

# Part D Rule 7: Contract Procedure Rules

24 February 2025

# Contract Procedure Rules

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## PART 1 - Introduction

### 1. Introduction

- 1.1. The Local Government Act 1972 section 135 requires the Council to have standing orders for how it enters into contracts. These Contract Procedure Rules (“CPRs”) are the standing orders required by the 1972 Act. They form part of the Council's Constitution and are, in effect, the instructions of the Council, to officers and elected members, for entering into contracts on behalf of the Council.
- 1.2. These CPRs set out the framework within which all Council procurement activity is undertaken, and spending is managed. They relate to the procuring and/or entering into contracts for the supply of all goods (supplies, materials, including hire purchase), services (including consultancy appointments) and works. These CPRs aim to promote the highest standard of probity, integrity and impartiality, they ensure contracts are entered into in a fair, open, non-discriminatory, proportionate, lawful, and transparent way. They protect the Council and support the Council's strategic priorities.
- 1.3. Procurement decisions are among the most important decisions a local authority will make to ensure that public money is appropriately spent, and that goods, works and services represent best value.
- 1.4. Anyone who purchase on behalf of the Council have a responsibility to strictly follow these CPRs, including all relevant policies and guidance, failure to do so may be a disciplinary offence. Officers must also comply with the Code of Conduct which forms part of the [Constitution](#). Directors and Assistant Directors are accountable for all procurement in their respective areas of responsibility and shall take appropriate action in the event of a breach of these CPRs.
- 1.5. The Monitoring Officer is responsible for ensuring the CPRs are up to date and reflect current law including any retained EU law. Any change in applicable law must be observed until the CPRs can be revised. These CPRs may be reviewed and/or amended by the Monitoring Officer in accordance with the [Scheme of Delegation](#) in consultation with the Chief Finance Officer.
- 1.6. Advice and guidance may be sought from the Monitoring Officer, Strategic Procurement & Contracts and Legal Services regarding the application of these CPRs. Where it is stated advice and guidance must be sought, this is necessary to ensure compliance with these CPRs and legislation.

### 2. Key Objectives

- 2.1. The purpose of these CPRs is to provide a structure and process for decisions to ensure the Council has regard to the importance of:
  - delivering value for money for local taxpayers.
  - maximising public benefit.

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- sharing information for the purpose of allowing suppliers and others to understand the authority’s procurement policies and decisions.
- acting and being seen to act, with integrity and transparency.
- treating all suppliers the same unless a difference between the suppliers justifies different treatment.
- taking reasonable steps to ensure no supplier is unfairly advantaged or disadvantaged.
- having regard to the fact that small and medium enterprises may face particular barriers to participation and consider whether such barriers can be removed or reduced.

### 3. Statutory Requirements

- 3.1. These CPRs are the Council’s standing orders made under section 135 of the Local Government Act 1972.
- 3.2. Public procurement in the UK is regulated by the Public Contracts Regulations 2015 (PCR 2015), the Procurement Act 2023 (PA 2023) (“the Procurement Regulations”), and Health Care Services (Provider Selection Regime) Regulations 2023. In addition, The Public Services (Social Value) Act 2012 requires the Public Sector to consider how they can use service contracts to enhance the wider wellbeing of the community. Other relevant legislation is referenced in [Appendix 4](#).
- 3.3. Where the contract is a **Covered Procurement** then the Council must comply with the tendering requirements set out in either PCR 2015 or PA 2023 (as applicable), and any other relevant legislation. For these CPRs, a **Covered Procurement** is a procurement with a value at or above the **statutory threshold** (inclusive of VAT where applicable).
- 3.4. The **statutory thresholds** are reviewed every two years to take account of currency fluctuations. From 1 January 2024 to 31 December 2025:

Concession (works and services) contract	£5,372,609
Works contract	£5,372,609
Goods or services (inc. works for mixed contracts) contract	£214,904
Light touch regime	£663,540

### 4. Compliance

- 4.1. All procurement activity and resulting contracts made on behalf of the Council must comply with the relevant legislation and Constitution (including these CPRs, the [Council Plan](#), [Social Value Charter](#), [Green Future Strategy](#), [Modern Slavery Statement 2024 – 25](#), [Finance Manual](#), [Best Value Statutory guidance](#), relevant [Council policies](#) and where applicable the [UK Steel Charter](#)).

- 4.2. Where there is a conflict between these CPRs and the Procurement Regulations, the

Procurement Regulations shall prevail.

- 4.3. The Council shall make the best use of its purchasing power by aggregating purchases wherever possible. Officers must not disaggregate contracts for goods, works or services to avoid the application of these CPRs or the Procurement Regulations. This includes dividing into two or more contracts, or for contracts under PA 2023 adding services to a works contract.
- 4.4. Officers have a personal responsibility to strictly comply with these CPRs. Procurement practices are scrutinised by bidders and government (Procurement Review Unit). If the Council fails in its duty to adhere to these CPRs and legislative requirements, a potential supplier may have justifiable cause for complaint. If such a complaint were upheld, the Council may be required to pay compensation, civil financial penalties may be imposed, and the contract may be rendered ineffective.

## 5. Scope

- 5.1. These CPRs are the mandatory procurement procedures that must be strictly followed when entering into contracts on behalf of the Council. They form an integral part of the Council's [Constitution](#).
- 5.2. The Council has set the following financial levels (including VAT) for procurement activity:
- **Level 1:** up to £5,000
  - **Level 2:** from £5,000 to £30,000
  - **Level 3:** from £30,000 to £100,000
  - **Level 4:** £100,000 and above

For any procurement exercise valued within 10% of the level limit, the Officer should follow the process in accordance with the next level.

- 5.3. These CPRs must be adhered to by:
- Members.
  - Officers; and
  - Persons or organisations responsible for awarding, managing, and monitoring contracts on behalf of the Council.
- 5.4. These CPRs apply to:
- all contracts for the supply of goods, works or services, including where the spend has been provided by way of a grant to the Council.
  - the purchase, hire or leasing of goods and equipment.
  - partnership and collaborative arrangements with other public bodies.
  - the use of agency staff or consultancy services (corporate contract).
  - financial services.
  - concession and income contracts.
  - in-house providers.

