



***CONTRACT PROCEDURE
RULES***

July 2009

Distribution and Review History

Change Record

DATE	AUTHOR	VERSION	CHANGE REFERENCE
6 th February 2009	V Dadlani	Draft Version 1	Initial draft
25th March 2009	V.Dadlani	Draft Version 2	Incorporated David's Comments
July	V Dadlani	Draft Version 3	Incorporated team comments

Distribution

Version	Name	Date	Location
Draft Version 1	David Ward	25 th February 2009	Civic 6
Draft Version 2	Procurement team	March 2009	Civic 6
Draft Version 3	Internal audit & social care	July/ August	Civic 6/1
Draft Version 4	Consultation group & Legal	13 Sept 2009	Harrow Council
	DMT & CLG members	13 Sept 2009	

Consultation Strategy

Send out – 15th September 2009

Deadline for Comments 21st September 2009

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Introduction to Contract Procedure Rules

These Contract Procedure Rules are supplemental to the Financial Regulations and form a part of the Council's Constitution

They set out the procedures that the Council and all schools must follow when they procure Goods, Services and Works. These Contract Procedure rules are intended to promote good purchasing practice, public accountability and deter corruption. Following these rules is the best defence against allegations that a purchase has been made unfairly, incorrectly or fraudulently.

The Cabinet and the Director of Finance may make amendments from time to time to these contract procedure rules after consultation with the Corporate Procurement team and the Harrow legal Services. All costs stated in these contracts procedure rules are exclusive of VAT and staff costs.

Officers responsible for purchasing or disposal must comply with these Contract Procedure Rules, which lay down minimum requirements. A more thorough procedure may be appropriate for a complex contract and will be supported by Corporate Procurement. Failure to comply with these Rules when letting contracts may result in disciplinary action, and employees have a duty to report breaches of the Contract Procedure Rules to an appropriate senior manager, internal audit or corporate anti-fraud team.

The Procurement Strategy also emphasises the importance of socially responsible procurement, assessing whole life costs and social, environmental and economic impact. Socially responsible procurement covers economic regeneration, sustainability and environmental management, and equality and diversity.

Value For Money and efficiency targets will not be achieved if the Council fails to approach competition, taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and voluntary sectors.

These Contract Procedure Rules shall be reviewed and updated on an annual basis.

Contents

Section 1- Scope of Contract Procedure Rules.....	6
1. Basic Principles	6
2. Officer Responsibilities.....	6
3. Collaborative and e-Procurement.....	8
4. Relevant Contracts	9
5. Waivers & Exemptions.....	9
Section 2 - Common Requirements	11
6. Steps Prior To Purchase	11
7. Records	12
8. Advertising, Departmental Approved List & Framework Agreements	13
Section 3 – Purchasing Rules	16
9. Competition Requirements.....	16
10. Low Value Transactions.....	16
11. Intermediate Value Transactions below the Formal Tender Threshold	17
12. High Value Transactions	17
13. Transactions over EU Threshold.....	17
14. Social Care Service contracts for individuals.....	18
15. SAP System.....	19
16. Contract Extensions & Variations.....	19
17. Contract Termination.....	19
18. Declaration of Interests	19
19. Partnership Arrangements	20
20. Engagement of Consultants	20
21. Working with Small Businesses, the Voluntary and Community Sectors	20
22. Pre-Tender Market Research and Consultation:	21
23. Standards & Award Criteria.....	21
24. Pre Tender –Qualification.....	22
25. Invitation to Tender & Quotations.....	22
26. Submission, Receipt & Opening of Tenders.....	24
27. Pre and Post-Tender Clarification Procedures	25
28. Evaluation, Award of Contract & Debriefing Candidates.....	25
Section 4 Contract and Other Formalities	29
29. Contract Documents	29
30. Contract Formalities.....	30
31. Bonds and Parent Company Guarantees.....	31
32. Prevention of Corruption	32
Section 5- Contract Management	33
33. Managing Contracts.....	33
34. Risk Assessment & Contingency Planning.....	33
APPENDIX A	34
APPENDIX B	35
APPENDIX C	37
APPENDIX D	41
GLOSSARY OF DEFINITIONS.....	44

Further advice on 'Contract Procedure Rules' is available from

- Corporate Procurement Unit:
- Legal Services:
- Internal Audit:

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Section 1- Scope of Contract Procedure Rules

1. Basic Principles

- 1.1. These rules apply to all procurement by the Council unless expressly exempted under these Rules, or subject to a waiver. (Rule 5 Appendix A & B)
- 1.2. If there is any relevant change to English or European Law, which affects these rules then that change must be observed until these rules can be revised. If these rules conflict in any way with English or European law then that legislation takes precedence.
- 1.3. The Officers authorised to award Contracts on behalf of the Council will have delegated powers issued by their respective Corporate Directors. Refer to the relevant Scheme of Delegation.
- 1.4. The Director of Finance holds a list of those Officers authorised to award contracts and place orders over specified values. Refer to the Scheme of Financial Delegations, within the financial regulations.

All purchasing procedures must

- 1.5.
 - a. Achieve value for money for all public money spent, including direct funded and grant funded budgets.
 - b. Be consistent with the highest standards of integrity
 - c. Ensure fairness and transparency in allocating public contracts
 - d. Encourage offering opportunities to use the local market
 - e. Comply with English and European Law and all legal requirements
 - f. Ensure that non-commercial considerations do not influence any contracting decision
 - g. Support the Council's codes of practice and corporate and departmental aims and policies.
 - h. Comply with the Council procurement strategy and the competition policy
 - i. Ensure that any risks associated with entering into the contract are assessed as part of the procurement process
 - j. Ensure that contracts are likely to be sustainable and as far as possible, environmentally friendly.

2. Officer Responsibilities

- 2.1. Officers responsible for purchasing must comply with these contract procedure rules, Financial Regulations, and all UK and European Legislation in force in England.
- 2.2. They should comply with the Council's code of conduct, the Council's Anti Fraud & Corruption strategy and must not invite or accept any gift or reward in respect of the award or performance of any contract

2.3. Officers must:-

- a. Follow the rules in the Harrow Contract procedure rules when purchasing goods and services and building works, construction
- b. Have proper regard for all necessary legal, financial and professional advice
- c. Declare any personal financial interest in a contract, Corruption is a criminal offence
- d. Conduct a value for money review and appraise the purchasing need.
- e. Ensure that there is adequate budget provision for the procurement exercise undertaken.
- f. For any purchase, establish if an existing approved contract exists in the SAP system before seeking to let another contract.
- g. Check whether there is an existing corporate contract that can be used before undergoing a competitive process
- h. Where the anticipated value is greater than £50,000, officers must consult the Corporate Procurement team.
- i. All sufficient time for the submission of bids
- j. Keep all supplier's bids confidential
- k. Keep records of all communication with suppliers
- l. For audit purposes, keep clear audit trails of the procurement process followed.
- m. Obtain the required approvals and complete a written contract (and seal as required) before placing an order with any suppliers, for goods, services and works
- n. Where appropriate, not award a contract until the standstill period is over.
- o. Identify a contract manager with responsibility for ensuring the contract delivers as intended. Officers must monitor each contract afterwards to see how well it met the purchasing need and value for money requirements.
- p. Must not divide up any contract in order to avoid any rules set out in the Contract Procedure rules
- q. Ensure that the procurement is appropriate to the needs of the Council and its declared objectives
- r. Ensure that contracts are legally, financially and technically capable of delivery to the Council
- s. Where lawful and appropriate give regard to the local economy
- t. When any employees either of the authority or of a service provider may be affected by any transfer arrangement, officers must ensure that the Transfer of Undertaking (Protection of Employment - TUPE) issues are considered and obtain legal advice before proceeding with inviting Tenders or quotations.

2.4. **Corporate Directors and Divisional Directors Responsibility:**

- a. Ensure that their staff comply with Rule 2.1
- b. Keep records of their signed contractual agreements completed within their department (below £100,000) and under seal (£100,000 and greater)
- c. Ensure that all Waivers are approved and recorded under Rule 3.

2.5. **Corporate Procurement Team Responsibilities**

- a. Corporate Procurement team, in compliance with European Union -public contracts regulations 2006, is responsible for supporting the Council with all its high value high risk purchasing.
- b. To tender award and manage Corporate Contracts
- c. To advice and work closely with council officers and legal on their procurement projects over the value of 50,000.
- d. To support to Corporate Directors with their supply chain and category management.
- e. To manage vendors on the system and rationalise suppliers where there are synergies in category spend across the directorates.

Officers must seek advice and clarification from the Procurement team when they need assistance in complying with or interpreting the Contract Procedure Rules. Further details, including contact details, templates for tendering and guidance notes are available on the intranet Hub under procurement.

