



# **PETERBOROUGH LIMITED**

**(trading as Aragon Direct Services)**

## **Procurement Strategy**

**and**

## **Contract Rules**

**TBC 2020**



PART A: PROCUREMENT STRATEGY .....	3
Our Purpose .....	3
Procurement Objectives.....	3
Review.....	4
PART B: Contract Rules .....	5
Introduction .....	5
Employees’ responsibilities.....	5
Executive and Senior Manager Responsibilities .....	5
Section 1 Beginning the Process .....	6
Other considerations .....	7
Key practical points.....	8
Section 2 Process According to Value .....	9
Part A: Contracts or one off purchased below £10,000 .....	9
Part B: Contracts between £10,000 and £25,000.....	10
Part C: Contracts between £25,000 and £100,000 .....	12
Part D: Contracts between £100,000 and EU levels .....	14
Part E: Contracts above EU values.....	17
Part F E-tendering .....	23
Section 3 – Getting the Contract in Place .....	24
Section 4 – Changes to the contract and Waivers .....	25
Section 5 – Ending the Contract.....	27

## PART A: PROCUREMENT STRATEGY

### Our Purpose

Peterborough Limited as a Local Authority Trading Company (LATCo) has been formed to:

- provide Direct Services (initially Waste, Recycling, Street Cleansing, Parks, Trees, Grounds, Building Cleaning, Property Maintenance and Professional Service and Passenger Transport) for Peterborough City Council;
- increase the level of profitable external business within permissible legal limits;
- act in a commercial fashion when providing service for the Council as well as providing services to local businesses and individuals; and,
- promote, support and give back to Peterborough.

Key to fulfilling our mandate will be the way that the company procures its materials, works and services. Peterborough Limited is forecast to spend in the region of £4 million a year on works, goods and services and as the company grows this will increase. Procuring and contracting in the most efficient and effective way is fundamental for business growth and delivering results.

### Procurement Objectives

The Company is committed to maximising the value it achieves from its expenditure, and reducing the time and cost of procuring through good planning and efficient processes. The Company also works to get the best quality and cost balance from its procurements. To do this we:

- **Plan** – We plan and schedule procurements, investigate where frameworks may be available, and where needed carry out soft market testing.

#### **Why?** –

- Our planning enables us find the best procurement route, balancing the cost of procurement against the expected improvements in value which would be achievable
- Our planning ensures that we have the correct resources in place at the correct time, to smooth our work load where possible
- Our planning enables us to understand the impact of additional or ad-hoc urgent/important work which arises and respond accordingly
- Our planning enables us to effectively manage risk

- **Act transparently** – We will be open and transparent in our dealings with potential suppliers, treating them equitably, and keeping them updated. We will advertise our contract opportunities and awards above £25,000 on “Contract Finder” (<https://www.gov.uk/contracts-finder>)

#### **Why?** –

- Transparency and openness mean that we build trust with suppliers and enhance our reputation as a good company to work with; and,
- Transparency and openness mean that we encourage increased competition

- **Nurture and encourage innovation** – We keep updated with new ways of working and new thinking, as well as changes in our sector. We openly look for new approaches and how to trial them.

#### **Why?** –

- Commitment to innovation means we are open to new ideas and can take advantage early of changes to markets;
- Commitment to innovation means we build our reputation; and,
- Commitment to innovation means we create a flexible business.

- **Deliver in budget** – We work within the funding which we have, assuring the best quality for the money which we can spend. We look at whole system costs to ensure additional costs are not unintentionally moved to another area, and that additional benefits are fully realised, and we deliver the most economically advantageous tender assessed on the basis of price and quality.

**Why? –**

- We deliver in budget as we are aware that overspending in one area will affect what can be delivered in another
- We deliver in budget as we are aware that significant parts of our funding are public money, and are a finite resource
- **Act locally** – We work with the local market and local suppliers. We review how work is packaged to enable local firms large and small to bid for work with us. We will be a part of the local business community to ensure local firms know who we are and how and where we may be able to work together

**Why? –**

- Localism means we undertake to embrace and regenerate the local economy through the use of locally based small/medium enterprises;
- Localism means we develop a range of suppliers and providers that will contribute to the regeneration of the local economy;
- Localism means that we work to support money and jobs staying in Peterborough; and,
- Localism means being part of the community we serve.

**Procurement Governance**

The Company is a contracting authority for the purpose of the Public Contracts Regulations 2015 – a body governed by public law. The Company is therefore bound to comply with these Regulations. There is a requirement to protect the company by robust compliance. This means we will:

- Ensure that risk is appropriately managed and that all procurement remains legal, ethical and transparent and embodies Peterborough Limited vision and priorities;
- Use ICT to reduce the cost, and improve the efficiency and effectiveness of all aspects of the procurement process for Peterborough Limited its suppliers and contractors;
- Continuously improve the accuracy, availability, appropriateness and accessibility of procurement related management information; and,
- Appropriately audit to ensure compliance with our process and that feedback is given.

**Review**

This document will be subject to formal review by Peterborough Limited at least annually by April each year to ensure their continued effectiveness and appropriateness.

## **PART B: Contract Rules**

### **Introduction**

These Rules apply to contracts or agreements with external organisations where the Company pays for:

- goods and/or services;
- works of any kind;
- hire, rental or lease of equipment.

The Rules also apply to any contracts made using:

- framework agreements;
- Constructionline (the UK register of pre-qualified construction services); or recognised pre-qualified lists.

For high value contracts (services over £182,000 and works over £4.5 million), employees must comply with applicable legislation which will override these Rules.

If additional advice might be required, you may seek advice from the Commercial Team about the process which needs to be followed, including seek legal and procurement advice as required.

It is recognised that all layers of the organisation need to work in accordance with this document and its principles.

### **Employees' responsibilities**

All employees must:

- Comply with the Company's Financial Regulations and in particular, declare any conflicts of interest in a potential contract or with bidders;
- Declare any gifts or hospitality received either before, during or after the procurement;
- Report any gifts or hospitality which may have improper motive to the Commercial Team;
- Ensure they have the appropriate authorisation for the contract;
- Not disclose any confidential information to unauthorised persons;
- Obtain the best value for money achievable;
- Be fair to all bidders; and,
- Ensure that all equality issues are addressed (carrying out an equality impact assessment where required).

### **Executive and Senior Manager Responsibilities**

Executive and Senior Managers must:

- Ensure that Employees understand and comply with these Rules and the Financial Regulations;
- Ensure that Employees inform the Commercial Team of all contracts awarded so that it can maintain an accurate and up-to date register of all Company contracts; and,
- Check that they have an appropriate authorisation, or have put in place an appropriate delegated authorisation, before any contract is awarded and commenced.

