

# Part Four, Section J

## Contract Procedure Rules

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## PART FOUR – RULES OF PROCEDURE Section J– Contract Procedure Rules

### 0. Statement of Principles

- 0.1 The Contract Standing Orders provide the framework rules for the Council's procurement of works, goods and services. Following them will ensure value for money, propriety and the proper spending of public money.
- 0.2 The Procurement Code of Practice provides more detail and shall govern Council tendering and contract procedures. The Director of ~~Corporate Resources~~ and Head of Procurement shall maintain and issue the Procurement Code of Practice. Any procurement activity shall proceed in accordance with the Contract Standing Orders and the Procurement Code of Practice and all such other guidance issued by the Head of Procurement.
- 0.3 The Head of Procurement shall make the latest version of the Contract Standing Orders and the Procurement Code of Practice available to every Director, Member and officer of the Council. Directors, or officers acting on their behalf, shall apply the requirements of the Contract Standing Orders and the Procurement Code of Practice when engaging in any procurement activity.
- 0.4 The purpose of procurement activity shall be to achieve Best Value in accordance with the Council's statutory or approved objectives. This should include an innovative approach to building partnerships with the private and not-for-profit sectors and collaborating with other public sector bodies within a robust contractual framework. Officers with responsibility for procurement shall ensure that they are able to demonstrate achievement of Best Value with regards the optimal combination of economy, efficiency and effectiveness.
- 0.5 Every contract or official order for works, goods or services made by the Council shall be for the purpose of achieving the Council's statutory or approved objectives and shall conform to all relevant English and European Union law.
- 0.6 Directors shall ensure that the Cabinet or appropriate Member of the Cabinet is consulted on any procurement activity prior to its publication in the Council's Forward Plan.
- 0.7 Directors must ensure that audit trails are in place for all procurement activity in accordance with the Procurement Code of Practice.
- 0.8 No Member of the Council shall enter into any contract on the Council's behalf.

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- 0.9. No Member of the Council shall be permitted to become security under any agreement between the Council and a contractor employed by it.

## CONTRACT STANDING ORDERS

### 1. Introduction

- 1.01. Procurement decisions are among the most important decisions a manager will make because the money involved is public money and the Council is required to ensure that Best Value works, goods and services are provided. Efficient use of resources in order to achieve best value is therefore an imperative. The Council's reputation is equally important and should be safeguarded from any imputation of dishonesty or corruption.
- 1.02. For these reasons it is a disciplinary offence to fail to comply with Contract Standing Orders and the Procurement Code of Practice when letting contracts and raising orders with suppliers. Employees have a duty to report breaches of Contract Standing Orders to an appropriate senior manager and the Head of Audit & Risk Management.
- 1.03. Reference should be made to the Procurement Code of Practice for more detailed procurement procedures.

### 2. Definitions and Interpretation

- 2.01. These Contract Standing Orders are made pursuant to section 135 of the Local Government Act 1972 and shall come into force with this Constitution.
- 2.02. Unless the context otherwise requires, in these Contract Standing Orders the terms below shall have the meanings ascribed to them.
- a) "**Director**" means an employee of the Council (inc Alexandra Palace and Park Charitable Trust) holding a post designated as: ~~Director, Chief Executive or Assistant Chief Executive~~
- The Chief Executive
  - Members of the Strategic Leadership Team
  - All Directors and Assistant Directors
  - The General Manager of Alexandra Palace & Park (as appropriate)
- b) "**EU**" means European Union.
- c) "Public Contract Regulations" means the Public Contract Regulations 2006 SI 2006 No. 5 as amended from time to time.

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#### d) “Bids” shall mean Tenders and Quotations

- 2.03. In the event of any conflict between EU law, English law and Council policy, the requirements of EU law shall prevail over English law and the requirements of English law shall prevail over Council policy.
- 2.04. In the event of any doubt as to the interpretation of these Contract Standing Orders or the Procurement Code of Practice, or as to the proper procedure to be followed, clarification should be sought from the Head of Procurement.