3. **Collaborative and e-Procurement**

- 3.1. In order to secure value for money, the Council may enter into collaborative procurement arrangements with another local authority, government department, Primary Care Trust, statutory undertaker or other contracting authority. In these cases the Officer must seek procurement and Legal approval for award of contract or before entering into agreement. This can be obtained from Corporate Procurement team
- 3.2. All purchases made via a public body are deemed to comply with these contract procedure rules and no exemption is required. However, purchases above the EU threshold must be let under the EU procedures, unless the consortium has satisfied this requirement already by letting their contract in accordance with the EU procedures on behalf of the authority and other consortium members.
- 3.3. Any contracts entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the leading organisation, will be deemed to comply with these contract procedure rules and no waiver is required.
- 3.4. The Officer must seek procurement and Legal approval for award of

contract or before entering into the agreement as per scheme of delegation

- 3.5. The use of e-procurement technology does not negate the requirement to comply with all elements of these contract procurement rules and any of the guidance set down in the procurement guidance posted on the intranet, particularly those relating to competition and value for money.

4. Relevant Contracts

- 4.1. All Relevant Contracts must comply with these Contract Procedure Rules.
- 4.2. A Relevant Contract is any arrangement made by, or on behalf of, the Council for the carrying out of work or for the supply of goods, materials or services. These include arrangements for:
- a. the supply or disposal of goods
 - b. hire, rental or lease of goods or equipment
 - c. execution of works
 - d. the delivery of services, including those related to:
 - the recruitment of agency staff
 - land and property transactions
 - financial and consultancy services.
- 4.3. Relevant contracts do not include:
- a. Contracts of employment which make an individual a direct employee of the authority
 - b. Agreements regarding the acquisition, disposal, or transfer of land (for which Financial Regulations shall apply).

5. Waivers & Exemptions

- 5.1. The Council and its cabinet have power to waive any requirements within these contract procedure rules for specific projects, and any such decision may be a key decision
- 5.2. In exceptional circumstances, the Corporate Director, Lead portfolio holder also has the power, under the scheme of financial delegation in the Constitution, to waive any requirements within these contract procedure rules. Where the Contract exceeds the EU Threshold, the Council has no powers to waive EU rules
- 5.3. Where a waiver is necessary because of an unforeseeable emergency involving immediate risk to persons, property or serious disruption to Council services, Executive Directors and Directors may approve the exemption but they must notify the Procurement Manager or Director of Finance as soon as possible

- 5.4. Waivers should not be retrospective
- 5.5. In cases where the Officer has followed the procurement procedure, but for reasons beyond control the correct number of compliant tenders has not been received, and due to practicalities such as time constraints or market limitations, a re-tender cannot be conducted. The Officer must complete a Waiver form and authorisation is only required from the Director of Finance and the Divisional Director of Procurement, or their nominated deputies
- 5.6. The list of specific exceptions is set out in Appendix A
- 5.7. An online “Waiver Request Form” can be found on the intranet – attached Appendix B. The procurement team maintains a register of waivers which is reported to the Efficiency Board. All waivers must be submitted for consideration to the Procurement Team, once authorised by the relevant Director or Executive Director.
- 5.8. The Procurement Team will either approve or reject requests for Waivers or refer them to the appropriate Portfolio Holder for determination.
- 5.9. Where a waiver of Contract Procedure Rules is sought for the second time in relation to the same contract, then regardless of the value of the contract, that waiver may only be signed by the relevant portfolio holder or Leader of Council.

Section 2 - Common Requirements

6. Steps Prior To Purchase

6.1. Prior to any purchase, the Officer responsible for it must, in a manner commensurate with the complexity and value of the purchase. Officers must take into account the Procurement Strategy, Harrow Sustainable Procurement guide By:

- a. Including the requirements from any relevant value for money review
- b. Appraising the need for the expenditure and its priority
- c. Defining the objectives of the purchase
- d. Assessing the risks, including sustainability impact associated with the purchase and how to manage them
- e. Identifying the most appropriate procurement procedure to achieve the purchasing objectives, including:
 - Internal or external sourcing
 - Shared Services
 - Legal Services
 - Partnering arrangements and collaborative procurement arrangements with another local authority, government department, Primary Care Trust, statutory undertaker other contracting authority.
 - Local suppliers and Voluntary sector
 - Use of Central Purchasing Bodies such as the WLA, LSCG, Construction Line, or the OGC
- f. Consulting users as appropriate about the proposed procurement method, contracting standards and performance and user satisfaction monitoring.
- g. Using relevant terms and conditions that are to apply to the proposed contract.

- 6.2. ▪ And by confirming that
- They have the authority to spend, have obtained the required approval(s) for the expenditure and the purchase accords with the Harrow financial scheme of delegation.
 - If the purchase is valued at £500,000 and greater, an entry onto the Council's forward plan, held with the Procurement Team has been made.
 - If the purchase is valued at £500,000 and greater, their relevant departmental executive member has been informed

7. Records

- 7.1. In all cases, the Council's Formal Record of Quotation/Tendering Process must be completed and retained in accordance with the Council's retention and disposal guide within the financial regulations.
- 7.2. Where the Total Value is less than £50,000, the following documents must be kept:
- a. Invitations to quote and quotations/tenders received.
 - b. clarification and post-tender negotiation (to include minutes of meetings).
 - c. a record:
 - of any exemptions and reasons for it.
 - of the reason if the lowest price is not accepted.
 - written records of communications with the successful contractor or an electronic record if a written record of the transaction would normally not be produced.
- 7.3. Where the Total Value exceeds £50,000, the relevant Officer, Service Manager or Head of Service must record:
- a. The method of obtaining bids Section 3 Rule 12....
 - b. The Calculation of the estimated value.
 - c. Any contracting decision and the reasons for it.
 - d. Any waiver under Rule 5.together with the reasons for it.
 - e. The award criteria in descending order of importance.
 - f. Tender documents sent to and received from Tenderers.
 - g. Pre-Tender research, benchmarking and consultation information.
 - h. Any post-Tender clarification information, to include minutes of meetings.
 - i. The contract documents.
 - j. Contract implementation evaluation and ongoing contract monitoring and management information.
 - k. Communications with all Tenderers throughout the Tendering exercise and with the successful supplier(s) throughout the period of the contract.
 - l. That all contracts valued at £50,000 and greater are entered onto the Council's contract register.
 - m. Records are kept in accordance to the Council's Document and Retention and Disposal guidance.
- 7.4. Written records required by this Contract Procedure Rule must be kept for six years (12 years if the contract is under seal) after the final settlement of

the contract. However, documents which relate to unsuccessful Candidates may be microfilmed or electronically scanned or stored by some other suitable method after 12 months from award of contract, provided there is no dispute about the award.

8. Advertising, Departmental Approved List & Framework Agreements

8.1. Identifying and Assessing Potential Candidates - PQQ

- 8.1.1. Responsible officers shall ensure that, where proposed contracts, irrespective of their total aggregate value, might be of interest to potential suppliers located in other member states of the EU, a sufficiently accessible advertisement is published.
- 8.1.2. Where a large number of suppliers are expected to respond to advertising, potential suppliers will complete a Pre Qualification Questionnaire. This should be evaluated with regard to financial and technical standards relevant to the contract in order to draw up a shortlist – the suppliers on the shortlist are then invited to submit a full tender. The full tender is then evaluated against the specification for the contract and preset evaluation criteria.
- 8.1.3. An advertisement must be placed for all requirements via the Harrow Website and where required, in the local press or relevant trade journal for all requirements over £50,000 (Advertising on the portal will be automatic when using the E-Tendering process) In addition current suppliers can be contacted to advise of the tender advertisement.
- 8.1.4. Wherever practically possible, non EU Notices must specify a time limit of not less than 10 working days, within which interested parties must express their interest in tendering.
- 8.1.5. Establish and publish the criteria for short listing in the Pre Qualification Questionnaire and where possible in the advertisement.

8.2. Departmental Approved lists

- 8.2.1. Corporate Directors may draw up:

Departmental Approved Lists of suppliers ready to perform contracts to supply goods or services of particular types including without limitation on the basis of agreed contract terms.

- 8.2.2. No provider may be entered on a Departmental Approved list until there has been an adequate investigation into both the financial and their technical capacity to perform the contract, unless such matters will be investigated each time bids are invited from that list
- 8.2.3. Departmental approved lists must be drawn after an advertisement inviting applications for inclusion on the list. The advertisement must be placed to secure the widest publicity among relevant suppliers throughout all member states of the EU. Persons may be entered on a list between the initial

advertisement and re-advertisement provided the requirements are met of Rule 8.2.2.

- 8.2.4. The list and short listing criteria must be reviewed at least annually and re-advertised at least every three years, and in the case of social care every five years. On re-advertisement, a copy of the advertisement must be sent to each person on the list, inviting them to reapply within a minimum of 15 days.
- 8.2.5. The reassessment of the financial and technical ability and performance of those persons on the list, unless such matters will be investigated each time bids are invited from the list.
The deletion of those providers no longer qualified, with a written record kept justifying their deletion
- 8.2.6. All departmental Approved lists shall be maintained in an open, fair and transparent manner and be open to public inspection.
- 8.2.7. A register of pre-qualified contractors and consultants maintained by or on behalf of central or local government (e.g. OGC, LCSG, Constructionline) will be equivalent to a Departmental Approved List for the purpose of these contract procedure rules but shall not be subject to the of Rules 8.2.1 to 8.2.6 inclusive.