By following these Contract Rules, Employees will:

- ensure that the Company's procurements are legal;
- deter corruption;
- achieve value for money; and,
- show that the Company is accountable for its expenditure.

## Section 1 Beginning the Process

Before beginning any purchase go through each of the steps in this section. It will help you determine how to apply the remainder of these rules.

### **Before contracting or purchasing**

Before any purchase you must take the following essential steps to ensure that you are getting best value for the Company:

- Step 1: Calculate the total contract value;
- Step 2: Check if the company has any relevant corporate contracts;
- Step 3: Research the market and contract frameworks proportional to the level of expenditure;
- Step 4: Consider Local companies; and,
- Step 5: Consider what other advice/assistance you may need.

These steps are explored in greater detail below.

#### **Step 1: Calculating the total contract value**

The contract value determines the process you must follow under these Rules. You can calculate the total estimated value of each contract according to a simple formula:

$$\text{Annual value} \times (\text{number of years} + \text{extension period in years}) = \text{total value}$$

- **Annual value** means: The maximum amount the company will pay in a given year for the goods or service
- **Number of years** means: The length of the initial contract in years
- **Extension period in years** means: The number of years the contract can be extended for after its initial contract period
- **Total value** means: The maximum amount that the company will pay for the goods or service

The calculation means that:

- where the contract is for a fixed period, the value is the total price to be paid or which might be paid during the whole of the contract period, including any possible extensions to the contract period;
- where a number of goods or services contracts are to be entered into, the estimated value of each contract shall be the total value of the payment which the Company expects to pay under each of those contracts;
- where a number of works contracts are to be entered into, the estimated value for carrying out the works shall be total value of the payment which the Company expects to give under all the contracts for carrying out the works.

The calculation may be subject to the following variance:

- where the contract is for services has been provided over an indefinite period the value is obtained by multiplying the monthly payment under the contract by 48;
- where a service contract includes one or more options the estimated value of the contract shall be determined by calculating the highest possible payment which could be given under the contract;
- where the contract is a single contract comprising services, supplies or works in combination, the value is calculated according to the price of the largest element of the contract.

Some contracts may not be for a cash value. Where this is the case please contact the company's legal adviser, via the Commercial Team, who will assist you in calculating the contract value.

Please note that you should not enter into a series of separate lower value contracts with the intention of avoiding these Contract Rules.

Once the contract value has been calculated move on to the next step

#### **Step 2: Check for Corporate contracts**

The Company has entered into a number of partnership arrangements for either;

- direct delivery of internal services (e.g. IT with Serco); or

- centralised procurement of other bought in services (e.g. Agency staff etc.).

These contracts can create an exclusive arrangement between the Company and our partners for the services those partners provide. This means that you may be obliged to use these service providers for the services they deliver. These are referred to throughout these Rules as the “corporate contracts”. These contracts even if not exclusive may offer you a quicker and less resource intensive way to receive your goods and services

Failure to use the corporate contracts may result in the Company being in breach of contract and is likely to incur financial penalties for the Company.

Please contact Commercial Team for advice on our corporate contracts.

If there are no corporate contracts move on to the next step.

### **Step 3: Research the market and look at frameworks**

Researching the market is an important tool in identifying potential cost savings to the Company. The level of research needs to be balanced against the Contract value. The larger the contract the more research will be needed. Small purchases and low value contracts should be subject to sense checking, whereas large procurements may need soft market testing.

You are permitted to consult potential suppliers prior to starting your purchase in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters provided. You must, however not:

- prejudice any potential bidder; or
- favour any potential bidder so as to distort competition.

The Company can access a number of procurement frameworks. A procurement framework is an agreement put in place with a provider or range of providers that enables buyers to place orders for services, often without running lengthy full tendering exercises see Part D for more detail.

The Commercial Team can assist you with carrying out effective market research and finding out about frameworks.

### **Step 4: Consider local companies**

You should consider if you tender in smaller lots as a way to encourage bids from small to medium enterprises (SME's), in particular to target and stimulate local business.

In some cases, it may be preferable to split the contract in smaller lots to allow local businesses the opportunity to tender for the work. Whilst smaller contracts may encourage local businesses to quote or tender, you cannot limit the process to local businesses alone as this would be to breach the requirement to be fair in your tendering process. You can, however, promote or advertise any opportunity to local business.

### **Step 5: Consider what other advice/assistance you may need:**

- Does the contract involve land or buildings e.g. is a lease or licence required? If so, contact the Commercial Team who will ensure that the company's legal advisors are engaged as needed
- Are any employees affected by the contract? If so contact the Commercial Team who will ensure the company's Human Resources advisors are engaged as needed ;
- Is equipment, plant or machinery to be transferred under the contract? If so, consider Financial Regulations;
- Who has the correct delegated authority to authorise the contract?
- Are there any equality issues within the contract or is an equality impact assessment required?
- Are there any queries about how to calculate the contract value ? If so, contact the Commercial Team .

### **Other considerations**

Please consider each of the following before beginning any tendering exercise:

- The need for the purchase
  - Is the cost of purchasing outweighed by the benefits received?
  - Have you considered other alternatives to your purchase?
- Risks arising

- Consider any risks associated with the purchase and how they are to be managed. Is this something that needs to be added to the company risk register?
- Have you factored in critical support and maintenance arrangements (i.e. whole life costing) if appropriate to avoid later negotiations? This is particularly important if your purchase involves any vehicles, land or buildings.
- Process
  - Make sure that you have selected the most suitable procurement method for the purchase i.e.
    - through the use of a corporate contract; or
    - sourcing through a framework.
- Governance
  - Do you have the available budget or confirmed additional revenue to cover the cost?
  - Do you have the appropriate approval for the expenditure in line with the Contract Rules?
  - Have you notified the Commercial Team if the total value of the contract is above the relevant EU threshold (Approximately £180,000 for goods and services and £4.4 million for works)?

#### **Key practical points**

- Factor into your timetable sufficient time to prepare the any specification's or tender documents especially the evaluation criteria in advance of beginning process.
- Consider the essential elements of your contract and ensure that these are included in your conditions of contract.
- Ensure that your contract budgets for the whole life costs of the contract.

## Section 2 Process According to Value

### Part A: Contracts or one off purchases below £10,000

This section sets out the requirements that employees must follow when purchasing works, goods or services where the total value of the contract is below £10,000.