### **3. Roles & Responsibilities**

#### **3.01 The Cabinet (and Pensions Committee where relevant) will:**

- a) hold Directors accountable for any decisions they make under their delegated authority or under these Contract Standing Orders
- b) approve awards of contract valued at £500,000 (five hundred thousand pounds) or more including any options to extend that are set out within the original contract and valued over £250,000 (two hundred and fifty thousand).
- c) approve any variations or extensions valued at £500,000 ( five hundred thousand pounds) or more, whether or not such variation or extension was included in the original award in b) above;
- d) ensure that the award of any contract and any extension (~~not included in the original decision~~) or variation valued ~~over~~ at £500,000 (five hundred thousand) or more is a 'key decision' and as such must be in the Council's Forward Plan and comply with the other procedures in that regard set out in the Constitution.

#### **3.02 Directors**

The Director has responsibility for all contracts let under his/her control. He/she is accountable to the Cabinet for the performance of their duties in relation to contract letting and management, which are:

- a) to ensure compliance with English and EU law and Council Policy;
- b) to ensure value for money in all procurement matters;
- c) to ensure compliance with Contract Standing Orders and the Procurement Code of Practice;

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- d) to maintain a departmental scheme of delegation;
- e) to ensure that all relevant officers are familiar with the provisions of Contract Standing Orders and the Procurement Code of Practice and that they receive adequate training on their operation;
- f) to ensure compliance with any guidelines issued in respect of these Contract Standing Orders;
- g) to take immediate action in the event of a breach of Contract Standing Orders or the Procurement Code of Practice within his or her area;
- h) to keep proper records of all bids and contracts etc. including minutes of tender evaluation panels and other meetings;
- i) to keep records of waivers of any provision of these Contract Standing Orders;
- j) to make appropriate arrangements for the opening of bids and their secure retention so as to protect the integrity of the procurement process;
- k) to ensure that the Council's seal is affixed to any document required to be executed as a deed and that where a document is not expressed to be under seal, it is signed by two people as provided for in these Contract Standing Orders;
- l) to ensure original sealed contract documents are held by the ~~Head of Legal Services~~ Assistant Director of Corporate Governance for safekeeping;
- m) to record all contracts valued at £5,000 or more in the Contracts Register;
- n) to ensure effective management of all contracts under his/her control and to a level deemed appropriate in regard to risk or value of each contract.
- o) no contract shall be let unless the expenditure involved has been fully considered and approved beforehand and sufficient money has been allocated in the relevant budget.

#### 3.03 **Corporate Pensions Committee**

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The ~~Corporate~~ Pensions Committee shall have the same powers and duties of the Cabinet specified in these Contract Standing Orders but limited to procurement decisions and award of contracts relating to the Pension Fund.

#### 4. Scope of Contract Standing Orders

4.01. These Contract Standing Orders shall apply to all contracts for the procurement by the Council of works, goods and services (including concessions) unless otherwise expressly stated or these requirements are waived in accordance with CSO10.

4.02. Where the Council:

(a) secures funding from an external funding body, or

(b) intends to assign grant funding to an external body;

~~and the funding is conditional upon the grant monies being used to facilitate service delivery, Contract Standing Orders CSO17 and the forming of necessary agreements shall apply. to procurement by the Council of the works, goods, and services to facilitate the service delivery.~~

4.03. These Contract Standing Orders shall **not apply** to contracts of employment, or to contracts relating to any interest in land. For the avoidance of doubt, there are excluded from these Contract Standing Orders any agreement relating to the provision of nomination rights to housing, collateral management arrangements in respect of social housing and the acquisition of rights or benefits pursuant to the Council's Private Sector Temporary Accommodation Leasing Scheme.

4.04 These Contract Standing Orders shall **not apply** to the seeking of offers in relation to financial services in connection with the issue, purchase, sale or transfer of securities or other financial instruments in particular transactions by the Council to raise money or capital.

#### 5. EU Public Procurement Directives

5.01 Where the value of a works, goods or services contract is equal to, or exceeds, the applicable threshold in relation to the Public Contracts Regulations, the provisions of those Regulations shall govern the tendering process and shall take precedence over the provisions of these Contract Standing Orders in the event of any conflict.

