dynamic Market. Please note that Direct Awards are never available via a Dynamic Market or G-Cloud which is a GCA framework for cloud-based IT.
- 6.6 Please think about the following areas before using a framework or Dynamic Market:
- If the framework or Dynamic Market is owned by another public body, you will need to ensure that the Council is named as being able to use it before progressing.
 - Please read the guidance documents for the framework/Dynamic Market carefully to ensure that it is suitable for your requirements.
 - The guidance documents will detail how the framework or Dynamic Market can be used, sometimes even detailing what award criteria must be used, so again it's important to understand this information before progressing.

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- The option to Direct Award via a framework may mean this only applies to the top ranked supplier. If unsure, you can clarify this with the framework owner.
- Note the expiry date of the arrangement, can you complete your procurement before the expiry date? Are there any rules about how long call off contracts can run beyond the expiry of the actual framework or Dynamic Market?

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7 Contract Award

7.1 Award Reports

- 7.1.1 For procurements valued over £50,000 once the winning bidder has been identified, an award report must be prepared to be signed off by the appropriate Director (as identified by the Delegated Authorities Matrix in the CPRs).
- 7.1.2 Once the award is approved, notification letters can be sent to the successful and unsuccessful bidders. Template notification letters are available on the intranet and should always be used.

7.2 Supplier Feedback and Notices

- 7.2.1 Where the value of the contract is between £30,000 and £50,000, the Responsible Officer is responsible for publishing a Contract Details Notice within 30 days of the contract being entered into. Support on this is available from the Procurement Team.
- 7.2.2 Where the procurement is valued over the relevant UK Procurement Threshold, assessment summaries must be completed for all bidders. For unsuccessful bidders, summaries will contain information about the evaluation of their own tender and that of the winning bidder. For successful bidders, they will contain feedback on the evaluation of their own tender. These will be prepared by the Procurement Team using the notes and scores from the moderation meeting. It is recommended that feedback is provided for tenders below the relevant UK Procurement Threshold and a voluntary standstill may be applied here.
- 7.2.3 Where the procurement is valued over the relevant UK Procurement Threshold, these assessment summaries will be sent to all bidders and then a Contract Award Notice must be published. This notice starts the mandatory 8 working day standstill period which must be observed before the contract can be awarded. The standstill period is designed to allow unsuccessful bidders to ask for further feedback or to challenge the award decision. Any communication of this sort must be shared with the Procurement Team who will advise what action should be taken.

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7.2.4 Once the award decision has been made, the Responsible Officer must seek relevant due diligence information from the successful bidder(s). This information will need to be kept on record and updated throughout the term of the contract. This information may include but is not limited to:

- Insurance certificates
- Financial accounts or other financial statements.
- Accreditations
- Supplier policies, such as health and safety or equalities
- Licences, certificates or registrations
- DBS clearance checks

7.2.5 Once standstill has been completed, a Contract Details Notice must be published confirming details of the contract award.

7.3 Contract Formation

7.3.1 The terms and conditions that were used in the procurement will be the basis of the contract; these will be brought together with other documents from the procurement as the final contract. The key components of the final contract are:

- Specification
- All the winning bidders' responses to quality questions
- Any clarifications raised/answered that are deemed to be materially important in relation to the delivery of the contract
- Terms and Conditions of the contract (see 4.6.3)
- Performance measures and KPIs
- Payment schedule including service credits and/or other incentives
- Any bonds or parent company guarantees if required

7.3.2 Contracts should be signed by both parties (and sealed where appropriate) before delivery of the contract begins. It is preferable to use DocuSign as this makes the signing process easier for both the supplier and the Council.

7.4 Contract Register

7.4.1 All contracts valued over £5,000 (excluding VAT) must be entered on to the Council's Contract Register (this is a requirement of the Local Government Transparency Code 2015). The Responsible Officer must ensure that this is done as soon as practical after the contract is awarded.

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- 7.4.2 When you come to raise a requisition, you will be asked to select the relevant contract to align the requisition against. Your requisition may be rejected if this is not done correctly.
- 7.4.3 If your contract is valued over £50,000 you must send a signed copy of the contract to the Procurement Team as soon as possible to ensure compliance with the CPRs.

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8 Contract Management

- 8.1 The Contract Manager is the person named on the Contract Register as responsible for the contract. The Contract Manager is responsible for proactively managing the contract throughout its term, including ensuring that the supplier fulfils their duties and performs at the levels required.
- 8.2 All contracts are required to have measurements for performance and escalation that are proportionate to the size and nature of the contract.
- 8.3 The Contract Manager is also responsible for updating the Contract Register as necessary including with the name of a new Contract Manager should that be required.
- 8.4 The Contract Management Guidance, available on the intranet, provides detailed and practical contract management advice. The information here is restricted to the minimum requirements that a Contract Manager is expected to fulfil.
- 8.5 If your contract includes any kind of uplift clause and that uplift clause is used, you should ensure that you update the value of the contract in the Contract Register.
- 8.6 You are limited in the modifications that you can make to contracts valued over the relevant UK Procurement Threshold or when your intended contract modification might take the contract above that threshold. If you wish to make a modification in these circumstances, please seek the advice of the Procurement Team before doing so.
- 8.7 Contract management, where the contract is valued over the relevant UK Procurement Threshold, is regulated by the Procurement Act (2023). The Contract Manager is responsible for ensuring that these requirements are complied with. A summary of the requirements is provided below, but Contract Managers are expected to familiarise themselves with the relevant sections of the Act and to seek further advice from the Procurement Team if they are unsure on the action they must take.
- 8.8 Contract Managers are responsible for publishing the following notices:
- If the contract is valued over £5m, a redacted copy of the contract must be published within 90 days of the contract being entered into. This document should be added to the Contract Details Notice already

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published, as detailed above. In addition, the Contract Manager must publish the details of at least 3 KPIs they are using to manage the contract. If KPIs are not a suitable means of managing the performance of the contract, further advice should be sought from the Procurement Team.