5.5. These CPRs **do not** apply to:

Type of contract	Legislation, policy or guidance which covers out of scope contract
Land transactions for the acquisition or sale of any interest in land (where there is no connected delivery of goods, works or services for which the land forms part of the pecuniary interest) <a href="#">(section 13)</a>	Local Government Act 1972, Housing Act 1985 or any related acts or authorities for which reference should be made to the Financial Procedure Rules, and the Council’s policies.
Contracts for permanent or fixed term employment.	Employment Rights Act 1996, Human Resources / Recruitment Policies.
Where the Council awards a grant to an external organisation.	Subsidy control will need to be considered
Residential and nursing care contracts where the Council has a duty to provide such services.	Mental Health Act 1983 and the Local Government Act 2000.
Procurements that have been jointly procured by another local authority, public sector consortium or collaboration of which the Council is a party but not the lead authority.	The procurement of contracts of this nature will be governed by the constitution of the lead authority. Internal contract sign-off thresholds will still apply, and a conflict assessment must still be undertaken in accordance with these Rules for each Council prior to agreeing to a joint procurement.
Contracts between the Council and a Supplier who is controlled by the Council.	Internal contract sign-off thresholds will still apply, and a conflict assessment must still be undertaken in accordance with these Rules for both Council and Supplier.
Contracts for local bus services, where the de-minimis provisions apply.	Transport Act 1985 and regulations made under it apply <a href="#">(section 29)</a> .
Contracts, which the Council’s Monitoring Officer advises, fall within section 91 of the Transport Act 1985.	Transport Act 1985, section 91 <a href="#">(section 29)</a> .
Academies (unless the Council is leading a procurement in which an academy is participating).	Not subject to competition due to their nature
Where requirements are sourced and delivered internally.	
Where the Council acts for another non-regulated body.	
Contracts for lending of money or for the provision of carrying out investment services.	
Supplies purchased or sold in a public market or auction.	
Contracts for “exempt legal services” which include: - legal representation in judicial procedures or other dispute resolution. - legal advice in connection with or in contemplation of proceedings. - document certification or authentication required under enactment or law; and - legal services required to be provided by an enactment or order of the court.	
Health and social care contracts where the care recipient has a personal choice and directly contracts with the care provider including direct payments.	

- 5.6. Maintained Schools shall procure goods, works, or services in accordance with the [Scheme for Financing Schools](#) and the Procurement Regulations (where appropriate).
- 5.7. All Health Care Services contracts (defined in the legislation) must be procured in accordance with Health Care Services (Provider Selection Regime) Regulations 2023 ([section 30](#)).
- 5.8. Approval is required to undertake any procurement activity and to award a contract. This may be taken by any Member or Officer who is appropriately authorised. Where Executive approval is required ([Key decision](#)), Officers should consider all the decisions which will need to be made throughout the process, and these should be sought at the appropriate time ([Appendix 3 Governance](#)). Advice and guidance can be obtained from Democratic Services.
- 5.9. Whilst Officers should always endeavour to uphold the key objectives ([section 2](#)) there may be occasions when complying with [Part 3 - Process](#) of these CPRs does not provide sufficient flexibility. In this instance Strategic Procurement & Contracts and Legal Services should be informed in advance and they must agree that Part 3 will not apply to a procurement that is within Threshold 1 to 3 (up to £100,000) in the appropriate circumstances detailed in section [42](#) or [43](#).

## 6. Roles and Responsibilities

- 6.1. All Officers have a duty to report breaches of the CPRs to the Monitoring Officer and the Section 151 Officer – Finance. Compliance with these CPRs is also subject to internal and external audit review assurance.
- 6.2. In considering how best to procure goods, works and services, an Officer shall consider wider contractual delivery opportunities and procurement methods such as a collaboration project, setting up or letting under a framework, joint procurements with other public authorities, e-procurement methods and the availability of local authority trading and charging powers under the Local Government Act 2003 and the Localism Act 2011.
- 6.3. **Assistant Directors/Directors** are responsible for:
- a) ensuring adequate budget provisions are in place prior to approving any procurement activity in compliance with the [Financial Manual](#).
  - b) incorporating within their plan a list of all current and forecast contract opportunities for the upcoming two years, updated throughout the year and shared with Strategic Procurement & Contracts for inclusion in the [procurement pipeline](#).
  - c) ensuring all procurements and contracts within their service comply with these CPRs, the [Financial Manual](#) and procurement legislation and all necessary approvals are in place.
  - d) ensuring Officers, they approve or delegate to exercise their functions have appropriate knowledge and training.



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- e) ensuring contracts secure best value and are managed effectively, efficiently, economically by a nominated officer in accordance with the contract provisions.
- f) keeping adequate records to comply with these CPRs, the [Financial Manual](#) and all relevant legislation.
- g) ensuring ethical, social and sustainability considerations in all contracts.
- h) publishing all decisions made in accordance with the Openness of Local Government Bodies Regulations 2014 and all relevant legislation where applicable.

### 6.4. **Officers** are responsible for:

- a) acting in compliance with these CPRs and all relevant Council policies.
- b) allowing sufficient time to carry out a procurement exercise to be compliant with these CPRs, and the Procurement Regulations.
- c) identifying an appropriate available budget for an essential business need and approval prior to commencing any procurement exercise.
- d) exploring relevant existing contracts and ensuring these are used wherever possible.
- e) managing the contract throughout the whole lifecycle. Contract management arrangements should be considered pre-procurement as identified in the tiering tool to ensure the Council's requirements are clear and deliverable.
- f) ensuring contracts which involve processing or sharing data are reported to the Information Governance Team, comply with the Council's [Information Governance Framework](#) and consider the need to undertake a [Data Protection Impact Assessment](#).
- g) establishing an appropriate project team (based on complexity and risk) to inform the procurement exercise. To include as a minimum representation from the Service area(s), Strategic Procurement & Contracts, Legal Services, Finance, HR, Business Services (where relevant to construction & highways).
- h) using the [under £100k checklist](#) for all relevant procurement exercises; monitoring conflict of interests, maintaining procurement records and documenting all material decisions.
- i) ensuring transparency and compliance by publishing the required [notices](#).
- j) engaging with Strategic Procurement & Contracts before approaching the market for any level 4 contract (£100,000 and above).
- k) completing a contract before raising a Purchase Order for goods, works or services (Level 2 and above).
- l) ensuring approval of Purchase Orders before the requirements are delivered.
- m) accurately defining the requirements (including any relevant [insurance levels](#)) and technical evaluation criteria in the specification and procurement documentation.
- n) considering equality, diversity, sustainability, and social value (when applicable) in all procurement exercises including completing an [Integrated Impact Assessment](#).
- o) ensuring Human Resources are consulted, and appropriate approval obtained for requirements of temporary workers or consultants.

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- p) identifying a nominated officer to manage the contract in the Service Area.
- q) ensuring suppliers commitments made during the tender process are fulfilled, including delivery of social value.
- r) monitoring suppliers spend regularly to ensure contracts are not exceeding the awarded contract value.
- s) ensuring contracts are used in accordance with the terms of agreement.
- t) reporting to the relevant Director any breach in relation to (q), (r), and (s) above.