8.3. Framework Agreements

- 8.3.1. Where commissioned under European rules the term Framework agreement must not exceed four years and while an agreement may be entered into with one provider, where an agreement is concluded with several organisations, there must be at least three in number.
- 8.3.2. Contracts based on framework agreements may be awarded by either
- Applying the terms established in the Harrow Scheme of Delegation and the framework agreement itself (where such terms are sufficiently precise to cover the particular call off) without reopening competition, or
- 8.3.3. Where the terms laid down in the framework agreement are not precise enough or complete for the particular call-off, by holding a mini competition in accordance with the following procedure:
- Inviting all the organisations within the framework agreement that are capable of executing the subject of the contract to submit written Tenders.
 - Fixing a time limit which is sufficiently long enough to allow Tenders for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract.

- Awarding each contract to the Tenderer who has submitted the best Tender on the basis of the award criteria set out in the specifications of the framework agreement.

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Section 3 – Purchasing Rules

9. Competition Requirements

- 9.0. Obtaining Value for Money is an underlying principle, although the complexity of the procurement procedures that must be followed will vary according to the value and risk.
- 9.1. The value of the procurement is defined as the total anticipated contract/purchase value and this will be determined by either:
- 9.1.1. The Total Value of the Goods, Services or Works if a one off purchase;
- 9.1.2. Separate contracts must not be entered into nor should a method of calculating the total value in order to minimise the application of these contract procedure rules be adopted.
- 9.1.3. The total contract value over the full duration of the contract (not just the annual value). When the contract duration is indeterminate the value will be the monthly estimated cost x 48;
- 9.1.4. For Framework Contracts the Call Off Contracts with no guaranteed commitment the contract value will be the estimated value of call off's over the full duration of the contract.

10. Low Value Transactions

- 10.1. Defined as transactions valued at or below £1,000 that cannot be obtained via an existing Approved Contract.
- 10.2. Whilst obtaining Value For Money remains the primary objective, multiple Requests for Quotations need not be obtained provided compliance with this objective can be demonstrated.
- 10.3. Where suitable qualified Local Harrow suppliers are available, obtain quote from them.
- 10.4. One Written Quotation must be obtained before any Order is processed in SAP and this must specify:
- The Goods, Services or Works to be supplied;
 - Where and when they are to be supplied;
 - The value of the order or commitment;
 - The terms and conditions (Payment terms will be defined when the

supplier is added to SAP).

11. Intermediate Value Transactions below the Formal Tender Threshold

- 11.1. Defined as transactions for Goods, Services and Works valued at over £1,000 but below £50,000, where the transactions cannot be carried out using an existing Approved Contract.
- 11.2. At least 2 comparable Written Quotations must be sought for values between £1,001 and £5,000. Officers are encouraged to test the local market and two quotes can be obtained for the value of £5000 from suitable local suppliers, SME's, & third sector. If the local market cannot provide you with goods and services then officers must get quotes from the relevant market
- 11.3. Minimum of 3 comparable Written Quotations are required for values between £5,001 and £50,000, preferably at least one from a suitably qualified local supplier.
- 11.4. The criteria for selecting the most advantageous quotation must be established before the Written Quotations are invited.
- 11.5. In exceptional cases where less than the required potential suppliers can be identified, seek approval to proceed using the Waiver Request Form – Appendix B
- 11.6. Consider Value For Money i.e. not only price, but also the impact of Whole Life Cost and service levels when evaluating quotations.

12. High Value Transactions

- 12.1. Defined as transactions for Goods, Services or Works valued at or over the formal tender threshold of £50,000 but below the relevant current EU Threshold. The receipt of 3 tenders is required under this category of spend.
- 12.2. Where possible, e-tendering will be used for all tenders over £50,000 to reduce administration and improve governance.
- 12.3. The formal tender process applies as set out in this section of these rules and the Procurement Team is to be consulted on all such transactions.
- 12.4. The Procurement Team must be notified of planned contracts with a value of over £50,000, to allow inclusion in the Online Contracts Register and Annual Procurement forward Plan.

13. Transactions over EU Threshold

- 13.1. Defined as intended purchases for goods, services and works valued at over the EU Threshold, except specific exemptions made in Part 1B or the EU Legislations, e.g. Health and Social Care Services. To ensure

governance, however, contact the Procurement team on all Procurements over the EU Threshold, for advice on the applicability of the EU Legislation.

- 13.2. Where the anticipated Total Value of the contract exceeds the EU Threshold published on 31 January each year (at January 2008 £139,893 for Supplies and Services, £3,497,313 for Works), any changes to these figures will be posted on the intranet and advice from the procurement team must be sought prior to any tendering activity commencing. At least four tenders must be received.
- 13.3. The Procurement Team must be notified of planned contracts with a value over the EU Threshold, to allow inclusion in the Council's Forward Plan and to schedule workloads within the team to enable support.
- 13.4. All EU Notices will be published centrally by the Procurement Team and sufficient time must be built into the planning process for requirements, subject to EU Procurement Rules. Information on the EU timescales is available on the intranet under Procurement.
- 13.5. There are several procedures which can be followed under EU legislation.
- 13.6. The Restricted Procedure under which potential suppliers will complete a pre-qualification questionnaire. This should be evaluated with regard to financial and technical standards relevant to the contract in order to draw up a shortlist – of the suppliers to be invited to submit a full tender. The full tender is then evaluated against the Specification and Pre Determined Objective Selection Criteria for the contract.
- 13.7. Any procurement subject to the EU procurement procedures must comply strictly with those procedures.
- 13.8. The Procurement team will report periodically on all contracts let with a value of over £50,000, to the Efficiency Board and relevant Portfolio Holder, who may refer to full Cabinet.

14. Social Care Service contracts for individuals

- 14.1. Adult Social Care and Children's Social Care Contracts for beds, places or services may be Block Contracts or Spot Contracts. The Directors of Adult & Housing and Children's Services will seek to maximise the use of Block Contracts where this represents Value for Money for the Council. The following provisions shall apply to Adult Social Care and Children's Social Care contracts:
- 14.2. The Directors of Adult & Housing and Children's Services may award all Spot purchases of placements, which shall be reviewed at least annually to ensure that the service provided continues to meet the needs of the service user and continue to represent Value for Money. A report on all spot purchases must be reported to Corporate Procurement annually.
- 14.3. Contract Procurement Rules 10, 11, 12 (in relation to tender procedures

and formation of contract) shall not apply to Spot Contracts. However, when negotiating Social Care Contracts officers must comply with the principles of obtaining Value for Money, and promoting local services and service user choice where practicable.

15. SAP System

- 15.1. SAP is the procurement system for goods, services and works across the Council. It will not be possible to place orders with suppliers that have not been entered on the SAP system, subsequent to a procurement exercise conducted in line with the guidance in Section 3. New suppliers will be created in the SAP system on completion of the online new supplier set up form.
- 15.2. Purchase Orders must be raised in SAP in advance of incurring expenditure, enabling payment by BACS. Officers can also use a Purchasing Card for low value purchases such as a travel ticket. Where no other options are available, Officers may use their own resources and claim back the expenses via the payroll. When claiming reimbursement of expenditure, all claims must be supported by a valid VAT receipt.
- 15.3. Harrow standard payment terms are thirty days after date of receipt of invoice, although discounts can be negotiated with suppliers for earlier payment.

16. Contract Extensions & Variations

- 16.1. Only contracts that have an option to extend can be extended as per the contract terms and conditions. Any variation in time or price (or both together), officers must compute the amount of the variation and seek approval in accordance with the Scheme of Financial Delegation and seek Legal and procurement advice. Approval must be based on the revised total value of the contract, not the value of the variation.

17. Contract Termination

- 17.1. Where contract is to be terminated before its contracted termination date, this must be approved by the relevant Department Corporate Director. The relevant department must take advice from the Legal services in advance of the contract termination.

18. Declaration of Interests

- 18.1. If it comes to the knowledge of a Member or an Officer of the Council that a contract in which he or she has a pecuniary or other significant interest has been or is proposed to be entered into by the Council, he or she shall immediately notify their line manager and make an entry in the Register of Interest which is kept by named individuals in each of the Directorates. Appropriate action will be taken to remove any risk generated by the

interest, which may include withdrawal from involvement in the procurement process.

19. Partnership Arrangements

- 19.1. The Council recognises that the Government has encouraged partnership between local authorities and other public, private and voluntary sector organisations as a way of providing more flexible and cost effective services. Harrow is an active member of the London Capital Ambition (Centre of Excellence), the West London Alliance and Pan London and via these and other collaborations with external bodies, Officers are encouraged to engage in consultation, share good practice and learn from previous experience.
- Any joint procurement arrangement with other local authorities or public bodies including membership or use of Purchasing Consortia must be approved by the Procurement Team and Legal Services prior to the commencement of any procurement on behalf of the Council.
- Officers must continue to work with existing main suppliers to develop good working relationships to drive efficiencies and innovation.

