

Public Document Pack

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A meeting of **Council** will be held in **Virtual** on **Tuesday 19 January 2021** at **2.00 pm**.

MEMBERS: Mrs E Hamilton (Chairman), Mrs C Apel (Vice-Chairman),
Mrs T Bangert, Mr G Barrett, Miss H Barrie, Mr M Bell, Rev J H Bowden,
Mr R Briscoe, Mr J Brown, Mr A Dignum, Mrs J Duncton, Mr J Elliott,
Mr G Evans, Mrs J Fowler, Mrs N Graves, Mr F Hobbs, Mr K Hughes,
Mrs D Johnson, Mr T Johnson, Mrs E Lintill, Mrs S Lishman,
Mr G McAra, Mr A Moss, Mr S Oakley, Dr K O'Kelly, Mr C Page,
Mr D Palmer, Mrs P Plant, Mr R Plowman, Mr H Potter, Mrs C Purnell,
Mr D Rodgers, Mrs S Sharp, Mr A Sutton, Mrs S Taylor and
Mr P Wilding

SUPPLEMENT TO AGENDA

7 **Corporate Contract Procedure Rules** (Pages 1 - 17)

Corporate Contract Procedure Rules – amended.

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Chichester District Council
Revised Contract Standing Orders (Draft)

1. Interpretation
2. Status of, and Compliance with, Contract Standing Orders
3. Approval to spend
4. Contract Value and Aggregation
5. Framework Agreements, Dynamic Purchasing Systems and Suitability of Contractors
6. Publication of Notices
7. Purchasing Procedures for Contracts of a Value less than £50,000
8. Tendering Procedures for Contracts of a Value of £50,000 or greater but less than relevant UK Threshold
9. Tendering Procedures for Contracts Above UK Thresholds
10. Receipt and Opening of Tenders
11. Evaluation of Tenders and Award of Contract
12. Waiver of Contract Standing Orders

Contract Standing Order 1: Interpretation

1.1 In these Contract Standing Orders, the following terms have the following meanings:

“Advance Works Order” means an advance works order issued under CSO 11.10

“Area of Responsibility” means the function and area of responsibility for a Chief Officer as detailed in the District Council's Constitution

“Chief Officer” means the Chief Executive or any Director

“Contract” means

(i) a binding agreement on fixed terms for the supply of goods, services, or the execution of works to or for the Council, including the use of consultants;

(ii) any Framework Agreement; or

(iii) any agreement where no payment is made by the District Council but which is of financial value to the Contractor (e.g. a catering concession) but does not include (without exception)

(iv) an employment contract: or

(v) a Grant Agreement

“Contract Administrator / Lead Officer” means a District Council officer responsible for the supervision and execution of the contract, and/or nominated to deal with Contracts in accordance with CSO 3.3. An officer defined as a project officer under the Council project management guidance will also be the Contract Administrator.

“Contractor” means the party or potential party to a Contract

“Contracts Finder” means a web-based portal provided for the purposes of the UK Regulations by or on behalf of the Cabinet Office

“CSO”/ “CSOs” means Contract Standing Order/ Contract Standing Orders

“District Council” means Chichester District Council

“Dynamic Purchasing System / DPS” means an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors as

“Evaluation Report” means a report on the evaluation of tenders prepared under CSO 11

“Framework Agreement” means an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors as defined in CSO 5.1

“Grant Agreement” means an agreement giving financial assistance to an individual or organisation with no supply of goods or services, or execution of works, in return

“The Most Economically Advantageous Tender” (also known as MEAT) is a method of [assessment](#) that can be used as the selection procedure, allowing the Council as [contracting](#) party to award the [contract](#) based on aspects of the [tender submission](#) other than just [price](#) such as environmental or social benefit factors. **“Procurement Network”** means a formal group of officers of the District Council representing all departments and procurement teams whose main purpose is to provide leadership on procurement matters for the District Council

“Senior Officer” means a District Council officer defined as a Senior Officer in the Current Constitution.