### 6.5. **Strategic Procurement & Contracts** are responsible for:

- a) providing expert procurement knowledge ensuring compliance and delivering best value.
- b) identifying existing contracts and ensuring these are used, where possible.
- c) ensuring the provision of the correct tools, information, and guidance to deliver a compliant, cost-effective quality contract.
- d) ensuring Officers (in consultation with Finance as necessary) confirm an appropriate approved budget is available with approval to go out to market prior to commencing any procurement exercise.
- e) providing advice, as appropriate, on the specification and technical evaluation to produce the most advantageous tender (MAT) for the lifetime of the contract.
- f) offering expert advice to Officers procuring within Levels 1, 2 and 3 (up to £100k).
- g) taking a commercial lead on all procurements within Level 4 (£100k and above).
- h) evaluating social value commitments in Level 4 (£100k and above).
- i) ensuring Legal Services has been instructed to advise and draft an appropriate contract for Level 4 contracts.
- j) ensuring transparency and compliance by publishing the required notices, subject to Officers providing the required information.
- k) maintaining and publishing the [Contract Register](#) and [procurement pipeline](#), subject to Officers providing the required information.
- l) holding the procurement checklist for Level 4 (£100k and above) opportunities, maintaining procurement records and recording all material decisions.
- m) reviewing conflict assessments with advice from the Monitoring Officer (when required) in consultation with the relevant Assistant Director.
- n) reviewing waiver and direct award submissions and maintaining the registers.
- o) evaluating spend across all categories and reporting non-compliance to Assistant Directors/Directors.
- p) embedding social value and sustainable procurement appropriately within procurement activity.
- q) ensuring the availability of procurement and contract management training.
- r) managing the e-tendering platform.
- s) updating internal and external web pages to ensure Officers, Suppliers and residents are kept informed.
- t) delivering the Procurement Strategy in support of the Council's objectives.
- u) ensuring suppliers are aware of, and follow, the [Supplier Code of Conduct](#) when bidding and delivering contracts.

## **7. Review of these CPRs**

- 7.1. These CPRs shall be reviewed and updated on a regular basis, and at least annually. Save in the case of revisions to levels, any changes to these CPRs shall be approved and adopted by the Council in accordance with the [Scheme of Delegation](#) by the Monitoring Officer in consultation with the Chief Finance Officer.

## PART 2 - General

### **8. Purchase Orders**

- 8.1. Purchase Orders must be raised within the Council's purchasing system following the completion of the contract.
- 8.2. Invoices must be received electronically and should be emailed to [[invoices@northlincs.gov.uk](mailto:invoices@northlincs.gov.uk)] for payment. They must include the Purchase Order number.
- 8.3. Any invoice received that cannot be matched to a purchase order will be referred to the budget manager. Further detailed information can be found in the [Finance Manual](#).

### **9. Credit / Prepaid Cards**

- 9.1. The Council may make use of credit / prepaid cards for small purchases in a wide range of situations. These should only be used where there are no contracts in place, and as a last resort. Officers who are supplied with a credit / prepaid card must refer to the [guidance](#) for further information.

### **10. Temporary Staff, Consultants and Professional Services**

- 10.1. There is a corporate contract for the provision of temporary agency staff and no further procurement exercise is necessary to utilise this contract. All temporary agency workforce, consultants and professional services must be sourced via this contract. For advice and guidance please contact [HR](#).

### **11. IR35**

- 11.1. IR35 relates to off payroll working, rules which apply where a worker provides their services to the Council through their own intermediary, would have been an employee if they were providing their services directly to the Council. This is likely to apply where an individual is providing their services through a limited company, usually known as a personal service company.
- 11.2. The council is legally responsible for applying IR35 rules as follows:
- taking reasonable care to determine the employment status of a worker for the purposes of tax and national insurance contributions (NIC) before the contract starts using the [HMRC Check Employment Status for Tax \(CEST\) tool](#).
  - communicating the employment status determination to the worker via a written [Status Determination Statement \(SDS\)](#).
  - having a process in place to deal with any disagreements arising from the status determination.
- 11.3. Further information can be found within the [Off Payroll Working \(IR35\) guidance](#).
- 11.4. If a contract is determined to be within IR35, these CPRs will still apply. A status

determination for these purposes relates only to employment status in respect of tax and NICs (National Insurance Contributions). It does not confer any other employment rights.

11.5. If the Officer does not carry out a status determination with reasonable care or does not provide an SDS to the relevant party, the council can become liable for the worker's tax and NICs regardless of the employment status, as well as incurring financial penalties.

## **12. TUPE**

12.1. Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply where an employee of the Council, or of a supplier providing a service to the Council may be affected because of a change in the service provider.

12.2. Officers must ensure any TUPE issues are considered, and advice is sought from Strategic HR Lead and Legal Services before proceeding with the procurement. Any procurement exercise involving the TUPE transfer of council officers must be approved by the relevant Director on the advice of the Director: Transformation and Outcomes.

12.3. An anonymised table of TUPE information must be released with the tender documentation. Further information can be provided to interested parties on the successful completion of a non-disclosure agreement.

## **13. Disposal of Land and Property and other Council Assets**

13.1. All land and property which is considered surplus to the Council's service requirements must be considered in accordance with the Council's Property Portfolio Framework 2024 – 2028.

13.2. Any disposal of land, property or other Council Assets should be done in accordance with the Property Portfolio Framework 2024 – 2028, section 123 of the Local Government Act 1972 and the [Scheme of Delegations to Officers](#).

## **14. Grants**

14.1. Where an Officer wishes to commission services to be provided by third parties (public, private, voluntary or community sectors) a contract will be put in place following a procurement process in line with these CPRs. Where an Officer, in consultation with the Chief Finance Officer, believes that the Council's interest will be better served by operating a grant programme and such a programme will provide value for money, then a grant programme may be established.

14.2. Officers are reminded to account for the legal requirements concerning subsidy control when establishing a grant programme.

14.3. These CPRs apply to all contracts for the supply of goods, works or services including where the spend has been provided by way of a grant to the Council ([section 5.3](#)).

## 15. Social, Environmental and Ethical Considerations

- 15.1. Sustainable procurement is the process by which an organisation meets their purchasing needs in a way that achieves value for money on a whole life basis, whilst benefitting the organisation, its residents, the wider society, economy and protecting the environment.
- 15.2. The Council has developed a [Green Future Strategy 2021 – 2030](#) with an ambition of reducing the Council's carbon emissions to net-zero by 2030. As such for every procurement within the scope of these CPRs the environmental impact of its activities must be assessed, and relevant requirements included in the specification. To help do this, suppliers bidding for contract opportunities will be asked, where appropriate: to demonstrate their awareness of relevant environmental issues through their own policies, for deliverables enhancing or delivering sustainability.
- 15.3. Typically, sustainable procurement should follow these principles:
- adopting social, economic, and environmental factors alongside price and quality considerations into procurement processes and procedures.
  - planning to manage demand, effective ongoing contract management and dealing with supply chain risks and impacts.
  - incorporating sustainable procurement into future contracts to facilitate a reduction in our supply chain emissions.
- 15.4. Ethical procurement activity shall give due regard and consideration to commitments that have been made by the Council in relation to ethical standards, policies, charters, and accreditations, including use of the Integrated Impact Assessment and application of social value as defined in the Council's [Social Value Charter](#).

