

Newcastle City Council COMMISSIONING AND PROCUREMENT PROCEDURE RULES

Current and previous amendments to the Rules are as follows:

Amended 2 October 2019 to uplift Cabinet Thresholds for entering into a Contract and the type of decision required

Amended 1 January 2019 Officers of Your Homes Newcastle will follow these Rules when commissioning and procuring for the Council.

Amended 1 October 2018 to expand the Rules to incorporate commissioning requirements, amendments to the contract management elements and operationalising of Social Value.

Amended 1 January 2018 to take account of revised EU Thresholds

Amended 1 July 2017 to reflect the removal of the External Professional Services policy (Appendix 3)

CONTENTS

Chapter 1 - Introduction, Scope of Rules and Preliminary Requirements

- 1A Introduction
- 1B Scope of Rules
- 1C Reference to the Purchase Order Processing (POP) System and Assistant Director Inclusion, Commissioning and Procurement
- 1D Estimating Contract Values
- 1E Grant Funding
- 1F Monitoring
- 1G Record Keeping
- 1H External Bodies
- 1I Employee Transfers
- 1J Gateway
- 1K Strategic Planning and Commissioning for Social Value

Chapter 2 - Selection of Firms and Risk Assessments

- 2A Selection of Firms to Participate in the Procurement Process
- 2B Risk Assessments

Chapter 3 - Selection and Description of Procurement Routes

- 3A Selection of Procurement Route
- 3B Quotation and Quick Quote Procurement Route
- 3C Tender Procurement Route
- 3D EU Tender Procurement Route
- 3E Negotiation Procurement Route

Chapter 4 - Receipt and Opening of Quotations, Tenders and EU Tenders

- 4A Receipt and Opening
- 4B Late Quotations, Tenders and EU Tenders
- 4C Errors in Quotations, Tenders and EU Tenders

Chapter 5 - Evaluation of Quotations and Tenders

- 5A Evaluation
- 5B Post-Quotation/Tender/EU Tender Negotiations
- 5C Post-Quotation/Tender/EU Tender Clarification

Chapter 6 - Acceptance of Quotations, Tenders and EU Tenders

Chapter 7 - Exceptional Procedures

- 7A Exceptional Circumstances
- 7B Payments in Advance
- 7C Letters of Intent
- 7D Private Finance Initiative (PFI) Schemes

7E Bonds and Parent Company Guarantees

Chapter 8 - Contractual Requirements

- 8A Minimum Contractual Requirements
- 8B Official Orders
- 8C Form of Contract

Chapter 9 - Execution of Contracts and Contract Variations/Extensions

- 9A Sealing
- 9B Signing
- 9C Contract Variations
- 9D Contract Extensions
- 9E Contract Management
- 9F Contract Management Roles

Chapter 10 - Electronic Commissioning, Tendering and Contract Management

Chapter 11 - Cabinet

Chapter 12 - Definitions

Appendices

- Appendix 1 Commissioning and Procuring Flowchart
- Appendix 2 Guidance on Financial Thresholds and Documentation/Audit Requirements
- Appendix 3 Procedure for appointing Agency Staff, Consultants, Professional and Training Services
- Appendix 4 Authorisation to Negotiate Form
- Appendix 5 Summary of Quotation/Tenders/EU Tenders Received Form
- Appendix 6 Completion Statement Pro Forma
- Appendix 7 List of Delegated Officers
- Appendix 8 Project Request Form (PRF)
- Appendix 9 Purchase Order Processing Exception List
- Appendix 10 Decision Making Structures for Regional / Local Procurement Sub-Category Areas

Chapter 1 – Introduction, Scope of Rules and Preliminary Requirements

1A Introduction

- 1.1 The procurement of goods and related services, works and other services must satisfy many different requirements: -
- 1.1.1 The need to demonstrate true and fair competition without unlawful discrimination;
 - 1.1.2 Best value - competition is seen as tending to promote value for money and to discourage price fixing and monopoly supply;
 - 1.1.3 ‘Consumer protection’ - the Council and its citizens are the consumers whose interests must be protected often over very many years. The form of the eventual contract is crucial, as is the process of selecting who may tender;
 - 1.1.4 Legislation - a wide variety of UK and European Union statutes, directives and regulations apply in particular circumstances;
 - 1.1.5 The elimination of opportunities for fraud and corruption - so the process must be visible and tightly controlled;
 - 1.1.6 The Council’s ‘*Commissioning and Procurement Plan*’. This is available from the Council’s Internet site listed under “business tenders and contracts” or from the Council’s Intranet site listed under “procurement”. Amongst other things, it explains the circumstances when works and services can be provided by the Council’s in-house workforce without any external procurement process (up to the EU Threshold) – in which case, these *Rules* will not apply. It also explains when works and services must be procured through the external market, in which case these *Rules* must be followed; and
 - 1.1.7 the Council’s Financial Regulations of which these *Rules are* part, including in particular Financial Regulation 4 which deals with the Council’s Procedure for the Commitment of Capital Expenditure.
- 1.2 The result is that the Council must procure goods, works and services using a very strict set of rules, contained in these *Rules*, which define what can be done, how and by whom. It will not always be possible for the Council to act in the same way that a private individual or company can because it is subject to specific legal requirements and it is spending public money.
- 1.3 Terms in italics used in these *Rules* are defined at Chapter 12A. Appendix 1 gives guidance by way of a flowchart on undertaking a commissioning and procurement exercise in accordance with these *Rules*. Appendix 2 gives a general overview of relevant procurement routes by reference to financial thresholds, as well as guidance on documentation and audit requirements.

1B Scope of Rules

1.4 These *Rules* apply to **all** proposed *Contracts* for the purchase of: -

- 1.4.1 **Goods and related Services** (that is, services which are integral to the provision of those goods or materials, such as installation, servicing, maintenance etc.);
- 1.4.2 The execution of **Works**; and
- 1.4.3 The provision of other **Services** (including consultancy and other external professional services),

EXCEPT ONLY FOR any proposed *Contract* falling within paragraphs (a) or (b) below:

(a) **Contracts less than £25,000 where no existing procurement arrangements are in place**

For any proposed *Contract* with an estimated value of less than £25,000, *Officers* MUST check on *Buy It* or the *POP* system to see if there are any existing council contracts in place. If so, then the existing *Contract* MUST be used. If not, then follow the guidance on the procuring under £25,000 page on *Buy It*. An *Order* can be placed provided the following conditions are met:

- i) The *Officer* is satisfied that s/he has obtained value for money, which will usually be achieved by obtaining at least three competitive *Quotations* (either oral or written) from firms registered with *Constructionline* unless the *Officer* considers it is inappropriate in the circumstances to do so; and
- ii) Any oral *Quotation* which is to be selected must first be confirmed in writing by the person providing it; and
- iii) A written record is kept of all *Quotations* received and (if applicable) any reasons why it was considered appropriate to seek less than three *Quotations*; and
- iv) PPR 6.9 (payment through *POP System*) and PPR 8.5 and 8.6 (official *Order* through *POP System*) are complied with; and
- v) Chapter 1 of these *Rules* is also complied with.

(b) **Certain Contracts with Statutory Undertakers**

For any proposed *Contract* with a statutory undertaker where the Council is obliged by statute or other legal provision to use only that statutory undertaker then these *Rules*, except for Chapters 8 and 9, shall not apply PROVIDED THAT the *Officer* shall seek to negotiate such terms and conditions as are in the best interests of the Council so far as s/he is

reasonably able, and has any discretion, to do so having regard to the legal provision and the policies of the statutory undertaker.

- 1.5 Any part of these *Rules* can only be waived in the circumstances set out under Financial Regulation 1.12 i.e. with the prior written agreement of the *Director of Finance & Resources* in cases of urgency or where s/he considers it is in the interests of the Council to do so. Any request to the *Director of Finance & Resources* to waive these *Rules* must be accompanied by the written comments of the *Assistant Director Inclusion, Commissioning and Procurement*.
- 1.6 For the avoidance of doubt, these *Rules* also apply, and must be followed:
 - 1.6.1 Where it is proposed that the execution of works or provision of services should be undertaken by an in-house provider (i.e. employees of the Council rather than an external firm) but only in those cases where the works or services are required to be subject to competition either in accordance with the Council's *Commissioning and Procurement Plan* or any other direction of the Council or any legal requirement; or
 - 1.6.2 Where it is proposed to employ a sub-contractor for the supply of goods, the execution of works or the provision of services which the Council is itself providing as the principal provider.
- 1.7 A full written record (which may include e-mail messages) must be kept of all actions taken in respect of procurement and contracts including any consultation required by these *Rules*. *Officers* are directed to PPR 6.1 (the obligation that there must be a proper decision made under Part 3 of the Council's Charter before entering into a *Contract*).

Appointment of Agency Staff, Consultants, Professional Advisory and Training Services

- 1.8 The appointment of *Agency Staff, Consultants, Professional Advisory and Training Services* is subject to the full requirements of these *Rules* as for any other *Contract*, but *Officers* must additionally comply with the requirements set out within Appendix 3.

Compliance with these Rules by Third Parties

- 1.9 Any person engaged by the Council to award or supervise a *Contract* on its behalf must: -
 - 1.9.1 Comply with these *Rules* as if he or she were an employee of the Council; and
 - 1.9.2 Provide to nominated Council employees all information and records requested in relation to the award and supervision of the *Contract*.

- 1.10 Any such person's contract of engagement must include terms binding them in this regard.

1C Reference to the Purchase Order Processing (POP) System and Assistant Director Inclusion, Commissioning and Procurement

- 1.11 (a) Prior to commencing a commissioning and procurement process (of whatever value), the *Officer must* search *Buy It* or the *POP system* to determine whether a suitable *Contract* or *Framework Agreement* exists. If so, the *Officer must* use that *Contract* or *Framework Agreement* and proceed with the procurement in line with the terms of the *Contract* or *Agreement*. In that event, the procurement processes set out in Chapters 2 and 3 of these Rules will not apply.
- (b) If no suitable *Contract* or *Framework Agreement* is revealed by a search of *Buy It* or the *POP system*, the *Officer* will consult with the *Assistant Director Inclusion, Commissioning and Procurement* to ascertain whether any other suitable *Contract* or *Framework Agreement* exists elsewhere. To do this, email the *Procurement Gateway* mailbox to seek advice. *Officers* will act on the advice of the *Assistant Director Inclusion, Commissioning and Procurement* supplemented as necessary by advice from the *Legal Services Procurement Team*, on whether the *Contract* or *Framework Agreement* should be used and, if so, how. Again, if such a *Contract* or *Agreement* is used, Chapters 2 and 3 of these Rules will not apply.
- 1.12 If a suitable *Contract* or *Framework Agreement* does not exist and the estimated value of the *Contract* is £25,000 or more, the *Officer must* submit a *Project Request Form* (Appendix 8) in electronic form to the *Assistant Director Inclusion, Commissioning and Procurement via the Procurement Gateway* mailbox, who will provide advice as to the most appropriate means of proceeding with the commissioning and procurement process. *Officers must* follow the advice of the *Assistant Director Inclusion, Commissioning and Procurement* and **must not** proceed with the commissioning and procurement process until they are in receipt of a reply to their *Project Request Form*. The *Collaborative Procurement Manager* will assign the project request to an appropriate member of staff to support the *Officer* through the commissioning and procurement process. Consideration will be given by the *Assistant Director Inclusion, Commissioning and Procurement* at this point as to whether any other suitable *Contract* or *Framework Agreement* exists.

1D Estimating Contract Values

- 1.13 The value of the proposed *Project/Contract* must be estimated before undertaking a commissioning and procurement exercise as this will determine which rules apply. The value of a *Contract* is the estimated consideration to be paid over its full term and not simply the estimated annual expenditure. This will generally be financial expenditure but may include other elements such as the value of land being disposed of.

- 1.14 For the purposes of these *Rules*, amounts quoted are gross values (i.e. total estimated cost to the Council before deduction of grants and contributions), for the full period of a *Contract* and all exclude VAT and other taxes.
- 1.15 *Contracts* of a similar nature **must not** be artificially split into different parts to avoid the application of the £25,000 (or any other) minimum threshold of these *Rules* or the applicable *EU Threshold*. At the same time, *Contracts* of a recurring or similar nature must be joined together into one *Contract* and valued accordingly. If there is any doubt as to whether *Contracts* must be aggregated, advice from the *Legal Services Procurement Team* must be sought and followed.
- 1.16 Before undertaking a commissioning and procurement exercise, the *Officer* must consider whether a subsequent *Contract* (such as, for instance, future phases in a works programme where only the initial phase is the subject of the immediate procurement) may be awarded to the successful firm by negotiation under Chapter 3E of these *Rules*, and without further competition, in the event of the successful firm completing the initial phase satisfactorily. If this is the case:
- (a) The initial *Contract* must be valued by taking into account the estimated value of any such future phase or phases; and
 - (b) It must be made clear in the public notice or advertisement under PPR 2.1.6 or 2.3 (if one is issued) and the accompanying documentation under PPR 3.15 or 3.19 that any such subsequent *Contract* may be awarded to the successful firm by negotiation.

In any event, any award of any such subsequent *Contract* can **only** be made if the conditions and procedures set out in Chapter 3E of these *Rules* are met and followed. An *Officer* cannot award a *Contract* to a firm relying solely on the fact that the firm was previously awarded a similar *Contract* following a competitive process.

1E Grant Funding

- 1.17 Where a *Contract* is to be awarded which is part or wholly funded by either internal or external grant funding, it is possible that further conditions may have been placed on the manner of expenditure of such monies (for example by the grant paying body). In this event, *Officers* **must** ensure that they are aware of all such conditions and comply with them as well as the requirements of these *Rules*. Financial assistance from the European Regional Development Fund (“ERDF”) is one particular type of grant aid where such extra conditions may be imposed, and which must be complied with to ensure no risk of any claw-back of such funding.

1F Monitoring

- 1.18 Where any *Officer* of the Council becomes aware of any breach of these *Rules*, s/he must notify as soon as reasonably practicable his or her line manager or supervisor who shall record and investigate that referral and take appropriate action in relation to it and notify the *Monitoring Officer* and the *Chief Internal Auditor* of the outcome. Where any *Officer* considers that a serious or persistent breach has occurred, this must be reported immediately to the *Monitoring Officer* and the *Chief Internal Auditor*.
- 1.19 Where any *Member* becomes aware of any breach of these *Rules*, s/he must report this to the *Monitoring Officer* and the *Chief Internal Auditor*.
- 1.20 The *Chief Internal Auditor* and the *Monitoring Officer* shall report annually to the *Audit Committee* upon the operation of these rules generally and, in particular, whether they are being adhered to.
- 1.21 Failure by any *Officer* of the Council or *Your Homes Newcastle* to observe these *Rules*, which are part of the Council's financial regulations, may leave the *Officer* open to action under the Council's disciplinary procedures. Any *Officer*, when planning a commissioning and procurement exercise, must take into account the need to comply with these *Rules* and the timescales which compliance with them may involve.

1G Record Keeping

- 1.22 Any written records relating to a commissioning and procurement exercise, whether kept under these *Rules* or otherwise, should be retained for a period of at least six years from the expiry of the *Contract*. Such records may, so far as they relate to unsuccessful quotations or tenders, may be microfilmed or electronically scanned or stored by some other suitable method after 12 months from the award of the contract, provided there is no dispute about the award.