#### Getting a quote

1. For contracts or one-off purchases for works, goods, or services with an estimated value below £10,000, you must either:
  - Get a quote under one of the Company's corporate contracts (see Section 1 above), or
  - Use a framework agreement to place an order with a contractor under that framework (see Part D below) or
  - Get a verbal or written quote from other relevant suppliers.
2. Employees should note that they are required to request a quote from a corporate contract where one exists for the supply of those services.
3. You should consider the following information as essential to include in any quote:
  - the specification of the goods, services or works to be supplied;
  - payment provisions in line with Financial Regulations;
  - the Company's termination rights; and,
  - the key time or times when the contract is to be performed.

#### Keeping a record

4. The employee must be able to prove value for money, as such there must be either a written record of what quotation were received either via copy of the quote (letter, email etc.) or a record of verbal quotes or websites checked by the employee.

#### Proceeding with quote

5. The decision to award the contract and any written terms must be agreed in writing in line with the approval levels in Appendix 2
6. You must have a purchase order in line with Financial Regulations. This may require you to set up the supplier on the Company's accounting system in accordance with Financial Regulations.

## Part B: Contracts between £10,000 and £25,000

This section sets out the requirements that employees must follow when purchasing works, goods or services where the total value of the contract is between £10,000 and £25,000.

1. In the case of contracts for works, goods or services with an estimated value over £10,000 but not exceeding £25,000 you **must** first consider:
  - Whether you must procure those services through an existing corporate contract (see section 1 above)
  - Whether there is a suitable framework (see below), or
  - Whether you have to source those services on the open market.
2. If a corporate contractor does supply those services, you must instruct them directly.
3. You should consider whether to ask for assistance from a procurement specialist even for such low value contracts as they may be aware of ways in which you can maximise resources to achieve best value. The Commercial Team can advise and enable this.

### Obtaining quotations

4. If you are sourcing those services on the open market, you must obtain at least 2 written quotes and select the provider that offers the best value for money.
5. There is no specific requirement to advertise a contract between £10,000 and £25,000, however in some case it may lead to better value being obtained especially when competition in the market is strong, or the number of potential suppliers is high. Contract opportunities can be advertised on "Contract Finder" (<https://www.gov.uk/contracts-finder>).
6. Although quotations do not require a formal process you must ensure that your request for quotes is made in writing and must set out a simple specification for your purchase. You should also state the basis upon which you will select the successful quote.
7. In some cases you may already be aware of suppliers possessing a particular type of goods or service or works expertise that you are seeking. You may seek 2 quotations from any suppliers known to you but you must ensure that:
  - you do not use these suppliers in preference to any corporate contracts;
  - you do not discriminate in your selection of any particular supplier.

### Using a framework agreement (if applicable)

8. A framework agreement comprises pre-assessed suppliers. Use of a framework therefore simplifies the tendering process and offers considerable cost reduction. Before opting to use a framework agreement you should also consider whether there is benefit in re-packaging the tender to enable local businesses to compete for the contract.
9. A framework agreement will be suitable where you are contracting for services, goods or works
  - commonly available
  - frequently used
10. A framework agreement may not be suitable for your supply where it involves:
  - particularly complex or risky procurements;
  - one-off procurements where the product or service requires a specialism;
  - procurements which are looking for particularly novel solutions;
  - where the contract length would be longer than four years;
11. Before using any framework agreement please ensure that the Company was identified as a potential purchaser in the OJEU notice. Advice on this can be sought from the Commercial Team.

### Waivers and exceptions

12. If 2 quotes cannot be obtained due to lack of suitable contractors, the employee **must** complete a waiver report prior to awarding any contract. This is to obtain authority to be exempted from this Rule. For further information please see Section 4 of these Rules.

**Keeping a record**

13. The employee must be able to prove value for money, as such there must be a written record of the what quotation were received either via copy of the quote (letter, email etc.) or a copy of the contract
14. If you select any supplier who is not the cheapest quote, you must record your reasons for selection in writing.

**Proceeding with quote**

15. The decision to award the contract and any written terms must be agreed in writing in line with the approval levels in Appendix 2.
16. You must have a purchase order in line with Financial Regulations. This may require you to set up the supplier on the Company's accounting system in accordance with Financial Regulations.

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**Part C: Contracts between £25,000 and £100,000**

This section sets out the requirements that employees must follow when purchasing works, goods or services where the total value of the contract is between £25,000 and £100,000.

1. Where the value of the contract is between £25,000 and £100,000, you **must** first consider:
  - Whether you must procure those services through an existing corporate contract (see section 1 above)
  - Whether there is a suitable framework, (see below) or
  - Whether you have to source those services on the open market.
2. If a corporate contractor does supply those services, you must instruct them directly.
3. You should consider whether to ask for assistance a procurement specialist even for such low value contracts as they may be aware of ways in which you can maximise resources to achieve best value. The Commercial Team can advise and enable this.

**Obtaining quotations**

4. If you are sourcing those services on the open market, you must obtain at least **3** written quotes and select the provider that offers the best value for money
5. Contract opportunities and awards above £25,000 must be advised on the Government on “Contract Finder” portal (<https://www.gov.uk/contracts-finder>). This can lead to better value being obtained especially when competition in the market is strong, or the number of potential suppliers is high
6. Advertisements can also be placed on the Company’s website, in the trade press and on websites specifically set up for contract advertisements (i.e. Contracts Finder). The Commercial Team can assist you with this.
7. Employees should draft an Invitation to Quote comprising of the following:
  - Bidders’ information – This will let bidders know the process being used, key timescale etc. ;
  - Specification of the goods, services or works being purchased - details of the goods, services or works to be supplied;
  - Award criteria and procedure;
  - Tendering and canvassing certificate;
  - Contract terms and conditions which will include:
    - payment provisions;
    - the Company’s rights to terminate the contract;
    - the key time or times when the contract is to be performed;

The detail included in the invitation to quote should be relevant to the contract value and the risk.

8. The Invitation to Quotation must state that:
  - the Company is not bound to accept a quotation and;
  - late submissions or submissions which do not comply with the Company’s award procedure will be rejected.
9. Due to the increased legal risks, the employee must ensure that the company’s legal representative is consulted before an Invitation to Quotation is issued where the purchase involves one or more of the following:
  - the transfer of non-land assets;
  - the transfer of staff;
  - the transfer or lease of land; or,
  - potential state aid issues.

The Commercial Team can advise on engaging with the legal advisor.

10. In some cases you may already be aware of suppliers possessing a particular type of goods or service or works expertise that you are seeking. You may seek 3 quotations from any suppliers known to you but you must ensure that:
  - you do not use these suppliers in preference to any corporate contracts;
  - you do not discriminate in your selection of any particular supplier.

