

Contract Procedure Rules

For the supply of Goods, Services and works

Approved and Adopted in Part 4 (Section 28) of the Constitution

1. Definitions

For the purposes of the Rules:

- 1.1. **Authorised Officers** means the Chief Executive and Executive Directors.
- 1.2. **Contract** means an agreement which:
 - 1.2.1. may be oral, written, partly oral and partly written or implied from conduct between the Council and another Person.
 - 1.2.2. gives rise to obligations which are enforceable or recognised by law (i.e. legally binding); and
 - 1.2.3. commits the Council to paying or doing something.
- 1.3. Where the context requires, a reference to a contract means a contract to which the Rules apply, and a “**Call-off Contract**” means an order made/call-off contract entered into under a Framework Agreement.
- 1.4. **Framework Agreement** means a contract with a supplier or suppliers which establishes the terms and conditions (in particular as to price) under which Call-off Contracts can be made during the length of the Framework Agreement. This includes government pre-negotiated contracts.
- 1.5. **Person** means any individual, partnership, local authority or incorporated or unincorporated body.
- 1.6. **Section 151 Officer** means the Executive Director - Resources and Transformation appointed under s151 of the Local Government Act 1972 and Officers to whom the s151 Officer has delegated their functions in accordance with the relevant Scheme of Delegation; and
- 1.7. **Scheme of Delegation** has the meaning given to it under Rule 8 of these Contract Procedure Rules.
- 1.8. **Environmental Management** is managing the environmental aspects and impacts of services, activities (including purchasing) and assets, to ensure compliance to Council’s Environmental Policy and ISO 14001 standard.
- 1.9. **Sustainability** is delivering environmental, economic and social gains.

2. Compliance with the Rules and Relevant Legislation

- 2.1. The Rules apply to all contracts for the provision of goods, services and works to the Council unless otherwise specified in the Rules. This means:
 - i. **Purchase Orders** - All third-party expenditure should be covered by an official purchase order to enforce the ‘**No Purchase Order, No Pay**’ procedure throughout the Council.
 - ii. **Payment Policy** – It is Council policy to settle all outstanding supplier liabilities by BACS.
 - iii. **Goods Receipt** – All goods, services and works covered by an official purchase order must be receipted before payment will be made against any invoices received by the Council – receipt must be made in accordance with the instructions specified in the Financial Procedure Rules. Evidence of receipts should be kept by the recipient for audit purposes. All invoices received need to quote the official purchase order and be sent directly to Finance for invoice registration to ensure prompt processing. Invoices not quoting the purchase order will be returned to the supplier for clarification.
- 2.2. All contracts must comply with:
 - i. English law (including the Council’s statutory duties and powers); and
 - ii. these Rules, and the Financial Procedure Rules; and
 - iii. any relevant Council policies; and
 - iv. Any legal requirement stipulated by the Executive Director – Law and People.
- 2.3. The intention and spirit of the Rules must be adhered to.

- 2.4. The Rules must be complied with by all Officers of the Council and all other Persons who are authorised to carry out procurement and contracting on behalf of the Council (such as the Council's agents for property services) ("**Agents**").
- 2.5. It must be a term of all contracts between the Council and its Agents that the Agents comply with the Rules. Furthermore, Agents may undertake to conduct the Procurement Procedures detailed herein and associated negotiation on behalf of the Council, however, such Agents are not authorised to enter into a binding Contract on behalf of the Council.

Establishing the Value of the Contract/Expenditure

- 3.1. The value of a contract (that is, the expenditure per contract) means the actual or estimated amount payable by the Council to the supplier for the goods, services or works (excluding VAT) over the length of the contract. For example, where a contract is for three years with an option to extend for a further two years, the total contract period is considered to be five years.
- 3.2. Goods, services and works contracts must not be split into smaller contracts in order to avoid any of the Rules.
- 3.3. Framework Agreements must not be entered into for more than four (4) years (including options to extend) unless otherwise approved by the Executive Director - Resources and Transformation.
- 3.4. For contracts of an indefinite length the value must be established on the basis that the contract will last for a period of 48 months (Four Years).
- 3.5. **Aggregated Spend (Contract Aggregation)** – For contracts already in place for a service delivery, and where additional spend is identified which is not covered by the existing contract i.e. it exceeds the estimated value of the contract, then advice must be sought from the Procurement Service.