5.02. In respect of contracts to which Public Contracts Regulations apply:

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~~a) where the tender is for appointment to a Framework Agreement, the total period of the Framework Agreement including any possible extension, shall not exceed four years except in exceptional circumstances relating to the subject of the Framework Agreement;~~

a) all bidders must be notified in writing of a tender selection decision by the Council at least 10 (ten) calendar days prior to the proposed contract award date, provided notification is by facsimile or electronic means. Where the last day of this ten-day notice period falls on a non-working day, the period must be extended to include the next working day. Where notification is not by facsimile or electronic means, the notice period shall be 15 days which must also end on a working day. ~~in accordance with the timeframes required by the Public Contract Regulations.~~

~~5.03. Where the subject matter of a contract is not exempt under the Public Contract Regulations and when, for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, it may be awarded only to a particular contractor, a negotiated procedure without prior publication of a contract notice may be used for such award~~

## 6. Contract Value and Aggregation

6.01. Directors must ensure that a pre-tender estimate of the total contract value is prepared and recorded in writing and in order to determine whether the thresholds under the Public Contract Regulations apply.

6.02. Unless otherwise specifically provided, reference to total contract value or an estimated total contract value in these Contract Standing Orders means the aggregate value payable in pounds sterling exclusive of Value Added Tax over the entire contract period, including any extension periods as anticipated in the proposed contract.

6.03. Contracts must not be artificially under or over estimated or divided into two or more separate contracts where the effect is to avoid the application of Contract Standing Orders or the Public Contract Regulations.

6.04 In the case of service concessions where “contracts” may have a nil value, decisions to award must be made on the basis of most economically advantageous tender, including anticipated income over the life of the concession.

## 7. Framework and Consortia Arrangements

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- 7.01. Subject to the provision of CSO 7.02, these Contract Standing Orders shall **not apply** where the Council procures particular works, goods and services:
- a) as part of a group of public sector bodies contracting with one or more contractors (consortium arrangement), provided the contract standing orders of one of the public sector bodies constituting the group and/ or where applicable the Public Contract Regulations have been followed, or
  - b) by selecting one or more contractors from a Framework or similar arrangement (including approved lists), established by a public sector body in accordance with the contract standing orders of that public sector body and/ or where applicable the Public Contract Regulations; or
  - c) by selecting one or more contractors from ConstructionLine in accordance with the criteria applicable to the project.

7.02. The Council's decision to enter into a contract with the recommended contractor must be made in accordance with CSO 9.07.

7.03. The Council shall observe these Contract Standing Orders where it procures works, goods and services for the benefit, or on behalf of, other public bodies.

### **8. Procedure for Contracts under ~~valued below~~ £100,000**

8.01. Where a contract for works, goods or services has an estimated value of less than £5,000 (five thousand pounds), the relevant Director should act in the manner most expedient to the efficient management of the service, having kept a record for so doing.

8.02 Where a contract for works or related consultancy services has an estimated value (or fees) of £5,000 (five thousand pounds) or more, but less than £25,000 (twenty five thousand pounds), at least three competitive quotations should be obtained; and for values of £25,000 or more, a competitive tender process should be followed.

8.03. Where a contract for goods or services has an estimated value of ~~more than~~ £5,000 (five thousand pounds) or more, but less than £100,000 (one hundred thousand pounds), at least three competitive quotations should be obtained from chosen contractors without the need for an advertisement or the tender procedure followed.

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8.04. The quotation procedure shall replicate CSO 9.02-9.04 and be managed by the:

- a) relevant Director where the estimated value of the contract is ~~more than~~ £5,000 (five thousand pounds) or more but less than £50,000 (fifty thousand pounds).
- b) Head of Procurement where the estimated value of the contract is ~~more than~~ £50,000 (fifty thousand pounds) or more but less than £100,000 (one hundred thousand pounds).

8.04. Where a pre-qualified Framework arrangement (including approved lists) exists in respect of the subject matter and prices have yet to be determined then CSO ~~9.04e~~ 9.01f applies.

8.05. The Head of Procurement may decide that processes in CSO 8 are not appropriate in order to secure value for money for the Council and to ensure general EU procurement law principles are complied with. If that is the case, he/she may determine another process of selecting a contractor which will meet best value criteria. The decision and process must be properly documented.