Any external funder, such as the ERDF, may impose different requirements in this respect and this should be checked if any such funding is being provided.

1H External Bodies

- 1.23 Any *External Body* shall be required to comply with these *Rules* (or alternatively, any other written procurement rules adopted by that body which have been approved by the *Director of Resources* whenever the *External Body* undertakes a commissioning and procurement exercise for the purchase of goods, works or services in any of the following circumstances:
- (a) Where the *External Body* is undertaking the commissioning and procurement exercise on behalf of the Council as its agent; or

- (b) Where the commissioning and procurement exercise is being undertaken by the *External Body* on its own behalf, or for some third party, but is being funded by financial assistance from the Council and it is a condition of that assistance that this Rule shall apply; or
- (c) Where the Council is the “accountable body” for the *External Body*; or
- (d) Where the *External Body* is a company under the control of the City Council within the meaning of the section 68 Local Government and Housing Act 1989.

Provided only that where the *External Body* is either another local authority or the North East Procurement Organisation (NEPO) undertaking the commissioning and procurement exercise as the agreed ‘lead authority’ on behalf of the Council and any other parties, the financial regulations and procurement rules of that other local authority or the regional procurement protocols of the regional procurement *Shared Service Agreement* may be relied on although the *Officer* shall nevertheless seek to be assured that the commissioning and procurement exercise is carried out in accordance with the *EU Public Procurement Rules*, if they apply.

1.24 Schools

The Governing Body, Head teacher or other staff of any school maintained by the Council as the local education authority shall, when procuring any goods, works or services, comply either with these Rules or with the provisions of the Schools Financial Regulations and Policies document issued by the Council, in particular the financial regulations and code of practice set out in that document relating to the procurement of contracts. This is in addition to the need to comply with the EU Public Procurement Rules in relation to any proposed contract to which they apply.

1I Employee Transfers

- 1.25 Where any proposed contract potentially affects any employee of the Council by virtue of a possible transfer of the services provided by that employee, the *Officer* must ensure that the Transfer of Undertaking (Protection of Employment) (TUPE) issues are considered and obtain advice from the *Assistant Director Legal Services* before proceeding with the commissioning and procurement exercise.

1J Gateway

- 1.26 For the avoidance of doubt, the four *Gateway* stages as defined in Chapter 12A of these *Rules* must be followed in any commissioning and procurement exercise to which the *Rules* apply, unless it is specifically exempted from the requirements of any of those stages.

1K Strategic Planning and Commissioning for Social Value

- 1.27 In developing an understanding of each market area, we must consider a number of key factors, such as any policy context or legislative frameworks, needs analysis and profiling over time, capacity and assets, finances and funding, stakeholder views, market contexts and critically the outcomes and ambitions we are seeking to achieve. Securing *Social Value* is at the heart of this activity and helps to maximise the collective benefit to our communities and residents. *Officers* must consider *Social Value* at the outset of the commissioning and procurement exercise when designing services, incorporate *Social Value* requirements within the procurement process and monitor outcomes as part of the contract management phase.
- 1.28 Every commissioning exercise is unique, and we develop each process as we gather feedback from stakeholders. In this section we have described the phases and products that stakeholders can expect to see, in different combinations, in commissioning exercises that we carry out. The balance of activity in each phase varies depending on many factors, including the scale and scope of the expected changes, the complexity of the stakeholder group and available time. We will use the terminology in this section consistently, so that stakeholders understand what they can expect from our communications and events in each phase.
- 1.29 Joint commissioning: - is where we seek to work with a range of city partners, including other public sector commissioning organisations. By working together with other commissioners, we can identify opportunities for social and financial value and improved user experience. Joint commissioning does not necessarily equate to joint procurement; aligning procurement is only one of many ways that we can jointly commission, including:
- developing arrangements for packages of service to individual people to be jointly designed, drawing from a range of macro commissioning arrangements;
 - aligning commissioning plans for the same or complementary requirements (for example, services within a single 'service system')
 - pooling funding for a particular requirement or service user group, from which either joint procurements or single organisation procurements may draw; and
 - agreeing a shared specification and running a single procurement process which one partner organisation oversees.

These steps may be used in various combinations as appropriate to the requirements.

- 1.30 There are two primary routes through which we initiate commissioning exercises: due to the ending of an existing contractual arrangement in the context of a continued need; and due to identification of a new requirement. *Officers* embarking on a commissioning phase must complete a *Project Request Form (PRF)* and send it to the *Procurement Gateway* mailbox to be allocated a Commissioning and Procurement Officer to support you through the commissioning and procurement process.

Chapter 2 - Selection of Firms and Risk Assessments

2A Selection of Firms to Participate in the Procurement Process

2.1 In relation to procurements **below** the applicable *EU Threshold*, i.e. of: -

- 2.1.1 **Goods** with a total estimated value less than **£181,302**; or
- 2.1.2 **Works** with a total estimated value of less than **£4,551,413**;
- 2.1.3 **Services** with a total estimated value of less than **£181,302**; or
- 2.1.4 **Social** with a total estimated value of less than **£615,278**

Firms may be selected to participate in the procurement process using one of the following methods: -

- 2.1.5 From Constructionline; or
 - 2.1.6 From a list of firms held by an approved *Central Purchasing Body* under an established *Framework Agreement*; or
 - 2.1.7 By public notice or advertisement (for instance, in a relevant trade journal or on the North East Purchasing Organisation website); or
 - 2.1.8 By any other means considered by the *Officer* to be in the best interests of the Council, **provided that** this option shall only be used where it is not reasonably desirable in the interest of efficiency for any of the methods set out from PPR 2.1.5 to 2.1.7 to be used and the *Assistant Director Inclusion, Commissioning and Procurement* agrees in writing that this is the case.
- 2.2 In any event, a firm should not be selected to participate without the *Officer* first being reasonably satisfied that the firm is interested in doing the work and will submit a *Quotation, Tender or EU Tender* if asked for one and that the firm in general terms is capable of supplying the goods, executing the works or providing the services (as the case may be).

2.3 In relation to procurements **above** the applicable *EU Threshold*, i.e. of: -

- 2.3.1 **Goods, materials and related services**, with a total estimated value of **£181,302** or more; or
- 2.3.2 **Works** with a total estimated value of **£4,551,413** or more; or
- 2.3.3 **Services** with a total estimated value of **£181,302** or more, or
- 2.3.4 **Social** with a total estimate value of **£615,278**

The *EU Public Procurement Rules* will apply, and it will be necessary to publish a notice in the Official Journal of the European Union (“*OJEU*”

Notice”). Only firms who express interest in the *OJEU Notice* in the manner stipulated in that *OJEU Notice* may be invited to tender. It is possible, however, to contact firms in order to draw their attention to the fact that the *OJEU Notice* has been published and a contract notice will be published on the central governments tender portal known as Contracts Finder.

- 2.4 Every *OJEU Notice* must be approved by the *Legal Services Procurement Team*. The *Commissioning and Procurement Team* will arrange for the *OJEU Notice* to be published on behalf of the *Officer*.
Note: An *OJEU Notice* issued under the Open Procedure in itself will satisfy the requirement under PPR 3.17 to seek at least 5 tenders
- 2.5 The financial thresholds given above all apply from 1 January 2018 until 31 December 2019. After that date, the *Legal Services Procurement Team* must be consulted for advice on the revised *EU Thresholds*.

2B Risk Assessments

- 2.6 For all *Contracts* of £181,302 or more, a written risk assessment of the selected firms must be carried out unless: -
- 2.6.1 They are *registered with Constructionline for works up to £100,000*;
or
- 2.6.2 The *Contract* is procured through a *Framework Agreement* established by a *Central Purchasing Body*; **or**
- 2.6.3 The *Assistant Director Inclusion, Commissioning and Procurement* has agreed to waive the need for a risk assessment, either in full or in part, under PPR 2.9 below; **or**
- 2.6.4 The ‘*Quick Quotes*’ module of the *Electronic Tendering System* has been used to seek quotations up to £100,000 for the supply of goods, works and the delivery of services.

If a risk assessment is not carried out for contracts over £181,302 and the reasons set out in PPR 2.6.1 to 2.6.4 above, the *Contract* shall not be awarded unless

- (a) At the date upon which the *Contract* is about to be awarded a satisfactory assessment of the financial standing of the successful firm has been done in the previous 12 months specifically by the *Director of Resources*; and
- (b) The *Officer* is satisfied, after consulting with the Council’s *Financial Risk and Insurance Manager* that the firm has in place adequate insurance arrangements for that particular *Contract*.
- 2.7 The risk assessment may be carried out as part of the commissioning and procurement process but must be completed prior to entering into a *Contract*.

- 2.8 This risk assessment must ensure that the Council's minimum standards in relation to technical competence, health and safety, insurance arrangements, equality compliance, sustainability practice and financial standing are met. If, in any case, one or more of the minimum standards is not met, the firm may still be considered if the *Assistant Director Inclusion, Commissioning and Procurement* is satisfied (and confirms in writing) that this is in the best interests of the Council and lawful¹ and that appropriate mitigation measures will be put in place. If a firm is to be excluded on the basis of their risk assessment evaluation, advice from the *Legal Services Procurement Team* must be sought and followed to determine whether it is lawful to do so.²

Advice on any recommended policies or corporate criteria against which risk assessments should be carried out can be sought from the *Assistant Director Inclusion, Commissioning and Procurement*.

- 2.9 A *Delegated Officer* may document in writing that it is not reasonably necessary, having regard to the best interests of the Council, to carry out a risk assessment in respect of one or more of the standards referred to in PPR 2.8 above, either because of the nature or subject matter of the proposed contract or because of the urgent need to award the contract or because of any other exceptional circumstances. Any such authorisation must be fully recorded in writing setting out which standards it has been agreed need not be assessed and the reasons why it is considered such assessment is not reasonably required. Authorisation to waive a risk assessment must be sought from the *Assistant Director Inclusion, Commissioning and Procurement*.
- 2.10 Where an *OJEU Notice* has been published in accordance with PPR 2.3 above, the risk assessment will rely upon a completed *Selection Questionnaire* ("SQ"). The form and content of the SQ will depend upon the procurement route and before issuing a SQ advice from the *Legal Services Procurement Team* must be sought by the *Procuring Officer* and followed as to which procedure and form of SQ is to be adopted.
- 2.11 Where an *OJEU Notice* has not been published in accordance with PPR 2.1 above, risk assessment will not be carried out. Advice can be provided by *Legal Services* on how to build risk into the specification.
- 2.12 *Contracts* where risk assessments would not otherwise be required because it is less than £181,302 in value or it falls within one of the exemptions set out in PPR 2.6, a risk assessment on one or more of the matters referred to in PPR 2.8 *Officers* should seek advice from *Legal Services*.
- 2.13 Every *Contract* awarded by the Council shall include a term that if the Contractor employs any sub-contractor in the performance of the *Contract* the Contractor will ensure that the sub-contractor is required under the sub-contract to meet the same obligations and standards in relation to health

¹ In some circumstances, a firm cannot be awarded a contract under EU Rules. For example, where a firm has been convicted of money laundering.

² It is lawful to exclude a firm only on certain grounds where EU Rules apply.

and safety, equal opportunities and environmental matters as is the Contractor under the *Contract*.

Chapter 3 - Selection and Description of Procurement Routes

3A Selection of Procurement Route

- 3.1 A procurement exercise may be carried out by:
- 3.1.1 Inviting *Quotations* or *Quick Quotes* (see Chapter 3B); or
 - 3.1.2 Inviting *Tenders* (see Chapter 3C); or
 - 3.1.3 Inviting *EU Tenders* (see Chapter 3D); or
 - 3.1.4 In exceptional circumstances, by way of negotiating a *Contract* with a particular firm (see Chapter 3E),
- 3.2 The following rules (PPR 3.3 to 3.8) determine which of these routes should be used.
- 3.3 Where the estimated value of a *Contract* is less than £25,000, it is not subject to these *Rules* except only for Chapter 1, PPR 2.12, 6.9, 8.5 and 8.6 and therefore can be let by a *Delegated Officer* placing an *Order* provided s/he is satisfied that this represents good value for money. *Contracts* must not be broken down to take advantage of this threshold. *Officers* must check *Buy It* or the *POP* System to ensure there is no existing *Contract* or *Framework Agreement* prior to placing an *Order*.
- 3.4 Where the total estimated value of the *Contract* is between £25,000 and £100,000, the *Quotation* or *Quick Quote* Procurement Route must be used. *Quotations* will be based on a price and quality assessment whereas *Quick Quotes* will be based on price only.
- 3.5 Where the total estimated value of the *Contract* is between £100,000 and £181,302 (for Goods and Services), £615,278 (for Social and Other Specific Services) or (for Works £4,551,413), the *Tender* Procurement Route must be used.
- 3.6 Where the total estimated value of a contract is more than the EU Thresholds (£181,302 for Goods and Services, £615,278 for Social and Other Specific Services and £4,551,413 for Works), then the *EU Public Contracts Regulations* will apply. Advice from *Commissioning and Procurement* or *Legal Services* must be sought and followed as to what type of process and procedures must be used for the *EU Tender* Procurement Route.
- 3.7 In exceptional circumstances, it is possible to negotiate with one particular firm only so long as the rules set out from PPR 3.21 to 3.27 are followed and it has been approved by the senior advisors of the *Assistant Director Inclusion, Commissioning and Procurement* and the *Assistant Director Legal Services*.
- 3.8 Appendix 2 of these *Rules* gives summary guidance on selecting a procurement route.

3B Quotation or Quick Quote Procurement Route (£25,000 to £100,000)

3.9 **A minimum of three Quotations or Quick Quotes must be sought. Gateway 1 submit electronically a Project Request Form (Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a commissioning and procurement exercise.** This is the Council's requirement but any external funder, if there is one, may have more onerous requirements for *Contracts* within this value range. The European Regional Development Fund in particular may impose different criteria, and this must always be checked if any proposed *Contract* relies on such funding.

3.10 *Quotations and Quick Quotes* must be sought through the *Electronic Tendering System* (exceptions must be agreed by the *Assistant Director Inclusion, Commissioning and Procurement*) and must be returned and opened through this system at the relevant deadline.
Gateway 2 will check and dispatch all documentation.