“UK e-Notification Service” means a single web-based portal provided for the purposes of the UK Regulations by or on behalf of the Cabinet Office.

“UK Regulations” means the Public Contracts Regulations 2015 as may be amended from time to time by statutory instrument.

“UK Thresholds” means the thresholds for public advertisement of goods, works and service contracts as provided for in the UK Regulations.

“Works”, “Supplies” & “Services” are as defined in the EU Public Procurement Directives or relevant UK legislation.

Contract Standing Order 2: Status of, and Compliance with, Contract

Standing Orders

2.1 By law, the District Council is required to make standing orders with respect to contracts for the supply of goods or services or for the execution of works which provide for securing competition and regulation of the manner in which tenders are invited.

2.2 The District Council is a contracting authority for the purposes of the UK Regulations and is thereby legally bound to comply with certain practices and procedures in the award of Contracts.

2.3 The District Council has therefore adopted these Contract Standing Orders (CSOs), setting out the procedures that must be followed in relation to the procurement and award of a Contract. CSOs provide a framework to ensure that the District Council uses its resources efficiently in making purchasing decisions to obtain best value in public services. CSOs also provide a means of safeguarding the reputation of the District Council and its staff from any implication of dishonesty or corruption.

2.4 The statutory S.151 Officer and the Monitoring Officer are the joint custodians of these CSOs and are responsible for keeping them under review. This includes giving advice on their implementation and interpretation.

2.5 Every Contract made by the District Council or on its behalf (irrespective of the source of funding) shall comply with the UK Regulations, CSOs and Financial Regulations. In the event that there is any conflict or inconsistency between the provisions of CSOs and any legal requirement, the legal requirement shall apply.

2.6 The UK Regulations, including non-discrimination, equal treatment, transparency and proportionality, apply generally in the award of public contracts – including those of a value below the UK Thresholds. Care must be taken at all times to ensure that nothing is done which is discriminatory, improper or which distorts competition.

2.7 It is the role of the Divisional Manager for Democratic Services to manage procurement support and to maintain a Procurement Network on behalf of the District Council.

2.8 These CSOs supplement the Officers' Code of Conduct and a failure to comply will normally be regarded as a disciplinary offence. Where a person who is not a District Council employee is contracted to a position where they are authorised to carry out purchasing functions, it is a condition of their contract that they comply with CSOs.

2.9 These CSOs shall always be interpreted and applied in a way that supports the achievement of the District Council's identified business objectives, within relevant legal frameworks.

2.10 Any contracts procured and awarded by way of collaboration with other public bodies where a competitive process has been followed that complies with the equivalent of these CSOs of the leading organisation will be deemed to comply with these CSOs and no waiver in accordance with CSO 12 will be required.

2.11 These standing orders do not cover contracts to buy or sell land or any interest in land (e.g. lease or right of way). Where the sale of land and property (or an interest therein) is involved, the tendering procedures used must ensure transparency, fair competition and achievement of the best consideration in the circumstances and to recognise the District Council's corporate objectives.

Contract Standing Order 3: Approval to spend

3.1 The procurement of a Contract (not including a Framework Agreement) is subject to the approval of the relevant decision maker who has the authority to give approval for the relevant expenditure under the Constitution. The giving of approval is subject to the expenditure involved having been included in approved estimates and sufficient budgetary provision having been made in the District Council's capital programme or revenue budget, or has been approved via a separate report to cabinet and (depending on value) Council.

3.2 In estimating the value of the Contract, the principles of CSO 4 shall be applied

3.3 In all cases, the Chief Officer within whose Area of Responsibility the Contract falls shall designate a Senior Officer as Contract Administrator / Lead Officer for the Contract. It shall be the responsibility of the Contract Lead Officer to ensure that the processes followed in relation to the procurement and award of the Contract are compliant with these CSOs.

3.4 For spend over £10,000 the Procurement Officer is to be informed and over £50,000 the Procurement Officer is to be consulted in advance of the procurement being undertaken.

3.5 In the event that the value of the contract represents more than 25% of the company's annual turnover, the Chief Officer or Divisional Manager and the Chief Finance Officer must be advised and a further assessment undertaken to their satisfaction.