3. Contracts to which the Rules do not apply.

The Rules do not apply to:

- 4.1. Contracts which are not for the provision of goods, services or works (e.g. grants or contracts relating to land). Note, therefore, that the Rules do not apply to contracts of employment, but they do apply to consultancy contracts, which are contracts for services.
- 4.2. Low value purchases which may be made from procurement cards (or petty cash for exceptional circumstances) provided that they are in accordance with any operational instructions and financial limits issued by the s151 Officer.

4. Contracts to which Rules on Tendering do not apply - General.

Competitive quotes or tenders are not required for the following:

- 4.1. Call-off Contracts where the relevant Framework Agreement has been entered into by:
 - i. the Council in compliance with the Rules; or
 - ii. a central government department, another local authority, a local authority purchasing consortium, a public sector or public interest body, or any organisation that has established the Framework Agreement in compliance with the relevant legislation and regulations, and to which the Council is lawfully entitled to have access.

For the avoidance of doubt, Call-Off Contracts must be entered into in accordance with the terms of the Framework Agreement (e.g. selection by mini-competition) and mini-competitions under Framework Agreements must be run in accordance with CPR 2.

4.2. In cases of emergency, the Chief Executive or Executive Director - Resources and Transformation may verbally authorise and record in writing an exemption from the Rules for goods, services or works provided that:

- i) the emergency was brought about by events which were not reasonably foreseeable by, or attributable in any way to, the Council (e.g. flood); and
- ii) If the goods, services or works are not received immediately, there is a significant risk of:
 - (a) danger to life; or
 - (b) damage to property; or
 - (c) a major impact on the Council or its service users.
- i. In these cases only goods, services or works necessary or appropriate to safeguard the Council's position or protect life and property can be procured before formal approval is obtained.
- ii. The Chief Executive or Executive Director - Resources and Transformation must at the earliest be informed of the action taken in dealing with the emergency. The Executive Director - Resources and Transformation must also submit a report to the relevant Policy Committee that details the circumstances of and justifications for granting exemptions made in accordance with this Rule.

4.3. No competitive market

- i. Proprietary or patented goods or services are proposed to be purchased which, in the opinion of the Authorised Officer, are only obtainable from one Person, and it can be demonstrated that no reasonably satisfactory alternative to those proprietary or patented goods is available; or
- ii. The Authorised Officer can demonstrate that no genuine competition can be obtained in respect of the purchase of particular goods, services or works; or
- iii. The Authorised Officer is satisfied that the works or services are of such a specialist nature that they can only be carried out by one Person (e.g. statutory undertakers); or
- iv. Goods are proposed to be purchased by or on behalf of the Council at a public auction; or
- v. Goods are proposed to be purchased which are of a specialist nature (such as antiquities for museums), provided that in all these cases (except for works which are primarily the responsibility of a utility or statutory undertaker as defined in s329 Highways Act 1980).

In these circumstances-

- a. the Officer should prepare a written statement explaining why the relevant circumstances apply and including why it is in the best interests of the Council for the contract not to be tendered and setting out the course of action proposed to be followed; and
- b. the Officer receives written agreement from the s151 Officer and the relevant Executive Director to pursue the course of action set out in the statement.
- c. Authorised Officers, in conjunction with Legal Services, ensure that contract terms are appropriate considering all relevant factors (such as benefit and risk to the Council).

5. Contracts to which Rules on Tendering do not apply - Service Specific.

Competitive quotes or tenders are not required for the engagement of Counsel by the Executive Director – Law and People.