20. Engagement of Consultants

- 20.1. Any consultant used by the Council shall be appointed in accordance with these Contract Procedure Rules.
- The Engagement of Consultant architects, engineers and surveyors or other professional consultants including Counsel is subject to completion of a formal letter, contract of appointment or brief.
- Consultants must provide evidence of and maintain professional indemnity policies to the satisfaction of the relevant Corporate Directors and Directors for the periods specified in the respective agreement. The minimum level of indemnity recommended is £1m per occurrence or series of occurrences arising out of the same incident.
- 20.2. All consultancy contracts must be reported to the Procurement Team using the template attached at Appendix C.

21. Working with Small Businesses, the Voluntary and Community Sectors

- 21.1. The National Procurement Strategy was jointly published by the Office of the Deputy Prime Minister (ODPM) and the Local Government Organisation (LGA). The Strategy seeks for Councils to achieve community benefits through procurement, by actively engaging with a diverse range of suppliers including small businesses, the voluntary sector and community organisations.
- 21.2. Small and Medium-sized Enterprises (SME's) are a powerful engine for economic growth and are a crucial part of the economy, as it has been recognised that small businesses can provide Value for Money in procurement both by engaging with small businesses directly and via

subcontracting.

- 21.3. The Council has confirmed this commitment by signing up to the Small Business Friendly Concordat. Officers are required to comply with the guidance available on the intranet please refer to the Shop local guidance.
- 21.4. Additionally, a Local Compact with the voluntary and community sector was signed in May 2004. When developing commissioning strategies and inviting tenders, consideration must be given to the potential for the voluntary sector to undertake the work and any artificial barriers preventing voluntary organisations from winning contracts to provide services must be removed.
- 21.5. In order to get best value and promote local competition, purchasers are requested to test the local business and offer fair access to public contracts. This can be achieved by advertising on the Harrow website, Local newspapers etc.

22. Pre-Tender Market Research and Consultation:

- 22.1. In identifying and assessing potential candidates, the Officer responsible for the procurement
 - may consult potential suppliers prior to the issue of the Invitation to Tender in general terms about the nature, level and standard of supply, contract packaging and other relevant matters, provided this does not prejudice any potential candidate, but
 - Must not seek or accept technical advice on the preparation of an invitation to Tender or quotation from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential candidates or distort competition and
 - Should seek advice from the Corporate procurement team

23. Standards & Award Criteria

- 23.1. The officer must ascertain the relevant EU, UK, European or international standards which apply to the subject matter of the contract. The officer must include those standards which are necessary properly to describe the required quality. The Legal team must be consulted if it is proposed to use standards other than European standards
- 23.2. The officer must define award criteria that are appropriate to the purchase and designed to secure an outcome giving Value for Money for Harrow
The basic criteria shall be
 - 'Most economically advantageous' where considerations other than price also apply
 - 'Lowest Price' where payment is to be made by the authority
 - 'Highest Price' where payment is to be received
- 23.3. If the first criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations. These must include price and quality of the goods and or services in addition to service, quality of goods, whole life costs, technical merit, previous experience,

delivery date, cost effectiveness, quality, relevant environment considerations, social benefits, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance and any other relevant matters. It is good practice to issue evaluation criteria including sub criteria and their relative weightings with the Invitation to Tender.

- 23.4. Award Criteria must not include:
- o Matters which discriminate against suppliers from the European Economic Area or signatories to the Government Procurement Agreement.

24. Pre Tender –Qualification

- 24.1. Where a large number of suppliers are expected to respond to advertising, potential suppliers will complete a Pre Qualification Questionnaire. This should be evaluated with regard to financial and technical standards relevant to the contract in order to draw up a shortlist – the suppliers on the shortlist are then invited to submit a full tender. The full tender is then evaluated against the specification for the contract and preset evaluation criteria.

25. Invitation to Tender & Quotations

- 25.1. The invitation to tender shall state that no tender will be considered unless it is received by the date and time stipulated in the Invitation to Tender. No tender delivered in contravention of this clause shall be considered, except in respect of any provision made in accordance with rule 13.8, following
- 25.2. All Invitations to Tender shall include the following:
- a. Specification - is a document that describes the authority's requirements in sufficient detail to enable the submission of competitive offers.
 - The complexity of the Specification is the responsibility of the service area issuing the tender. The Specification must be compiled before any procurement activity is started. The accuracy of the Specification is critical to the management of the delivery and performance of the contract.
 - b. Disclosure – A requirement for Tenderers to declare that the Tender content, price or any other figure or particulars concerning the Tender have not been disclosed by the Tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose).
 - c. Form of Tender – A requirement for Tenderers to complete fully and sign all Tender documents including a form of Tender and candidates relating to canvassing and non collusion.
 - d. Notification that Tenders are submitted to the Council on the basis that they are compiled at the Tenderer's expense.
 - e. A description of the award procedure and, unless defined in a prior advertisement, a definition of the award criteria in objective terms if possible in descending order of importance.
 - f. All invitation to Tender or quotations must specify the goods,

- services or works that are required, together with the terms and conditions of contract that will apply.
- g. The invitation to Tender or quotation must state that the Council is not bound to accept any quotation or Tender
 - h. The invitation to Tender or quotation must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.
 - i. The method by which any arithmetical errors discovered in the submitted Tenders is to be dealt with; in particular, whether the overall price prevails over the rates in the Tender or vice versa.
- 25.3. Templates of tenders are available from the Procurement Team and on the Procurement Intranet site.
- 25.4. The correct number of suppliers must be invited to tender, unless there is overriding business or legal justification that this is not required and in these circumstances a Waiver must be sought
- 25.5. The Specification and evaluation criteria must take into account the Council's priorities regarding Health and Safety, Quality Management Systems, Insurances, Equality and Diversity and Sustainable Procurement.
- 25.6. The Officer must ensure that the procurement process and outcome complies with equality and diversity legislation and Council requirements. It is a statutory requirement for Officers to ensure race equality in procurement processes, however the Council also requires all other aspects of diversity to be considered both in respect of fair access to the Councils procurement processes and the potential contractor's commitment to equality and diversity in its workplace.
- 25.7. There must be an assessment of the quality of both Tenderers and tenders by pre determined non-discriminatory evaluation criteria and weightings, including Whole Life Cycle Cost where appropriate.
- 25.8. The risks associated with the contract must be assessed in accordance with the corporate Risk Management Process. Further information on the Risk Management Process is available on the intranet under Risk Management.
- 25.9. The standard terms and conditions which apply must be stipulated. Where it is proposed that a form of contract be used, which does not adopt the Council's Approved Standard Terms (including Industry Standard Terms) Legal Services must approve the use of such form.
- 25.10. The tender must explain how information provided in the tender will be treated with regard to statutory requirements, including the Freedom of Information Act requirements.
- 25.11. In cases where the SAP eTendering process is not used, the Invitation to Tender must request that the tender is submitted to the Officer in a plain envelope or package bearing a tender label giving only the recipient

Officer's name, address, tender title and opening date. The tender label must not identify the name of the tenderer.

- 25.12. Tenderers must be required to hold their tenders open for acceptance for a minimum of 90 days from the date of opening.

26. Submission, Receipt & Opening of Tenders

- 26.1. Candidates must be given an adequate period in which to prepare and submit a proper Quotation or Tender, consistent with the complexity of the contract requirement. Normally at least four weeks should be allowed for submission of Tenders.

The EU Procedure lays down specific time periods see procurement intranet

- 26.2. Every reply to an Invitation to Tender (not processed via the eTendering Process) must be addressed to the recipient Officer at the relevant address.
- 26.3. Officers must notify all candidates of the correct Tender return instructions, including to whom (officer name) and where the tenders must be returned. In all cases the Tender instruction or notice shall state that no quotation or Tender shall be received by the Council except in a plain sealed envelope /package which shall bear the words "Tender/quotation" (as appropriate) followed by the subject matter to which it relates, but shall not bear any name or mark which would identify the sender
- 26.4. Tenders submitted by fax or e-mail will not be considered unless specified in the tender documents.
- 26.5. Tender packets or envelopes received must be date stamped and locked away until the specified time for their opening.
- 26.6. The tendering Officer and a senior professional or management level Officer must be present during the opening of the tender and at least one such Officer must not be from the directorate responsible for the purchase.
- 26.7. The Officer must ensure that all Tenders are opened at the same time when the period for their submission has ended
- 26.8. A record of the tenders must be logged on the Tender Control Form.
- 26.9. The opened tenders must be date stamped and signed by the two Officers at the time of opening on the page containing the overall contract value, alternatively on the pages containing the price information, where no overall value is quoted.
- 26.10. Tenders that are received after the closing date or tenders that are not submitted in accordance with these Rules are to be disqualified unless it is agreed otherwise by the Procurement Team

- 26.11. Where the Council is utilising a reverse auction as a procurement procedure enabling suppliers/providers to adjust their Tender price in the light of information from the Tender prices submitted by competing suppliers/providers, then alterations will be accepted as permitted by the auction process. No procurement shall take place by an electronic reverse auction unless the Head the Harrow Corporate Procurement agrees that such a process is appropriate for the procurement in question and the e auction is completed in line with methods agreed by Corporate Procurement.