3.6 The Procurement Officer shall be responsible for management of any Frameworks created by the Chichester District Council.

Contract Standing Order 4: Contract Value and Aggregation

4.1 The estimated value of a Contract shall be the total value of the Contract net of VAT. This is the total consideration estimated to be payable over the full term of the Contract by the District Council to the Contractor which shall include any option to extend the term under the contract. Where the Contract is one where no payment is made by the Council (e.g. a concession) a best estimate of the financial value to the Contractor shall be ascertained.

4.2 Where the Contract period is indefinite or uncertain, the estimated value shall be calculated on the basis that the Contract will be for a period of four years.

4.3 The estimated value of a Framework Agreement or Dynamic Purchasing System (DPS) is the total value of all the Contracts which have been identified as potentially to be entered into by the District Council, further to that Framework Agreement or DPS. The Procurement Officer shall keep all Framework agreements under review and advise relevant officers as to those Framework agreements.

4.4 Purchases of the same or similar goods or services must be aggregated wherever practicable. Contracts must not be artificially separated so as to circumvent the application of any part of CSOs or UK Regulations.

4.5 Contracts which are each of a value below the relevant UK Threshold may nevertheless be subject to the full UK Regulations tendering requirements, where they constitute a series of related or repeat purchases. Advice should be sought where this is the case, in order that the relevant procurement route can be adopted.

Contract Standing Order 5: Framework Agreements, Dynamic Purchasing Systems and Suitability of Contractors

5.1 A Framework Agreement is an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. Framework Agreements may be established by the District Council, by other public bodies, by public sector buying consortia or via the “Constructionline” service (originally introduced by the Department for Transport, Local Government and Regions) as arrangements through which the District Council, along with other public bodies, may make specific purchases.

5.2 Where appropriate a Framework Agreement that has been approved as suitable by the Director Corporate Services should be used for the making of the proposed purchase. The Procurement Officer shall advise the Director of Corporate Services as to whether a particular Framework Agreement shall be appropriate for the specific requirement and procured in compliance with the UK Regulations, and ensure that the terms and conditions applicable shall meet the minimum requirements of the District Council.

5.3 Provisions contained in the UK Regulations which govern Framework Agreements must be complied with when concluding a Framework Agreement or awarding a contract based on a Framework Agreement.

5.4 A Dynamic Purchasing Systems (or DPS) is a procedure available for contracts for works, services and goods commonly available on the market. It has some aspects that are similar to an electronic Framework Agreement but where new suppliers can join at any time.

5.5 A DPS has its own specific set of requirements. It must be run as a completely electronic process and should be set up using the restricted procedure and other conditions as set out in Regulation 34 of the Public Contract Regulations 2015.

5.6 In the initial setup stage, all suppliers who meet the selection criteria and are not excluded must be admitted to the DPS. The District Council must not impose any limit on the number of suppliers who may join a DPS. Individual contracts are awarded during the second stage, in which the District Council invites all suppliers on the DPS (or relevant category/lot) to bid for the specific contract.

5.7 In all cases where a Contract is awarded under these CSOs, a Contractor can only be appointed who, as a minimum:

a) meets the District Council’s insurance requirements for the Contract (in respect of public liability, product, professional indemnity and/or employer’s liability as appropriate, based on an assessment of risk for the Contract)

b) is registered for tax and holds a valid certificate (where appropriate)

Contract Standing Order 6: Publication of Notices

6.1 In all cases where, by virtue of these CSOs or by UK Regulations, a public notice is required, it shall be placed on the South East Shared Services In-tend Portal, on the District Council's website and on Contracts Finder.

6.2 Where the estimated total value of a proposed Contract is £50,000 or above, the notice shall additionally be placed in at least one relevant local publication and/or journal circulating among Contractors who undertake Contracts of that nature.

6.3 Where the value of the contract is £50,000 or greater the information regarding the Contract award is required to be placed on Contracts Finder.