6. Schemes of Delegation

- 6.1. The Executive Director - Resources and Transformation must ensure that they have a Scheme of Delegation identifying:
 - i. Authorised Officers; and
 - ii. the extent of Authorised Officers' delegated authority (including expenditure limits).
- 6.2. Authorised Officers may not, under any circumstances, act outside the delegated powers of the Executive Director - Resources and Transformation.
- 6.3. The Executive Director - Resources and Transformation must ensure that all Authorised Officers receive the necessary training to be and remain conversant with the Rules.
- 6.4. The Monitoring Officer must supply to and agree with the s151 Officer their Schemes of Delegation before the start of each financial year, and on making any amendments.
- 6.5. The s151 Officer must keep a register of all Schemes of Delegation and supply a copy to the Monitoring Officer at the beginning of each financial year and notify the Monitoring Officer of any subsequent amendments.

7. Achieving value for money - Competitive Quotes and Tenders

- 7.1. For contracts below £5,000, Officers have discretion to determine the appropriate procurement approach, provided that they take reasonable steps to secure value for money and, wherever practicable, ensure fair and effective competition. Officers must also have regard to the Council's Procurement Strategy, the principles of openness and transparency, and maintain an appropriate record of the procurement decision to demonstrate accountability.
- 7.2. For contracts between £5,001 and £25,000, Officers must obtain a minimum of three comparable written quotations. Officers must ensure that the business requirement is clearly defined, and that suppliers are provided with the same specification to enable a fair comparison of quotes. The rationale for supplier selection and the steps taken to secure value for money must be recorded. Where the nature or risk of the contract justifies a more formal approach, Officers should consider using the Council's formal Request for Quotation (RFQ) process in consultation with the Procurement Service.
- 7.3. For contracts between £25,001 and £50,000, the Procurement Service must manage the procurement using a formal Request for Quotation (RFQ) process. The process must secure value for money through a combination of cost, quality, and competition, and must establish clear evaluation criteria. The Procurement Service is responsible for managing the quotation process and ensuring that supplier selection is based on the published evaluation criteria.
- 7.4. For all contracts above £50,000, a formal competitive process must be conducted. This may include, for example, a below-threshold tender, an above-threshold tender, or a framework mini-competition, depending on the value and nature of the contract. The Procurement Service is responsible for managing the process and must ensure that value

for money is achieved through effective competition and clear evaluation of cost, quality, and any other relevant factors. All procurement decisions must be fully documented, with a clear audit trail of the process and the justification for contract award.

7.5. **Suppliers** – All proposed new suppliers must be approved by the Procurement Service prior to any contract or works.

7.6. **Local Suppliers** – The Council is committed to supporting local businesses wherever possible. To help achieve this objective, all relevant contract opportunities will be advertised through the Council's e-Tendering portal, which suppliers can access via the Central Digital Platform. Officers should seek to engage local suppliers in procurement exercises wherever practicable. For the purposes of these Rules, a local supplier is defined as a supplier who pays business rates to the Council or operates from premises within a 25-mile radius of DE11 0AH.

7.7. Where there is a corporate contract (i.e. contract for the benefit of the Council as a whole) for the supply of goods, services or works, no other contract may be used for the supply of those goods, services or works unless this has been authorised in advance in writing by the Executive Director Executive Director - Resources and Transformation.

Summary Table

Estimated cumulative expenditure per contract	Competition Requirements
Up to £5,000	Officer discretion
Between £5,001 and £25,000 (Quotations)	Officers must ensure genuine competition by inviting sufficient numbers of Persons/suppliers (good practice indicates a minimum of 3, selected impartially) to submit written quotations for the goods, services or works required by the Council.
Between £25,001 and £50,000 (Formal Request for Quotation)	Officers must ensure genuine competition by openly advertising the opportunity through the Council's Request for Quotation (RFQ) process, enabling any interested supplier to submit a quotation for the goods, services or works required by the Council.
£50,001 or above but less than the Procurement Act 2023 threshold. (Competitive Process)	Officers must refer the procurement exercise to the Procurement Service, who will lead and manage a formal competitive process appropriate to the contract value and nature. The Procurement Service is responsible for ensuring that the process secures value for money, promotes open and fair competition, and results in a clear and auditable contract award decision.
Above threshold stated in the Procurement Act 2023 (Competitive Process)	As above.