## 16. Social Value

- 16.1. The Public Services (Social Value) Act 2012 came into force on 31 January 2012. The Act requires the Public Sector to consider how they can use contracts to enhance the wider wellbeing of the Community. This compliments existing procurement legislation and reinforces social value as part of value for money consideration.
- 16.2. Social value can be achieved by generating benefits to society, the economy and positive impacts to the environment and local communities via our external spend. Social Value commitments are made towards the [Council Plan](#) Priorities, aligned to the [Social Value Charter](#).
- 16.3. Each tender must contain a minimum weighting of 10% of the evaluation scoring for social value in all Level 4 procurements (£100k and above). The evaluation of the social value offer shall be the responsibility of Strategic Procurement & Contracts. Social value forms part of a bidder's commitments at tender stage and should be tailored to the subject matter of the contract being awarded.
- 16.4. It is the Contract Manager's responsibility to ensure social value is monitored and delivered through the contract monitoring arrangements during the life of the contract.

## 17. Prevention of Corruption and the Bribery Act 2010

- 17.1. Requests for quotations and invitation to tenders must inform prospective tenderers of the Council's [Reporting a concern \(whistleblowing\) policy](#).
- 17.2. All contracts must contain a clause to the effect that the Council will be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if:
- the contractor, their employees, or agents, shall have offered, given, or agreed to give to any persons any gift or consideration of any kind as an inducement or reward in any way relating to the contract or any contract with the Council; or
  - in relation to any contract with the Council, the contractor, their employees, or agents, shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 and the Bribery Act 2010.
- 17.3. Under the Bribery Act 2010 the following offences have relevance for the award of public contracts:
- bribing a person to induce or reward them to perform a relevant function improperly.
  - requesting, accepting, or receiving a bribe as a reward for performing a relevant function improperly, and
  - failing to prevent bribery.

## 18. Conflicts of Interest

- 18.1. Officers and Members must comply with their respective Code of Conduct to avoid any conflict between their own interests and those of the Council. Any Officer, Member or person acting on behalf of the Council who has reason to believe that there is a conflict of interests in respect of a supplier should report this to the Monitoring Officer.
- 18.2. At any point during the procurement process, if an Officer, Member, or person acting on behalf of the Council becomes aware they have a direct or indirect pecuniary interest in a contract which the Council has entered into, or proposes to enter into, their interest must be recorded within the conflict assessment. This includes interests by their close associates or family members.
- 18.3. Failure to declare an interest by an Officer, of which the Officer is aware, is a disciplinary offence; failure to declare an interest by a Member, of which the Member is aware could amount to a breach of the Code of Conduct or a criminal offence.
- 18.4. A conflict assessment must be undertaken for all procurement activity before commencing any activity. The assessment should take account of all those involved or influencing the procurement, including specification and tender documentation development and the future management of the contract. The conflict assessment must identify actual, potential, or perceived conflicts of interests throughout the life of the contract and be proportionate to the level of contract.
- 18.5. In accordance with [section 20](#), where procurements have been jointly procured by

another local authority, public sector consortium or collaboration of which the Council is a party but not the lead authority, a separate conflict assessment must be undertaken prior to commencing the joint procurement.

18.6. If a conflict of interest is identified, the assessment will set out the mitigation being put in place to ensure suppliers are not put at an unfair advantage or disadvantage. The Monitoring Officer must approve all conflict assessments where mitigation is being put in place.

18.7. For all contracts, the conflicts assessment must be:

- included in the checklist.
- regularly reviewed throughout the life of the contract by the Contract Manager.

## **19. Freedom of Information**

19.1. In accordance with the Freedom of Information Act (FOIA) 2000 and Environmental Information Regulations (EIR) 2004, the Council has an obligation to publish specific information and to provide information to members of the public upon request. Any information provided by economic operators that is confidential or commercially sensitive maybe withheld.

## **20. Joint Procurements**

20.1. Contracts that have been jointly procured by another local authority, public sector consortium or collaboration of which the Council is a party but not the lead authority need the appropriate approvals as outlined in [Appendix 3](#).

20.2. A conflict assessment must be undertaken and maintained for each Council prior to agreeing to a joint procurement.

20.3. A legally binding agreement must be entered into with other local, public, private, voluntary and community sector organisations and should include:

- the terms of reference, and
- where appropriate, a scheme of delegation to officers to operate within the partnership.
- to achieve common objectives for the public benefit.

20.4. The heads of terms for all partnership arrangements shall be approved by the relevant Assistant Director and Legal Services (or in accordance with section 5.8)

20.5. The relevant Assistant Director shall be responsible for ensuring adequate arrangements for governance are set up within each partnership entered. Such arrangements shall include provisions for arranging contracts with external bodies.

## **21. Work for Third Parties**

21.1. The Chief Finance Officer must approve the contractual arrangements for any work carried out by the Council for third parties or external bodies.



## PART 3 - Process

### 22. Calculating Contract Value

- 22.1. Prior to commencing a procurement exercise Officers must calculate the 'contract value' in accordance with the relevant legislation over the whole life of the contract, including any extensions and options, inclusive of Value Added Tax (VAT). The estimated contract value will determine the procurement threshold level ([section 5.8](#)).
- 22.2. Contracts must not be purposefully underestimated, split or packages with the intention of avoiding the application of the CPRs or the relevant legislation.
- 22.3. For Concession contracts, the value of the contract shall be the total turnover of the concessionaire generated over the duration of the contract, in consideration for the goods, works or services.
- 22.4. In the case of a Framework or Dynamic Markets, the contract value must be calculated to include the total estimated value (inclusive of VAT) of all contracts envisaged to be awarded for the whole term.
- 22.5. Where PA 2023 applies the procurement will be assumed to be a Covered Procurement if there is any uncertainty as to contract value, for example where a term is uncertain or the number of items to be ordered is unclear.

### 23. Financial Security

- 23.1. The Officer must assess the impact of the contract failing upon the Council's ability to perform its duties and the Council's reputation before commencing any procurement activity. Appropriate safeguards should be included in the requirements.
- 23.2. Where the procurement is within Level 4 (£100k and above) and the impact of the contract failing is deemed to be high, the project team (section 6.4.g) must agree a proportionate financial standing check for the bidders. This must be published in any tender documents.
- 23.3. Where the procurement is more than £1 million, the project team will consider whether additional financial security, parent company guarantee and/or a performance bond are required if there is any concern about the stability of the bidder or any contract. Any decision should be recorded by Strategic Procurement & Contracts subject to Officers providing the required information.

### 24. Insurance

- 24.1. Officers must consider the [Limits of Indemnity Contractors & Third Parties Guide](#) to identify the appropriate insurance (Employers, Public, Professional Indemnity and Product Liability) and level of insurance.
- 24.2. The insurance cover must be proportionate to the contract. Officers must also have

regard to whether the insurance levels may present an obstacle for small or medium enterprises. Advice on insurance levels can be sought from [Insurance.nlc@northlincs.gov.uk](mailto:Insurance.nlc@northlincs.gov.uk).