#### **Using a framework agreement (if applicable)**

11. A framework agreement comprises pre-assessed suppliers. Use of a framework therefore simplifies the tendering process and offers considerable cost reduction. Before opting to use a framework agreement you should also consider whether there is benefit in re-packaging the tender to enable local businesses to compete for the contract.
12. A framework agreement will be suitable where you are contracting for services, goods or works
  - commonly available
  - frequently used
13. A framework agreement may not be suitable for your supply where it involves:
  - particularly complex or risky procurements;
  - one-off procurements where the product or service requires a specialism;
  - procurements which are looking for particularly novel solutions;
  - where the contract length would be longer than four years;
14. Before using any framework agreement please ensure that the Company was identified as a potential purchaser in the OJEU notice. Advice on this can be sought from the Commercial Team.

#### **Waivers and exceptions**

15. If 3 quotes cannot be obtained due to lack of suitable contractors, the employee **must** complete a waiver report prior to awarding any contract. This is to obtain authority to be exempted from this Rule. For further information please see Section 4 of these Rules.

#### **Keeping a record**

16. The employee must be able to prove value for money, as such there must be a written record of the what quotation were received either via copy of the quote (letter, email etc.) or a copy of the contract
17. If you select any supplier who is not the cheapest quote, you must record your reasons for selection in writing.

#### **Proceeding with quote**

18. The decision to award the contract and any written terms must be agreed in writing in line with the authorisation levels in Appendix 2
19. You must have a purchase order in line with Financial Regulations. This may require you to set up the supplier on the Company's accounting system in accordance with Financial Regulations.

**Part D: Contracts between £100,000 and EU levels**

Contracts in this range of values are subject to the Company's procedures as set out in this section. E-procurement is the preferred method of tendering and use of framework agreements is likely to be more common. See Parts F and D for more details. You are therefore very likely to need assistance. The Commercial Team can advise and engage with a procurement specialist to aid you and an early request for assistance is recommended.

**Prior considerations**

21. In the case of contracts for works, goods or services with an estimated value between £100,000 and the EU threshold you must first consider:
  - Whether you must procure those services through an existing corporate contract (see section 1 above)
  - Whether there is a suitable framework, (see Part D below) or
  - Whether you have to source those services on the open market.
22. If a corporate contractor does supply those services, you must instruct them directly.
23. If you are sourcing those services on the open market, you must tender for a supplier using the e-procurement system.
24. You should consider whether to ask for assistance from a procurement specialist as they may be aware of ways in which you can maximise resources to achieve best value. The Commercial Team can advise and enable this.

**Using a framework agreement (if applicable)**

25. A framework agreement comprises pre-assessed suppliers. Use of a framework therefore simplifies the tendering process and offers considerable cost reduction. Before opting to use a framework agreement you should also consider whether there is benefit in re-packaging the tender to enable local businesses to compete for the contract.
26. A framework agreement will be suitable where you are contracting for services, goods or works
  - commonly available
  - frequently used
27. A framework agreement may not be suitable for your supply where it involves:
  - particularly complex or risky procurements;
  - one-off procurements where the product or service requires a specialism;
  - procurements which are looking for particularly novel solutions;
  - where the contract length would be longer than four years;
28. Before using any framework agreement please ensure that the Company was identified as a potential purchaser in the OJEU notice. Advice on this can be sought from the Commercial Team.

**Awarding a call-off**

29. If you decide on a framework agreement you must call off your individual contract under the framework either by;
  - placing a direct order/direct award or
  - holding a mini competition
30. The method of call-off will depend on the terms and conditions of the framework. Some larger frameworks are divided into a number of lots, which may have been set up to enable direct ordering whilst others are designed to provide more bespoke solutions with the terms, conditions and solutions being refined through mini competition.
31. You cannot make any substantive changes to the specification or the terms and conditions of the framework, so you must follow its terms in order to procure under the framework.
32. Employees who have assessed that they do not want to award through a framework agreement are required to carry out a formal quotation process. The Company's preferred method is e-procurement.

**Obtaining quotations**

33. If you are sourcing those services on the open market, you must obtain at least 3 written quotes and select the provider that offers the best value for money
34. Contract opportunities and awards above £25,000 must be advised on the Government on “Contract Finder” portal ([www.gov.uk/contracts-finder](http://www.gov.uk/contracts-finder)).
35. You must ensure an appropriate level of advertising having regard to:
- The subject matter of the contract;
  - The value of the contract;
  - The size and structure of the market and common commercial practices in that market;
  - The location where the goods or services will be delivered.
36. The greater the interest of the contract to potential bidders, the wider should be the coverage of the advertisement. Depending on the above criteria, advertisements could be placed on the Company’s website, in the trade or local press, on websites specifically set up for contract advertisements (e.g. Contracts Finder) or, where the contract borders on the EU threshold, in the Official Journal of the European Union (OJEU). The Commercial Team can assist you with this.
37. The employee must ensure that the Invitation to Quotation contains the following:
- a. Bidders’ information  
This will let bidders know the process being used, key timescale and any other relevant information to enable them to submit a compliant quote
  - b. Specification of the goods, services or works being purchased - details of the goods, services or works to be supplied; the key time or times when the contract is to be performed
  - c. Award criteria and procedure;
  - d. Tendering and canvassing certificate;
  - e. Contract terms and conditions which will include payment provisions;
  - f. The Company’s rights to terminate the contract;

The level of detail included in the Invitation to Quotation should be relevant to the contract value and the risk.

38. The Invitation to Quotation must state that:
- the Company is not bound to accept a quotation and;
  - late submissions or submissions which do not comply with the Company’s award procedure will be rejected.
39. The employee must ensure that the company’s legal representative is consulted before an Invitation to Quotation is issued where the purchase involves one or more of the following:
- the transfer of non-land assets;
  - the transfer of staff;
  - the transfer or lease of land; or,
  - potential state aid issues.

The Commercial Team can advise on engaging with the legal advisor

40. In some cases you may already be aware of suppliers possessing a particular type of goods or service or works expertise that you are seeking. You may seek 3 quotations from any suppliers known to you but you must ensure that:
- you do not use these suppliers in preference to any corporate contracts;
  - you do not discriminate in your selection of any particular supplier.

#### Waivers and exceptions

41. Where there is a lack of suitable contractors on the market to merit a tendering process or having tender the number of bids received does not reach the normal required level, you must complete a waiver report. This is to obtain authority to be exempted from this Rule. For further information please see Section 4 of these Rules.

**Keeping a record**

42. The employee must be able to prove value for money, as such there must be a written record of the what quotation were received either via copy of the quote (letter, email etc.) or a copy of the contract
43. If you select any supplier who is not the cheapest quote, you must record your reasons for selection in writing.

**Proceeding with quote**

44. The decision to award the contract and any written terms must be agreed in writing in line with the authorisation levels in Appendix 2
45. You must have a purchase order in line with Financial Regulations. This may require you to set up the supplier on the Company's accounting system in accordance with Financial Regulations.