- Should the Contract Manager wish to make a contract modification that increases or decreases the contract value by more than 10% for good/services contracts or 15% for works contracts, they must publish a Contract Change Notice detailing the change being proposed. This must be published before the change takes place. If the contract is valued over £5m, a copy of the redacted modified contract must be published.
- Where the contract is valued over £5m, at least annually, the Contract Manager must publish a Contract Performance Notice detailing the supplier's performance against the KPIs published at the start of the contract.
- A Contract Termination notice must be published at either the end of the contract's term or in the case of early termination.

8.9 Contract Extensions

8.9.1 Contracts can only be extended where the contract contains express permission to do so. The original procurement should have stated clearly in the tender documents the term of the initial contract and details of any optional extension periods and how they can be entered.

8.9.2 The use of an extension may be a good opportunity to consider whether more value can be gained from the contract either through improved performance or lower costs.

8.9.3 Before taking up an extension option, the Contract Manager should consider the following:

- If there is provision for the extension in the original contract;
- Whether or not there is budgetary provision for the extension;
- Whether value for money can clearly be demonstrated; and
- If the value of the extension is above £200,000 the decision to take the extension must be presented to the Procurement Board for endorsement

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- 8.9.4 Discussions about extending a contract should begin early enough (at least 6 months before or longer on complex contracts) that should an extension not be possible; a procurement can be completed before the end of the initial term. The contract should stipulate when notice must be given that you want to extend, this will need to be complied with.
- 8.9.5 The contract will need to be updated in the Contract Register by the Contract Manager, including the new end date and the new contract value.
- 8.9.6 Contracts that are not delivering value for money, are performing badly or are no longer required/linked to the Council's priorities should never be extended.
- 8.9.7 You are in breach of the CPRs and the Procurement Act (2023) if you continue to operate a contract which has legally expired.

8.10 Early Termination

- 8.10.1 If you are considering ending a contract before its expiry date, you must seek advice from 3C Legal Services before taking any action. The contract must allow for early termination but be aware of any penalties for doing so.
- 8.10.2 If you are ending the contract early because of poor performance, and the contract is valued over the relevant UK Procurement Threshold, you have additional responsibilities to report the poor performance in the Contract Termination Notice. Again, legal advice should be sought before any action is taken.
- 8.10.3 Your contract should contain clauses covering the action to be taken by both parties on early termination including final payment, TUPE, handover/transition arrangements.

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9 Waivers and Emergencies

- 9.1 The CPRs allow Responsible Officers to apply for waivers in specific circumstances, these circumstances are listed in the Waiver e-form. There are very limited circumstances in which a waiver may be applied for retrospectively. All waivers must be applied for using the Council's Waiver e-form.
- 9.2 A waiver will never be approved if it is required because of lack of planning, for example the end of a current contract wasn't planned well enough so a new procurement cannot be completed in time.
- 9.3 You must wait until the waiver is fully approved before taking any further action. You will get automated emails at each stage when it has been reviewed/approved. The order in which the form will pass through review/approval is:
- Procurement Manager (for review/comment)
 - 3C Legal Services (for review/comment)
 - Head of Service (for approval/comment)
 - Section 151 Officer (for final approval/comment)

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DELEGATED AUTHORITIES MATRIX

	Budget Managers	Heads of Service	Corporate Directors (CLT)	Chief Executive / Section 151 Officer	Cabinet***
Procurement Plan approval*	N/A	N/A	Up to £250k	Up to £500k	Above £500k
Contract Award approval**	Up to £30k	Up to £100k	Up to £250k	Up to £500k	Above £500k
Contract Signing / sealing	Up to £30k	Up to £100k	Up to £250k	Unlimited	N/A
Official Purchase Order	Up to £30k	Up to £100k	Up to £250k	Unlimited	N/A

*** Procurement Plan approval** – The Procurement Plan will detail the work that has been done to get to the point of going out to tender e.g.; assessment of routes to market, budget availability and approval etc. A tender must not be published until approved at the relevant level as defined in the matrix above.

**** Contract Award approval** – This is a detailed explanation of the quotation/tender process highlighting dates of publication and closure, number of bidders, quality/price scores and the recommendation of who should be awarded the contract. No contracts may be entered into until approved in writing at the relevant level.

***** Cabinet approval** – Where Article 13, section 3.1(b) Key Decisions may apply. Consideration should be given for any time required for scrutiny of decisions within the Constitution.

UK PROCUREMENT THRESHOLDS

These thresholds are effective from 1st January 2026 and are inclusive of VAT.

- Goods and Services threshold: £207,720
- Works threshold: £5,193,000
- Concessions threshold: £5,193,000
- Light Touch Regime threshold: £663,540