3.11 Requests for *Quotations* and *Quick Quotes* must include: -

3.11.1 A copy of the Council's standard *Terms and Conditions* (a copy of which can be obtained from the *Commissioning and Procurement Team*) or, if it is felt by the *Officer* that such *Terms and Conditions* may be inappropriate in the circumstances, such other contractual documentation as the *Commissioning and Procurement Team* may recommend or agree;

3.11.2 A statement that the Council will expect to contract on its own *Terms and Conditions* and not those of the firm and that any variation to this will require the approval of the *Commissioning and Procurement Team*;

3.11.3 A description of the Goods, Works or Services to be procured;

3.11.4 Details of how the Goods, Works or Services should be priced;

3.11.5 A statement as to whether the *Quotation* or *Quick Quote* will be evaluated on price alone or on other criteria and, if the latter applies, a statement as to what those criteria are;

3.11.6 For *Quotations* that are advertised a contract notice must be published on *Contracts Finder*;

3.11.7 A statement that the *Quotation* or *Quick Quote* will only be considered if it is: -

3.11.7.1 Submitted through the *Electronic Tendering System* and returned by the deadline given;

- 3.11.7.2 Including a completed declaration within the *Quotation* or *Quick Quote* documentation by an appropriate officer of the firm;
- 3.11.8 A reasonable deadline for the receipt of a *Quotation* should be identified but a quick deadline for a *Quick Quote*; and
- 3.11.9 Details of any other specific conditions which will apply to the procurement.
- 3.12 *Procuring Officers* must keep a record of the evaluation criteria and the scores each firm receives in relation to such criteria. *Procuring Officers* must additionally keep a detailed record of the reasons for selecting the successful firm; and
- 3.13 For *Quotations* and *Quick Quotes* a contract award notice must be published on *Contracts Finder*.
- 3C Tender Procurement Route (£100,000 to EU Thresholds) (£181,302 Goods and Services, £615,278 Social and Other Specific Services or £4,551,413 for Works)**
- 3.14 **A minimum of five Tenders must be sought. Gateway 1 submit electronically a Project Request Form (Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a commissioning and procurement exercise.** This is the Council's requirement but any external funder, if there is one, may have more onerous requirements for *Contracts* within this value range. The *European Regional Development Fund* in particular may impose different criteria, and this must always be checked if any proposed *Contract* relies on such funding.
- 3.15 *Tenders* must be invited by way of an *Invitation to Tender* ("ITT") and sought through the *Electronic Tendering System*. *Tenders* must be returned and opened through this system by (and at) the relevant deadline. *ITT* is a detailed procurement-specific document. Advice on this document can be sought from the *Commissioning and Procurement Team*.
Gateway 2 will check and dispatch all documentation.
- 3.16 As a minimum, an *Invitation to Tender* must include: -
 - 3.16.1 A *Selection Questionnaire* for the Social and Other Specific Services and Works procurement routes only unless any of the four situations set out in PPR 2.6 apply;
 - 3.16.2 Full details of the *Tender* process, including the deadline for receipt of *Tenders* and the address for *Tenders* to be returned;
 - 3.16.3 A specification for the Goods, Works or Services to be procured for the firm to bid against;

- 3.16.4 A statement as to whether the *Tender* will be evaluated on price alone or on other criteria and, if the latter applies, a statement as to what those criteria are;
 - 3.16.5 Details regarding the information which must be provided by the firm in its *Tender*, including details on pricing and any other information which is needed to evaluate the *Tender* in accordance with the *Tender* evaluation criteria (for example, if evaluation is to be based on the firm's experience of delivering services of a particular type, it is important to specify that the firm gives detailed information about their experience in that area);
 - 3.16.6 A contract notice must be published on *Contracts Finder*;
 - 3.16.7 Contractual *Terms and Conditions* prepared or approved by the *Commissioning and Procurement Team*;
 - 3.16.8 A statement that a *Tender* will only be considered if it is: -
 - 3.16.8.1 Submitted through the *Electronic Tendering System* and returned by the deadline given;
 - 3.16.8.2 Including a completed declaration within the *Tender* documentation by an appropriate officer of the firm; and
 - 3.16.9 A reasonable deadline for the receipt of the *Tender*;
 - 3.16.10 Details of any other specific conditions that will apply to the procurement;
 - 3.16.11 A requirement by the tenderer to truthfully declare that no part of the *Tender* content has been declared to any other party (except where such a disclosure is made in confidence for a purpose necessary to prepare the *Tender*); and
 - 3.16.12 Notification that *Tenders* are submitted to the Council on the basis they are compiled at the tenderer's expense.
- 3.17 *Procuring Officers* must carry out a scoring exercise which assesses the firm's *Tender* against the evaluation criteria. *Procuring Officers* must also keep a detailed record of the reasons for selecting the successful firm.
- 3.18 A contract award notice must be published on *Contracts Finder*.

3D *EU Tender Procurement Route Over the EU Thresholds (£181,302 Goods and Services, £615,278 Social and Other Specific Services or £4,551,413 for Works)*

- 3.19 Where the total estimated value of a contract is more than the EU Thresholds (£181,302 for Goods and Services, £615,278 for Social and Other Specific Services and £4,551,413 for Works), then the *EU Public Contracts Regulations* apply. Advice from the *Commissioning and*

Procurement Team must be sought before commencing the *EU Tender Procurement Route*. The *Commissioning and Procurement Team* will work in conjunction with the *Legal Services* throughout the *EU Tender procurement route*.

- 3.20 **A minimum of five EU Tenders must be sought. Gateway 1 submit electronically a Project Request Form (Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a commissioning and procurement exercise.** This is the Council's requirement but any external funder, if there is one, may have more onerous requirements for *Contracts* within this value range. The *European Regional Development Fund* in particular may impose different criteria, and this must always be checked if any proposed *Contract* relies on such funding.
- 3.21 *EU Tenders* must be invited by way of an *Invitation to Tender ("ITT")* and sought through the *Electronic Tendering System*. It will be necessary to publish a notice in the *Official Journal of the European Union ("OJEU")* and *Contracts Finder*. Only firms who express interest in the *OJEU Notice* in the manner stipulated in that *OJEU Notice* may be invited to tender. *EU Tenders* must be returned and opened through this system at the relevant deadline. *ITT* is a detailed procurement-specific document. Advice on this document can be sought by the *Commissioning and Procurement Team*. **Gateway 2 will check and dispatch all documentation.**
- 3.22 As a minimum, an *Invitation to Tender* must include: -
- 3.22.1 A *Selection Questionnaire* unless any of the four situations set out in PPR 2.6 apply;
 - 3.22.2 Full details of the *EU Tender* process, including the deadline for receipt of *EU Tenders* and the address for *EU Tenders* to be returned;
 - 3.22.3 A specification for the Goods, Works or Services to be procured for the firm to bid against;
 - 3.22.4 A statement as to what criteria the *EU Tender* will be evaluated on and a statement as to what those criteria are;
 - 3.22.5 Details regarding the information which must be provided by the firm in its *EU Tender*, including details on pricing and any other information which is needed to evaluate the *EU Tender* in accordance with the *EU Tender* evaluation criteria (for example, if evaluation is to be based on the firm's experience of delivering services of a particular type, it is important to specify that the firm gives detailed information about their experience in that area);
 - 3.22.6 A contract notice must be published on *Contracts Finder*;
 - 3.22.7 *Contractual Terms and Conditions* prepared or approved by the *Commissioning and Procurement Team*;

- 3.22.8 A statement that a *Tender* will only be considered if it is: -
 - 3.22.8.1 Submitted through the Electronic Tendering System and returned by the deadline given;
 - 3.22.8.2 Including a completed declaration within the *EU Tender* documentation by an appropriate officer of the firm; and
 - 3.22.9 A deadline for the receipt of the *EU Tender* in line with the EU Public Contracts Regulations timescales;
 - 3.22.10 Details of any other specific conditions that will apply to the procurement;
 - 3.22.11 A requirement by the tenderer to truthfully declare that no part of the *EU Tender* content has been declared to any other party (except where such a disclosure is made in confidence for a purpose necessary to prepare the *EU Tender*); and
 - 3.22.12 Notification that *EU Tenders* are submitted to the Council on the basis they are compiled at the tenderer's expense.
- 3.23 *Procuring Officers* must carry out a scoring exercise which assesses the firm's *Tender* against the evaluation criteria. *Procuring Officers* must also keep a detailed record of the reasons for selecting the successful firm.
- 3.24 A contract award notice must be published in the Official Journal of the European Union ("OJEU") and *Contracts Finder* informing of the resulting award.

3E Negotiation Procurement Route

- 3.25 A procurement exercise may be carried out by way of negotiating a *Contract* with a particular firm only in certain circumstances as set out below. **Gateway 1 submit electronically a Project Request Form (Appendix 8) to the Procurement Gateway mailbox to register that you are about to undertake a negotiated procurement.**
- 3.26 A *Contract* may be negotiated without seeking the *Quotations, Quick Quotes, Tenders* or *EU Tenders* only where: -
- 3.26.1 The requisitioning *Delegated Officer* authorises in writing that such negotiation is in the best interest of the Council. For this purpose, the standard *Authorisation to Negotiate Form* must be used and is attached at Appendix 4. In cases of urgency, and only where it is impractical to give prior authorisation, the *Delegated Officer* may authorise the negotiation retrospectively if the *Assistant Director Inclusion, Commissioning and Procurement* and the *Assistant Director Legal Services* have given their approval and full details of the circumstances involved have been documented; **AND**

3.26.2 Such negotiation is permitted under the *EU Public Procurement Rules* (which will apply if the estimated *Contract* value is above the *EU Threshold*).

3.27 For all *Contracts* with a total estimated value of £100,000 or more, the written approval of the *Director of Resources* must be obtained before negotiations may commence.

In addition, for any such *Contract* with an estimated value of £100,000 or more, a written summary of the reasons for the proposed negotiation and the likely financial implications of negotiating the *Contract* must be given to the relevant *Cabinet Member* in order to endorse the approval to negotiate.

3.28 If a *Contract* has been negotiated using this route, the *Delegated Officer* shall only award the *Contract* if satisfied that the negotiated price and such other *terms and conditions* which may have been negotiated represent best value for money and will be in the best interests of the Council. A full written record must be kept by the *Commissioning and Procurement Team* of the negotiation process including details of any meetings or other discussions with the firm and their outcome.

3.29 The *Commissioner relevant for the sub-category (Appendix 10)* must:

- (a) Be sent the original *Authorisation to Negotiate Form* (Appendix 4) by the *Delegated Officer* immediately after it has been signed in order to obtain the authorisation of the *Assistant Director Inclusion, Commissioning and Procurement* and the *Assistant Director Legal Services*;
- (b) Receive documentation relating to the negotiation process including details of any meetings or other discussions with the firm and their outcome, and
- (c) Be sent a *Completion Statement* attached at Appendix 6 as part of the **Gateway 3** process, containing the details of any resultant *Contract* once it is awarded. The form must be sent within ten working days of the *Contract* being awarded to the *Commissioner* who will make arrangements for the details to be input to the *Councils Contract Register*. The *Councils Contract Register* is available on the *Electronic Tendering System*.

Given these requirements, there is no need to record the authorisation to negotiate on the Delegated Decision system although any subsequent decision to award a *Contract* as a result of the negotiation will still need to be so recorded in the usual way.

3.30 The *Commissioners* will report to Directorate Management Teams annually on behalf of the *Assistant Director Inclusion, Commissioning and Procurement* and the *Assistant Director Legal Services* each *Contract* with a total estimated value of £25,000 or more that has been let without formal competition. Every such report shall highlight any case where a retrospective authorisation has been given under PPR 3.27.1.

- 3.31 The requirement to carry out a risk assessment in PPR 2.6 to 2.13 applies under this procurement route only for contacts over the EU Threshold.

Chapter 4 - Receipt and Opening of *Quotations, Quick Quotes, Tenders and EU Tenders*

4A Receipt and Opening

- 4.1 *Quotations, Quick Quotes, Tenders and EU Tenders* that have been received via the *Electronic Tendering System* must: -
- 4.1.1 Record the date and time of submissions (which will be done automatically by the *System*);
 - 4.1.2 Be sealed securely until the deadline date and time has passed;
 - 4.1.3 Be opened within a reasonable period after the closing date and time for return of the *Quotations, Quick Quotes, Tenders and EU Tenders*; and
 - 4.1.4 Be recorded at the time of opening on a “Summary of *Quotations, Quick Quotes, Tenders, EU Tenders Received Form*” attached at Appendix 5 if the *Electronic Tendering System* has not been used.
- 4.2 In the exceptional event that the *Electronic Tendering System* is not in operation, advice and written approval must be sought from the *Assistant Director Inclusion, Commissioning and Procurement* prior to them being opened. *Quotations, Quick Quotes, Tenders and EU Tenders* that have been received must be: -
- 4.2.1 Date and time stamped or otherwise marked on the envelope on receipt;
 - 4.2.2 Retained in a secure place until opened;
 - 4.2.3 Opened within a reasonable period after the closing date and time for return of the *Quotation, Quick Quotes, Tender or EU Tender*, and
 - 4.2.4 Recorded at the time of opening on a “Summary of *Quotations, Quick Quotes, Tenders, EU Tenders Received Form*” attached at Appendix 5.
- 4.3 *EU Tenders* with an estimated value of £181,302 or more for Goods and Services, £615,278 or more for Social and Other Specific Services or £4,551,413 or more for Works must be opened **only** by two officers, one of whom must be nominated by *Legal Services* if the *Electronic Tendering System* is not used. You must sign each *EU Tender* and supporting documents along with the “Summary of *Quotations, Quick Quotes, Tenders, EU Tenders Received Form*” (Appendix 5). If the *Electronic Tendering System* is used, *Legal Services* must open the seal if the contract value is over the EU Thresholds.

- 4.4 *Tenders* with an estimated value above £100,000 and below £181,302 for Goods and Services or £100,000 and below 615,278 for Social and Other Specific Services or £100,000 and below 4,551,413 for Works must be opened **only** by a minimum of two officers appointed by the *Assistant Director Inclusion, Commissioning and Procurement* who must both sign and complete the “Summary of Quotations, Quick Quotes, Tenders, EU Tenders Received Form” (Appendix 5). If the *Electronic Tendering System* is used, *Commissioning and Procurement* must open the seal if the contract value is over £100,000 and below the EU Thresholds.

4B Late Quotations, Quick Quotes, Tenders and EU Tenders

- 4.5 *Quotations, Quick Quotes, Tenders or EU Tenders* received after the deadline for their return may only be considered in exceptional circumstances and with the prior written consent of *Commissioning and Procurement Team* and *Legal Services*. The circumstances involved must be documented on the “Summary of Quotations, Quick Quotes, Tenders, EU Tenders Received Form” (Appendix 5).
- 4.6 *Quotations, Quick Quotes, Tenders or EU Tenders* which are not considered because they are late may be opened but only to ascertain the name of the firm submitting the *Quotation, Quick Quotes, Tender or EU Tender*. You must write promptly to the firm in question with a written explanation of why they have not been considered. No details of the *Quotation, Quick Quotes, Tender or EU Tender* are to be disclosed by any *Officer* to anyone within or outside of the Council.

4C Errors in Quotations, Quick Quotes, Tenders and EU Tenders

- 4.7 Where examination of *Quotations, Quick Quotes, Tenders or EU Tenders* received reveals errors or discrepancies which would affect the *Quotation, Quick Quotes, Tender or EU Tender* figure(s) in an otherwise successful *Quotation, Quick Quotes, Tender or EU Tender*, the firm is to be given details of such errors (in writing) and afforded the opportunity of confirming through clarification the *Quotation, Quick Quotes, Tender or EU Tender* as it stands or withdrawing it.