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**Part E: Contracts above EU values**

If you want to award a contract in this range of values you must consult the Commercial Team who will engage with procurement and legal specialists for you. This process is governed by statutory rules and European Directives that are too extensive to set out in these Rules. You will also need to consider

- Whether you must procure those services through an existing corporate contract (see section 1 above)
- Whether there is a suitable framework, (see below) or
- Whether you have to source those services on the open market, via an OJEU tender

The following Part is intended as summary guidance only to procuring contracts above EU values.

It is important to note that the statutory rules supersede these Rules and contain their own waivers.

No waiver can be granted by Employees or Company Executive Managers for waiver from the EU process unless the waiver is permitted by the statutory rules.

**Identifying potential candidates**

1. Contracts which are covered by the Regulations must be the subject of a 'call for competition' by publishing a contract notice in the Official Journal of the European Union ("OJEU").
2. In most cases the time allowed for responses or tenders must be no less than a set period, although some prescribed periods can be reduced where:
  - A prior information notice (PIN) was published sufficiently far in advance of the procurement or when accelerated procedures are used;
  - If the OJEU notice was submitted electronically in accordance with the requirements set out on the SIMAP website (see above);
  - Where authorities offer full and unrestricted access to tender documents (in accordance with specific requirements set out in the EU procurement regulations).

**Process**

3. The Public Contracts Regulations 2015 (which can be viewed on the Cabinet Office website) set out schedules which include the types of works, services that are covered by the Regulations. These Regulations will apply in the following circumstances;
  - (i) For a contract relating to works with a total value of £4,733,252<sup>1</sup> and over;
  - (ii) For a contract relating to the supply of goods with a total value of £189,330<sup>2</sup> and over;
  - (iii) For a contract relating to services with a total value of £189,330 and over. However, for services falling within Schedule 3 of the Regulations, the full Regulations will apply where the total contract value is over 750,000 euros (£663,540<sup>3</sup>).
4. It is important to note that as the thresholds stated are subject to change every two years, you must check the applicable limits for your proposed contract with the Commercial Team.
5. Where the total value of your contract is below the thresholds, this does not necessarily mean that you will be totally exempt from the Regulations. Please contact the Commercial Team for assistance.
6. For contracts which are above the thresholds set out in this section, a standardised Pre-Qualification Questionnaire (PQQ) may be used when shortlisting potential bidders and/or assessing their financial and economic standing, technical capacity and ability and previous experience. Contact the Commercial Team for further advice.

**Using a framework agreement (if applicable)**

<sup>1</sup> As of 1/1/2020. Level is this document to be considers updated as and when EU threshold levels are updated

<sup>2</sup> As of 1/1/2020. Level is this document to be considers updated as and when EU threshold levels are updated

<sup>3</sup> As of 1/1/2020. Level is this document to be considers updated as and when EU threshold levels are updated

46. A framework agreement comprises pre-assessed suppliers. Use of a framework therefore simplifies the tendering process and offers considerable cost reduction. Before opting to use a framework agreement you should also consider whether there is benefit in re-packaging the tender to enable local businesses to compete for the contract.
47. A framework agreement will be suitable where you are contracting for services, goods or works
  - commonly available
  - frequently used
48. A framework agreement may not be suitable for your supply where it involves:
  - particularly complex or risky procurements;
  - one-off procurements where the product or service requires a specialism;
  - procurements which are looking for particularly novel solutions;
  - where the contract length would be longer than four years;
49. Before using any framework agreement please ensure that the Company was identified as a potential purchaser in the OJEU notice. Advice on this can be sought from the Commercial Team.

#### Choice of procurement procedure

7. Four award procedures are provided for under the EU procurement regulations:
  - **Open Procedure** - All those interested may respond to the advertisement in the OJEU by tendering for the contract.
  - **Restricted Procedure** - A selection is made by use of a pre-qualification questionnaire (PQQ) of those who respond to the advertisement and only those selected are invited to submit a tender for the contract. This allows purchasers to avoid having to deal with an overwhelmingly large number of tenders.
  - **Competitive Dialogue Procedure** - Following an OJEU notice and a selection process, the Company enters into dialogue meetings with several bidders, to develop one or more suitable solutions for its requirements. During this process bidders are deselected at various stages before final tenders are called for. (A multi-stage and complex process which should not be used where Open or Restricted procedures could have been used)
  - **Negotiated Procedure** -The Company may select one or more persons with whom to negotiate the terms of the contract. An advertisement in the OJEU is usually required but, in certain circumstances, described in the Regulations, the contract does not have to be advertised in the OJEU. An example is when, for technical or artistic reasons or because of the protection of exclusive rights, only a particular person can carry out the contract. This procedure is used only exceptionally
8. Public authorities have a free choice between the open and restricted procedures. The competitive dialogue procedure is available where the contract cannot be awarded under open or restricted procedure. The negotiated procedure may only be used in the limited circumstances described in the EU procurement regulations.
9. Under restricted procedures, competitive dialogue and competitive negotiated procedures (those where a call for competition is required by advertising in the OJEU) there must be a sufficient number of participants in the process to ensure genuine competition, with a minimum of five for restricted procedures and three for competitive dialogue and negotiated procedures.

#### Preparing the tender documents

10. To complete the tender process you must prepare the following documents:
  - An Invitation to Tender including the evaluation criteria;
  - Specification of goods, services or works to be supplied;
  - A tendering and canvassing certificate;
  - Parent company guarantee or performance bond (where appropriate);
  - Standard conditions of contract.

11. You are required to complete preparation of your paperwork before the tendering process begins. Whilst some of the paperwork can be standardised it is important that the company's legal adviser and the Commercial Team work with you to devise award criteria based upon your specification for the services that are being procured

#### **Preparing the evaluation criteria**

12. Before starting the tender process, you must define the evaluation criteria. This details how the bids will be evaluated. It is essential that the methodology for the award is set out in the Invitation to Tender.
13. You must apply the relevant British and any equivalent European or international standards to define the required quality of the goods or services being purchased.
14. The evaluation criteria must be relevant to the services, goods or works being purchased and must be designed to secure value for money for the Company.
15. The evaluation criteria for award of the contract must be based on:
  - the most economically advantageous (MEAT) bid (in other words, where quality, performance or improvements are as important as price); or
  - the lowest price (where price is the only factor).
16. If the most economically advantageous criteria are to be used, they can be further defined by relevant sub-criteria, examples of which are set out as follows:
  - price;
  - quality and performance;
  - running costs;
  - technical merit;
  - economic advantage based on past experience;
  - delivery date;
  - environmental considerations;
  - aesthetic and functional characteristics;
  - safety;
  - after-sales services;
  - technical assistance; and
  - other relevant matters.
17. Where sub-criteria are used, they must also be set out in the Invitation to Tender.
18. The evaluation criteria must not include non-commercial considerations. These are criteria which are not directly relevant to the operation of the contract e.g. the terms and conditions of employment of the bidders' workers or the country of origin of the bidder.
19. The award criteria cannot include matters which discriminate against suppliers from the European Union or signatories to the Government Procurement Agreement.
20. As the evaluation stage is the most likely point at which a challenge may be made to the procurement process you are advised to seek assistance from the Commercial Team regarding evaluation modelling.