8. Tender Process and Record Keeping

- 8.1. Officers must work with the Procurement Service to ensure that appropriate records are maintained for each contract, from project initiation through to contract completion. These records must demonstrate achievement of value for money, openness, probity, and compliance with these Rules and relevant legal requirements.
- 8.2. Officers must inform the Procurement Service of all forthcoming contracts (including Call-Off Contracts) as far in advance as possible, and no later than a minimum of three months before the intended start of the tender process. Where appropriate, contracts should also be included in service plans and procurement pipelines to support effective planning and early market engagement.
- 8.3. For contracts valued over £25,000, Officers must provide the Procurement Service with sufficient advance notice of their intention to procure. Where adequate notice is given, the Procurement Service will advertise the opportunity on the Council's e-Tendering portal to support community consultation and supplier engagement.
- 8.4. All tenders must be led by the Procurement Service, or an officer authorised by the Executive Director - Resources and Transformation.

9. Finance and Authorisation

- 9.1. Before entering into any process, which will or may result in the incurring any expenditure for the supply of goods, services or works, be it capital or revenue, the Officer and the Procurement Service must ensure that:
 - i. adequate financial provision is included in the Council's approved revenue budget or capital programme (as appropriate) and that such expenditure continues to be available in accordance with the Financial Procedure Rules; and
 - ii. the provisions of the Financial Procedure Rules have been complied
- 9.2. The Executive Director - Resources and Transformation must be notified before Officers enter into any process which:
 - i. will or may result in any transfers of staff under the Transfer of Undertakings (Protection of Employment) Regulations ("TUPE") and any of the staff are or were previously Council employees; or
 - ii. will or may result in any transfers of staff under TUPE who members of the Council's Pension Scheme.

10. Tender Process to Use

- 10.1. Before commencing a tender exercise, the Procurement Service must determine the appropriate procurement process, in consultation with the relevant Executive Director and/or the Executive Director - Resources and Transformation, depending on the contract value. Where the process involves communication with potential suppliers — including early market engagement, supplier briefing sessions, or any negotiated procedure — it must be led by the Procurement Service with support from the relevant service area.
- 10.2. Tenders are to ensure that Sustainability is factored into all bids therefore “100% price tenders” are prohibited.

11. Invitations to Tender

- 11.1. The Procurement Service shall ensure that all invitations to tender:
 - i. clearly specify the goods, services or works that are required
 - ii. for all tenders, list the criteria on which tenders will be evaluated, showing the weighting of the various criteria. The scoring methodology will also be detailed.
 - iii. include a requirement for tenderers to declare that the tender content, price and all other figures or particulars concerning the tender have not been disclosed by the tenderer to any other party.
 - iv. include a requirement for tenderers to complete fully and sign all tender documents including certificates confirming that no canvassing or collusion has taken place; and
 - v. state that the contract will be on the Council's standard terms and conditions of contract which are to be enclosed with the invitation to tender and also available on the Council's website.
- 11.2. Wherever possible, contracts must require goods, services and works to be in accordance with a specified standard (where this applies).

12. Receipt of Tenders (including under Framework Agreements) and Opening of Tenders

- 12.1. Officers must comply with the Council's Procedures for Receipt and Opening of Tenders as set out below.
- 12.2. All tenders shall be received electronically via a secure e-tendering portal owned or operated on behalf of the Council.
- 12.3. All tenders received, including mini-tenders under Framework Agreements, must remain locked in a secure vault within the e-tendering portal until the specified closing date and time for receipt of tenders has passed.

- 12.4. The secure vault shall be unlocked, and all tenders released electronically, by the Procurement Service. Electronic copies of all tender documents submitted shall remain in the portal in a secure tamperproof area.
- 12.5. An electronic audit log shall be kept within the e-tendering portal showing all actions conducted by all parties.