27. Pre and Post-Tender Clarification Procedures

- 27.1. Providing clarification of an invitation to Tender to potential or actual candidates or seeking clarification of a Tender, whether in writing or by way of a meeting, is permitted. Discussions with Tenderers after submission of a Tender and before the award of a contract (Post tender clarifications) with a view to clarifying mistakes or errors in the Tender submitted, operational provisions or terms and conditions of contract are permitted. Where post Tender clarification discussions are to take place with a supplier, all tenderers involved in the respective exercise must be notified and all information must be documented by the officers conducting the clarification.

- 27.2. Post-tender negotiation means negotiations with a tenderer after submission of a Tender and before the award of the contract with a view to obtaining adjustments in both price and content. Negotiations are not permitted under E U procedures save in respect of the Negotiated and Competitive Dialogue Procedures

Where post-tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered.

- 27.3. However, Post Tender clarification impacting price may only be entered into if the tender documents, provided advance notice of this intention and the appropriate Service Director has provided written approval for clarifications to be entered into.

- 27.4. Full, written records must be made and retained on clarifications.

28. Evaluation, Award of Contract & Debriefing Candidates

- 28.1. Apart from the debriefing required or permitted by these contract procedure rules, the confidentiality of quotations, Tenders and the identity of candidates must be preserved at all times and information about one candidate's Tender submission must not be given to another candidate.

- 28.2. Tenders must be evaluated in accordance with the pre-determined award criteria and weightings. In the case of EU tenders, this is mandatory. During the evaluation process, Officers shall ensure that submitted Tender prices are compared with any pre-Tender estimates and that any

discrepancies are examined and resolved satisfactorily.

- 28.3. Officers must ensure that all statutory requirements are included as evaluation criteria, e.g. the inclusion of the contractor's commitment to race equality (in line with the Race Relations Act Amendment 2000). The Councils diversity requirements must be evaluated along with the statutory requirement
- 28.4. A Supplier Financial Health Check must be requested from the Procurement Team for all contracts with an anticipated value of over £100,000, excluding Spot Contracts in social care.
- 28.5. The arithmetic in complaint Tenders must be checked. If arithmetical errors are found they should be notified to the Tenderer, who should be requested to confirm or withdraw their Tender. Alternatively, if the rates in the Tender, rather than the overall price, were stated within the Tender invitation as being dominant, an amended Tender price may be requested to accord with the rates given by the Tenderer.
- 28.6. A Contract or Service Level Agreement must only be awarded by an Officer so authorised according to the Scheme of Delegations.
- 28.7. All Contracts awarded over the value of £100,000 must be recorded on the Contracts Register by ensuring that all relevant information is forwarded to the Procurement Team.
- 28.8. For contracts awarded under the EU procurement rules, Officers must allow a mandatory minimum standstill period of 10 calendar days between notification of award decision and entering a contractually binding agreement. It is most important therefore that the notification of award decisions is neither a contract award nor a conditional award which may need to be discarded in the event of a challenge within the standstill period.
- 28.9. Where the total value is at £50,000 and greater, the Officer must notify all candidates simultaneously and as soon as possible of the intention to award the contract to the successful candidate. Where the standstill period applies Officers must send the following to all persons submitting an expression of interest
- The award Criteria
 - Where appropriate the score of the tenderer obtained against the criteria
 - Where appropriate the score of the winning tenderer obtained
 - The name of the winning tenderer

No other information should be given without taking the formal advice of the procurement and legal team.

- 28.10. In this event the officer must provide unsuccessful candidates with a period of at least ten days in which to challenge the decision before the Officer awards the contract. If the decision is challenged by an unsuccessful candidate then the officer shall not award the contract and shall immediately seek advice of the legal team.

- 28.11. Under EU legislation, suppliers are entitled to a debrief. This will include details of why the supplier was unsuccessful and the characteristics and relative advantages of the successful supplier, as appropriate. Details must also be provided on how the award criteria were applied.
- 28.12. If a candidate requests in writing the reasons for a contracting decision, the Officer must give the reasons in writing within 15 working days of the request, If requested, the officer may also give the debriefing information to candidates who were deselected in the pre tender shortlisting process.

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SUMMARY OF PURCHASING RULES

Rule	Total Aggregate Value	Procedure	Approval	Other Essential Requirements	Procurement Guide / Online Resources
10.	Low Value Transactions Below 1,000	One Written Quotation preferably from local supplier faxed or e-mailed	Service Manager, Team Leader or other manager	<ul style="list-style-type: none"> ○ Purchasers must ensure that this quote represents Best Value ○ Keep record for audit purposes ○ Explore local market 	<i>Intranet link –</i> http://harrowhub/site/scripts/documents.php?categoryID=9
11.	Intermediate Value £1,000 to £5,000	Two written quotations or one written quote from local supplier	Service Manager, Team Leader	<ul style="list-style-type: none"> ○ Purchasers must ensure that this quote represents Best Value ○ Keep record for audit purposes ○ Explore local market ○ CPR compliance 	http://harrowhub/site/scripts/documents.php?categoryID=9
11.	£5,001 to £50,000	Three written quotations Purchasers are required to get three competitive quotations, with one preferably from a local supplier	Head of Service, Divisional Directors	<ul style="list-style-type: none"> ○ Purchasers must ensure that this quote represents Best Value ○ Keep record for audit purposes ○ Explore local market ○ CPR compliance 	http://harrowhub/site/scripts/documents.php?categoryID=9
12	High Value Greater than £50,000 to less than EU Thresholds	Formal Tendering process minimum three tenders Fair access to public contracts, and represent MEAT (most economically advantages tender)	Head of Service Divisional Directors	<ul style="list-style-type: none"> ○ All of above plus ○ CPR compliance check & contract award approval ○ Advertise where appropriate and on Harrow website. ○ Over £100,000 – details on contracts register ○ Over £100,000 contract to be sealed. ○ Award published 	http://harrowhub/site/scripts/documents.php?categoryID=9
13	Transactions greater than EU Thresholds	Formal tendering in compliance with Public Contracts Regulations	Strategic Project Board, Directors, Cabinet,	Compliance with the Public Contracts Regulations 2006 and All of the above.	
13	EU thresholds - up to £500,000.00	Formal tendering in compliance with Public Contracts Regulations	Strategic Project Board, Directors, Cabinet	Compliance with the Public Contracts Regulations 2006 and All of the above	
13	£500,000 to 5 million	Formal tendering in compliance with Public Contracts Regulations	Strategic Project Board, Directors, Cabinet	Compliance with the Public Contracts Regulations 2006 and All of the above	
13	£ 5 Million and greater	Formal tendering in compliance with Public Contracts Regulations	Strategic Project Board, Directors, Cabinet		

Section 4 Contract and Other Formalities

29. Contract Documents

29.1. All relevant contracts that exceed £50,000 shall be in writing and must state clearly

- the names of parties
- the term of the contract and its conditions
- the Goods, Services or Works to be supplied under the Contract
- the contract price and payment arrangements
- that the supplier may not sub-assign or sub-contract without prior written consent
- any Insurance requirements
- duty to comply and help the Council to comply with equality and diversity legislation
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes, if relevant;
- pricing mechanism and arrangements for payment, including the payment profile
- rights of termination
- any specific legislative or other requirements related to the contract
- where the contract involves access to vulnerable adults or children, a requirement that the contractor's and any sub-contractor's staff have up to date Criminal Records Bureau and other relevant checks
- any other matter relevant to the particular contract

29.2. The formal advice of the Procurement Team (who may refer to Director of Legal Services or the Directorate of Finance) must be sought prior to award for the following contracts:

- (a) where the Total Value exceeds £50,000
- (b) those involving leasing arrangements
- (c) those which are complex or involve a recognisable risk
- (d) where it is an extension or variation to an existing contract that will bring the overall value over £500,000
- (e) where invoice payments are made to finance or factoring companies
- (f) where it is proposed to use the supplier's own terms (not recommended)
- (g) any other non-routing contracts where the Officer considers it appropriate

29.3. All relevant contracts, irrespective of value, shall clearly specify:

- What is supplied (ie: the works, materials, services, matters pr things to be furnished, had or done) (description and quality)
 - The provisions for payment(i.e. the price to be paid and when) inclusive of the council SAP - purchase to pay process
 - The time, or times, within which the contract is to be performed.
- The provisions for the Council to terminate the contract.

29.4. The Council's terms and conditions of the contract must be used wherever possible rather than the suppliers. If you intend to use the suppliers terms, advice from Legal must be sought prior to signing.