## 25. Liability

- 25.1. Liability levels must be set before commencing any tendering activity and consideration needs to be given to the correct liability levels to ensure that this does not present a barrier for small and medium enterprises.
- 25.2. Liability cannot be limited for any act or omission, which may not be limited under any applicable law. In all other circumstances unlimited liability should only be used in exceptional circumstances and the approval of the Director/ Section 151 Officer must be obtained.
- 25.3. In setting liability limits consideration needs to be given to the financial, reputational, and operational loss which might be incurred by the Council because of the supplier failing to deliver in accordance with the contract. Liability may be appropriately limited by reference to the insurance levels, the contract value, or a percentage of the contract value.

## 26. Pre-market Engagement

- 26.1. Pre-market engagement is encouraged for all procurement exercises.
- 26.2. For all procurement exercises in Level 4 (£100k and above) pre-market engagement should be undertaken with potential suppliers to establish whether the market can meet the requirements in accordance with relevant legislation. This brings the opportunity to the attention of the market and can help with development of the specification.
- 26.3. Any pre-market engagement must comply with these CPRs, and PA2023 compliance by publishing the required [notice](#), ensuring suppliers participating are not put at an unfair advantage, and competition is not otherwise distorted.

## 27. Levels and Route to Market

- 27.1. Where a [Council Corporate contract](#) exists for goods, works, or services it must be used.
- 27.2. Where Officers plan to undertake a procurement exercise using the Council Highways and Construction Framework or the Professional Services Framework, they must do so in accordance with the [Framework Requirements Table](#).
- 27.3. Where section 27.1 does not apply, a contract may be awarded via a National Framework providing the following criteria are met:
- the call-off is done in accordance with the Framework terms and conditions.
  - value for money can be demonstrated, and
  - the Council's key objectives and outcomes can be met.

27.4. In exploring procurement options, consideration should always be given to using Lots, particularly if it will facilitate opportunities for small and medium enterprises and voluntary organisations. Justification for any decision not to use Lots must be recorded as a material decision. Consideration should be given where appropriate to using a Framework, Dynamic Purchasing System (already established) or Dynamic Market.

27.5. A 'competitive tender process' includes any procedure under the relevant legislation but does not include direct award. A competitive tender procedure should be designed to meet the service requirements. Procedures, dependent on value and complexity, may include Request for Quote (RFQ), Open Tender exercise, Competitive Flexible Procedure, or establishing a Framework, Open Framework, or Dynamic Market.

27.6. Each procedure sets out minimum market engagement required at each level and Officers should always have regard to the provisions of these CPRs and the duty to obtain best value.

27.7. The potential for beneficial collaboration with other public bodies must be considered when planning a procurement exercise. When collaborating in a procurement exercise in which a third party takes any degree of control, Directors must ensure that appropriate due diligence is taken to ensure the arrangements are appropriate and compliant ([Section 20](#)).

#### 27.8. **Level 1 – Procurement below £5,000**

The Officer should use the [under £100k checklist - section 3](#). A minimum of two quotes must be sought. Quotes should be obtained (email/written) based on a clear specification detailing the Council's contract requirements set out in in [Part 4 – Contracts](#). Where possible local suppliers should be asked to quote.

A Purchase Order can be used to form the contract. However, a copy of the quote, conflict assessment and any additional terms and conditions should be included in the [under £100k checklist](#) to be retained by the Officer.

#### 27.9. **Level 2 – Procurement £5,000 to £30,000**

The Officer should use the [under £100k checklist](#). At least three written quotes should be obtained. Quotes should be obtained (email/written/through the electronic tendering platform) based on a clear specification detailing the Council's contract requirements set out in [Part 4 – Contracts](#). Where possible local suppliers should be asked to quote.

Contracts will be signed by the relevant Director using the Council's electronic signature process (or in accordance with section [5.8](#)). A copy of the signed contract should be uploaded to [SharePoint](#) and embedded in the [Under £100k checklist](#) along with the conflict assessment to be retained by the Officer.

#### 27.10. **Level 3 - Procurement valued from £30,000 to £100,000**

The Officer should use the under [£100k checklist](#). A competitive tender process should be used through an open request for quotes (RFQ) process on the Council's electronic tendering (e-tendering) platform, including a clear specification detailing the Council's contract requirements set out in [Part 4 – Contracts](#). The evaluation criteria should normally be 60% price, 40% quality. Advice and guidance must be sought from Strategic Procurement & Contracts where the Officer considers a deviation of the evaluation criteria would better meet the needs of the requirement. Contracts will be signed by the relevant Director using the Council's electronic signature process (or in accordance with [section 5.8](#)). A copy of the signed contract should be uploaded to [SharePoint](#) and embedded in the [Under £100k checklist](#) along with the conflict assessment to be retained by the Officer.

#### 27.11. **Level 4 - Procurement valued over £100,000**

Strategic Procurement & Contracts will lead the procurement exercise and should be engaged by the Officer **before** any market engagement or procurement activity commences. Failure to do so could lead to a breach of the relevant legislation. A competitive process on the e-tendering platform should be followed in accordance with the relevant legislation, including a clear specification detailing the Council's contract requirements set out in [Part 4 – Contracts](#). The standard evaluation criteria of 60% price, 30% quality and 10% social value should be used (any deviation from this evaluation criteria should be justified, and approval sought in the permission to tender [section 32](#)). Legal Services should be instructed at the earliest opportunity to ensure there is no delay in drafting the terms and conditions.

27.12. The Assistant Director: Legal is authorised to sign contracts that exceed the value of £100,000 (Level 4) ([section 45.](#))

27.13. Where the appropriate level and procedure is selected, however the tenderers' bid responses exceed the values identified in levels 1 to 3, advice and guidance must be sought from Strategic Procurement & Contracts regarding next steps.

### **28. Dynamic Purchasing**

28.1. The Procurement Act 2023 removed the establishment of a Dynamic Purchasing System as a route to market, therefore any Dynamic Purchasing System (DPS) which was procured under the Public Contract Regulations 2015 will expire on the 23 February 2029. Contracts may be awarded under an established DPS up and until the 23 February 2029.

28.2. Dynamic markets may be established only for above threshold call-offs ([section 3.4](#)). Contracts may be awarded via a Dynamic Purchasing System (DPS), or Dynamic Market provided they have been established by Central Purchasing Bodies or other contracting authorities (as defined by the Procurement Regulations).

## **29. Social and Other Specific Services (Light Touch Services)**

- 29.1. All procurements for social and other specific services which fall within the category of those 'Light Touch Services' listed in [Schedule 1](#) of the Procurement Act 2024, shall be carried out in accordance with the procurement regulations.
- 29.2. Light touch contracts (including user choice contracts) are exempt from certain provisions of the Procurement Act in relation to the publication of some notices both before and beyond the award of the contract.
- 29.3. Where an Officer considers the service is listed within the [Light Touch Services CPV codes](#), advice and guidance must be sought from Strategic Procurement & Contracts and Legal Services.