Chapter 5 - Evaluation of *Quotations, Quick Quotes, Tenders and EU Tenders*

5A Evaluation

Price Only

- 5.1 If the procurement process stipulated the *Contract was to be awarded* using the criterion of price only (not permissible for *EU Thresholds* but compulsory for *Quick Quotes*), a *Contract* must be offered to the firm who submitted the *Quotation, Quick Quotes or Tender* stipulating the lowest price, **except** where that firm has failed to meet the Council's minimum standards in the written risk assessment (if applicable) carried out in accordance with PPR 2.6 to 2.13 (Chapter 2B – Risk Assessment) above **or** where the *Delegated Officer* is not satisfied that the price represents best value for money.

Other Criteria

- 5.2 If the procurement process stipulated the *Contract* was to be awarded on criteria other than just price (not permissible for *Quick Quotes* but compulsory for *EU Tenders*), a formal recorded evaluation process must be carried out by a properly constituted evaluation team following the receipt of *Quotations, Tenders or EU Tenders*. This team will undertake a process of weighting each of the evaluation criteria stipulated in the documentation prior to inviting *Quotations, Tenders or EU Tenders*. Where the *EU Public Procurement Rules* apply, the weightings for the criteria must be specified in the *Invitation to Tender*.
- 5.3 If the procurement proceeds to *Contract* award, the *Contract* must be awarded to the firm which achieves the best result in the evaluation process (if it is to be awarded at all).
- 5.4 If on evaluating a *Quotation, Tender or EU Tender*, it becomes clear that the firm submitting has specified that their own *terms and conditions* are to apply to the provision of goods, works or services, the matter must be referred to the *Legal Services* before accepting the *Quotation, Tender or EU Tender* or continuing further with the procurement.
- 5.5 Advice and guidance on how to undertake an evaluation of *Quotations, Tenders or EU Tenders* is available from the *Assistant Director Inclusion, Commissioning and Procurement*.

5B Post-*Quotation, Quick Quotes, Tender, EU Tender* Negotiations

- 5.6 Following receipt and opening of *Quotations, Quick Quotes, Tenders or EU Tenders*, any subsequent negotiation of minor terms other than on price must be authorised by *Commissioning and Procurement* in writing and any subsequent negotiation of significant terms other than on price may only be negotiated in exceptional circumstances and with the agreement of *Legal*

Services who will confirm whether a term is minor or significant, *Officers* must seek and follow the advice of the *Legal Services*.

- 5.7 Any post-*Quotation, Quick Quote, Tender and EU Tender* negotiation on price may only be authorised by a *Delegated Officer* where:
- 5.7.1 The lowest *Quotation, Quick Quote, Tender* received exceeds the estimated value of the *Contract* and the available budgeted resources; and
 - 5.7.2 If the *EU Public Contracts Regulations* apply (*EU Tenders*), that they permit any negotiation. The *Legal Services* will advise on this.
- 5.8 If there is post-*Written Quotation (including 'Quick Quotes')/Tender* negotiation on price and the *EU Public Procurement Rules* do not apply:
- 5.8.1 All firms submitting a price within 5% of the lowest *Written Quotation (including 'Quick Quotes')/Tender* should be invited to take part;
 - 5.8.2 Invitations to take part must be in writing and require written acceptance; and
 - 5.8.3 A detailed written record must be kept of all negotiations and the negotiated sum.
- 5.9 Officers are reminded of the requirements of PPR 3.12 and 3.16.

5C Post-*Quotation, Quick Quote, Tender, EU Tender* Clarification

- 5.10 Providing clarification of a request for a *Quotation, Quick Quote*, or an Invitation to *Tender, EU Tender*, or seeking clarification of a *Quotation, Quick Quote or Tender, EU Tender*, either in writing or by way of a meeting, is permitted. However, discussions with firms after submission of *Quotations, Quick Quotes, Tenders or EU Tenders* before the award of a *Contract* with a view to obtaining adjustments in price, delivery or content (i.e. post-tender negotiations) must be the exception rather than the rule as provided for in Chapter 5B above. The *EU Public Contracts Regulations* impose particular restrictions upon post-tender negotiations and it is therefore important to obtain legal advice where these apply.

Chapter 6 - Acceptance of Quotations, Quick Quote, Tenders and EU Tenders

6A Acceptance of *Quotations, Quick Quotes, Tenders and EU Tenders*

- 6.1 Before a *Contract* is entered into, there must be a proper decision made under Part 3 of the Council's Charter by a *Delegated Officer* or the *Cabinet* authorising the Council to enter into the *Contract*. The *Delegated Officer* or his/her representative must inform the *Procuring Officer* in writing of their decision to award contracts between £25,000 and £100,000. A *Delegated Officer* in consultation with the relevant Portfolio Member must inform the *Procuring Officer* in writing of their decision to award a contract between £100,000 and the Cabinet thresholds (£1,000,000 of Goods, £2,000,000 of Services, £3,000,000 for *Social and Other Specific Services* and £4,300,000 of Works) and establish if the decision is key or not. The decision must be formally record on the Delegated Decision System for all contract awards over £100,000. This should be in accordance with guidance set out in Annex 3 of Part 3.13, and in Part 7D, of the Council's Charter.
- 6.2 A retrospective decision to enter into an Adult and Children's bespoke placements is allowed. Where we have the need to spot purchase outside of contractual arrangements, *Officers* can do so and enter into the agreement immediately. *Officers* must then seek retrospective approval from the relevant *Cabinet Portfolio Member* in consultation with the *Cabinet Portfolio Member for Resources*. They must do so by completing a *Delegated Decision* attaching a list of any contract entered into during the quarter. The *Delegated Decision* must be recorded on the Delegated Decision system.
- 6.3 *Delegated Officers* may accept *Tenders/EU Tenders*; subject to compliance with the Procedure for the Commitment of Capital Expenditure (see Financial Regulation 4). *Tenders/EU Tenders* not complying with that Procedure must be reported to the *Director of Resources* for approval. Note: Paragraph 4 of that Procedure provides that where it is proposed to accept other than the lowest tender (where price is the determining criteria), this must be reported to *Assistant Director Inclusion, Commissioning and Procurement* for authority to proceed.
- 6.4 *Contracts* under £181,302 in value must be awarded either by placing an *Order* in accordance with PPR 8.5 to 8.6 below or by signing a *Formal Contract* as under PPR 8.7 below. An *Order* must be issued quoting the contract reference number in the Header Box, as set out at PPR 9.2. A *Contract* (if not sealed) must be signed by the individuals set out at PPR 9.3.
- 6.5 *Contracts* of £181,302 or more in value must be awarded by the signing of the *Contract* in accordance with PPR 8.7 and 9.3, unless it is sealed.
- 6.6 Any correspondence sent to the successful firm prior to issuing an *Order* or completing a *Formal Contract* must be headed 'Subject to Contract'.

- 6.7 If the *EU Public Contracts Regulations* apply (i.e. if the *Contract* value is above the *EU Threshold*), there are special requirements before a *Contract* can be entered into. Generally, these involve issuing a notice of award to all firms advising which *EU Tender* the Council proposes to accept and then allowing ten days before entering into that *Contract* to allow any aggrieved firm to challenge the process. If an unsuccessful firm requests a written debrief, this must be provided. *Legal Services* should be consulted about these requirements. For *Tenders* below the EU Thresholds a voluntary 10day standstill period will be applied. There will be no requirement for a 10day standstill period for *Quotations* and *Quick Quotes*.
- 6.8 **Gateway 3** process requires that once a *Contract* with an estimated value of £25,000 or more has been awarded, a *Completion Statement* attached at Appendix 6 must be completed detailing the successful firm, the start and end date, *Contract Management Roles*, the *Contract* value and forwarded within ten working days of the *Contract* being awarded to the *Procurement Gateway* where the *Commissioner* will make arrangements for the details to be input to the *Councils Contract Register*. The *Councils Contract Register* is available on the Electronic Tendering Portal.
- 6.9 Every payment under a *Contract* must be made through the *POP System* unless it is listed on the *POP* exception list detailed in *Appendix 9* or the *Assistant Director Inclusion, Commissioning and Procurement* has granted a written exemption from the payment being made in that way and she is satisfied that this is justified because of the exceptional circumstances in any particular case. This power will not be used to grant general exemptions from this requirement.
- 6.10 *Officers* will ensure that adequate post-*Contract* monitoring is undertaken (See also Chapter 9E).

Chapter 7 – Exceptional Procedures

7A Exceptional Circumstances relating to the Purchase of Goods, Works or Services

- 7.1 In cases where there is an opportunity to purchase goods, materials or related services at an exceptionally favorable price or delivery terms, and the Council is likely to lose the advantage of cost or delivery if purchase is delayed by complying with these requirements, the *Assistant Director Inclusion, Commissioning and Procurement* may proceed with the purchase without complying with the requirements of these *Rules*, subject to the prior written consent of the *Director of Resources* and compliance with the *EU Public Contracts Regulations*.

7B Contracts where Payment is made in Advance

- 7.2 No *Contract* or commitment shall be entered into for goods, materials, works or services for which the firm requires payment in advance until all of the following have been undertaken:
- 7.2.1 The *Delegated Officer* has undertaken a documented appraisal of the risks and is satisfied that such payment is reasonable and is in the best interest of the Council; and
- 7.2.2 The *Assistant Director Legal Services* has put in place the appropriate contractual arrangements to ensure that the risk to the Council is minimized in the event of the firm failing to deliver the required products under the *Contract* for whatever reason and has confirmed in writing to the requisitioning *Delegated Officer* that this has been done.
- 7.3 PPR 7.2 does not apply where there is a statutory requirement for the Council to make payments in advance.

7C Letters of Intent

- 7.4 *Letters of Intent* shall only be used in the **most exceptional** circumstances. A '*Letter of Intent*' is a letter or other similar documentation which permits a firm to commence performance of a *Contract* in lieu of any other binding and *Formal Contract* documentation being in place.
- 7.5 If the value of any *Letter of Intent* is less than £150,000, any *Letter of Intent* must be agreed in advance of issue by the *Legal Services*.
- 7.6 Any *Letter of Intent* in relation to a proposed *Contract* with a value of £150,000 or more must:
- 7.6.1 Be signed by the relevant *Delegated Officer*; and

7.6.2 Be agreed in advance of issue by the *Director of Resources* and the *Assistant Director Legal Services* after consultation with the relevant portfolio holder.

Note: A *Letter of Intent* shall not in any event be issued without a proper decision having first been made to award the *Contract* under PPR 6.1. In the case of a *Contract* appointing *External Professional Services* such a decision must also be made in accordance with Appendix 3 of these *Rules*.

7D Private Finance Initiative (PFI) Schemes

7.7 Where a *Contract* is designated as a *PFI Scheme* by the *Director of Resources*, the award of a *Contract* shall be made according to the procedures laid down by Central Government and the *EU Public Contracts Regulations*.

7.8 In the event that these *Rules* conflict with any external procedures referred to in PPR 7.7, those external procedures shall take precedence.

7.9 On all occasions when awarding a *Contract* designated as a *PFI Scheme*, *Officers* must seek and follow advice from the *Legal Services* and the *Director of Resources*.

7E Bonds and Parent Company Guarantees

7.10 Consideration should always be given to the possible need for a *Bond* or a *Parent Company Guarantee* where the circumstances of the case suggest this may be appropriate to better protect the Council's interests. The advice of the *Director of Resources* should be sought about this in appropriate cases. A *Bond* may for instance be appropriate for very high value *Contracts* for works, or where advance payments are proposed under PPR 7.2 and there is any concern about the financial stability of the successful firm. A *Parent Company Guarantee* may be appropriate where the successful firm is a subsidiary of a parent company and the risk assessment has included an evaluation of that parent company, or where it is a high value *Contract* and there is any doubt about the financial stability of the subsidiary.

Chapter 8 - Contractual Requirements

8A Minimum Contractual Requirements

- 8.1 Every *Contract* or agreement (whether for the purchase of goods, materials and related services, the execution of works, or the provision of other services) shall be in writing as specified in PPR 8.2. Verbal agreements are not permitted.
- 8.2 Every contract or agreement shall be in the form of either: -
- 8.2.1 An *Official Order* which includes the Council's standard *Terms and Conditions*; or
- 8.2.2 Such other *Formal Contract* which should be drafted and approved by the *Commissioning and Procurement Team* in conjunction with the *Legal Services*.
- 8.3 When the *Contract* value is less than £181,302, *Officers* may use an *Official Order* including the Council's standard *Terms and Conditions* but **if an Officer has any doubt about the use of an Official Order adequately protecting the Council's interests having regard to the nature or subject matter of the contract, he/she must seek the advice of the Commissioning and Procurement Team.** Where the *Contract* value is £181,302 or more, *Procuring Officers* must seek and follow advice from the *Legal Services* as to whether a *Formal Contract* (instead of an *Official Order*) must be used and, if so, which form of *Formal Contract*. For the avoidance of doubt, an *Official Order* with *Terms and Conditions* may only be used for a contract of £181,302 or more with the express approval of the *Legal Services*.
- 8.4 Before the successful firm commences work or other performance of the *Contract*, *Officers* must ensure that either an *Official Order* with *Terms and Conditions* attached is issued or a specifically-drafted *Formal Contract* is signed by both parties.

8B Official Orders

- 8.5 *Orders* must be placed through the *POP System* (except those detailed on the *POP* exception list as shown in Appendix 9) which is the Council's official ordering and payment system, unless it is technically not possible to do so for any exceptional reason. If it is proposed not to place an *Order* through the *POP System* because of any general exemption from doing so issued by the *Assistant Director Inclusion, Commissioning and Procurement* or for any other reason, the *Officer* must consult with the *Collaborative Procurement Manager* to ascertain the most appropriate method of placing the *Order*.
- 8.6 An official *Order* must be in a type of form, containing the types of information and other details, as has been approved by the *Assistant Director Inclusion, Commissioning and Procurement*.

8C Form of *Formal Contract*

8.7 Any *Formal Contract* must be in a form which has been agreed by *Legal Services*.

Chapter 9 - Execution of Contracts and Contract Variations / Extensions

9A Sealing

9.1 The Common Seal of the Council must always be affixed to the following:

- 9.1.1 *Contracts* made without consideration, e.g. a gift;
- 9.1.2 Any other *Contract* which by law must be under seal, e.g. a conveyance of land or interest in land; and
- 9.1.3 Any other *Contract* which in the view of the *Assistant Director Legal Services* ought to be sealed, e.g. where he or she considers it would be prudent to have a statutory limitation period of 12 years for suing for breach of *Contract* rather than 6 years for *Contracts* not under seal.

All documents to which the Common Seal is affixed must also be signed by the persons specified in the Council's Standing Order 30 as set out in Part 4A of the Charter.