29.5. Written records must be kept for six years (twelve years if the contract is under seal) after the final settlement of the contract. However, documents which relate to unsuccessful candidates may be disposed of confidentially after six months from award of contract, provided there is no dispute about the award.

29.6. Where contracts are awarded to suppliers new to the Council, the supplier will have to be added to the SAP system. The completion of the electronic online "New Supplier Set-up / Amendment Authorisation" will facilitate the process. Any changes to supplier details must also be forwarded to shared services support team on the "New Supplier Set-up / Amendment Authorisation" (Appendix D) form.

30. Contract Formalities

30.1. Agreements must be completed as follows:

TOTAL VALUE	METHOD OF COMPLETION	AUTHORISED BY
Up to £50,000	Signature Use of Purchase Order in SAP/Written Contract for complex requirements	<£10,000 – Managers, Team Leaders <£25,000 – Service Managers <£50,000 – Divisional Directors in line with the approved policies and activities of the Council and provided there is adequate budget provision
Over £50,000, but under £100,000 where sealing is not appropriate	Signature on Written Contract, Purchase Order in SAP	<£100,000 –Divisional Directors, Directors, Executive Directors in line with approved policies and activities of the Council and provided there is adequate budget provision
Over £100,000, but under £500,000	Sealing, Purchase Orders in SAP	Chief Executive (refer to Finance Scheme of Delegations) in line with the approved policies and activities of the Council and provided there is adequate budget provision

Over £500,000	Sealing, Purchase Order in SAP	Chief Executive (refer to Finance Scheme of Delegations) in line with the approved policies and activities of the Council and provided there is adequate budget provision
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30.2 All contracts for the supply of Goods, Services and Works must be concluded before the supply begins

30.3 In exceptional circumstances and with the prior approval of the Procurement Team and Legal Services a letter of intended acceptance can be issued to allow works or services to commence in advance of contract completion.

30.2. **Signature**

30.3. The Officer responsible for signing the contract must have been granted the appropriate written delegated authority and ensure that the person signing for the other contracting party has authority to bind it.

30.4. In the case of contracts for commissioning of care services, where the Total Value of the contract is not known, the Officer responsible must have been granted appropriate written delegated authority to enter into commissioning contracts.

30.5. **Sealing**

A contract must be sealed where:

- (a) the Council wishes to enforce the contract for more than six years after its end (e.g. for land or construction works, some social care contracts); or
- (b) the Director of Legal Services advises that it should be sealed to protect the Council
- (c) where required by parties to the agreement
- (d) where the Total Value is expected to exceed £100,000

30.6. Where contracts are sealed, the affixing of the Council's seal must be attested by or on behalf of the Director of Legal Services. The Director of Legal Services is responsible for the process of sealing contracts.

31. Bonds and Parent Company Guarantees

31.1 The Officer responsible for the contract must consult Corporate Finance about whether a Parent Company Guarantee or Performance Bond is necessary when:

- (a) a potential supplier is a subsidiary of a parent company and the award is based on an evaluation of the parent company, and the Total Value exceeds £250,000; or
- (b) there is concern about the financial stability of the subsidiary supplier.

31.2 The Council must never give a bond

32. Prevention of Corruption

- 32.1 The Officer responsible for the contract must comply with the Council Code of Conduct and the Council's Anti-Fraud & Corruption Strategy and must not invite or accept any gift, reward or benefit in respect of the award or performance of any contract.

- 32.2 All contracts must contain an appropriate clause that provides protection and the right to terminate the contract in the event of a supplier offering any inducement, committing fraud or committing an offence under the Prevention of Corruption Acts.

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Section 5- Contract Management

33. Managing Contracts

- 33.1 All contracts over the value of £50,000 and those of a complex nature below this value must have a designated contract manager whose name must be notified to the Supplier.
- 33.2 The Contract Manager is responsible for monitoring the performance of the contractor during the life of the contract. This will ensure that service standards are maintained and that the contractor is complying with the Specification and contract terms. Quarterly monitoring is recommended, including all contract users and stakeholders. Monitoring must include but not be restricted to performance, compliance, cost, statutory requirements, user satisfaction, equalities requirements, health and safety factors and risk management.

34. Risk Assessment & Contingency Planning

- 34.1 Provision for resources for the management of the contract, for its entirety, must be identified in the business case.
- 34.2 For all contracts with a value of £50,000, contract managers must
 - Maintain a risk register during the contract period
 - Undertake appropriate risk assessments and for identified risks
 - Ensure contingency measures are in place
- 34.3 All price increases (above those written into contracts) requested by suppliers must be referred to the Procurement Team for advice. Increases agreed within Purchasing Consortia, e.g. West London Alliance must also be discussed with the Procurement Team.
- 34.4 Be aware that if you deviate from the detailed specification you will be varying the terms of the contract. Consider who has authority to make such a variation. Any such variation must be written down and use the change control procedure identified in the contract. Check with the Procurement Team or Legal Services before agreeing to changes.

General Exceptions from Contract procedure Rules

These Contract Rules all to all Goods, Services and Works purchased by the Council, with the following exceptions:

- (a) Procurement of Goods, Services or Works where the procurement procedure to be followed by the Council is the subject of express legislation.
- (b) Goods, Services or Works procured in an emergency because of a need to respond to events that were beyond the control of the Council (e.g. natural disasters such as flooding or fires) as long as any expenditure is raised as a Purchase Order in SAP and for any expenditure in excess of £5,000, a Waiver is completed within 3 working days and the Director of Financial and Business Strategy is informed. Any contract entered into by the Council under this Waiver must not be for a term of more than 6 months.
- (c) Contracts for the acquisition and disposal of land or property that are covered by a separate regulation.
- (d) Contracts of employment for staff.
- (e) Call off or orders placed against corporate Contracts or Framework Contracts where the procedures defined in the Contract for call off are followed.
- (f) Grants, but only where subject to the requirements of the Council's agreement with the voluntary sector as approved by Cabinet.
- (g) The disposal of Council assets that are covered by a separate regulation
- (h) Framework Contracts let in compliance with these Contract Procedure Rules by Purchasing Consortia of which the Council is a member, e.g. West London Alliance, London Contracts and Supplies Group, London Housing Consortium.

Waiver Request Form

Ref No: [Please contact Procurement Team for a Waiver No]

HARROW COUNCIL

[DIRECTORATE]

CONTRACT PROCEDURE RULE 3

WAIVING OF CONTRACT PROCEDURE RULE [Insert Rule:10,11,or 12]

NATURE OF WORK/SUPPLIES:

Please give a detailed description of the goods and services you are purchasing

APPROVAL TO WAIVE CONTRACT PROCEDURE RULE(S) [Insert]

(See users guide overleaf or Contract Procedure Rules)

Please state the reason(s) why the above contract procedure rule cannot be complied with:

- 1.
- 2.
- 3.
- 4.

Accordingly, I submit the following alternative method of entering into a contract on this occasion only: [Officer to specify nature of intended contractual relationship with supplier].

By entering into a contract with:-

[Company Name]

[Address Details]

Contract Value *[Insert]*

(Where the extension of an existing contract is being sought, state value of existing contract and how procured).

Officers Signature:

Officer's Name: *[Insert Name]*

Officer's Title: *[Insert Title]*

Date: *[Insert Date]*

I am satisfied that it is in the best interests of the Council to enter into a contract for the above work despite non compliance with the Contract Procedure Rule(s) detailed above and in accordance with CPR 3.19, I authorise the placing of a contract for the work.

_____ Executive Director **OR** Director*

AND

_____ Divisional Director Procurement **OR**
Service Manager Procurement*

_____ Date

***Note:** In cases where the Officer has followed the procurement procedure, but for reasons beyond control the correct number of compliant tenders has not been received, and due to time constraints or market limitations, a re-tender cannot be conducted, the Officer must complete a Waiver form and authorisation is only required from the Director of Finance or the Divisional Director, Procurement or their nominated deputies.

PLEASE NOTE THAT OFFICERS MAY NOT AUTHORISE A WAIVER OF CONTRACT PROCEDURE RULES ONCE THE CONTRACT HAS BEEN ENTERED INTO.

YOU WILL NEED TO DEMONSTRATE THAT THE COUNCIL OBTAINS VALUE FOR MONEY AND THOSE GOODS/SERVICES/WORKS ARE NECESSARY AND APPROPRIATE.

Guide to user:- This waiver document must be used with **any** clause in the Contract Procedure rules has not been complied with. *(Please consult the Contract Procedure Rules – Section 3 and Appendix E for more detailed information).*

This waiver will be given a reference number and the project registered by the Procurement Team. Once signed by any of the Officers named above the waiver **MUST** be retained and the register updated as required by the Procurement Team.

Two copies of this waiver document must be **signed and dated** by the authorising Officers. The Officer seeking the waiver must retain one copy and forward one copy to the Procurement Team.

The Corporate Management Team and the Overview and Scrutiny Committee will review the waiver register periodically.