## **30. Health Care Services (Provider Selection Regime) Regulations 2023**

- 30.1. The Health Care Services (Provider Selection Regime) Regulations 2023 came into effect on 1st January 2024 and replaced the Public Contracts Regulations 2015 and revoked the National Health Service Regulations 2013.
- 30.2. Where the provision of Health Care Services is required, advice must be sought from Strategic Procurement & Contracts to confirm the service is in-scope of the [CPV codes](#) classified in the Health Care Services (Provider Selection Regime) Regulations 2023.
- 30.3. Where a contract comprises a mixture of in-scope Health Care Services and out-of-scope services or goods, the Provider Selection Regime may only be used to arrange those services when the following requirements are satisfied:
- the main subject-matter of the contract is in-scope Health Care Services: and
  - the other goods or services could not reasonably be supplied under a separate contract.
- 30.4. The Provider Selection regime includes five processes for awarding contracts:
- Direct Award Process A
  - Direct Award Process B
  - Direct Award Process C
  - The Most Suitable Provider Process
  - Competitive Process.
- 30.5. Any Health Care Services arranged under the Provider Selection Regime must be undertaken in accordance with these [procedures](#), since there is strict criteria to follow within each process. Officers should also refer to [Appendix 3](#).
- 30.6. Advice and guidance must be sought from Strategic Procurement & Contracts and Legal Services.

## **31. Transport Services**

- 31.1. This section applies to contracts for local bus services, where the de-minimis provisions of the Transport Act 1985 and regulations made under it apply. Also, in accordance with

the criteria approved by the Council, or contracts which the Council's Monitoring Officer advises falls within the provisions of section 91 of the Transport Act 1985 ([section 5.4](#)).

31.2. The Services Area Lead and/or Project Group must identify the minimum specification or requirements to be provided by the market. Invitations to tender should be made pursuant to section 89-91 of the Transport Act 1985 and all other relevant regulations and legislation.

31.3. Minimum subsidy contracts are deemed to be Concession Contracts and should be procured under the Procurement Regulations.

31.4. Invitations to tender (ITT) should be advertised using the Council's standard tender documentation which include a statement that a tenderer may propose an alternative approach to meeting the transport requirement set out in the tender, provided it is accompanied by a fully compliant bid.

### **32. Permission to Tender**

32.1. The Council's Constitution requires all officers, to obtain the necessary approvals before commencing a procurement exercise and upon award of a contract under the Procurement Regulations and the Provider Selection Regime. Authority to commence a procurement is subject to written approval through a Decision Making Report (or in accordance with [section 5.8](#)) excluding those which are utilising an existing Council Corporate Contract, a Framework or DPS ([section 27](#)).

32.2. The type of approval will vary depending on the value of the procurement exercise. Officers should refer to [Appendix 3](#). Where a Key Decision is required, the Key Decision Notice and Decision should be published and concluded at the start of the process. In relation to the governance requirements set out in these CPRs, advice and guidance can be sought from Democratic Services.

### **33. Permission to Award**

33.1. The Council's Constitution requires all officers to obtain the necessary approval before awarding a contract. Authority to award a contract following a procurement exercise is subject to written approval through a Decision Making Report (or in accordance with [section 5.8](#)). A Decision Making Report is required for direct awards under a National Framework (where permitted) ([section 27.3](#)).

33.2. No contract in the Council's name shall be entered into either orally or in writing without proper authority having been obtained ([section 45](#)).

### **34. E-tendering**

34.1. All Level 3 (£30,000 - £100,000) and Level 4 (£100,000 and above) procurement opportunities should be advertised via the Council's e-tendering platform. This ensures compliance with the regulations and the opportunity is transparently advertised to the market in a fair and auditable way.

34.2. Responsibility for publishing and maintaining opportunities on the Council's e-tendering platform lies with Officers (Levels 1 – 3) and with Strategic Procurement & Contracts (Level 4).

34.3. For procurements conducted via the e-tendering platform, all communications with tenderers must be via the platform.

### **35. E-tendering Compliance**

35.1. Any tenderer who fails to complete all the documentation and/or comply with the tender instructions and submission requirements set out in the Invitation to Tender will be deemed to be non-compliant and, subject to the discretion of the Council acting reasonably, have their tender rejected. Advice must be sought from Strategic Procurement & Contracts and Legal Services prior to rejecting any tender submission.

### **36. Late Tender or E-tendering Access Errors**

36.1. The Council will not accept any late tender, other than where:

- the tenderer can prove that a system access error has occurred, and/or
- providing an e-tendering platform report confirming the site was unavailable on the submission deadline.

36.2. Any acceptance of a late tender shall be approved by the relevant Director in consultation with Strategic Procurement & Contracts and Legal Services.

### **37. Omissions, Ambiguities, and Inconsistencies**

37.1. All clarifications, by the Council or tenderers, must be raised via the e-tendering platform. Guidance from Strategic Procurement & Contracts is recommended in all circumstances but mandated where the issue, error, omissions, or inconsistency is linked to price or potentially creates a material change.

37.2. Where there is an omission, ambiguity, or inconsistency in a tender (including an arithmetical error), the Council reserves the right to contact the tenderer in writing via the e-tendering platform setting out the ambiguous or inconsistent part and the alternative interpretations of it.

37.3. The tenderer will be required to clarify within an appropriate time limit, via the e-tendering platform which of the interpretations are correct and submit or complete relevant information or documentation, provided that such requests are made in compliance with the principles of equal treatment and transparency. Clarification is not an opportunity to alter or improve a bid, it is only to clarify submissions.

### **38. Abnormally Low Tenders**

38.1. Where a tender has been received and is considered to be abnormally low, the Officer must notify the supplier of this and give them reasonable opportunity to demonstrate their ability to perform the contract for the price offered.

38.2. The Officer may disregard the tender where the ability to perform the contract for the price submitted has not been demonstrated.

### **39. Award Letters for Contracts Awarded under the Procurement Regulations**

39.1. All contracts let are to be awarded using the e-tendering platform on or over the relevant level ([section 27](#)). For Covered procurements ([section 3.3](#)) all tenderers must be issued with an assessment summary and a standstill period of eight (8) calendar days must be applied once the intention to award has been published on Find a Tender.

39.2. All assessment summaries must be on the Council's standard template accompanied by a signed Officer Decision Notice approving the award of the contract, prior to them being passed to the Assistant Director Legal for signature.

39.3. Where a request for further feedback or potential challenge to any assessment summary is received advice from Strategic Procurement & Contracts and Legal Services must be obtained.

### **40. Award Letters for Contract Awarded under the Provider Selection Regime**

40.1. Where a contract is awarded under the Direct Award Process C or Competitive Tender process under the Provider Selection Regime, the Officer must apply a standstill period.