## 9. Procedure for Contracts valued ~~above~~ at £100,000 or more

9.01. Except as otherwise provided, contracts for works, goods or services with an estimated value of £100,000 (one hundred thousand pounds) or more must be let following publication of an appropriate (tender) advertisement.

Where tenders are to be invited the procedure to be followed shall be determined prior to advertising and shall be one of the following:

- a) open tender (all interested contractors submit a tender in response to an advertisement);
- b) restricted procedure (2 stage process involving expressions of interest from interested contractors in response to an advertisement, with a selection of those contractors being invited to submit a tender);
- c) negotiated procedure (2 stage process involving expressions of interest from interested contractors in response to an advertisement, with a selection of those contractors being invited to negotiate); (available until abolition by implementation of UK Regulations pursuant to the EU Procurement Directive (Classic) 2014)

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- d) competitive dialogue expressions of interest from interested contractors in response to an advertisement, followed by dialogue with a selection of those contractors to identify a solution (or solutions) which meets the Council's requirements, and an invitation to the selected contractors to submit tenders based on the solution/s resulting from the dialogue);
- e) (available for use after implementation of UK Regulations pursuant to the EU Procurement Directive (Classic) 2014):  
competitive procedure with negotiation (process involving initial tenders from contractors in response to an advertisement, followed by either:
- i) Invitations to negotiate or
  - ii) Award of contract without negotiation based on evaluation of the initial tenders
- f) Where it is proposed to award a specific contract based on a framework agreement in which all the terms of the proposed contract are not laid down, a mini- competition shall be held in which tenders shall be invited from all members of the framework agreement which are capable of carrying out the requirements of the specific contract.
- g) negotiated procedure without prior publication of an advertisement ~~single tender~~ where the relevant goods are a proprietary product and/or the relevant services relate to such a product and for technical or artistic reasons, or for reasons connected with the protection of exclusive rights, the contract may be awarded only to a particular contractor. The Chief Finance Officer ~~Director of Corporate Resources~~ must first be consulted before this procedure is used. Where applicable, use of this procedure must be compliant with the Public Contracts Regulations. ~~Where this procedure is used, an advertisement is not required.~~

#### 9.02 Receipt and Opening of Bids

- 9.02.1. All bids in relation to goods or services will only be accepted if submitted and received via Council approved electronic channels.
- 9.02.2 Due to the nature of works documentation, if bids cannot be submitted electronically, ~~Other than when electronic procedures are followed (CS09.03)~~ contractors must be informed that their bids will only be considered if they are:

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- a) sent in a plain envelope or parcel with a label on which is printed either with the word "Tender" or "Quotation" followed by the subject of the contract; and
- b) contained in a sealed envelope or parcel which does not show the identity of the contractor in any way; and
- c) delivered to the place and by the date and time stated in the invitation.

9.02.2. Bids must be kept safe until the date and time for their opening by the officers given this duty by the Director responsible for the process.

9.02.3. Non-electronic ~~B bids for a particular contract~~ must be opened at the same time in the presence of two officers, one of whom has had no involvement in the process. These officers shall be responsible for properly recording the price, duration of any works and all other relevant details of each opened bid.

9.02.4. *Electronic bids received securely may be opened at the appointed date and time by one officer or appointed consultant*

9.02.5. The Head of Procurement must approve the training and seniority of all officers employed to open bids and also the arrangements ~~in each Directorate~~ for ensuring the independence of such officers from the teams involved in the competitive process.

### ~~9.03~~ **E- Bids**

~~9.03.1. Invitations to bid may be dispatched, and responses received, by electronic means with the prior approval of, and in accordance with a procedure specified by the Head of Procurement.~~

~~9.03.2. Bids received electronically must be stored securely, and must not be accessible until after the closing date and time in respect of submission of the bids.~~

~~9.03.3. At an appointed time for opening the electronically submitted bids, two authorised officers, one of whom has had no involvement in the process, shall both be present to access the submitted bids, and record the price, duration of any works and all other relevant details of each opened bid.~~

### 9.03 **Late or Non Compliant Bids**

9.03.1. Records of any non-compliant bids and of the date and time of receipt of any late tenders must be kept by officers.