9B Signing

- 9.2 Subject to PPR 9.1 above and provided that the necessary approvals have been obtained all **Orders** shall be requisitioned and authorised by a *Delegated Officer* or an officer authorised by him/her.
- 9.3 **Contracts** below £181,302 (not under seal) shall be signed personally by one of the following officers and held by the *Commissioning and Procurement Team*: -

CATEGORY A	CATEGORY B	CATEGORY C
All Contracts	All Contracts except Contracts for leasing, insurance, banking and other financial services	Contracts for leasing, insurance, banking and other financial services
<i>Assistant Director Legal Services</i>	<i>Chief Executive of the Council for Council/HRA Contracts and Managing Director of YHN as the Your Homes Newcastle Authorised Chief Officer for Your Homes</i>	<i>Director of Resources</i>

	<i>Newcastle Contracts</i>	
<i>Assistant Director Legal Services</i>	<i>Any Chief Officer of the Council for Council/HRA Contracts and any Your Homes Newcastle Chief Officer for Your Homes Newcastle Contracts</i>	<i>Assistant Director Financial Services</i>
Other officer nominated for the purpose by the <i>Assistant Director Legal Services</i>	<i>Any Deputy Chief Officer of the Council for Council/HRA Contracts and any Your Homes Newcastle Deputy Chief Officer for Your Homes Newcastle Contracts</i>	

9.4 **Contracts** of £181,302 or more (not under seal) shall be signed personally by two officers and held by the *Commissioning and Procurement Team*: -

9.4.1 In the case of *Contracts* for leasing, insurance, banking and other financial services by one of the category A officers and one of the category C officers; or

9.4.2 In the case of all other *Contracts* by one of the category A officers and one of the category B or C officers.

9C Contract Variations

9.5 Once entered into, a *Contract* may only be varied under the written authorisation of a *Delegated Officer* and the *Assistant Director Inclusion, Commissioning and Procurement* where they consider it is in the best interests of the Council and adheres to '*Gateway4*'.

9D Contract Extensions

9.6 A *Contract* may be extended in accordance with its express terms under the written authorisation of a *Delegated Officer* and the *Assistant Director Inclusion, Commissioning and Procurement* in line with '*Gateway 4*' requirements.

9.7 Where a *Contract* does not contain any express provision for extension, *Contract Extensions* will not be permitted except in exceptional circumstances which meet the criteria set out in the *EU Public Contracts Regulations*. *Legal Services* will advise on these requirements. Any such exceptional extension must be agreed in writing by a *Delegated Officer* in conjunction with the *Assistant Director Inclusion, Commissioning and Procurement* and approved by the *Director of Resources* that it has been justified as achieving best value for money.

9E Contract Management

- 9.8 Once a *Contract* has been awarded, effective monitoring and management of the performance of the *Contract* throughout its term will be done so in line with the Councils *Contract Management Toolkit*. Such arrangements may vary depending upon the nature, value, complexity and length of the *Contract* but shall be designed to ensure that the contractual obligations of both the contractor and the Council are fully and properly discharged and that the Council's rights and interests under the *Contract* are properly protected and where necessary enforced. The arrangements shall also seek to ensure that all significant activities carried out by way of monitoring and managing the *Contract* shall be properly recorded in writing and recorded in the *Electronic Contract Management System* for audit purposes. The *Commissioner* will require the details of the assigned *Contract Management Roles* (PPR 9.11) as part of the **Gateway 3** process to ensure they have been recorded on the *Councils Contracts Register* and within the *Electronic Contract Management System*. Any arrangements shall comply with any guidance on post-contract monitoring which the Council may issue from time to time.
- 9.9 Contract management requirements and the frequency of engagement should be in line with the Councils *Contracts Management Matrix* so that the *Collaborative Procurement Manager* can make arrangements for this to be recorded on the *Councils Contracts Register* and within the *Electronic Contract Management System*.
- 9.10 *Contracts* classified as a '*Critical Contract*' should be flagged on the *Councils Contracts Register* and within the *Electronic Contract Management System* to ensure the required business continuity arrangements are in place.
- 9.11 Contract Management Roles and responsibilities are detailed below:
- 1) Authorised Officer (Contract)** - Named as the Council's representative for the *Contract* in the contract particulars. Responsibilities: - Overall delivery of the contract, making decisions about extensions, suspensions and terminations, and planning for contract renewals
 - 2) Senior User** - Day to day relationship management and compliance checking, execution of the contract, for example, making referrals and placements, making call offs for projects etc. rapid response to immediate issues and escalating serious concerns to the Authorised Officer
 - 3) Performance Collector** - Collecting the performance information agreed within the contract, in line with the contract management matrix timescales, making performance information available to the Performance Reviewer for the contract
 - 4) Performance Reviewer** - Analysing the collected performance information against the agreed outputs/outcomes identified within the contract, making performance analysis routinely available to the Senior User

in line with the contract management matrix timescales, escalating significant performance issues to the Authorised Officer

5) Quality Reviewer (Desktop) - Undertaking a desktop review for the contract and/or sample checks in line with the quality framework agreed in the contract. This may include checking copies of certificates, policies, product samples, and provider self-assessments, undertaking and maintaining the contract risk rating, escalating significant quality issues to the Senior User and Authorised Officer

6) Quality Reviewer (Visit) - Completing a verification visit for the contract, in line with the quality framework agreed in the contract, informing the Quality Reviewer (Desktop) about the verification visit outcome, escalating significant quality issues to the Senior User and Authorised Officer

9.12 The *Officer* must engage with the *Commissioning and Procurement Team* through '**Gateway 4**' at the appropriate stages during the contract term as outlined in the *Commissioning and Procurement Plan*.

Chapter 10 - Electronic Commissioning, Tendering and Contract Management

10A E-Tendering

- 10.1 All commissioning exercises must be undertaken within the Electronic Commissioning System approved by the *Assistant Director Inclusion, Commissioning and Procurement*.
- 10.2 *Quotations, Quick Quotes, Tenders or EU Tenders* must be sought and received by electronic means for every proposed *Contract* with an estimated value over £25,000, unless the *Assistant Director Inclusion, Commissioning and Procurement* has agreed otherwise. In those circumstances where *E-Tendering* is carried out, this shall only be through the use of IT software which has been expressly approved by the *Assistant Director Inclusion, Commissioning and Procurement*.
- 10.3 It is essential that evidence be recorded that the transmission was successful or unsuccessful. Electronic submissions are to be kept in a separate secure electronic folder until the deadline and must be opened in accordance with PPR 4.1 to 4.4.
- 10.4 All contract management activity must be recorded within the Electronic Contract Management System approved by the *Assistant Director Inclusion, Commissioning and Procurement*.
- 10.5 All processes used in e-commissioning, e-tendering and e-contract management must conform to the Council's current IT security guidance and protocols.

Chapter 11 – Cabinet

11A Cabinet Remit in relation to Procurement

- 11.1 *Cabinet* has responsibility for four key areas:
- 11.1.1 Development and implementation of the Council's Commissioning and Procurement Plan;
 - 11.1.2 Governance of Major Procurement Projects;
 - 11.1.3 Guidance on the development of Procurement Proposals arising from the appraisal of options for service delivery; and
 - 11.1.4 The approval of the award of any particular *Contract*, or any other step in any particular procurement, where (a) *Cabinet* have specifically required such approval or (b) the Council's Financial Regulations or any other provision of its Constitution requires the approval of *Cabinet* or (c) a *Delegated Officer* considers it appropriate that *Member* approval be sought given the size or nature of the proposed contract.

11B Criteria for Reports to Cabinet

- 11.2 Its role is principally envisaged as being a high level one: to consider and develop appropriate procurement strategies as well as relevant operational and governance arrangements and to monitor their operation.
- 11.3 In relation to major projects (which have been specifically defined) against any of our procurement sub-categories (Appendix 10 of these Rules), and indeed any other proposed contract which *Officers* identify may involve potentially high risk or costs for the Council, specific reports should be brought to the *Cabinet* for approval of the final *Commissioning Model* which will outline the proposed scope and direction for the procurement process before it is embarked upon.
- 11.4 In addition, and subject to 11.5 below, it is envisaged that before the award of any *Contract* falling within the areas below, the *Assistant Director Inclusion, Commissioning and Procurement* must take a report on the contract to *Cabinet*:
- 11.4.2 Contracts for the execution of works over £4.3 million
 - 11.4.3 Contracts for the provision of *Social and Other Specific Services* over £3 million
 - 11.4.4 Contracts for the provision of services over £2 million
 - 11.4.5 Contracts for the supply of goods over £1 million
- 11.5 For the award of any "*Call-off Contract*", where this is made from an existing *Framework Agreement or Procured Solution* that has been previously approved by *Cabinet*, a *Delegated Decision* shall be made in line with the Council's decision making policies which are detailed in the

Newcastle Charter and within the decision making chart held in the Commissioning and Procurement Plan. Decisions must be made in conjunction with the *Assistant Director Inclusion, Commissioning and Procurement* and in consultation with the relevant Portfolio Member.

- 11.6 All negotiated contracts over £25,000 which have been let or are about to be entered into without formal competition must be reported to *Directorate Management Teams* by the *Assistant Director Inclusion, Commissioning and Procurement* as part of a summary schedule for information.
- 11.7 Adult and Children's placements can be entered into without a prior award decision due to the urgency and nature of the services. A quarterly report will be submitted to the Adult and Children's Cabinet Portfolio meeting seeking retrospective approval to enter into the individual placement agreements.

Chapter 12 - Definitions

12A Definitions

The following words which are italicised shall have the meaning as defined below: -

'Assistant Director Inclusion, Commissioning and Procurement' means the senior *Officer* tasked with facilitating procurements within the Council or any other *Officer* nominated in writing to act on their behalf;

'Assistant Director Legal Services' means the *Officer* responsible for *Legal Services Team* or any other *Officer* nominated in writing to act on their behalf;

'Authorisation to Negotiate Form' means the form (attached at Appendix 4) to be used for recording when a *Delegated Officer* has decided that the use of the negotiation procedure under PPR 3.21 to 3.27 is in the best interest of the Council;

'Bond' means an insurance policy under which if the contractor fails to perform the *Contract* the Council can claim the sum of money specified in the *Bond*, often 10% of the *Contract* value;

'Buy It' means the Commissioning and Procurement's internal website;

'Call-off Contract' means the award of any *Contract* under a *Framework Agreement* or a *Social and Other Specific Services* procurement solution

'Central Purchasing Body' means a public authority which may have already procured a *Framework Agreement* or a *Social and Other Specific Services* procurement solution, of which the Council is able to take advantage and award a *Contract* in accordance with the *Framework Agreement* or the *Social and Other Specific Services* procurement solution;

'Charter' means the Council's Charter (or constitution) as amended from time to time;

'Chief Officer' means for the Council, the Chief Executive, the Assistant Chief Executive, the Director of Operations and Regulatory Services, Director for People; the Director of Place and the Director of Resources

'Chief Officer' means for Your Homes Newcastle, the Managing Director, Assets and Development Director, Customer Services Director, Finance and Commercial Director

'Commissioner' means the *Officer* who has strategic category leadership for specific procurement categories and sub-categories, tasked with opening the commissioning project at 'Gateway 1, agreeing the final *Commissioning Model*, reviewing the procurement documents at Gateway 2, closing the procurement for contract start at 'Gateway 3, acting as the Authorised Officer for Gateway 4, along with allocating resources to carry out the commissioning and procurement exercise on behalf of the Council;

'Commissioning Model' means our final plan which has been developed during the commissioning phase incorporating the final Lotting Structure created where required through consultation with the Provider Market, Service Users and other key Stakeholders;

'Commissioning and Procurement Plan' means the Council's Plan which details the strategic objectives which must be adhered to when undertaking a procurement. It is available from the Council's Internet site listed under business, tenders and contracts or from the Council's Intranet site listed under procurement;

'Commissioning and Procurement Team' means the team of professional Commissioning and Procurement Officers managed by the Assistant Director Inclusion, Commissioning and Procurement. The Commissioning and Procurement Team is responsible for commissioning and coordinating procurement activity to ensure that high quality outcomes are delivered that are value for money and that procurement activity is compliant with the law;

'Completion Statement' means the form attached at Appendix 6 and available from the Commissioner which sets out basic details of an awarded Contract and thereby enables the Council to log the details on a Contract Register;

'Constructionline' is a national organisation that risk assesses companies and accredits them for use. They monitor companies' financials, insurances, health and safety who have registered with them and flags anomalies;

'Contract' means any contract for the supply of goods, execution of works or provision of services;

'Contract Extension' means the extension of the term of a Contract;

'Contracts Finder' means the Central Governments tendering portal where local councils have to publish a notice for all advertised contracts over £25,000

'Contract Management Matrix' means the document which outlines the frequency for the contract management of goods, works and services Contracts

'Contract Management Toolkit' means the policy document outlining contract management requirements;

'Council's Contracts Register' means a list of all the Council's current contracts;

'Critical Contract' means a contract that is significant to the Council in terms of fulfilling its statutory and service delivery obligations;

'Deputy Chief Officer' means any person (other than one whose duties are solely secretarial or clerical) who, as respects all or most of the duties of his or her post, is required to report directly or is directly accountable to one or more Chief Officer;

'Delegated Officer' means any Officer of the Council who has delegated decision-making powers under Part 3.13 of the Charter and who accordingly is listed in Table A, of Part 3.13 which is reproduced at Appendix 7 of these Rules;

'E-Commissioning' means the commissioning design phase of the commissioning and procurement cycle;

'E-Contract Management' means the contract management phase of the commissioning and procurement cycle;

'E-Tendering' means the procurement of a *Contract* by electronic means either by seeking *Quotations, Quick Quotes, Tenders* or *EU Tenders*;

'Electronic Tendering System' means the system approved and operated by the Council for the time being for the invitation and return of *Quotations, Quick Quotes, Tenders* and *EU Tenders* by electronic means;

'Equality Considerations' means that when procuring goods, services or works equality needs to be given due consideration in the procurement process to ensure that public money is not spent on practices that lead to unlawful discrimination, but instead is used to support and encourage equality of opportunity and good community relations;

'External Body' means any person, organisation or company external to the City Council;

'EU Public Contracts Regulations' means The Public Contracts Regulations 2015 which are the statutory rules which implement the European Directive 2014/24-EC for the procurement of public contracts with which the Council must comply;

'EU Tender' means any *Tender* for a *Contract* above the *EU Threshold*;

'EU Threshold' means the financial threshold as dictated by the European Commission which, when breached, will invoke application of the EU Public Procurement Rules. The threshold levels for the period 1 January 2016 to 31 December 2017 are as follows:

Contracts for Supplies -	£181,302 (221,000 Euros)
Contracts for Services -	£181,302 (221,000 Euros)
Contracts for Social / Other Specific Services	£615,278 (750,000 Euros)
Contracts for Works -	£4,551,413 (5,548,000 Euros)

'Formal Contract' means the formal documentation (other than an *Order*) which is signed by the parties to a contract and which acts as evidence of that *Contract*;

'Framework Agreement' means an agreement which is not in itself a *Contract*, but which establishes the terms (in particular as to price and, where appropriate, quantity) under which the firm will enter into one or more *Call-off Contracts* with the Council during the period in which the *Framework Agreement* applies;

'Gateway' means the method of 'managing' a commissioning and procurement exercise at critical stages in its lifecycle to provide assurance (with supporting evidence) that the project can proceed to the next stage. There are four 'Gateway' stages in the commissioning and procurement process (documented in Appendix1) at which *Officers* must consult with the *Assistant Director Inclusion, Commissioning and Procurement* or any other nominated *Officers* within the *Commissioning and Procurement Team*;

'Gateway 1' requires *Officers* to submit a *Project Request Form* (Appendix 8) to the *Procurement Gateway* to register that they are about to undertake a commissioning and procurement exercise. The *Commissioners* will assign an *Officer* from the *Commissioning and Procurement Team* to support throughout the commissioning and procurement process;