Protocol for the engagement of Consultants /Interim Managers

This form will be used to track the use of Consultants across the Council. This process will provide detailed management information:

- Usage, Projects completed and ongoing
- Annual spend and funding details
- Deliverables (Outputs and Outcomes)
- Compliance with Contract Procedure Rules
- Project delivery, on time and to budget
- Consultants performance
- Opportunities for collaboration

This proforma will not be required if you have procured staff via Matrix, Pertemps or ASAP. The Council currently gets detailed management information on this expenditure.

Definitions:

The term "Interim Manager"

Contracts for the provision of a person with particular expertise to assist the Council by working as a member of the Council's team responsible for a certain task.

The term "Consultant"

Management consultancy contracts in which the consultant undertakes to provide to the Council, advice, guidance and operational assistance services, or coordination and supervision services of resources in preparing, running and completing a project on behalf of the Council.

Procurement Process:

Refer to the Contract Procedure Rules to select the procurement route. In choosing the current procurement route please be mindful that the scope of the project is clearly understood to avoid challenge if specification changes, or an increase in the overall cost of the project.

If you need any help in completing the proforma please contact the Procurement Team.

Proforma – Engagement

Reason for requirement: Please describe the context – e.g. links to other initiatives	
Define duties: Please set out briefly the objectives of the role (use bullet points)	
Will this work be required within other public sector organisations:	
Measures of success Please use bullet points	
Supplier Details: Company Name Address Contact Name Phone Number Email	
Location of work:	
Reporting to: Please detail the person responsible for the specification if different	
Reporting format Please set out key milestones	
Start date:	
Completion date:	
Duration of contract:	
Hours per day:	

Services Procured by:	Tenders	<input type="checkbox"/>	Quotes	<input type="checkbox"/>
Charges:	Fixed charge	£	Day rate	£
Fixed per diem:	Per day	£	Mileage Rate – per mile	£0.
Other costs to project: Please set out the cost profile of the engagement (break down in phases if appropriate)				
Will the Terms & Conditions be?	Council's	<input type="checkbox"/>	Supplier's	<input type="checkbox"/>
Additional Comments:				
Service Manager				
<i>Unique No:</i>	<i>Print Name</i>	<i>Extension No</i>	<i>Department:</i>	<i>Date:</i>
Director or Executive Director				
<i>Signed:</i>	<i>Print Name</i>			<i>Date</i>
Service Manager Procurement or Divisional Director of Finance				
<i>Signed:</i>	<i>Print Name:</i>	<i>Date:</i>	<i>Ref No</i>	
Portfolio Holder (if over £100,000)				
<i>Signed:</i>	<i>Print Name</i>			<i>Date</i>
Evaluation and Review:				
<i>Completed by:</i>		<i>Date</i>		

Equal Opportunities Monitoring Information

We ask for your cooperation in providing the following information. The Council monitors its Recruitment and Selection process to assess the effectiveness of our Equal Opportunities Policy. The information given will be in strict confidence and will be used only in the monitoring exercise, which will help to achieve equality of opportunity in the Council's employment.

I consider my ethnic origin to be: (Tick appropriate box)

Asian or Asian British

Bangladeshi

Indian

Pakistani

Asian Other

Black or Black British

African

Caribbean

Black Other

Chinese or other Ethnic Group

Chinese

Any other Ethnic Group

Mixed

White & Black African

White & Black Asian

White & Black Caribbean

Mixed Other

White

British

Irish

White Other

Gender

Female

Male

Disability

The following question on disability is designed to enable us to assess what action we might take to offer positive employment opportunities for people with disabilities.

If you consider that you have a disability i.e. a physical or mental impairment which has a substantial or long term (at least 12 months) adverse effect on your ability to carry out normal day to day activities, including depression, diabetes, dyslexia, epilepsy, cancer. This information will assist us assessing the impact of policies and procedures on people with disabilities.

Do you have a disability?

Yes

No

If yes, please describe how the disability affects you. Further please state if there are any particular arrangements you would like us to make to assist you.

Age (tick appropriate box)

16 – 17

30 – 34

50 – 54

18 – 19

35 – 39

55 – 59

20 – 24

40 – 44

60 – 64

25 – 29

45 – 49

65 +



PROCUREMENT NEW SUPPLIER SET-UP/AMENDMENT AUTHORISATION							
NEW SUPPLIER SET UP AUTHORISATION		<input type="checkbox"/>	SUPPLIER AMENDMENT AUTHORISATION		<input type="checkbox"/>		
Your Name:					Contact Number:		
Supplier sourced by (in accordance with Contract Procedure Rules)							
1 Quote Under £1,000	2 Quotes £1,001 – £5,000	3 Quotes £5,001 – £ 50K	3 Tenders £50,001 - £100K	4 tenders or EU £100,001 +			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Purchase	One-off	<input type="checkbox"/>	On-going	<input type="checkbox"/>			
If On-going	Start Date		End Date				
Spend	Fixed cost	£	Annual	£			
This form will not be authorised by Procurement if it has not been completed in full including the above information.							
Supplier Name							
*SAP Supplier Number							
Phone Number							
Address							
Postcode							
Contact Name							
Phone Number							
Fax Number							
E-mail address for SAP orders							
E-mail address for SAP remittance advices							
*SAP supplier number to be entered for supplier amendments only							

Description of Goods/Services/Works				
Commodity Code/ Cost Element				
Bank Sort Code				
Bank Account Number				
If payment is made to another company (i.e. a Factoring Company) please enter details below.				
Name				
Address				
Post Code				
Contact Name				
Phone Number				
E-mail Address				
Bank Sort Code				
Bank Account Number				
Local Supplier	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
SME/BME/ Voluntary Org	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Terms and Conditions	Council's	<input type="checkbox"/>	Supplier's	<input type="checkbox"/>
SAP Payment Terms	Harrow Standard Terms: 30 days payment terms from the date the invoice is received by Harrow Council	<input type="checkbox"/>	Other (please specify) e.g. 14 days with a 2% discount negotiated for earlier payment	<input type="checkbox"/>
Department Manager				
<i>Print Name:</i>	<i>Signature:</i>	<i>Extension No:</i>	<i>Department:</i>	<i>Date:</i>
Procurement (Ext. 7685)				
<i>Signed:</i>	<i>Print Name:</i>			<i>Date:</i>
Additional Comments:				

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NOTE:
Please note that failure to provide relevant details such as Contract Procedure Rules compliance, bank details and email addresses for orders will result in a delay in the supplier being set up. Before a form is completed, please check whether the supplier (or similar supplier) is set up in SAP.

If the supplier to be set up is a CIS vendor, a Finance Only vendor, or a Social Care vendor, please make a note in Additional Comments. Construction Industry Suppliers can only be set up upon Accounts Payable seeing the CIS Cardholder (CIS4 & CIS6 CARDS) or in respect of CIS5 Cards, an original letter from the company will suffice (faxed or photocopies not acceptable – Inland Revenue regulations).

Once completed, this form must be returned to: '**Procurement, Procurement**' (GroupWise). The Procurement Team (ext: 5479) will check the form for compliance and then pass to the SAP Support Team (Ext 2867) to add to the SAP system.

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GLOSSARY OF DEFINITIONS

“Agency”	A supplier, or consultant employed to act on behalf of a Council officer”
“Annual Procurement Plan”	A plan identifying major projects so that appropriate resources can be identified. It also provides a basis for PINs and other information provided to suppliers to give advance notice of tendering opportunities
“Approved Contract”	A Contract that has been created in accordance with the Contract Procedure Rules for call off or use by the Council. A list of Contractors can be found on the SAP Contracts database. If in doubt whether a Contract is approved or not, contact the Procurement Team.
“Approved List”	A pre-approved list of suppliers selected by their completion of a Pre Qualification Questionnaire which meets the Council’s requirements.
“Approved Standard Terms”	Includes industry standard terms and template terms and conditions set up for use by the Council.
“Award Procedure”	The procedure for awarding a contract.
“Best Value”	The duty on local authorities to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the Council.
“Best Value For Money”	The optimum combination of whole life costs and benefits to meet the customer’s requirement. Such term equates to the EU procurement requirement “most economically advantageous offer”.
“Block Contracts”	Contracts usually relevant to Adult and Housing services where a number of beds, places or services are provided by the contractor at pre-agreed pricing schedules, to which the Council may refer users over the contract period.
“Bond”	An insurance policy. If the contractor does not do what it has promised to under a contract within the Council, the Council can claim from the insurer the sum of money specified in the bond (often 10% of the contract value). A bond is intended to protect the Council against a level of cost arising from the contractor’s failure.
“Call off Contract”	Contract that covers a list of defined products or services where the price structure is defined and the contract is listed as an Approved Contract on SAP.