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9.03.2. Bids received late may only be considered if the other bids have not yet been opened and:

- a) failure to comply is the Council's fault; or
- b) it is clear that the bid was sent in such a way that in the normal course of events it would have arrived on time.

**9.04 E-Auctions**

In appropriate cases, the submission of prices for a bid may be conducted by e-auction using an on-line facility, with the prior approval of, and in accordance with a procedure specified by the Head of Procurement.

**9.05 Post Tender Negotiations**

9.05.1. Except where the negotiated procedure referred to in CSO 9.01c, e, f or g and ~~9.01f~~ applies, negotiation after receipt of formal bids and before the award of contract is only permitted:

- a) with those contractors submitting the most economically advantageous bid, and
- b) with a view to obtaining an improvement in content in circumstances which do not put other contractors at a disadvantage, distort competition or adversely affect trust in the competitive process, and
- c) if the prior authority of the Head of Procurement has been obtained.

9.05.2. There may be circumstances where an officer authorised by the Director may contact a contractor in order to clarify an ambiguous bid. This does not constitute post tender negotiations.

9.05.3. All communication with contractors under this Contract Standing Order must be in writing or recorded in writing.

**9.06 Bid Acceptance and Contract Award**

9.06.1. Bids are to be accepted on the basis of either:

- a) The lowest cost price; or

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- b) The most economically advantageous tender (i.e. the tender providing the most benefit to the Council) as determined by such criteria, to include whole life costing methodologies, as are relevant to the type of works, goods or services.
- c) A Director may award, assign, or novate contracts valued up to £500,000 (five hundred thousand pounds) ~~at £250,000 (two hundred and fifty thousand)~~ or less.
- d) Subject to the provisions of CSO 9.07.1g, all contracts valued at £500,000 (five hundred thousand pounds) or more ~~over £250,000 (two hundred and fifty thousand)~~ at the time of award may only be awarded, assigned, or novated by the Cabinet.
- e) The award of any contract valued ~~at over~~ £500,000 (five hundred thousand pounds) or more is a 'key decision' and as such must be in the Council's Forward Plan and comply with the other procedures in that regard set out in the Constitution.
- f) In accordance with Part 5 Section C of the Constitution, the award of spot contracts for care packages and contracts for the supply of energy to the Council are not “key decisions”.
- ~~g) Contracts for the supply of energy to the Council valued over £250,000 may be awarded by a Director.~~

#### **9.07. Conditions applying to all contracts:**

9.07.1. The tender documents in respect of every contract to which the Public Contract Regulations apply shall include a requirement that the successful contractor must enter into a collateral contract in a form approved by the Assistant Director of Corporate Governance ~~Head of Legal Services~~ which provides for the allocation of risks between the parties where the contract has been declared ineffective by a court.

#### **Valued £5,000 or more:**

9.07.2. Except as provided in CSO 9.07.4 ~~9.08.4~~, all contracts valued at above £5,000 (five thousand pounds) or more in value must be in writing by way of a document prepared, or on a basis approved, by the Assistant Director of Corporate Governance ~~Head of Legal Services~~.

9.07.3. Where the works, goods or services to be provided under a contract are required to commence prior to the issuance and execution of a formal contract, a Director, if satisfied that it is in the Council's best interest in the particular circumstances, may approve issuance of a Letter of Intent

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pending the issuance and execution of a formal contract. However, the maximum cover afforded by any Letter of Intent shall not exceed 10% of the contract price in respect of works or services contracts, or £50,000 in respect of supplies contracts.

9.07.4. Every contract valued at £50,000 (fifty thousand) or more shall specify:

- a) the works, goods or services to be provided or executed;
- b) the price to be paid or the precise method of its ascertainment and a statement of any discounts or other deductions; and
- c) as appropriate, the start and finish dates, or delivery dates, and any maintenance or defects liability period.
- d) compliance with the Council's insurance requirements. The requirement to comply with the Council's standard insurance requirements may only be waived with the Chief Finance Officer's ~~Director of Corporate Resource's~~ approval.
- e) compliance with the Council's equality policy.
- f) compliance with regards the protection of personal data.

9.07.5. All contracts for the provision of services which may potentially involve either direct contact with children and vulnerable adults or access to their personal records shall contain a provision requiring the service provider (including agents and assigns) to undertake a Criminal Records Bureau check on relevant employees prior to provision of the services under the contract and at appropriate intervals thereafter.