#### **Defining the evaluation procedure**

21. Bids can be evaluated by using the bidders' written submissions only or you may want to arrange face to face interviews with the bidders and/or ask for bidder presentations to supplement the written submissions.
22. You must choose which process you will use to evaluate the bids and set this out in the Invitation to Tender.

#### **Preparing the invitation to tender**

23. The Invitation to Tender sets out the basic rules for the tendering process and you must use the standard template Invitation.
24. The invitation to tender must state that
- the Company is not bound to accept the tender;
  - late submissions and submissions which do not comply with the Company's e-tendering procedure will be rejected;
  - the e-tendering system does not allow acceptance of tenders via email or post;
  - the date and time for submission of tender and that late tenders may not be accepted;
  - the tender submission closing time is governed by the e-tendering system's clock which automatically records receipt of tenders and retains that information;
  - Where bidders are asked to upload files, you must advise them that single file sizes must not exceed 5mb.
25. The invitation to tender should be accompanied by standard conditions of contract. You need to consider whether there are further conditions relevant to the contract e.g. the time the service is performed, the date on which goods are delivered etc. In some cases standard contracts (e.g. ICT contracts) will be available.
26. Employees must consult the company's legal adviser, via the Commercial Team before a tender is issued for any contract which involves one of the following:
- the transfer of non-land assets;
  - the transfer of staff;
  - the transfer or lease of land;
  - any form of payment assistance to the bidder (state aid).

#### Clarification procedures

27. All clarification and communication during the tender process should be channelled through the e-tendering systems messaging tool. Never email bidders via your email account during the tender exercise as there is no clear audit trail to support your process. When a message is received from a bidder a notification will be emailed to you to respond to the message. Any queries raised by a bidder and clarifications provided should be forwarded to all bidders with anonymity of the bidder raising the query.
28. If an error is identified in the invitation to tender before the closing date for submissions and is significant enough to warrant amendment, all bidders should be informed of the error and invited to adjust their bids.

#### Submission, receipt and opening of tenders

29. Tenders will only be available to evaluate following the closing date for submissions.
30. Tender evaluation may be completed within the e-tendering system on line or off line.

#### Post tender negotiation

31. If an error is identified in the invitation to tender after the closing date for submissions and is significant enough to warrant amendment, all bidders should be given details of the error and given the opportunity to withdraw their offer or to submit a revised bid within a defined period.
32. Where there is a minor error or discrepancy in the successful tender which would affect the tender figure, the bidder should be given details of the error or discrepancy and given the opportunity to confirm, correct or withdraw its bid. If the bidder withdraws its offer, the next most competitive bid should be assessed.
33. Following receipt of the tenders, you may clarify or negotiate with a preferred bidder to obtain an improvement in terms of price, delivery or service. Any such clarification or negotiation must:
- not discriminate against other bidders, and
  - not alter the original specification except where the company's legal adviser or Procurement have advised that special circumstances exist that can be substantiated, and
  - have the prior authorisation of the company's legal adviser or the Commercial Team, and

- be confirmed in writing by the bidder.

#### **Evaluation, selection and de-briefing**

34. The e-tendering system may be used as a document exchange system where tenders are uploaded to the system and then evaluated off-line or you may use the systems tender questionnaire which will enable you to evaluate the bids online within the e-tendering system.
35. Bids must be evaluated and the successful bidder selected in line with the advertised award criteria and the award procedure.

#### **Standstill and post tender formalities**

36. Following the evaluation of the contract and before formally awarding the contract to the successful bidder there will be a mandatory standstill period. This period begins once you have notified the unsuccessful bidders of your decision and the reasons for the differing scores. This is known as the 'Alcatel' or "Standstill" period and is bound by strict rules. See points 37 and 38 below as to when the Alcatel letter must be sent out.
37. The standstill period allows for the unsuccessful bidders to seek any feedback on their bids and to challenge the procurement process. You should therefore have prepared in advance any information about the evaluation process, the reasons for the differing scores and why the bidder was unsuccessful before the award of the contract is notified to the bidders.
38. You may want to include the following matters in any debrief:
  - identifying the bidder to whom the contract will be awarded;
  - the reasons for the decision;
  - the award criteria;
  - a full breakdown of the bidder's scores against each of the criteria and sub-criteria together with an explanation why the successful bidder achieved a higher score;
  - the score of the successful bidder; and or,
  - the reasons (if any) why the bidder did not meet the technical specifications.
39. Apart from the debriefing permitted by this Rule, the confidentiality of tenders and the identity of bidders must be preserved at all times and information about one bidder's response must not be given to another bidder.

#### **Governance**

40. The contract must be awarded by an authorised signatory on behalf of the Company.
  - The Managing Director can award a contract up to £500,000 in value upon receipt of a contract award report – see Appendix 2.
  - You must prepare an award report to authorise the award of the contract which must be sent to the company's legal adviser, via the Commercial Team, and the company's procurement specialists, for approval before the Managing Director signs off the report.
  - The report must be signed by the Managing Director.
  - The Alcatel letter can be sent out at any time after your Senior/Executive Manager signs off the contract award report. Note that this will be done by the company's procurement specialist.
41. Once your contract award notice has been approved, you will need to notify all bidders of the result via the e-tendering system.

#### **Contract formalities**

42. There must be a signed written contract in place between the Company and the contractor before the supply, service or work is started. You must send the following documents to the company's legal adviser, via the Commercial Team, to prepare and finalise the formal contract documents:
  - Signed Managing Director Contract Award Report;
  - Invitation to Tender (including the terms and conditions);

- Successful Contractor/Service Provider/Consultant tender submission;
  - Any other documents you wish to include in the contract
43. Signed, sealed contracts will be listed in the Company's contract register and placed with the Company's Deeds and you will be forwarded a contract number for future reference. Contracts valued up to £500,000 need to be signed by an Authorised Signatory or sealed in the presence of an Authorised Signatory where appropriate. All contracts over £500,000 must be sealed in the presence of an Authorised Signatory.
44. If you want the contract to begin before the contract is signed or sealed, you should consult the Company's legal adviser, via the Commercial Team. In exceptional circumstances, the company's legal adviser may permit the contract to begin before the contract is signed or sealed and measures can be put in place to protect the Company's position in the interim.