'Gateway 2' requires the *Commissioner* to check documentation has been prepared in accordance with procurement procedures and electronic tendering requirements. The client *Officer* is responsible for checking the technical content of the documentation prior to dispatch from the *Commissioning and Procurement Team*;

'Gateway 3' requires *Officers* to submit a *Completion Statement* (Appendix 6) to the *Procurement Gateway* where *Commissioners* will make arrangements for the details to be input to the *Council's Contract Register*. The *Commissioning and Procurement Team* will check the award documentation, *OJEU Notice* if applicable and obtain the details of the *Contract Management Roles*;

'Gateway 4' requires *Officers* to engage with the *Authorised Officer* at the appropriate stages during the *Contract* term as outlined in the *Commissioning and Procurement Plan*;

'*Invitation to Tender*' or '*ITT*' means a procurement-specific document drafted in order to give instructions to firms wishing to tender for the award of a *Contract* (an example of which is available from the *Commissioning and Procurement Team*);

'*Key Performance Indicators (KPI's)*' means a type of measurement of performance to evaluate the success or otherwise of a particular activity or *Contract* in which we are engaged;

'*Legal Services*' means any solicitor employed within the *Legal Services Section*, being managed by the *Assistant Director Legal Services*;

'*Letter of Intent*' means a letter or other similar documentation which permits a firm to commence performance of a *Contract* in lieu of any other binding and *Formal Contract* being in place;

'*NEPO*' means the *North East Procurement Organisation*;

'*Officer*' means any *Officer* of the *Council* or *Your Homes Newcastle*, authorised by a *Delegated Officer* to undertake a commissioning and procurement exercise on behalf of the *Council*;

'*OJEU Notice*' means an advertisement posted in the *Official Journal* of the *European Union* (which is the advertising medium for all notices subject to the *EU Public Contracts Regulations*);

'*Order*' means an official order form complying with *PPR 8.5* and *8.6* which details the goods, works or services to be provided to the *Council* and authorises the successful firm to provide these;

'Parent Company Guarantee' means a contract which binds the parent of a subsidiary company to perform the *Contract* if the subsidiary fails to do so;

'PFI Scheme' means a project which receives Private Finance Initiative (PFI) funding from HM Treasury;

'Post-Contract Variation' means variation to a *Contract* which is to be made after a *Contract* has been legally entered into.

'POP System' means the Purchase Order Processing System held by the *Assistant Director Inclusion, Commissioning and Procurement* which permits *Officers* to order supplies, works and services where an existing Framework Agreement exists or otherwise;

'Procurement Consideration Document' means a guide suggesting considerations for an upcoming commissioning and procurement exercise and how best to plan for it. Considerations are embedded within the Council's commissioning and contract management system and available from the *Commissioning and Procurement Team*;

'Procuring Officer' means the Commissioning and Procurement Officer in the *Commissioning and Procurement Team* or within Your Homes Newcastle, responsible for providing specialist expertise and commercial knowledge to ensure that all commissioning, procurement and contract management activity is undertaken in accordance with the Council's Financial and Statutory Regulations and *EU Public Procurement Regulations*;

'Project Request Form' means the form (attached at Appendix 8) which must be submitted in the circumstances set out in PPR1.12 to ensure professional commissioning and procurement advice and approval is received for:

- all areas when the value of spend is anticipated to exceed £25,000 and there are no existing procurement arrangements in place

'Quick Quotes' means using a module within the North East Procurement Organisation (NEPO) Portal for electronic tendering that provides the ability to run simplified quotation procedure for one off purchases of supplies of goods or delivery of services where a full risk assessment is not required, or low values works utilising *Constructionline* for risk assessment purposes. The key advantage of *'Quick Quotes'* is that it will illicit quotations within 48 hours rather than the usual 10 working days for normal *Quotations*. Requests for *Quotations* processed through the *'Quick Quotes'* module will potentially create more opportunities for local suppliers;

'Quotation' means a written submission (which can be evaluated on price alone or on other criteria) from a firm for carrying out a contract for supplies, works or services;

'Rules' means these *Commissioning and Procurement Procedure Rules*;

'Selection Questionnaire' means a questionnaire (available from the *Commissioning and Procurement Team*) to be used where the *EU Public Contracts Regulations* apply which when completed will be used to assess whether

a firm has satisfied the Council's risk assessment criteria as set out at PPR 2.8 and may shortlist firms to be invited to submit a tender for 'Restricted' routes or used as a selection stage for 'Open' procurement routes;

'*Shared Service Agreement*' means the regional procurement agreement used for collaborative commissioning and procurement;

'*Social and Other Specific Services*' means a procurement route within the *EU Public Contracts Regulations* for services listed within Annex XIV

'*Social Value*' means simply, value that accrues in our local communities. It is what city residents say is valuable to them, for example sustainable employment, a decent place to live, and equal access to a range of quality services in the local area.

'*Summary of Quotations, Quick Quotes, Tenders, EU Tenders Received Form*' means a pro forma document attached at Appendix 5 and also available from the *Commissioning and Procurement Team* which must be completed when receiving *Quotations, Quick Quotes, Tenders or EU Tenders* when the *Electronic Tendering System* is not utilised;

'*Sustainability Considerations*' means undertaking a procurement process whereby we meet our needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis. It results in benefits not only to the organisation, but also to society and the economy whilst minimizing damage to the environment. *Sustainability considerations* include environmental, social and economic factors;

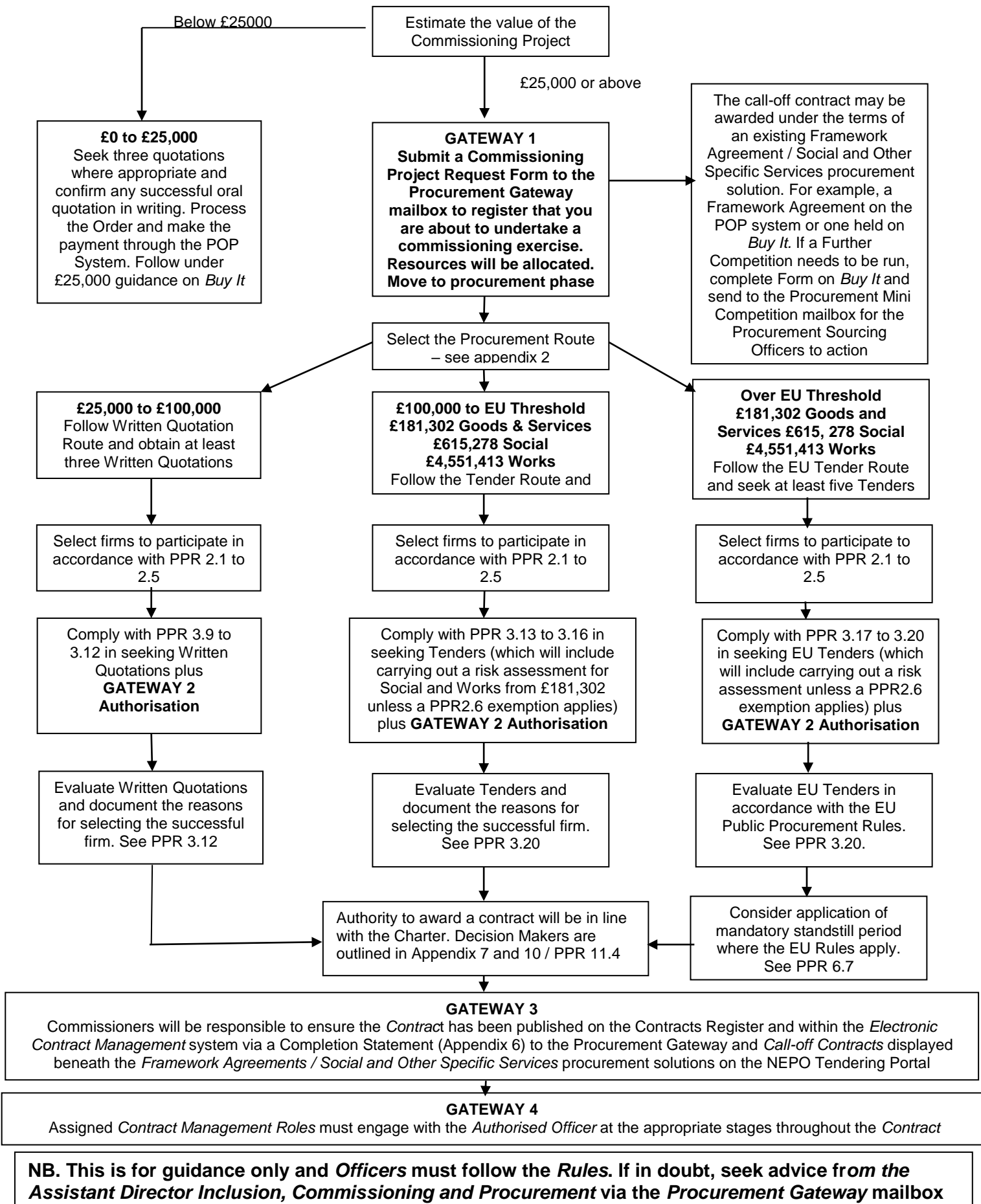
'*Tender*' means the written proposal submitted by a firm in response to the Invitation to Tender;

'*Terms and Conditions*' means a set of non-negotiable terms specific to a contract (albeit they may be of a general nature) which are designed to protect the legal position of the Council;

'*Your Homes Newcastle*' means the Council's Arms-Length Management Organisation; and

'*Your Homes Newcastle Authorised Officer*' means any *Officer* of Your Homes Newcastle who is authorised to make commissioning and procurement decisions as detailed in Appendix 7 of these *Rules*.

Appendix 1 – Commissioning and Procuring Flowchart



Appendix 2 – Guidance on Financial Thresholds and Documentation / Audit Requirements

Total Value	Procurement Route	Documentation Requirements	Evidence for Audit Purposes
Under £25,000	<p>Obtain at least Three Quotations unless Inappropriate - see PPR1.4 A Delegated Officer must be satisfied good value for money is obtained. Follow guidance on <i>Buy It</i></p>	<p>The successful quotation if oral must be confirmed in writing. All payments must be made, and all Orders processed via the POP system unless documented on Appendix 9 POP Exception List</p>	<p>Officers must keep a written record of all quotations received and of the reasons if less than 3 have been sought.</p>
£25,000 to £100,000	<p>Obtain at least Three Written Quotations – follow PPR 3.9 to 3.12. <i>Quotations</i> must be sought and submitted by a certain date through the Electronic Tendering System unless agreed otherwise.</p>	<p>The complete list of documentation required to undertake the procurement is stated at PPR 3.11 which must be checked and dispatched by ‘Gateway 2’. The successful firm must pass the risk assessment requirements unless exempt under PPR 2.6. An Order attaching the standard <i>Terms and Conditions</i> may be placed with the successful firm otherwise a <i>Formal Contract</i> is needed, before the firm commences work. All Orders and Payments must be made through the POP system unless stated on Appendix 9. A Completion Statement (Appendix 6) must be sent to the <i>Procurement Gateway</i></p>	<p><i>Procuring Officers</i> must: - 1. keep a written record of the evaluation criteria (unless awarded on price only) and the scores each firm received in relation to such criteria as well as keeping a detailed written record of the reasons for selecting the successful firm; 2. retain a copy of the <i>Formal Contract</i> or evidence of placing the Order and a copy of the <i>Terms and Conditions</i>; and 3. retain a completed Summary of Quotations/Tenders/EU Tenders Received Form if the Electronic Tendering System is not utilised</p>
<p>£100,000 to EU Thresholds (£181,302 for Goods & Services £615,278 for Social £4,551,413 for Works)</p>	<p>Seek a Minimum of Five Tenders – follow PPR 3.13 to 3.16. <i>Tenders</i> must be sought and submitted by a certain date through the Electronic Tendering System unless agreed otherwise.</p>	<p>The complete list of documentation required to undertake the procurement is stated at PPR 3.15 which must be checked and dispatched by ‘Gateway 2’. The successful firm must pass the risk assessment requirements unless exempt under PPR 2.6. An Order (attaching the standard <i>Terms and Conditions</i>) may be placed with the successful firm otherwise a <i>Formal Contract</i> is needed, before the firm commences work. All Orders and Payments must be made through the POP system unless stated on Appendix 9. A Completion Statement (Appendix 6) must be sent to the <i>Procurement Gateway</i></p>	<p><i>Procuring Officers</i> must: - 1. carry out and evidence a scoring exercise which assesses the firms’ <i>Tenders</i> against the evaluation criteria (unless awarded on price alone) and keep a detailed written record of the reasons for selecting the successful firm for at least three months; 2. retain a copy of the <i>Contract</i>; and 3. retain a completed Summary of Quotations/Tenders/EU Tenders Received Form if the Electronic Tendering System is not utilised</p>

Total Value	Procurement Route	Documentation Requirements	Evidence for Audit Purposes
<p>Above the EU Thresholds</p> <p>(£181,302 for Goods & Services</p> <p>£615,278 for Social</p> <p>£4,551,413 for Works)</p>	<p>Seek a Minimum of Five Tenders</p> <p>- follow PPR 3.17 to 3.20.</p> <p>Over the <i>EU Threshold Tenders</i> must be sought by following the <i>EU Public Procurement Rules</i>.</p>	<p><i>Officers</i> must seek advice from the <i>Commissioner/Collaborative Procurement Manager responsible for the procurement sub-category</i> in the first instance who will check and dispatched all documentation at Gateway 2</p> <p>The successful firm must pass the risk assessment requirements unless exempt under PPR 2.6.</p> <p>There must be a <i>Formal Contract</i> in place before the firm commences work.</p> <p>All Orders and Payments must be made through the POP system unless stated on Appendix 9.</p> <p>A Completion Statement (Appendix 6) must be sent to the <i>Procurement Gateway</i>.</p>	<p><i>Procuring Officers</i> must: -</p> <ol style="list-style-type: none"> 1. Carry out and evidence a scoring exercise which assesses the firms' <i>Tenders</i> against the evaluation criteria (unless awarded on price alone) and keep a detailed written record of the reasons for selecting the successful firm for at least three months; 2. Retain a copy of the <i>Contract</i>; and 3. Retain a completed Summary of Quotations/Tenders/EU Tenders Received Form if the Electronic Tendering System is not utilised
<p>Any Value of £25,000 or more</p>	<p>Negotiation with One Firm</p> <p>– follow PPR 3.21 to 3.27.</p>	<p>The firm must pass the risk assessment and there must be contractual <i>terms and conditions</i> in place before the firm commences work. <i>Officers</i> must first ensure that any negotiation with one firm complies with <i>EU Rules</i> (and seek legal advice to this end) and complete an Authorisation to Negotiate Form (Appendix 4). The firm with which negotiation takes place must pass the risk assessment requirements unless exempt under PPR 2.6.</p> <p>All Orders and Payments must be made through the POP system unless stated on Appendix 9.</p> <p>A Completion Statement (Appendix 6) must be sent to the <i>Procurement Gateway</i>.</p>	<p><i>Procuring Officers</i> must: -</p> <ol style="list-style-type: none"> 1. Retain a copy of a completed Authorisation to Negotiate Form (Appendix 4) which has been signed by a <i>Delegated Officer, Commissioner/Collaborative Procurement Manager</i> (and the <i>Director of Finance & Resources</i> if the value exceeds £100,000). If over £100k, consultation must take place with the Cabinet Member for Resources via the <i>Assistant Director Inclusion, Commissioning and Procurement</i> before authorisation to negotiate is given. Evidence must be kept of all procedures complied in accordance with PPR 3.21 to 3.27; and 2. Retain a copy of the <i>Contract</i>.