9.07.6. All computer software contracts shall contain a clause to the effect that use of the software by the Council's contractors shall not amount to use by a third party for which an additional software licence might otherwise be required.

**Valued ~~£25,000~~ £50,000 or more:**

9.07.7. Every contract with a value of ~~£25,000 (twenty five thousand)~~ £50,000 (fifty thousand pounds) or more must unless the Assistant Director of Corporate Governance ~~Head of Legal Services~~ and Chief Finance Officer ~~Director of Corporate Resources~~ agree to the contrary contain clauses to cover the following:

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- a) compliance with all applicable legislation;
- b) a prohibition on assignment and/or subletting without the written consent of the Director;
- c) a provision allowing the Council to cancel the contract and recover any resulting loss from the contractor if the contractor does anything which is contrary to the Bribery Act 2010 or incites breach of Section 117 (2) of the Local Government Act 1972;
- d) a provision to ensure the Council is protected against the contractor's defective performance by default provisions which are appropriate to the contract;
- e) if the contractor is in breach of contract the Council can do any or all of the following:
  - i. determine all or part of the contract or determine the contractor's appointment;
  - ii. itself perform the contract in whole or in part;
  - iii. recover from the contractor any additional cost resulting from the completion or cancellation of the contract.
- f) If the contractor has obtained or received by whatever means any information which gives or is intended or likely to give the contractor any unfair advantage over any other tenderer (including the Council's own workforce) in relation to the tendering for, and award of, any works/services contract, that the Council shall be entitled to terminate that contract;
- g) It shall be a condition of any contract between the Council and any person (not being an Officer of the Council) who is required to manage a contract on the Council's behalf that, in relation to such contract, he/she shall comply in all respects with the requirements of these Contract Standing Orders as if he/she were an employee of the Council.

9.07.8. A contract valued at up to and including £250,000 (two hundred and fifty thousand pounds) or less in value does not require sealing and should be signed on behalf of the Council, by both the relevant Director and by the Head of the relevant business unit. However, if the nature of the works, goods or services is such as to pose a high risk of significant latent defects, then the Head of Procurement may decide to have the contract executed under seal as a deed.

#### **Valued £250,000 or more:**

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9.07.9. A contract valued at ~~over~~ £250,000 (two hundred and fifty thousand pounds) or more ~~in value~~ must be executed on behalf of the Council under seal as a deed.

9.07.10. Every contract valued at ~~which exceeds~~ £250,000 (two hundred and fifty thousand pounds) or more ~~in value~~ must contain clauses to cover the following:

- a) if it is a contract for works, that the Council may require the contractor to provide security for completing the contract in the form of a bond;
- b) that where the contractor is a subsidiary or group company, the contractor may be required to provide a parent or group company guarantee.

9.07.11. The decision as to whether or not a bond or parent company guarantee will be required in respect of a contract valued at ~~which exceeds~~ £250,000 or more will ultimately be made by the Chief Finance Officer ~~Director of Corporate Resources~~ or an officer acting under his/her delegated authority.

## 10. Waivers, Variations, Extensions and Novations

### 10.01 Waivers

10.01.1. Contract Standing Orders other than CSO 5 (which relates to the Public Contract Regulations) may be waived on the basis set out in CSO 10.01.2 by:

- a) the Cabinet where the contract value is £250,000 (two hundred and fifty thousand pounds) or more ~~more than £100,000 (one hundred thousand)~~;
- b) a Director where the contract value is less than £250,000 (two hundred and fifty thousand pounds) ~~£100,000 (one hundred thousand) or less~~ (save that the Director shall not have authority to waive CSO 9.08)

10.01.2. A waiver may be agreed after considering a written report that demonstrates:

- a) the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is such that a departure from the requirements of Contract Standing Orders is justifiable; or

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- b) the contract is for works, goods or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- c) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English law); or
- d) it is in the Council's overall interest; or
- e) there are other circumstances which are genuinely exceptional.

10.01.3. Waiver requests must be approved before any related contract awards, variations or extensions.

10.01.4. A record of the decision approving a waiver and the reasons for it must be kept and an entry made in a central register maintained and monitored by the Head of Procurement.