**Contract register**

45. You must give details of the contract to the Commercial Team to be entered into the Company Contracts Register.
46. Signed and sealed contracts will be listed in the Company's contract register and retained by the Company's legal adviser. You will be forwarded a contract number for future reference.

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**Part F: E-tendering**

1. Electronic Procurement (e-procurement) is the use of an electronic system to advertise and invite tenders for goods, works and services.
2. E-procurement covers the whole purchasing cycle. This is also known as the 'purchase-to pay' cycle and includes:
  - electronic requisitioning,
  - electronic tendering,
  - electronic ordering,
  - purchasing cards and
  - electronic Payment/Invoicing.
3. The e-tendering system must be used for any purchase of goods, works or services above £50,000, however employees are encouraged to use the system for contracts below £50,000 where possible. Where contracts are advertised in OJEU, all tender documents must be made available electronically. This means that from the date the OJEU notice is published, you must ensure that all specifications, the descriptive document, proposed conditions of contract and any other documentation are ready for interested suppliers.
4. To use the e-procurement system you should contact the Commercial Team who will arrange with the Company's procurement advisers for you to register yourself as a user on the e-sourcing system. Training and user guides will be provided.
5. The Company's contract Rules anticipate that you will use the e-procurement system for any purchasing. If you do not wish to use the e-procurement system you will need to discuss this with the Commercial Team.

### Section 3 – Getting the Contract in Place

Where contracts are high value (above £180,000) or high risk you should consult with the Commercial Team as to whether some form of security, such as a bond or parent company guarantee is required from the contractor

#### Bonds

1. A performance bond is a written guarantee provided to the Company by a contractor's bank or insurer. It requires the contractor to deposit a sum of money with the bank or the insurer and is therefore usually only suitable for high value or high-risk contracts. If the contractor does not do what it has promised under the contract, the Company can claim from the bank or insurer the sum of money which is specified in the performance bond.
2. A performance bond is intended to protect the Company against the costs that arise from the contractor's failure to perform the contract. You must assess the need for the bond by considering the risks to the Company, including the:
  - complexity of the contract relating to delivery;
  - capabilities of suppliers, service providers or contractors;
  - financial standing and security of suppliers, service providers or contractors.
3. In limited circumstances it may be necessary to have an on-demand bond (effectively a cash bond), however there is a significant cost to these and they should only be sought in limited circumstances and following legal advice.
4. You should consider whether a performance bond or any other form of security is required where;
  - a contract for works, goods or services is estimated to exceed the EU threshold or
  - where it is proposed to make stage or other payments in advance of receiving the whole of the works, services or supplies
5. Should a performance bond or other form of security be required, you must identify this in the tender documentation. Contact the Company's legal adviser, via the Commercial Team, for a template version of the performance bond.
6. You should not allow the contractor to commence the contract for the works, services or supplies until the bond has been provided to the Company.

#### Parent company guarantees

7. A parent company guarantee could be requested from the contractor as an alternative form of security to a performance bond but only where the contractor has a parent company.
8. A parent company is a company which owns a number of companies (known as subsidiaries). You should seek advice from the Commercial Team or the company's legal adviser if you intend to request a parent company guarantee in any tender.
9. There are other lesser used forms of security that can be requested against the contract, such as cash, title deeds, debentures and legal charges. Please contact the Commercial Team or the company's legal adviser for further advice if you need to consider these.

#### Contract documents

10. There are many different forms of standard contract. These are most frequently found in the construction industry (i.e. for works contracts) but others are also available.
  - a. a standard short-form subcontract / contract may be used. The use and completion of this contract is managed by the Commercial Team with legal being provided a copy on signing.
  - b. Where the works are assessed by the Commercial team as being either high value; high risk or complex – a standard long-form subcontract / contract may be used. This contract is managed by the company's legal advisor.
11. The company's legal adviser has knowledge of most standard forms of contract and also holds a standard set of terms and conditions which can be tailored to meet any forms of works, goods or services contract. These take account of the specific needs placed upon local government trading company contracts e.g. freedom of information requests for contract documents and auditing obligations.
12. Requests for standard clauses and to discuss specific contractual requirements can be made by contacting the company's legal adviser, via the Commercial Team.

## Section 4 – Changes to the contract and Waivers

This section sets out what you must do if:

- you are unable to comply with any of the requirements of these Rules, or
- there is a change to the contract e.g. additional works have been identified after the contract has begun.

It is very important that you follow correct governance processes to authorise any changes to the contract or these Rules.

### Waivers

1. It is the Company's policy that these Contract Rules should be complied with at all times. However, the Company recognises that circumstances may exist when it is not possible to comply with these Rules. On those occasions you may apply for a waiver from any or all of these Rules.
2. The fundamental principles of waivers are that:
  - they should be used only in exceptional circumstances;
  - they are granted entirely at the discretion of an executive manager, in consultation with the company's legal adviser.
  - they should always be sought in advance of any purchasing as there is a general presumption that retrospective applications will not be approved, and
  - there is no automatic right to a waiver.
3. All waiver requests must be made in writing supported by justification for your application.
4. A waiver under this section can never be used where the total value of the contract exceeds the EU threshold. There are specific statutory waivers which apply to contracts tendered under the EU process and you should always seek legal advice on these.

### When may a waiver be allowed?

5. A Waiver may be allowed when:
  - You want to obtain quotations or tenders from fewer bidders than these Rules require (including a single bidder) because they are the only suppliers which can provide the services or goods or works you want to purchase;
  - Following advertising quotations or tenders have been received from fewer bidders than these Rules require (including a single bidder);
  - When an urgent matter arises i.e. a imminent health and safety requirement
  - You want to extend an existing contract which does not have provision for an extension and where a change of supplier would cause:
    - disproportionate technical difficulties;
    - excessive cost/loss of funding; and/or
    - significant disruption to services.
6. In all cases a waiver cannot be approved where the cost of the extension or contract exceeds the EU threshold.

### Waiver procedure

7. To apply for a Waiver, you should complete a Waiver Report – see Appendix 3.
8. The Waiver Report should set out clearly the grounds on which you are applying for the Waiver and must specify which of the reasons listed at 5. above apply.
9. The completed waiver report should be sent to the Commercial Team who will ensure approval is sought from the company's legal adviser, and if required, the company's procurement advisor.
10. Once the required approvals have been obtained you must send the report to the authorised approver in Appendix 2 for formal approval of the waiver. Electronic approval will be sufficient.
11. The Commercial Team is required to keep a register of approved waivers.