40.2. The standstill period must be for a minimum period of eight (8) working days starting when the intention to award has been published on Find a Tender.

40.3. Where representations are received, they must be dealt with in accordance with [NHS Statutory Guidance – Provider Selection Regime](#) and advice from Strategic Procurement & Contracts and Legal Services must be obtained.

### **41. Records**

41.1. Officers must keep a full audit trail of documents for all procurements for Level 1, 2 and 3 and complete checklists for all procurements.

41.2. Strategic Procurement & Contracts will keep a full audit trail of documents for Level 4 procurements, ensuring that all correspondence or discussion that takes place in relation to the procurement are fully documented utilising the e-tendering platform and a copy retained in the checklist (over £100k).

41.3. Records must be kept following the award of the contract in accordance with the [Council's retention policy](#).

### **42. Waivers**

42.1. The following do not apply to a Covered Procurement ([section 3.3](#) and [43](#)).

42.2. These CPRs may be waived in exceptional circumstances where:

- a) the requirement is time critical.



## Contract Procedure Rules – Part 3 – Process

- b) renewals, repairs and upgrades to buildings, plant, appliances, machinery, vehicles or ICT equipment or software can only be efficiently carried out and supplied by the original contractor or supplier.
- c) there is only one potential supplier of the required goods, works or services due to market factors.
- d) contracts are to be modified during their specified term ([section 49](#)).
- e) where an emergency exists as defined in the Council's Emergency Plan.

42.3. A waiver cannot be granted retrospectively since doing so would contravene the relevant legislation. Applications because of poor contract planning will rarely be considered exceptional.

42.4. Waivers must not be used to avoid the requirements of the Contract Procedure Rules to go to competition due to lack of time to procure. Procurement projects should be planned well in advance.

42.5. Waivers must demonstrate that value for money has been considered and there are clear benefits or advantages to the Council.

42.6. All requests must be made on the waiver form. The completed form should be submitted to Strategic Procurement & Contracts, who will liaise (where appropriate) with Legal Services and Finance before approval.

42.7. Strategic Procurement & Contracts will maintain a log of all waivers for reporting purposes.

42.8. A Key Decision Notice will be required to be published prior to any waiver request being approved, where such request meets the definition of a [Key Decision](#). Advice and guidance can be sought from Democratic Services.

## 43. Direct Award - Covered Procurement

43.1. These CPRs may be waived for a covered procurement ([section 3.3](#)) in very specific circumstances, in accordance with the Procurement Act 2023 direct award justification, where one of the following applies:

- a) to produce a prototype, or supply of other novel goods or services.
- b) the creation or acquisition of a unique work of art or artistic performance.
- c) the purchase of additional or repeat goods, services or works by the existing supplier for compatibility reasons, or where they were provided for within the original tender documentation.
- d) purchase of goods on a commodity market.
- e) the supplier is undergoing insolvency proceedings, and advantageous terms are available.
- f) reasons of extreme and unavoidable urgency where, as a result the public contract cannot be awarded on the basis of a competitive tendering procedure. Officers must continue to seek and obtain value for money wherever possible.
- g) for the supply of user choice services.

- 43.2. If Officers consider a specific circumstance exists, advice from Strategic Procurement & Contracts and Legal Services must be obtained.
- 43.3. All requests must be on the direct award form. The completed form should be submitted to Strategic Procurement & Contracts, who will liaise with Legal Services and Finance before approval.
- 43.4. Additional transparency requirements are mandated for direct awards under the regulations and a transparency notice must be published **before** the award is made. Strategic Procurement & Contracts must be engaged to ensure compliance with the regulations.
- 43.5. Strategic Procurement & Contracts will maintain a log of all PA 2023 direct awards for reporting purposes.
- 43.6. A Key Decision Notice will be required to be published prior to any direct award being approved, where such request meets the definition of a [Key Decision](#). Advice and guidance can be sought from Democratic Services.

## PART 4 - Contracts

### 44. Form of Contract

- 44.1. A contract award notification shall be issued by the Officer (Level 3) once the evaluation has been completed and the Decision Making Report and Officer Decision Notice have been approved ([under £100k checklist](#)).
- 44.2. A contract award notification and assessment summaries shall be issued by Strategic Procurement & Contracts (Level 4) once the evaluation has been completed and the Decision Making Report and Officer Decision Notice have been approved.
- 44.3. Legal Services should be instructed for all contracts in and above Level 3 at the earliest opportunity to ensure that there is no delay in completing the terms and conditions.
- 44.4. Except in exceptional circumstances and with the written approval from the Monitoring Officer) in consultation with the Head of Finance), all contracts must be signed or sealed **before** works or services commencing, or goods or materials being received.
- 44.5. In all instances the Council's standard terms and conditions must be used except where:
- a Council Corporate Contract is being used.
  - an established Framework or DPS is being used.
  - any Contract under the value of £30,000, or
  - the relevant Director, in consultation with the Assistant Director Legal has confirmed it is appropriate for alternative terms and conditions to be used.
- 44.6. All contracts shall:
- specify the goods/materials, works, or services to be supplied/undertaken, price to be paid, payment terms and conditions, details of any discounts or penalties, the period of the contract and any other terms and conditions that may be agreed.
  - require payment to be made within 30 days of receipt of a valid invoice.
  - contain a copy of the tender submission and specification.
  - give the Council the right to cancel the contract and recover from the Supplier the amount of any loss resulting from such cancellation, because of bribery ([section 17](#)).
  - reserve rights of audit to the Council where the Supplier makes payments to, or collects income on behalf of, the Council.
  - only permit sub-contracting with the Council's express consent and a requirement that the Supplier impose on the sub-contractors' equivalent requirements in terms of equality, health and safety, bribery and corruption, insurance, data protection, modern slavery, and payment provisions.
  - ensure that the processing or sharing data, complies with the Council's [Information Governance Framework](#) and complete a [Data Protection Impact Assessment](#).
- 44.7. Level 4 contracts must also include a right to terminate the contract where:

## Contract Procedure Rules – Part 4 - Contracts

- there has been a substantial modification which would have required a new procurement procedure under relevant legislation.
- the Supplier should, at the time of the contract award, or since contract award have been excluded from the procurement procedure; or
- a UK court has declared that the contract should not have been awarded to the Supplier in view of a serious breach of the relevant legislation, specific exclusions or debarments.

44.8. Advice from Legal Services should be sought for:

- Frameworks and Dynamic Markets (where they are not established).
- IT contracts.
- Adult social care services or Health Care Services: and
- low value (Level 2 & 3) contracts, where there is a specific need or bespoke requirement.

## 45. Contract Signing & Sealing

45.1. Contracts within Levels 1 and 2 may be the subject of a Purchase Order unless a formal written contract is required. A copy of the quote and conflict assessment should be embedded in the checklist. If there is a requirement for additional terms and conditions these can be signed in accordance with section 45.2.