10.01.5. Where a waiver of Contract Standing Orders is sought for the second time in relation to the same individual contract, this must be agreed by the Cabinet.

### 10.02 Variations and Extension

10.02.1. Subject to the provisions of CSO 3.01; the Public Contract Regulations restrictions and compliance with Financial Regulations, a Director may (subject to satisfactory outcomes of contract monitoring) authorise the following:

- a) any extension provided for within the terms of a contract and previously included in an award of contract decision taken by Cabinet provided the value of the extension is less than £500,000 (five hundred thousand pounds) ~~(but subject to satisfactory outcomes of contract monitoring)~~;
- b) any variation or any extension not included in the original contract award and which has a value less than £500,000 (five hundred and thousand pounds);
- c) a single extension by up to twelve ~~six~~ months, ~~or half the contract term (whichever is less)~~ of the contract not provided for within the original contract award decision;

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d) any variation, and if relevant a consequent change in price, determined in accordance with the contract terms.

10.02.2. In any other circumstances where the value ~~is exceeds~~ £250,000 (two hundred and fifty thousand) £500,000 (five hundred thousand pounds) or more the Cabinet may vary or extend a contract providing that to do so is consistent with the Public Contract Regulations and the Council's Financial Regulations.

~~10.02.3. In addition a Director may authorise variations to a contract where either delay would incur substantial cost penalties to the Council or the proposed variations are unavoidable and/or essential for the contract to proceed or continue, and the additional cost of such variations does not exceed 25% of the value of the contract, up to a maximum of £250,000 (two hundred and fifty thousand). Variations above this level may be authorised by a Director, where the Director considers that circumstances require such authorisation, as long as such variations are reported to the Cabinet at the earliest opportunity.~~

10.02.3. All variations and extensions must be recorded in writing.

### **10.03 Novations (Transfers)**

In appropriate circumstances the Council may agree to the novation or assignment of a contract. This decision must be taken based on the value of the contract at the date of award.

## **11. Contract Termination**

11.01. In the event of a supplier being declared bankrupt, going into administration, receivership or liquidation then a Director may terminate any associated contract(s) and initiate alternative arrangements as may be required taking into account CSO 10.03 in cases of novation or CSO 4.01 in cases that warrant the re-letting of the contract(s).

11.02. The decision to terminate a contract early in all other circumstances must be approved by a Director.

11.03. In all cases of contract termination for whatever reason where the awarded contract value was £500,00 (five hundred thousand pounds) or more ~~was more than £250,000~~, a report must be presented at the earliest opportunity to Cabinet.

## **12. Schools**

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In accordance with the requirements of the Council's Scheme for Financing Schools, and the Financial Regulations for Schools, where a school acts as an agent for the Council, these Contract Standing Orders apply to all schools within the London Borough of Haringey with the exception of Academy and Trust Schools. A school's governing body shall have the powers and duties of the Cabinet specified in these Contract Standing Orders, except in relation to waivers (CSO 10.01).

#### **13. Care Contracts for Individuals**

Adults & Housing Services and the Children & Young People's Service care contracts may be 'block' contracts (where a number of beds, places or services are provided by the contractor at pre-agreed pricing schedules, to which the Council may refer users over the contract period) or 'spot' contracts (one-off contracts meeting an individual user's needs, or contracts where a number of beds, places or services are provided by the contractor without pre-agreed prices, such prices to be agreed upon each referral of a user over the contract period). The Directors of the Adult & Housing Services and the Children & Young People's Service will seek to optimise overall best value for the Council. The following provisions shall apply to the Adult & Housing Services and the Children & Young People's Service care contracts:

- a) All Contract Standing Orders apply to block contracts;
- b) CSO 8.03 (in relation to quotation procedures) shall **not apply** to spot contracts;
- c) The Directors of the Adult & Housing Services and the Children & Young People's Service may award all spot contracts, which shall be reviewed at least annually as part of the review of whether the service provided continues to demonstrate value for money and meet the needs of the service user;
- ~~d) The Directors of the Adult & Housing Services and the Children & Young People's Service shall provide bi-annual reports to the relevant Cabinet Member and an annual report to the Cabinet detailing the nature, extent and value of spot contracts entered into in the previous period quarter.~~