13. Evaluation Criteria and Evaluation of Tenders

- 13.1. In determining the relevant evaluation criteria on which tenders are to be assessed, Officers must consider all factors relevant to their requirement, including environmental and social considerations.
- 13.2. All categories shall be 'weighted' to ensure price, quality, environment and social aspects are considered holistically and that Sustainability of tender supports the achieving value for money. This can be done by understanding.
 - i. "whole life costing impact" of purchase (materials, manufacture, maintenance, quality and end of life) and
 - ii. Environmental management of its activities/services.
- 13.3. The evaluation process will clearly demonstrate that the Council is seeking to identify the Most Advantageous Tender.
- 13.4. The Procurement Service will ensure that all tenders and mini competitions are evaluated by a panel including Officers from the relevant service area, technical and financial officers (if appropriate), and appointed external consultants, in accordance with the evaluation criteria specified in the invitation to tender.
- 13.5. The arithmetic in compliant tenders, including mini tenders under Framework Agreements, must be checked. If arithmetical or clerical errors are found they should be notified to the tenderer, which should be requested to confirm the correct figures/wording or withdraw its tender.
- 13.6. Officers must compare submitted tender prices with any project appraisal or pre-tender estimates. All differentials must be considered. For tender prices of £25,000 or more where the differential is more than 20% above or below the project appraisal or pre-tender estimate, the reason must be determined, and this must be reported to an Authorising Officer.

Equality, Inclusion and Diversity

- 13.7. In awarding contracts, the Council must give due consideration to eliminating discrimination, advancing equality of opportunity, and promoting fair and inclusive engagement with suppliers and service users. This obligation applies proportionately to the goods, services, or works being procured and continues throughout the procurement process and contract management.

- 13.8. Contracts must, where relevant, include terms requiring suppliers to support the Council's duties under the Equality Act 2010. Contractors must comply with all applicable equality legislation.
- 13.9. The Procurement Service can advise on embedding equality requirements into tender documents and evaluating supplier responses.

14. Award of Contracts

- 14.1. Contracts may only be awarded by the Council if there has been full compliance with these Rules and the Financial Procedure Rules.
- 14.2. Quotations and tenders must only be accepted by the following Officers:

Cumulative value of contract	Acceptance by
Not exceeding £25,000	Head of Service
Above £25,000	Executive Director

- 14.3. No tender can be accepted, or contract awarded unless this is based on the evaluation criteria sent out with the invitation to tender.
- 14.4. Successful and unsuccessful tenderers must be notified of the award of the contract for which they have submitted a tender. This notification letter must be in a form approved by the Procurement Service.
- 14.5. Where a standstill period is required, the contract award must not be completed until the standstill period has ended without challenge. If a legal challenge arises before the contract is completed, the contract must not proceed without the authorisation of the Executive Director – Resources and Transformation and the Executive Director – Law and People.

15. Signing and Sealing of Contracts

- 15.1. All contracts for goods and services with a value over £25,000 must be in writing
- 15.2. **Contracts, which are not call-off Contracts**
 - 15.2.1. Heads of Service may sign contracts up to £25,000 in value.
 - 15.2.2. All contracts with a value over £25,000 must be signed by an Authorising Officer.
 - 15.2.3. Contracts valued at £100,000 or more, JCT contracts, and any contract requiring a 12-year limitation period (rather than the standard 6 years) for legal proceedings must be Sealed as a Deed.
- 15.3. **Call-off Contracts**
 - 15.3.1. *Council Framework Agreement with no new terms:* Where a Call-off Contract is entered into under a Framework Agreement which has been set up by the Council and no new terms are being introduced (e.g. under a mini-competition), the Call-Off

Contract does not have to be signed or sealed (unless required in accordance with the terms of the Framework Agreement) BUT the Call-off Contract must be authorised as set out in these rules and approved by the Procurement Service.

15.3.2. *Council Framework Agreement with new terms*: Where a Call-Off Contract is entered into under a Framework Agreement which has been set up by the Council and new terms have been introduced (e.g. following a mini-competition), the Call-Off Contract must be signed or sealed unless otherwise agreed by the Executive Director - Resources and Transformation.