12. In urgent circumstances, contact must be made with the all the relevant authorised approver in Appendix 2 before entering any contract, to obtain an “in principle” decision. This means that, unlike usual procedures, the decision to award will follow after the contract has been awarded. Verbal authority given by the authorised approver in Appendix 2 will mean that the correct authority has been given for the contract, even though the paperwork will be retrospective.

#### Assigning/Novating contracts

13. Assignment is the transfer of the benefit of contract to another party. The contract should detail the circumstances in which a contract can be assigned but if it does not you will need to consult the company’s legal adviser, via the Commercial Team, on the process. Novation is the transfer of the rights, obligations and liabilities of an original party to an existing contract to a new party. You should contact the Company’s legal adviser on the form of the contract that should be used for the novation, which is usually in the form of a deed.
14. Where a contract is required to be assigned or novated you must first calculate the total value of the contract to determine the correct process.
15. Where a contract has a total value between £50,000 and £100,000 the assignment/novation will need to be approved by:
- An Executive Manager
  - The company’s legal adviser; and,
  - The Commercial Team;
16. Where a contract has a total value between £100,000 and £500,000 the assignment/novation will need to be approved by:
- Managing Director
  - The company’s legal adviser; and
  - The Commercial Team;
17. Where a contract has a total value of more than £500,000 the assignment/novation will need to be approved in accordance with Appendix 2; and:
- a credit check on the proposed contractor that the contract is to be assigned to have been carried out by the Commercial Team; and,
  - a formal deed/notice of assignment, to be prepared by the company’s legal adviser has to be entered into by the parties.

#### Varying contracts

18. Variations of contract typically comprise:
- change in price, or
  - change in service delivery or goods or works leading to a change in price
19. If the variation looks as if the original value of the contract is likely to be exceeded, the procedure for obtaining approval to the variation is as follows:

##### Non-EU procured contracts

- **Increase is less than £50,000** - The contract manager or employee must obtain approval to the increase in line with the authority listed in Appendix 2.
- **Increase is more than £50,000** - As long as the contract as varied is still under £500,000, it can be authorised by the relevant officer(s) referred to in Appendix 2 (subject to having informed the Commercial Team )

##### EU procured contracts

Contact the Company’s legal adviser, via the Commercial Team, for advice on whether the variation is likely to be treated as a new contract, requiring it to be re-tendered. If the advice from the company’s legal adviser is that the variation is unlikely to be treated as a new contract, the contract manager or employee must follow the procedure outlined above and obtain the authorisation referred to in Appendix 2

## Section 5 – Ending the Contract

### Terminating contracts

1. Where a contract is required to be terminated, other than by it expiring, seek advice from the Commercial Team .
2. Where a contract has a total value of between £50,000 and £100,000 the termination will need to be approved by the following:
  - An Executive Manager
  - The company’s legal adviser; and,
  - The Commercial Team;
3. Where a contract has a total value between £100,000 and £500,000 the termination will need to be approved by:
  - Managing Director
  - The company’s legal adviser; and,
  - The Commercial Team;
4. Where a contract has a total value of more than £500,000 the termination will need to be approved by
  - Board of Directors
  - The company’s legal adviser; and,
  - The Commercial Team;

Additionally, termination notice must be issued to the contractor and or supplier by the company’s legal adviser.

**Appendix 1**

Process – Flowchart to be included one document is agreed

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## Appendix 2 Authorisation Levels

Contract Value	Competition Requirements	Authority to			
		Procure	Award/ Vary/ Terminate	Waive	Sign
Services, Products and Works <b>Below £10,000</b>	Value for money	Senior Manager	Senior Manager	Executive Manager	Senior Manager
Services, Products and Works <b>£10,000 to £24,999</b>	2 written quotes	Senior Manager	Senior Manager	Executive Manager	Senior Manager
Services, Products and Works <b>£25,000 to £99,999</b>	3 written quotes	Senior Manager	Executive Manager	Executive Manager	Executive Manager
Services and Products <b>£100,000 to £189,000</b>	3 written quotes	Executive Manager	Managing Director	Managing Director and legal adviser	Managing Director
Works <b>£100,000-£4.73 million</b>	3 written quotes	Up to £499,999	Up to £499,999	Up to £499,999	Up to £499,999
		Executive Manager	Managing Director and legal, commercial or procurement leads	Managing Director and legal adviser	Managing Director
		Over £500,000	Over £500,000	Over £500,000	Over £500,000
		Managing Director	Board of Directors, and legal, commercial, procurement leads	Board of Directors and legal adviser	Sealed in presence of authorized signatory
Services and Products <b>over £189,000/ EU threshold</b>	Advertised as per requirement of OJEU – Seeking 5 or more tenders	Up to £499,999	Up to £499,999	Waivers not permitted	Up to £499,999
		Executive Manager	Managing Director and legal, finance, procurement leads		Managing Director
		Over £500,000	Over £500,000		Over £500,000
		Managing Director	Board of Directors, and legal, finance, procurement leads		Sealed in presence of authorized signatory
Works <b>over -£4.73 million / EU threshold</b>	Advertised as per requirement of OJEU – Seeking 5 or more tenders	Board of Directors	Board of Directors and legal, finance, procurement leads	Waivers not permitted	Sealed in presence of authorized signatory

If the appropriate level of authoriser is not available, then authorisations can be granted by a higher-level authorizer up to Board of Director level.

## Appendix 3 Waiver Report

## Procurement Waiver Form



## Overview

In accordance with the Procurement Strategy and Contract Procedure Rules for the Company, in certain circumstances; authority to waive elements of the application of the Contract Procedure Rules may be sought.

This document sets out the basis for the waiver request; and any conditions on which the waiver is approved. A copy of the Company's authorisation levels is overleaf for information.

Please ensure that the Business Manager is provided with copies of all Procurement Waiver Form requests and decisions for audit logging.

## Procurement Waiver Request

**Company reference:**  **Date Raised:**

**Submitted by:**  **Position:**

**Nature of activity:**

**Reason for contract:**

**Reason for waiver request**

**What steps have been taken to ensure that the contract being awarded offers the best value for money as is practicable under the circumstance?**

**Alternative options considered:**

**Estimated contract sum:**

**Basis of contract sum calculation:**

**Length of Contract:**

**Name of contractor:**

**Legal advisor comments:**

**Reviewed by:**  **Position:**

**Signature:**  **Date :**

## Decision

**Request was:**

**Reviewed by:**  **Position:**



Signature:

Date reviewed

*(If reviewed at board level; date of relevant Board meeting)*

Waiver period end date:

Conditions of Approval:

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