NB. This is guidance only and *Officers* must follow the *Rules*. If in doubt, *Officers* should seek advice from the *Assistant Director Inclusion, Commissioning and Procurement* via the *Procurement Gateway* mailbox.

Appendix 3 – Procedure for Procuring Agency Staff, Consultants, Professional Advisory and Training Services

(PPR 1.8 to 1.10)

Description

We use various terms such as ‘interims’ and ‘professional services’ to describe this type of work but tax regulations decree we need to be clear which of two categories apply when we are looking to procure these services, therefore we are deeming them to be as follows:

1. Where we are buying an individual’s time, then this will be classed as **Agency staff**, or
2. Where we are buying a defined work product, then this will be classed as **Consultancy or Professional Advisory projects**

Training Services can be either of above depending on whether we are bringing in a trainer to support our in-house Training Team (1. above) or bringing in a third-party Provider to deliver an outcomes-based Training project (2. above).

Procuring Agency Staff

Definition

Anyone the Council employs on a day or hourly rate (i.e.: from whom we buy time, rather than defined work product) must be paid through a PAYE compliant system that deducts tax due at the point of payment.

Agency Staff Procurement Options

If it is recognised to be agency staff, then we can achieve this by either;

- Employing the person ourselves and paying them through our normal payroll arrangements, as per advice on HR Recruitment webpage; or
- Buying their time from an agency which is PAYE compliant which the Council’s chosen service provider will comply with. Details of our agency arrangements can be found on the Commissioning and Procurement internal website known as ‘Buy it’.

Note: If you are using agency staff, please be aware that you must have a position on SAP with an evaluated Newcastle City Council job description to place them in, and that the rate paid must normally match the standard rate for the job.

Procuring Consultancy / Professional Advisory Projects

Definition

IR35 legislation stops public authorities using the agency model of day or hourly rates to buy consultancy projects and instead require us to define a specification for the expected work product up front. All procurements therefore for consultancy / professional advisory projects need to draw up a suitable outcome-based specification.

Consultancy / Professional Advisory Project Procurement Options

There will be two routes available for consultancy projects and they are:

- Technical – which covers Construction and Engineering Consultancy projects.
- General – All other general and specialist outcomes-based consultancy projects.

There will be one route available for professional advisory projects and it is:

- General – All professional advisory outcomes-based projects.

Training Procurement Options

There will be one route available for training projects and it is:

- General – All training outcomes-based projects.

Information on either route can be found on the Commissioning and Procurement's internal website known as '*Buy it*'.

Appendix 4 - Authorisation to Negotiate Form

Newcastle upon Tyne City Council

**Certificate of Delegated Officer's Authorisation
To Negotiate A Contract**

(Pursuant to PPR 3.22)

Please refer to Procurement Procedure Rules 3.21 to 3.27 before completing this Form. It explains the limited circumstances where a contract can be negotiated without competition and how this should be done. The Procurement Procedure Rules can be found on the Council's external site within the Charter or on the internal Procurement intranet site.

Purpose

This certificate evidences the fact that the *Delegated Officer* named below has authorised under Procurement Procedure Rule 3.22 that the Contract described below may be negotiated with the Contractor (defined below) without obtaining *Quotations, Tenders/ EU Tenders* because s/he is satisfied that such negotiation is in the best interest of the Council.

Contract Reference: *[insert Contract reference supplied from Commissioning and Procurement Team]*

Contract Title: *[insert name of the proposed contract]*

Estimated contract value: *[insert estimated total value of contract]*

Contractor: *[insert name of contractor with whom negotiation is proposed]*

Contract Start Date: *[insert date]*

Contract End Date: *[insert date]*

Applying Delegated Officer: *[insert name and title of Director or Head of Service this can only be an Officer listed on Appendix 7]*

Procurement Authorisation: Commissioners (Rhonda Eagle, Angela Jamson, Louise Lane and Michael Page)

**Legal Authorisation: from Senior Legal Advisor – Craig Winter
(Senior Solicitor/Barrister/Property Lawyer)**

Reasons for Proposed Negotiation

Please choose one from the list below:

Adult and Children's Residential Placements	
Children's Fostering Placements	
Compatibility	
Excessive Cost of Change	
Funding Requirements	
Grounds of Urgency/Unforeseen Circumstances	
Retrospective	
Sole Provider	
Specialist Knowledge/Experience	
Statutory Obligation	
Time - Complete Commissioning Decision	
Time - Complete Market Consultation	
Time - Complete Procurement Exercise	
Time - Due to changes in Legislation	
Time - Internal Restructure	
Value for Money	

[The Applying *Delegated Officer* should provide below full and detailed reasons as to why it is considered in the best interests of the Council to seek to negotiate terms of the *Contract* with the Contractor instead of seeking at least three competitive *quotations* or five tenders/*EU Tenders through formal competition*. *Officers* must also detail the reason for the chosen category above].

[If applicable, the Applying *Delegated Officer* should provide details below of why this contract is retrospective]

Previous Negotiations

Yes		No	
-----	--	----	--

A summary of any previous history of negotiated contracts with this contractor for these goods/works/services should be detailed below including all contract reference numbers and values of the contracts:

--

[The *Delegated Officer* should detail below how he/she has ensured this negotiated contract will deliver value for money]

--

Authorisation of Applying *Delegated Officer*

I approve this negotiation and confirm that it is in the best interest for the Council.

.....
Signature of Applying Delegated Officer

.....
Date

Procurement Endorsement: Commissioner

I am satisfied that for the reasons set out above complies with the Council's Procurement Procedure Rules. I accordingly authorise such negotiations to proceed pursuant to *Procurement Procedure Rule 3.22*. I envisage that any final decision to award the contract [will be/will not be – *delete as appropriate*] a Key Decision (as defined in the Charter).

Award of Contract – Key Decision	Yes		No	
----------------------------------	-----	--	----	--

Forward Plan	Yes		No		Month	
--------------	-----	--	----	--	-------	--

Note: The reasons for negotiation will be presented annually to *Directorate Management Teams*. *Delegated Officers* will be required to attend Cabinet and seek authorisation to follow the Negotiation Route if the contract value is over the Cabinet thresholds.

**Comments from the Commissioners Rhonda Eagle, Angela Jamson,
Louise Lane, Michael Page**

.....
Signature of Commissioner

.....
Date

**Legal Endorsement - Senior Legal Advisor: Craig Winter
(Senior Solicitor/Barrister/Property Lawyer)**

I confirm that this negotiation is permitted under the *EU Public Contracts Regulations* and the Delegated Officer can negotiate the terms of the contract as proposed.

**Comments from the Senior Legal Advisor: Craig Winter
Solicitor/Barrister/Property Lawyer:**

.....
Signature of Senior Legal Advisor

.....
Date

Authorisation of the Director of Resources for Contracts over £100,000

Note: Where the estimated value of the *contract* is over £100,000, the written approval of the *Director of Resources* is also required.

I approve the proposed negotiation of terms for the reasons given above.

.....
Signature of Director of Resources or an Officer authorised to do so, on their
behalf. Date

Consultation with Cabinet Portfolio Members for Contract over £100,000

Note: Where the estimated value of the *contract* is over £100,000, the relevant *Cabinet Portfolio Member* must be consulted before authorisation to negotiate is given.

Please give details here about which member was consulted and when and how, together with the response of that member. If that member requested a referral to Cabinet, please give details of when it was so reported and the outcome of that referral:

The original signed 'Authorisation Form' must be sent immediately to the relevant *Commissioner* responsible for the procurement category / sub-category listed on Appendix 10 of the Rules.

Once any Negotiated *Contract* of £25,000 or more has been awarded, a *Contract Completion Statement* (Appendix 6) must also be completed and sent to the *Commissioner via Procurement Gateway mailbox*.

Note: A report detailing each contract of £25,000 or more in value which has been let without formal competition will be submitted annually to *Directorate Management Teams* by the Commissioners on behalf of the *Assistant Director Inclusion, Commissioning and Procurement and the Assistant Director Legal Services* in order to comply with Procurement Procedure Rule 3.26.

It is therefore essential that the signed Authorisation to Negotiate Form is forwarded to the Commissioner in a timely manner. It is a breach of Procurement Procedure Rule 3.21 not to do this. Authorisation to negotiate that takes place after the contract start date will automatically be deemed non-compliant with the Council's Procurement Procedure Rules.

APPENDIX 5 –
Summary of Quotations, Quick Quotes, Tenders, EU Tenders Received Form
 (Pursuant to PPR 4.2 to 4.4)

Department: _____

Officer: _____ Ext: _____

Quotation, Quick Quotes, Tender, EU Tender

Description/Title: _____

Closing Date: _____ Time: _____ am/pm

Name	Address	Amount (where applicable) £
<u>Late Quotations, Quick Quotes, Tenders, EU Tenders</u>		

Number of Quotations, Quick Quotes, Tenders, EU Tenders Received:

EU Tenders to be opened by:

Legal Services' Officer (Name in Capitals)

Procurement Officer (Name in Capitals)

Signature

Quotations, Quick Quotes, Tenders to be opened by:

Procurement Officer 1 (Name in Capitals)

Procurement Officer 2 (Name in Capitals)

Signature

Date of Opening: _____

Time of Opening: _____

NB. If the *Contract* value is £25,000 or more, this summary sheet must be returned to: The *Procurement Gateway*, 4th Floor, Civic Centre at least one week before the deadline if the *Electronic Tendering System* is not used. If this is not done, the opening of the submissions will be delayed.

REF

**APPENDIX 6 – COMPLETION
 STATEMENT**
 (pursuant to PPR 6.8)

DATE:

Please complete form and return to procurementgateway@newcastle.gov.uk

Date	
Contract Reference	
Contract Title	
Directorate	
Directorate Client Officer	
Organisation Name	
Organisation Contact	
Organisation Address	
Organisation Telephone	
Organisation E-Mail	
POP Supplier Reference	
ProClass Reference	
Brief description of goods/works/services procured	
Is this a Critical Contract? (Please check the <i>Contract Management Toolkit on Buy It</i>)	
<i>Contract</i> Start Date	
<i>Contract</i> End Date	
<i>Contract</i> Period (in months)	
Options (if any) in months e.g. 1 x 12-month Option to Extend / Terminate Early	
Date Option Exercisable	
Contract Renewal Date	
<i>Contract</i> Value (Maximum total value over whole contract period)	

Cost Code and Sub Code	
Contract Rebate (%)	
Contract / POP Order	
Does the <i>Contract</i> include item file information? If yes, please provide to Commissioning and Procurement so that this can be stored in the Contract Folder and sent to the Systems Team to be input into the <i>POP</i> system	
Does this <i>Contract</i> contain sensitive data covered by GDPR? If yes, what does it contain?	
Does the <i>Contract</i> have a defect maintenance period? If yes what is the length of period?	
Is the <i>Contract</i> open to other Authorities or other Bodies? If yes which Authorities / Bodies?	
Embedded Derivatives included (Yes/ No)	
Insert who is the Authorised Officer for the <i>Contract Commissioner (either Rhonda Eagle, Angela Jamson, Louise Lane, Michael Page)</i>	
Insert Senior User(s) please refer to the <i>Contract Management Toolkit on Buy It</i>	
Insert Performance Collector please refer to the <i>Contract Management Toolkit on Buy It</i>	
Insert Performance Reviewer(s) please refer to the <i>Contract Management Toolkit on Buy It</i>	
Insert Quality Reviewer- Desktop (if applicable) please refer to the <i>Contract Management Toolkit on Buy It</i>	
Insert Quality Reviewer- Visit (if applicable) please refer to the <i>Contract Management Toolkit on Buy It</i>	
What is your Risk Summary Score?	
What will be the frequency of data collection? Please refer to the <i>Contract Management Matrix on Buy It</i>	
Please provide details of any Key Performance Indicators / Social Value Outcomes and other measures to be monitored throughout the life of the <i>Contract</i> ?	

To be completed by the Commissioning and Procurement Team

Procurement Route followed: (tick relevant box and insert reference if applicable)

- 1. Quick Quote £25k to £100k
- 2. Request for Quotation £25k to £100k
- 3. Goods/Service Tender £100K - £181K
- 4. Social Tender £181K - £615K
- 5. Works Tender £181K - £4.5 million
- 6. EU Tenders
 - Open
 - Restricted
 - Competitive dialogue
 - Tender with Negotiation
 - Social and Specific Services
- 7. Negotiation under EU Threshold
- 8. Framework
 - Preferred Supplier
 - Ranked Supplier
 - Mini Competition

If applicable, please complete the below:

Contract Notice	Reference:
Award Notice	Reference:
Date of Award Letter Sent	
Date of Award Notice Publication	
No. of Days between Letter and Publication	

APPENDIX 7 – List of Council Delegated Officers

Decision Makers who can make decisions to enter into Council Contracts in line with these *Rules*

Chief Executive	
Chief Officer	Deputy Chief Officer
Assistant Chief Executive	Director of Public Health Assistant Director Transformation Service Manager Communications and Engagement Service Manager Democratic Services Principle Advisor
Director of Operations and Regulatory Services	Assistant Director Operations and Regulatory Services Head of Facilities Services and Civic Management Service Manager Community Hubs, Libraries and Parks Head of Service Local Services and Waste Management Service Manager Parking Services
Director for People	Assistant Director Adult Social Care Assistant Director Children's Social Care Assistant Director Education and Skills Assistant Director Inclusion, Commissioning and Procurement
Director of Place	Assistant Director Capital Investment Assistant Director Commercial Development Assistant Director Planning Assistant Director Regulation and Development Assistant Director Transport Economic Development Principal Advisor Head of Fairer Housing
Director Resources	Assistant Director Financial Services Assistant Director Human Resources Assistant Director Legal Services Audit, Risk and Insurance Services Manager Head of Business Management Head of ICT

APPENDIX 7 – List of Your Homes Newcastle Authorised Officers

Decision Makers who can make decisions to enter into Your Homes Newcastle Contracts in line with these *Rules*

Chief Officer	Deputy Chief Officer
Managing Director	Assistant Director Business Support
Assets and Development Director	Assistant Director Construction Assistant Director Operational Property Services Assistant Director Strategic Asset Management
Customer Services Director	Assistant Director Housing Services Assistant Director Support Services Senior Specialist Customer Services
Finance and Commercial Director	Assistant Director Commercial Assistant Director Finance, Risk Management and Resources

**APPENDIX 8 –
Commissioning and Procurement Request Form**

There is an on-line version of this form held on Buy It please access the shopping trolley icon on the Councils Intranet site. When you launch the form, the following appears. If you need help completing the form email the *Procurement Gateway* mailbox.