6.4 Where the value of the Contract exceeds the relevant UK Threshold, the Contract notice and Contract award notice shall also be placed on the UK e-Notification Service in accordance with the UK Regulations.

Contract Standing Order 7: Purchasing Procedures for Contracts of a Value less than £50,000

7.1 Where the estimated value of the Contract, calculated in accordance with CSO 4, is greater than £10,000 and less than £50,000 and there is a suitable Framework Agreement approved by the Director of Corporate Services under CSO 5.2, that Framework Agreement shall be used.

7.2 Where no suitable Framework Agreement is available, and/or where the estimated value of the Contract, calculated in accordance with CSO 4, is less than £50,000, then two written quotations should be obtained, one of which should normally be from a local* contractor if possible.

7.3 Where no suitable Framework Agreement is available, and the estimated value of the Contract, calculated in accordance with CSO 4, is £10,000 or greater and less than £50,000 at least three written quotations should be obtained against a written request for quotation, at least one of which should be local* if possible. If the minimum number of contractors/suppliers cannot be invited to tender, the Contract Administrator / Lead Officer shall seek the approval of the Director Corporate Services (or his appointed representative) to proceed with invitations to tender to fewer organisations.

7.4 Contractors wishing to be considered for tenders should be registered with the Contractors Health and Safety Assessment Scheme (CHAS) or equivalent and be prepared to provide membership and/or reference details. Where a contractor is not registered with CHAS the CDC Health and Safety Manager should provide advice, support and guidance to ensure that the contractor submits sufficient documentation to comply with Health and Safety legislation.

7.5 In the selection of the Contractor, the Contract Lead Officer shall bear in mind the need to seek best value for money and be able to demonstrate that they have achieved this.

7.6 The Contract shall be evidenced in writing, by submission of an order in accordance with the Framework Agreement or, where a Framework Agreement is not used, by the placing of an order on the basis that the price in the written quotation received shall apply.

* "local" is defined as meaning that the main place of business of the contractor is located in Chichester District or the adjoining Districts on its boundaries.

Contract Standing Order 8: Tendering Procedures for Contracts of a Value of £50,000 or greater but less than relevant UK Threshold

8.1 Where the estimated value of the Contract, calculated in accordance with CSO 4, is £50,000 or greater but less than the relevant UK Threshold, and there is a suitable Framework Agreement approved by the Director of Corporate Services, under CSO 5.2, the Procurement Officer shall advise as to whether a suitable Framework Agreement is available.

8.2 One of the following methodologies should be used:

- A Framework Agreement
- A DPS
- at least four written quotations against a written request for quotation under the Open Competitive Procedure;
- at least four written quotations against a written request for quotation under the Restricted Competitive Procedure;
- “Constructionline” as detailed under CSO 5.1.

8.3 The procedure requires the publication of a notice in accordance with CSO 6. The public notice shall specify (i) a time period within which interested parties may express an interest in tendering and (ii) the method by which such interest shall be expressed. At the end of this period, an invitation to tender shall be sent to all parties who have expressed an interest, specifying a reasonable period for tenders to be returned.

8.4 In all cases, every invitation to tender shall include the following:

- A statement that the tendering process will be conducted within the District Council’s corporate electronic tendering system;
- Full instructions on how to submit their tender to this system;
- Advice that tenders, once received in the system, will be anonymous until the time specified for their opening;
- Advice as to the deadline for submission of tenders to this system

8.5 In exceptional circumstances, and with the prior approval of Director of Corporate Services, an invitation to tender maybe sent to tenderers in hard copy paper form, rather than through the electronic tendering system. For such cases the Procurement Officer shall be responsible for oversight of the tender and evaluation process from receipt of tender paperwork to the evaluation process.

8.6 The invitation to tender shall state the evaluation criteria, including subcriteria and sub-sub-criteria (where used), weightings and scoring criteria that will be applied in the award of the Contract. These criteria must be capable of objective assessment, include price and any other relevant factors, and be weighted by relative importance. The invitation to tender shall also include the terms and conditions that will apply to the Contract.