#### **14. Alexandra Palace and Park**

These Contract Standing Orders apply to the procurement of works, goods and services by or on behalf of Alexandra Palace and Park Charitable Trust on the following basis:

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- a) The Chief Executive of APPCT shall have the powers and duties of a Director specified in Contract Standing Orders;
- b) The Alexandra Palace and Park Board and Panel shall have the powers and duties of the Cabinet and a Cabinet Member specified in these Contract Standing Orders;
- c) In the event of any conflict, the requirements of the Charities Act 1993, any regulations made under that Act or charity law in general shall prevail over the provisions of Contract Standing Orders.

#### **15. Disposal of assets**

- 15.01. Where Council assets (other than land & buildings) are to be disposed of because they are surplus to requirements, damaged or obsolete, reasonable endeavours must be undertaken to realise the residual value of the assets.
- 15.02. Assets having little or no realisable value may be disposed of as waste with the approval of the relevant Head of Business Unit, provided the disposal shall be in favour of recycling wherever possible.
- 15.03. In respect of assets to be disposed of having an estimated value of less than £5,000 (five thousand), the Director concerned should act in the manner most expedient to the efficient management of the service, having kept a record for so doing.
- 15.04. Assets recommended for disposal with an estimated value of ~~more than~~ £5,000 (five thousand pounds) or more , shall be disposed of in such a manner as to secure best value.
- 15.05. Disposal of assets valued at ~~more than~~ £250,000 (two hundred and fifty thousand pounds) or more must be reported to the Cabinet.
- 15.06. Under no circumstances shall disposal of Council assets be made to employees or Members of the Council without the prior approval of the Director.

#### **16. Urgent Decisions/Decisions Required in-between Cabinet Meetings**

- 16.01. These provisions apply where action needs to be taken between meetings of the Cabinet or in cases of urgency ~~urgently on any matter between meetings of the Cabinet~~ and that action would be outside the powers given to a Director under these Contract Standing Orders. ~~They may only be used in cases of genuine urgency and not to avoid proper forward planning.~~

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16.02. Decisions reserved to members under these Contract Standing Orders will ordinarily be taken at the Cabinet meeting. Notwithstanding this, the Leader may take any such decision between meetings of the Cabinet, including decisions that have become urgent and the Leader may also allocate any such decision whether urgent or not to the Cabinet Member having the relevant portfolio responsibilities, or to a Committee of the Cabinet.

16.02 The provisions of the Access to Information Procedure Rules at Part 4 of this Constitution will apply. All key decisions should be listed on the forward plan accordingly. Where a decision is ‘urgent’, rules 16 and 17 within the Access to Information Procedure Rules will apply.

All urgent decisions, including waivers and awards of contract, that are not “key decisions”, may be taken by the Cabinet Member with responsibility for procurement or in his/her absence by the Leader of the Council.

~~16.03. All urgent decisions, including waivers and awards of contract, that are “key decisions”, may be taken by the Leader of the Council in accordance with his/her powers under the Constitution and subject to the statutory “Special Urgency” rules where these apply. In the absence of the Leader, the decision may be taken in accordance with the provisions set out in the Cabinet Procedure Rules.~~

### 17. Application of CSOs to Grants

#### Approval for Receipt of Grants to the Council from External Bodies

17.1 Where the Council receives a grant from an external body, the process for approving that grant shall be the same as that set out in CSO 9.07 (i.e the Director may approve receipt of a grant valued less than £500,000. For approval of receipt of grants valued at £500,000 or more, a Cabinet decision is required).

17.2 The Council’s requirements in respect of execution of contracts as deeds (CSO 9.08.9) shall not apply in respect of grants which the Council receives, and subject to the requirements of the funder, they may be signed by the relevant Director and Head of the Business Unit.

#### Approval for Payment of Grants from the Council to External Bodies

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17.3 Where the Council awards a grant to an external body, the process for approving that grant shall be the same as that set out in CSO 9.07 (i.e. the Director may approve awards of grants valued less than £500,000. For approval of award of grants valued at £500,000 or more, a Cabinet decision is required.)