“Chief Officer”	The Officers defined as such in the Constitution.
“Code of Conduct”	The code regulating conduct of Officers contained within the Council’s Constitution
“Constitution”	The document setting out the procedures under which the Council operates and how decisions are made.
“Contracts Register”	A register held and maintained by the Council containing details of contracts entered into by the Council.
“Contract Procedure Rules”	The rules required in accordance with section 135 of the Local Government Act 1972 (‘the Rules’)
Engagement of consultants	Any use of professional help in supporting deliverables. Refer to the Protocol for the use of Consultants published on the Procurement Intranet site and attached at Appendix C.
E-Procurement	E-Procurement is an electronic end-to-end procurement process management system that provides secure, EU compliant tendering and automated analysis tools inclusive of e-auction, e-tendering, e-sourcing.
“EU Notice”	Notice posted in the Official Journal of the European Union. Includes a Prior Information Notice, a Contract Notice or a Contract Award Notice.
“EU Threshold”	The financial threshold above which EU public procurement directives must be applied if expected to be exceeded by the Total Value. Details are available on the intranet under Business Development/Procurement. The Threshold changes on 1 January each year and is £139,893 for Goods and Services and £3,497,313 for works as at 31 January 2008.
“Executive Director”	The executive directors from time to time of Corporate Finance, Adults & Housing, Children’s, Community and Environment, and Chief Executives Directorates of the Council.
“Financial Officer”	The most senior Officer representing the Executive Director (finance) or designated by him to provide financial advice to the Chief Officer.
“Financial Regulations”	The Financial Regulations as approved by the full Council and set out in the Constitution.
“Framework Contract”	A Contract where the overall terms and conditions are agreed but the cost of each call off varies dependent upon the requirement. This is limited to a maximum term of 4 years under EU Regulations.
“Goods”	Any goods to be supplied by the Supplier (or Supplier’s sub-contractor) under the Purchase Order or Contract as specified by the Specification.

“Industry Standard Terms”	Specific terms or conditions which are relevant only to the Goods or service being purchased, or the industry sector or market within which the Contract will operate.
“Insurance”	The Supplier shall maintain employers and public liability insurance cover with a reputable insurance company to the satisfaction of the Council and with minimum indemnity limits per occurrence of £10,000,000 and £5,000,000 respectively. In addition, at the request of the Council, the Supplier may be required to maintain professional indemnity cover with a minimum indemnity limit of £1,000,000 per occurrence. Proof of cover will be produced before the Contract is completed and at any time on demand by the Council including the policy and evidence of premium payment.
“Intermediate Value Transaction”	Transactions for Goods or Services valued at over £5,000 but under £50,000 where the transaction cannot be carried out using an Corporate Contract.
“Invitation to Tender”	Invitation to Tender (ITT) documents in the form required by Contract Procedure Rules.
“Low Value Transaction”	Transactions valued at or below £5,000 that cannot be obtained via an existing Corporate Contract.
“Local”	Within the boundary of Harrow
“Local Business”	Organisations (private, voluntary and or community led) within Harrow who can provide goods and services to the Council
“Members”	The elected representatives of the Council.
“Officer”	A person with appropriate delegated authority to act on the Council’s behalf.
“Parent Company Guarantee”	A Contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a Contract with the Council, they can require the parent company to do so instead.
“Partnership Arrangements”	Contract arrangements (including PPP and PDI) where the Council seeks to develop a relationship with a supplier based on partnership principles with a supplier thereby sharing the costs and risks involved.
“Performance Bond”	An insurance policy: If the contractor does not do what it has promised under a Contract with the Council, the Council can claim from the insurer the sum of money specified in the Bond (often 10% of the Contract value). A Bond is intended to protect the Council against a level of cost arising from the Contractor’s failure.

“PFI”	Private Finance Initiative
“PIN”	Prior Information Notice for publication in OJEU. “PIN”
“Portfolio Holder”	The Cabinet Member with executive responsibility for a particular Contract.
“PPP”	Public Private Partnership
“Pre-determined objective selection criteria”	The factors that will be assessed as part of the selection for tender short listing or final evaluation. These are normally basked up by a scoring mechanism and guidelines to enable an objective assessment. These are mandatory in the Invitation to Tender documents for tenders over the EU Threshold.
“Procurement Intranet Site”	Intranet site for the Procurement Team that contains details of procurement best practice and supporting documentation and forms. This information is available on the intranet under Procurement.
“Pre Qualification Questionnaire”	The questionnaire usually sent to suppliers who express an interest in tendering for Contract which seeks details and information about their technical, financial and organisational ability to perform the Contract.
“Procurement Strategy”	Defines the overall approach to procurement related activity for the Council. The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or other opportunities afforded to their workers
“Procurement Team”	The Procurement Team is responsible for supporting the Council in its procurement activity. Details of specific responsibilities are detailed on the Intranet site under Procurement.
“Purchasing Cards”	A Corporate Purchasing Card has been introduced for the purchase of low value Goods, Works or Services. Full details relating to the use of the card can be found on the Finance Intranet site.
“Purchasing Consortia”	Purchasing Consortia exist to maximise the value to its members of the products or services which they purchase by working with each other and with suppliers to reduce the variety of products and services and consolidate the amount purchased by the member authorities and sharing of procurement expertise.

“Purchase Order”	<p>The mandatory order created in the SAP system for Goods, Works or Services. More details can be found in the Finance Regulations.</p> <p>Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</p>
“Quotation”	<p>A quotation of price and any other relevant matter (without the formal issue of an ITT).</p>
“Regulations”	<p>The UK regulations implementing the EU public procurement directives.</p> <p>“Regulations”</p>
“Risk Management Process”	<p>The Audit and Risk Management Group support the Council in identifying areas of risk. Details of the corporate process can be found on the intranet under Business Development/Risk Management.</p> <p>The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons.</p>
“Relevant Contracts”	<p>Relevant Contract is any arrangement made by, or on behalf of, the Council for the carrying out of work or for the supply of goods, materials or services</p>
“SAP Contract Database”	<p>Database of current and proposed Contracts held in SAP.</p>
SME’s	<p>Small to medium enterprises.</p>
“Scheme of Delegation”	<p>The Scheme of Delegations covers responsibilities in terms of Contract authorisation, the inputting and authorisation of information into SAP etc.</p> <p>The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</p>
“Services”	<p>Means the services to be provided as specified in the Specification and shall, where the context so admits, include any materials, articles or goods to be supplied there under.</p>
“Service Level Agreement”	<p>An agreement specifying the levels of service to be attained under a Contract for Services</p> <p>Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</p>
“Specification”	<p>The document usually attached as a schedule to the Contract specifying in detail the Council’s precise requirements relating to the Goods, Services or Works.</p>

“Spot Contract”	<p>One-off contracts meeting individual users needs, or contracts where a number of beds, places or services are provided by the contractor without pre-agreed prices, such prices to be agreed upon each referral of a user over the contract period.</p> <p>Financial support or lack of financial support by contractors for any institution to or from which the Council gives or withholds support.</p>
“Supplier Financial Health Check”	<p>A financial risk assessment of the finances of Company, parent or group of organisations in order to establish their liquidity, profitability, stability and capability to support a Contract of the value required. The Procurement Team is able to provide a health check on potential suppliers.</p>
“Tenderers”	<p>Organisations who have been invited to submit a tender to the authority.</p> <p>Use or non-use by contractors of technical or professional services provided by the <i>Council</i> under the Building Act 1984.</p>
“Tender Control Form”	<p>The form to be filled in at the time of tender opening and completed prior to recommending a tender for acceptance.</p>
“Tender Portal”	<p>To be found on the Harrow Internet site, where potential suppliers can view details of and register interest in forthcoming tender requirements of the Council. A list of Harrow businesses is also available on this site.</p>
“Total Value”	<p>The whole of the value or estimated value (in money or equivalent value) for a group of similar commodities or services:</p> <ul style="list-style-type: none"> • whether or not it comprises several lots or stages across the Council as a whole • whether or not it is to be paid or received by the Council or a Discrete Operational Unit within the Council. <p>The Total Value shall be calculated as follows:</p> <ul style="list-style-type: none"> • where the Contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period; • where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months; • where the Contract is for an uncertain duration by multiplying the monthly payment by 48; • for feasibility studies: the value of the scheme or Contracts which may be awarded as a result; • for nominated suppliers and sub-contractors: the Total Value shall be the value of that part of the main Contract to be fulfilled by the nominated supplier or sub-contractor; • where an in house service provider is involved, by taking into account redundancy and similar/associated costs.

“TUPE”	The Transfer of Undertakings (Protection of Employment) Regulations 1981
“Value for Money”	Improvements in the combination of Whole Life Costs and the quality that meets the user’s requirements. They will be secured as a result of positive action of staff involved in commercial transactions.
“Waiver”	An exception from strict compliance with Contract Procedure Rules granted in accordance with section 1, 3 and Appendices A and B of the Rules.
“Whole Life Cost”	Whole Life Costing is a technique to establish the total cost of ownership. It is a structured approach that addresses all the elements of this cost and can be used to produce a spend profile of the Goods, Work or Service over its anticipated lifespan.
“Works”	Means the work or works to be provided as specified in the Specification.
“Written Quotation”	Must be a firm offer capable of acceptance in letter, fax or email and must be addressed personally, contain pricing information and delivery details. Printouts of catalogues are not written quotations.

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