15.3.3. *Third Party Framework Agreements*: Where a Call-off Contract is entered into under a Framework Agreement which has been set up by a third party, the Call-Off Contract must be signed as per Rule 15 unless otherwise agreed by the Executive Director - Resources and Transformation

16. Commencement of Contracts

16.1. No supply of goods, services or works must commence until all contract documentation is duly completed, except:

16.1.1. In cases of emergency, in which case the contract must be completed at the earliest opportunity, or

16.1.2. Where otherwise approved by the Executive Director - Resources and Transformation.

17. Terms and Conditions of Contracts

17.1. Terms and conditions shall be drawn up with support of the legal team.

17.2. Terms and conditions for all contracts for goods, services and works with a value of £25,000 or more (and preferably all other contracts, particularly consultancy contracts) must be in accordance with the Council's standard terms and conditions prepared or approved by the Executive Director – Law and People, unless otherwise agreed by the Executive Director – Law and People.

17.3. All contracts with a value of £25,000 or more must include a clause empowering the Council to terminate the contract for corruption and to recover from the supplier the amount of any loss resulting from such termination in a form approved by the Executive Director - Resources and Transformation.

17.4. Contracts must include relevant corporate and service-level objectives, key performance indicators (KPIs), and clear reporting requirements, with defined timeframes for performance data to be submitted to a contract manager appointed by the Council.

17.5. Where relevant contracts must include the following-

17.5.1. Health and Safety Management System.

17.5.2. Environmental Management System or confirmation to adhere to the Council's STEMS system (ISO 14001)

17.5.3. Quality Management System

17.5.4. A clause requiring the contractor to provide on request the following

- i. Copies of competencies of all staff
- ii. RAMS (Risk Assessments and Method Statements) including COSHH assessments

18. Variations, Extensions and Renewals of Contracts

- 18.1. Where an Officer wishes to exercise an option in a contract to extend that contract, this must be referred to the Procurement Service and Legal Services for advice.
- 18.2. Where an Officer wishes to renegotiate the contract price, vary the contract materially, or extend or renew a contract that does not include an existing option to extend, the Officer must consult the Procurement Service, to ensure that the proposed changes remain compliant with applicable legislation, regulations, and these Rules.
- 18.3. Any request to extend a contract must be approved by an Authorising Officer.

19. Contract Management

- 19.1. Officers shall ensure that before commencing works on behalf of the Council, a contractor induction shall be completed as per STEMS-10
- 19.2. Officers must monitor contracts in accordance with the terms and conditions and any performance targets.
- 19.3. Officers must ensure that contractor performance is reviewed on a regular basis, at least annually.

20. Non-compliance with the rules

- 20.1. Any non-compliance with any of the Rules must be notified to the Executive Director - Resources and Transformation (as s151 Officer)
- 20.2. If non-compliance has given rise to or is likely to give rise to illegality or maladministration, the Executive Director - Resources and Transformation (as s151 Officer) will notify the Monitoring Officer, or in the event of a conflict of interest, the Chief Executive.
- 20.3. If the Rules are not complied with, this will not invalidate any contract entered into by or on behalf of the Council, except where European or English law provides to the contrary.
- 20.4. Any Officer found to be in breach of these Rules shall be subject to the Council's Disciplinary Process.

21. Exemptions from the Rules

Contracts with a value of £25,000 or less

- 21.1. Officers may seek an exemption from any of the Rules from the Executive Director-Resources and Transformation.
- 21.2. In order to request an exemption, the Officer must prepare a report setting out:
 - a. the reasons why the exemption is being requested and which Rule(s) an exemption is being requested from.
 - b. the process which is intended to be followed instead.
- 21.3. An exemption will only be granted where the Executive Director- Resources and Transformation is satisfied that the exemption is justified on its own special circumstances.

Contracts with a value of £25,001 or more

- 21.4. Officers may seek an exemption from any of the Rules from a Committee acting under delegated powers
- 21.5. In order to request an exemption, the Officer must prepare a report setting out:
 - a. the reasons why the exemption is being requested and which Rule(s) an exemption is being requested from.
 - b. the process which is intended to be followed instead.
- 21.6. An exemption will only be granted where the Committee is satisfied that the exemption is justified on its own special circumstances.
- 21.7. The Procurement Service will maintain a register of exemptions granted under this Rule and will provide a copy of this register to the s151 Officer at least every six months, and otherwise as and when requested to do so by the s151 Officer.