Section 1 – About you

Name _____
Email _____

The on-line form will populate your details automatically

About the request

Give your request a title _____
Note this should be very short description of your project

Will this be replacing an existing contract?	Yes	No
---	-----	----

If Yes, a box appears for you to populate and additional field to insert the previous contract reference number if known.

Provide details below about your project e.g. Scope, timescales, finances

--

Sub Category

The on-line form has a drop-down box, if completing manually view the Category Tree on Buy It

--

Are you undertaking this work on behalf of the Council, YHN or another body e.g. CCG, Leazes Homes, NEPO, North of Tyne?

Section 2 – About the Finances

What is the overall budget for the project?

What is the primary cost code for this project?

Primary Budget Holder (if known)

What information do you have above the budget for this project? for example, have you carried out benchmarking, or are there grant conditions?

When you submit the on-line form, it will appear on the dashboard of the Sub Category Lead Officer within the Commissioning and Procurement Team to action

The manual form should only be used if the on-line form is not in operation. If you need to use this manual form, then please email it to the [Procurement Gateway](#) mailbox.

The form will then be manually input to the commissioning system and appear on the dashboard of the Sub Category Lead Officer within the Commissioning and Procurement Team to action. If you require advice, please indicate when you email the form to the *Procurement Gateway* and a response will be forwarded to you by either the *Commissioner* or the allocated *Officer*. This process is referenced within these rules as *Gateway 1*.

APPENDIX 9 – Purchase Order Processing System (POP) – Exception List

Exclusions List of Procurement Related Areas Not Covered by POP system

The following list describes those systems and transactions that are currently exempt from raising a POP order.

Systems

The following ordering/payment systems will work in conjunction with POP and are not expected to be included within the POP system: -

- (i) **Galaxy** (Library) system – library books and publications
- (ii) **CareFirst** system – Social Services care package system
- (iii) **Fleetmaster** – Specialist vehicle parts ordering system
- (iv) **One-Bill** – all utility Payments (including telephony) to be transferred
- (v) **GRI** – All agency staff related payments
- (vi) **Purchase Cards** - Payments relating to agreed areas of spend (food)

Transactions

Although the vision was that all orders should be created within the POP system, it was agreed that there are exceptions to these *Rules*, and they are for the following commodities (to be reviewed as contracts are reviewed): -

- Asylum Seeker Payments - Rents, Council Tax Payments
- Catering, School Meals, Beverages etc.
- Contributions to External Bodies
- Copier Charges
- Dog Warden
- Early Education and Childcare Provision for two, three and four-year old's
- Government Bodies/departments (i.e. DCLG, Police, Fire etc.)
- Grant Payments
- Housing Benefit Payments
- Insurance Payments
- Loans and Investment payments (Lease rentals, CHAPS, etc.)
- Out of Area Genito Urinary Medicine Activity Payments
- Pensions / HM Customs and Excise
- Periodicals
- Prescriptions (Medical FP10s Recharges)
- Property Rent or Lease Payments
- Road Tax / MOT Renewal
- Taxi Journeys
- Television Licence Renewal / Satellite subscriptions
- Tenant Related Payments - Donations, Grants, Charity Cheques
- Parking charge

**APPENDIX 10 – Decision Making Structures for Regional / Local
Commissioning and Procurement Sub-Category Areas**

Regional and Local Categories

The list below identifies commissioning and procurement sub-categories where it has been agreed to procure goods, works and services at either a national, regional or local level. This applies to all spend across the Council including the Housing Revenue Account.

Procurement Sub-Categories	Commissioner Responsible	Procured at Level	Decision Maker for awarding a Council Contract
Adoption and post adoption support	Angela Jamson	Regional	Regional Governance Structure
Adult education	Louise Lane	Local	Cabinet/Delegated Officer
Agency staff	Rhonda Eagle	Regional	Regional Governance Structure
Aggregates and concrete	Rhonda Eagle	Regional	Regional Governance Structure
Aids and adaptations	Angela Jamson	Local	Cabinet/Delegated Officer
Alternative provision	Louise Lane	Local	Cabinet/Delegated Officer
Arts and leisure services	Rhonda Eagle	Local	Cabinet/Delegated Officer
Asbestos analytical services	Rhonda Eagle	Regional	Regional Governance Structure
Asbestos removal services	Rhonda Eagle	Regional	Regional Governance Structure
Audit, accountancy, banking, credit and pre-paid cards	Rhonda Eagle	Regional	Regional Governance Structure
Barrister Services	Rhonda Eagle	Regional	Regional Governance Structure
Building construction works, repairs and maintenance - commercial	Michael Page	Regional	Regional Governance Structure
Building construction works, repairs and maintenance – residential and housing	Michael Page	Local	Cabinet/Delegated Officer
Building materials – commercial, residential and housing	Michael Page	Regional	Regional Governance Structure
Burials and crematoria	Michael Page	Local	Cabinet/Delegated Officer
Care consumables	Rhonda Eagle	Local	Cabinet/Delegated Officer
Cash collection	Rhonda Eagle	Local	Cabinet/Delegated Officer
Catering and banqueting	Michael Page	Regional	Regional Governance Structure
Children and young people’s public health services	Louise Lane	Local	Cabinet/Delegated Officer
Civil engineering works, repairs and maintenance	Rhonda Eagle	Regional	Regional Governance Structure
Cleaning and janitorial materials	Michael Page	Regional	Regional Governance Structure
Cleaning and janitorial services	Rhonda Eagle	Local	Cabinet/Delegated Officer
Clothing and uniforms	Rhonda Eagle	Local	Cabinet/Delegated Officer

Community based services	Angela Jamson	Local	Cabinet/Delegated Officer
Consultancy, professional advisory and training services	Rhonda Eagle	Regional	Regional Governance Structure
Creche provision	Louise Lane	Local	Cabinet/Delegated Officer
Crisis response and homelessness prevention services	Louise Lane	Local	Cabinet/Delegated Officer
Cycling	Rhonda Eagle	Local	Cabinet/Delegated Officer
Day services	Angela Jamson	Local	Cabinet/Delegated Officer
Debt collection	Rhonda Eagle	Local	Cabinet/Delegated Officer
Demolition services	Rhonda Eagle	Regional	Regional Governance Structure
Direct payments	Angela Jamson	Local	Cabinet/Delegated Officer
Document archiving and storage	Rhonda Eagle	Local	Cabinet/Delegated Officer
Domestic goods	Michael Page	Local	Cabinet/Delegated Officer
Domestic violence and abuse services	Louise Lane	Local	Cabinet/Delegated Officer
Drug and alcohol services	Louise Lane	Local	Cabinet/Delegated Officer
Early education and childcare (2, 3 and 4year-old provision)	Louise Lane	Local	Cabinet/Delegated Officer
Education - equipment and supplies	Louise Lane	Local	Cabinet/Delegated Officer
Education services	Louise Lane	Local	Cabinet/Delegated Officer
Election services	Rhonda Eagle	Regional	Regional Governance Structure
Electricity	Rhonda Eagle	Regional	Regional Governance Structure
Energy efficiency	Rhonda Eagle	Regional	Regional Governance Structure
Environment services	Rhonda Eagle	Local	Cabinet/Delegated Officer
Escalator installations and maintenance services	Rhonda Eagle	Regional	Regional Governance Structure
Events	Michael Page	Local	Cabinet/Delegated Officer
Family support services	Louise Lane	Local	Cabinet/Delegated Officer
Financial inclusion services	Louise Lane	Local	Cabinet/Delegated Officer
Fuels	Rhonda Eagle	Regional	Regional Governance Structure
Furniture, commercial, domestic, educational and office	Michael Page	Regional	Regional Governance Structure
Gas	Rhonda Eagle	Regional	Regional Governance Structure
General and specialist legal services	Rhonda Eagle	Regional	Regional Governance Structure
Highways works, repairs and maintenance	Rhonda Eagle	Regional	Regional Governance Structure
Highways and civil engineering materials	Rhonda Eagle	Regional	Regional Governance Structure
Highways services and equipment	Rhonda Eagle	Regional	Regional Governance Structure
Home care	Angela Jamson	Local	Cabinet/Delegated Officer
Horticultural equipment and services	Louise Lane	Regional	Regional Governance Structure
Housing and facilities management	Rhonda Eagle	Local	Cabinet/Delegated Officer
Housing with care	Angela Jamson	Local	Cabinet/Delegated Officer
HR services and conferences	Rhonda Eagle	Local	Cabinet/Delegated Officer
Hygiene services	Louise Lane	Local	Cabinet/Delegated Officer
ICT hardware	Michael Page	Local	Cabinet/Delegated Officer
ICT services	Michael Page	Local	Cabinet/Delegated Officer
ICT software	Michael Page	Local	Cabinet/Delegated Officer
ICT telecoms	Michael Page	Local	Cabinet/Delegated Officer

Independent fostering services	Angela Jamson	Regional	Regional Governance Structure
Independent residential schools	Angela Jamson	Regional	Regional Governance Structure
Insurance services	Rhonda Eagle	Regional	Regional Governance Structure
Interpretation and translation	Michael Page	Regional	Regional Governance Structure
Landscape design works and services	Michael Page	Local	Cabinet/Delegated Officer
Learning disability and autism services	Angela Jamson	Local	Cabinet/Delegated Officer
Library literature and school books	Rhonda Eagle	Regional	Regional Governance Structure
Lift installations and maintenance services	Rhonda Eagle	Regional	Regional Governance Structure
Mental health services	Angela Jamson	Local	Cabinet/Delegated Officer
Migration and asylum services	Louise Lane	Local	Cabinet/Delegated Officer
Newcastle fund and grants management	Louise Lane	Local	Cabinet/Delegated Officer
NHS complaints advocacy	Angela Jamson	Regional	Regional Governance Structure
Obesity, nutrition and physical activity services	Louise Lane	Local	Cabinet/Delegated Officer
Occupational health	Rhonda Eagle	Local	Cabinet/Delegated Officer
Office supplies	Rhonda Eagle	Regional	Regional Governance Structure
Parking	Rhonda Eagle	Local	Cabinet/Delegated Officer
Passenger transport	Rhonda Eagle	Local	Cabinet/Delegated Officer
Perpetrator programme	Louise Lane	Local	Cabinet/Delegated Officer
Post and mail room services	Michael Page	Local	Cabinet/Delegated Officer
PR and image	Michael Page	Local	Cabinet/Delegated Officer
Print and design	Michael Page	Local	Cabinet/Delegated Officer
Procurement systems	Rhonda Eagle	Regional	Regional Governance Structure
Property management	Michael Page	Local	Cabinet/Delegated Officer
Public and product safety	Rhonda Eagle	Local	Cabinet/Delegated Officer
Public Health mental health services	Louise Lane	Local	Cabinet/Delegated Officer
Rape and sexual abuse services	Louise Lane	Local	Cabinet/Delegated Officer
Residential care adults under 65	Angela Jamson	Local	Cabinet/Delegated Officer
Residential care for older people	Angela Jamson	Local	Cabinet/Delegated Officer
Residential homes	Angela Jamson	Regional	Regional Governance Structure
Residential short breaks and respite	Angela Jamson	Regional	Regional Governance Structure
Security equipment and services	Rhonda Eagle	Local	Cabinet/Delegated Officer
SEN transport	Louise Lane	Local	Cabinet/Delegated Officer
Services for carers	Angela Jamson	Local	Cabinet/Delegated Officer
Services for children with disability	Louise Lane	Local	Cabinet/Delegated Officer
Sexual health services	Louise Lane	Local	Cabinet/Delegated Officer
Shared lives	Angela Jamson	Local	Cabinet/Delegated Officer
Specialist home care	Angela Jamson	Local	Cabinet/Delegated Officer
Sports and playground works, equipment and maintenance	Michael Page	Local	Cabinet/Delegated Officer
Staff travel	Rhonda Eagle	Local	Cabinet/Delegated Officer
Statutory advocacy for children	Angela Jamson	Regional	Regional Governance Structure
Statutory information, advice and advocacy for adults	Angela Jamson	Local	Cabinet/Delegated Officer

Stop smoking services	Louise Lane	Local	Cabinet/Delegated Officer
Subscription and periodical services	Rhonda Eagle	Local	Cabinet/Delegated Officer
Supervised contact	Angela Jamson	Regional	Regional Governance Structure
Supported lodgings	Angela Jamson	Local	Cabinet/Delegated Officer
Targeted youth services	Louise Lane	Local	Cabinet/Delegated Officer
Taxi	Rhonda Eagle	Local	Cabinet/Delegated Officer
Technical consultancy	Rhonda Eagle	Regional	Regional Governance Structure
Therapies	Louise Lane	Local	Cabinet/Delegated Officer
Traffic management	Rhonda Eagle	Regional	Regional Governance Structure
Unregulated accommodation and support for 16 -17 year olds	Angela Jamson	Local	Cabinet/Delegated Officer
Urban and transport planning	Rhonda Eagle	Regional	Regional Governance Structure
VCS infrastructure and volunteering support	Louise Lane	Local	Cabinet/Delegated Officer
Vehicle management and heavy plant	Rhonda Eagle	Regional	Regional Governance Structure
Waste and recycling	Rhonda Eagle	Local	Cabinet/Delegated Officer
Water	Rhonda Eagle	Regional	Regional Governance Structure
Wellbeing and health improvement	Louise Lane	Local	Cabinet/Delegated Officer

Note: All commissioning and procurement sub-categories listed above that have been identified to be commissioned and procured at a regional / national level and can be viewed on the North East Procurement Organisation (NEPO) website. Following approval from the Regional Governance Structure, endorsement is required from the Member Authority either in the way of Cabinet or the *Assistant Director Inclusion, Commissioning and Procurement* depending on the value of the Contract see Cabinet thresholds in section 11.4 of the Rules.

For Local commissioning and procurement sub-categories, approval is required from Cabinet or a *Delegated Officer* listed on Appendix 7, to enter into a Council *Contract*. Please refer to Cabinet Thresholds section 11.4 of these Rules.

The list below identifies commissioning and procurement sub-categories where it has been agreed to procure goods, works and services at either a regional or local level. This applies to Your Homes Newcastle expenditure and has been agreed by YHN Board.

Agency Staff	Rhonda Eagle	Regional	Regional Governance Structure
Clothing & Uniforms	Rhonda Eagle	Local	Your Homes Newcastle
HR Services and Conferences	Rhonda Eagle	Local	Your Homes Newcastle
Consultancy / Professional Advisory and Training Services	Rhonda Eagle	Regional	Regional Governance Structure
Technical Consultancy	Rhonda Eagle	Regional	Regional Governance Structure
Office Supplies	Rhonda Eagle	Regional	Regional Governance Structure
Staff Travel	Rhonda Eagle	Regional	Regional Governance Structure

Note: All commissioning and procurement sub-categories listed above that have been identified to be commissioned and procured at a regional / national level and can be viewed on the North East Procurement Organisation (NEPO) website. Following approval from the Regional Governance Structure, endorsement is required first from the NEPO Member Authority in the way of either Cabinet or the *Assistant Director Inclusion, Commissioning and Procurement* depending on the value of the Contract. Once this approval has been sought, then it will be endorsed further by *Your Homes Newcastle*.

For Local commissioning and procurement sub-categories listed above, approval is required from a *Your Homes Newcastle* to enter into a *Contract*.