8.7 Contractors wishing to be considered for tenders should be registered with the Contractors Health and Safety Assessment Scheme (CHAS) or equivalent and be prepared to provide membership and/or reference details. Where a contractor is not registered with

CHAS the CDC Corporate Health and Safety Manager should provide advice, support and guidance to ensure that the contractor submits sufficient documentation to comply with Health and Safety legislation.

8.8 Any company/organisation/individual that has been involved in the preparation of a design/scope/procurement of a project should automatically be excluded from bidding for that project, unless there are exceptional circumstances, in which case specific Cabinet approval will be required.

8.8 Contracts arising from the tender exercise(s) shall be evidenced in writing by the completion of a formal written Contract, the terms of which have been approved by the Monitoring Officer or other person authorised by him for this purpose.

8.9 All officers involved in tendering shall comply with the officer handbook, relevant policies and statutory legal duties in particular the duties of transparency. Individual Councillors shall not be involved with the tendering process and groups of Councillors given delegated responsibilities as to tendering such as being involved in evaluation processes shall comply with the Code of Conduct and the principles of good decision making set out in the Constitution of the District Council.

Contract Standing Order 9: Tendering Procedures for Contracts above UK Thresholds

9.1 The UK Regulations set a financial threshold beyond which prescribed tendering procedures must be followed. The UK Thresholds are reviewed every two years, and the updated figures can be found on line.

9.2 Where the estimated value of the Contract is in excess of the relevant UK Threshold, the procedures set out in the UK Legislation must be followed. In most cases, the open procedure, restricted procedure or competitive procedure with negotiation will be used, but in certain specialist cases, the negotiated procedure without prior publication, competitive dialogue procedure or innovation partnership procedure shall apply. Advice on which procedure is appropriate to the specific case should be sought from the Monitoring Officer.

9.3 Where the estimated value of the contract is £50,000 or greater but less than UK Threshold approval of the Section 151 officer or the Monitoring Officer shall be sought to the use of the negotiated procedure without prior publication, competitive dialogue procedure or innovation partnership procedure.

9.5 Any proposed modifications to existing contracts which have not been provided for in the initial procurement documents in clear, precise and unequivocal review clauses shall be approved by the Monitoring Officer where the value of the modification is less than [£x million] and by the Executive where the value of the modification is [£x million] or greater prior to agreement of such modification.

Contract Standing Order 10: Receipt and Opening of Tenders

10.1 Subject to CSO 10.2 – 10.3, all electronic tenders shall be opened at the same time, by an officer appropriately trained to open tenders on the electronic tendering system as soon as reasonably practicable on or after the date for return of tenders. People under contract to the District Council, but not permanent employees of the District Council shall not open tenders unless approved by a Chief Officer or the Monitoring Officer.

10.2 For a Contract of a value of £50,000 or greater, the officer opening tenders shall be certified as having completed the required training and the officer's name shall appear on a list held by the Monitoring Officer and authorised for that purpose.

10.3 The officer opening tenders shall record, in respect of each tender opened, the name of the tenderer and, where applicable, the total value.

10.4 Electronic tenders shall be used for all tendering except that for contracts under £10,000 where use of hard copy tendering has been agreed with the Procurement Officer in advance. Such contracts shall be overseen by a Divisional Manager.

Contract Standing Order 11: Evaluation of Tenders and Award of Contract

11.1 The Contract Administrator / Lead Officer (who should normally be an employee of the District Council) shall ensure that the tenders received are evaluated in accordance with the evaluation criteria that have been adopted for the Contract and stated in the invitation to tender. These criteria must be capable of objective assessment, include price and other relevant factors, and be weighted by relative importance.

11.2 The Contract Administrator / Lead Officer shall produce a written report evaluating each tender received against the evaluation criteria. The report shall identify the tenderer who has submitted the most economically advantageous tender i.e. the tender that achieves the best score in the evaluation and recommend the award of the Contract to that tenderer. This report shall be submitted to the person authorised to award the Contract under CSO 11.4.

11.3 No contract may be awarded unless the expenditure involved has been included in approved estimates and sufficient budgetary provision made in the District Council's capital or revenue accounts in accordance with CSO 3.1. The Evaluation Report shall confirm how this requirement is met.

11.4 Each Chief Officer, or the Monitoring Officer is authorised to award and sign any contract entered into on the District Council's behalf, and where the value of the Contract is less than the UK threshold. The Contract may be awarded and signed by a Senior Officer All other Contracts shall be awarded by the Executive.

11.5 Where the value of a Contract is above the relevant UK Threshold, the Contract shall be awarded in accordance with the UK Regulations and in particular the requirements relating to a "standstill" period prior to the Contract being entered into.

11.6 All Contracts, including an arrangement subject to a purchase order, must be made in writing under English Law, and must clearly and carefully specify the supplies, services or works to be provided, the agreed programme for delivery and the price and terms for payment together with all other terms and conditions.

11.7 Where purchases of a value less than £50,000 are made for which standard terms and conditions have been approved by the Monitoring Officer those standard terms should be used. Where a Contract is estimated at a value £50,000 or above or is of an unusual or complex nature, the Monitoring Officer shall be consulted to produce a suitable set of conditions of contract or to advise on existing conditions for use under a Framework Agreement

11.8 Every contract must also include certain clauses, in a form approved by the Monitoring Officer, to protect the District Council from fraud and to ensure that Contractors understand their responsibilities when they are acting on the District Council's behalf as well as clauses required to comply with the UK Regulations.

11.9 The Chief Officer within whose area of responsibility the Contract falls shall allocate to a Senior Officer responsibility for the ongoing management of the Contract.

11.10 In exceptional circumstances, where a Contract has been awarded under CSO 11.4, but it is considered necessary in the best interests of the District Council to initiate the provision of goods or services under that Contract prior to the Contract being signed, the issue of an Advance Works Order by the Monitoring Officer may be requested. Issue will be subject to confirmation that a decision to award the Contract has been made in accordance with CSOs, the necessary funding for the Contract having been approved, and the value of the Advance Works Order not exceeding £50,000.

Contract Standing Order 12: Waiver of Contract Standing Orders

12.1 Any of the requirements of these CSOs may be waived in an individual case, by the person authorised as follows:

- Where the estimated value of the Contract is less than £10,000, the Chief Officer/Divisional Manager or senior officers so authorised by a Divisional Manager within whose Area of Responsibility the Contract falls;
- Where the estimated value of the Contract is between £10,000 and £50,000, the Chief Officer/Divisional Manager within whose Area of Responsibility the Contract falls and the Chief Finance Officer;
- Where the estimated value of the Contract is £50,000 or greater but less than the UK threshold the Section 151 Officer and the Monitoring Officer, before authorisation not to obtain tenders is sought from the relevant portfolio holder in consultation with the relevant Senior Officer prior to the award of the contract; Where the Section 151 Officer is the relevant Senior Officer then the portfolio holder shall consult with the Chief Executive;
- Where the estimated value of the Contract is above the UK threshold, the Executive or, in respect of Non-Executive matters, the Committee with delegated responsibility for the relevant service area.

Where works are required urgently Senior Officers, the Divisional Manager for CCS may award a contract and report that award and explain the urgency which led to the award to the next meeting of Cabinet.

12.2 A request for the issue of a waiver must be made in writing to the person authorised under CSO 12.1, with full reasons as to why the waiver is required, and evidence that the issue of a waiver will not prevent best value from being obtained. The decision in response to the request must also be in writing. No action shall be taken to enter into the Contract until such request has been submitted and the decision made.

12.3 The District Council is subject to legal requirements to ensure fair competition for Contracts of a value exceeding the UK Thresholds, and subject to obligations under the UK Regulations to ensure that all Contracts (regardless of value) are awarded having regard to the need to avoid any action that is discriminatory, improper or which distorts competition.

12.4 It is understood that a waiver may be utilised where it can be demonstrated that the ability to act quickly to engage a single supplier would make economic sense and fit with service requirements, in circumstances where there is no more effective way to secure the capacity.

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