45.2. Pursuant to section 2.6 of the Council's [Scheme of Delegation](#), all Directors are authorised to sign contracts that do not exceed the value of £100,000 (Level 3 - £30k to £100k), provided that:

- the conditions set out in section 2.6 of the Council Scheme of Delegation have been complied with; and
- it does not require the affixation of the Common Seal.

45.3. Directors may seek to delegate their authority to sign contracts ([section 5.8](#)) provided such delegation is undertaken in writing in accordance with the Council's Constitution, and a copy of such delegation is provided to the Head of Democracy and follows the Authorisation of Orders levels set out in the [Finance Manual](#).

45.4. The Assistant Director Legal is authorised to sign contracts that exceed the value of £100,000 (Level 4) and unless they determine otherwise, such contracts shall be executed by way of deed, under the electronic Common Seal of the Council.

45.5. The Assistant Director Legal is authorised to affix the electronic Common Seal of the Council to such contracts using the Council's electronic signature software.

45.6. Where a Contract is required to be executed by the Assistant Director Legal, the Officer shall complete a [Contract Signature Form](#) to arrange for the contract to be signed and completed. For the avoidance of doubt, the Officer shall not send the contract directly to the Assistant Director Legal either by email or through the council's electronic signature software.

45.7. Contracts that do not need to be executed by the Assistant Director Legal are to be signed electronically using the Council's electronic signature software. Officers should contact IT Applications Team to ensure they have appropriate access to the electronic signature software prior to signing or completing any contract.

45.8. Legal Services shall send all contracts that are electronically sealed to Property Services for storage and retention. All other contracts which are either:

- electronically signed by the Assistant Director: Legal; or
- electronically signed by any other Director.

must be stored in the Council's electronic central contract store.

45.9. It is the Officer's responsibility to upload the contract to the central contract store by completing the [Form](#). The Officer is also responsible for the retention of the contract in the store in accordance with the Council's retention policy.

## 46. Contract Register

46.1. The Council is committed to displaying information that explains how its money is spent. The Local Government Transparency Code 2015 requires Local Authorities to publish any expenditure that exceeds £500 and maintain a register of all contracts over £5,000.

46.2. The contracts register can be found on the [Council's website](#) and is regularly updated. In addition, there is a requirement for publication of a future [pipeline of opportunities](#).

## 47. Transparency and Required Notices

47.1. Under the relevant legislation the Council has a statutory obligation to publish notices in relation to procurement activity. It is the responsibility of the Assistant Directors/Directors to ensure that the statutory requirements are complied with.

47.2. All relevant notices over £30,000 (Level 3) must be published by the Officer undertaking the procurement through the Council's e-tendering platform on the Central Digital Platform - Find a Tender.

47.3. For procurement activity to which PCR 2015 applies it is mandatory that any modifications to contracts are published on Contracts Finder and / or Find a Tender.

47.4. For procurement activity to which PA 2023 applies there are several additional mandatory notices that must be published on Find a Tender ([Appendix 2](#)).

47.5. It is the responsibility of Assistant Directors/Directors to ensure that Officers provide all relevant information to Strategic Procurement & Contracts to make sure all statutory requirements are complied with. Strategic Procurement & Contracts can advise on the relevant [notices](#) depending on the contract value and route to market.

47.6. Additional transparency requirements apply to contracts valued £5 million and above. A copy of the contract (redacted with commercially sensitive information) must be

published, along with a minimum of three Key Performance Indicators which are considered the most material to performance of the contract obligations.

#### **48. Contract Management**

- 48.1. It is the Officer's responsibility to ensure that there is a robust contract management plan in place that is proportionate to the scale and scope of the contract as identified by the tiering tool. This should include all applicable stages in the contract management framework, including, but not limited to:
- accountability, roles, and responsibility.
  - strong governance procedures.
  - measuring and reporting on budget, performance, social value and using KPIs (key performance indicators) and data efficiently to incentivise satisfactory performance.
  - drive continuous improvement, value for money and capture innovation.
  - adopt and encourage mature commercial behaviours.
- 48.2. Any modifications (including extensions) to a contract may only be made in accordance with [section 49](#).
- 48.3. The Officer is responsible for ensuring Strategic Procurement & Contracts have the necessary information to be able to comply with relevant legislation and where required, notices about payments, performance, and termination.
- 48.4. Strategic Procurement & Contracts must be engaged before escalation of any performance concerns.
- 48.5. Level 4 contracts can only be terminated following advice from Legal Services.
- 48.6. To support forward planning, Strategic Procurement & Contracts will provide a list of all contracts highlighting those which are expiring in the next twelve months.

#### **49. Contract Extensions and Modifications**

- 49.1. A contract (excluding those under Provider Selection Regime) can be extended beyond its original term, or modified provided that:
- the original contract included a specific provision to allow for it to be extended in both duration and value; and
  - it is appropriate to do so given the budget availability; and
  - the contract is performing well, monitored through effective contract management.
  - it will not result in the total value of the contract exceeding the Key Decision threshold.
  - where it will not result in the contract becoming a Covered procurement ([section 3.3](#)).
- 49.2. A modification of an existing contract which will result in it becoming a Covered Procurement may only be approved if it complies with the relevant legislation. Advice and guidance must be sought from Strategic Procurement & Contracts and Legal Services.

- 49.3. Where the contract does not include specific provisions for it to be extended or modified advice must be sought from Strategic Procurement & Contracts and Legal Services as to whether the waivers process ([section 42](#)) may apply.
- 49.4. Officers must obtain approval for an extension or modification by completing the extension/modification form documenting the reason for which the extension or modification is sought, budget availability, justification, and risk management.
- 49.5. The completed form should be submitted to Strategic Procurement & Contracts, who will liaise (where appropriate) with Legal Services and Finance before approval.
- 49.6. Following approval by the relevant Director (subject to [section 5.8](#)), the extension/modification form should be submitted to Strategic Procurement & Contracts for publication.
- 49.7. Strategic Procurement & Contracts will maintain a log of all extensions and modifications for reporting purposes.

## **50. Novation**

- 50.1. Novation refers to where one of the contracting parties in the original contract is replaced by an entirely new party that assumes the rights and obligations of the original party.
- 50.2. Transfer, assignment, and novation of contracts can only be completed upon advice and support from Legal and Financial Services.

## Appendix 1 – QUICK REFERENCE GUIDE

	Aggregate Value (including extensions) £ (inc. VAT)	Transparency All spend over £500 is published	Method & Timescales out to market	Receipt of Quotes	Authorised to conduct Procurement	Contract Options	Approval to procure & approval to award	Who signs the contract on the Council's behalf	Records (held for end of contract + 6 years)
<b>Level 1</b>	£0 to £5,000		Minimum of two quotes	Writing/ Email/ Desktop exercise evidence	Officer	Purchase Order	Approval to award: Assistant Director (or authorised nominated Officer)	Director (or authorised nominated Officer) (if required)	<i>Finance system:</i> Purchase Order Quote
<b>Level 2</b>	£5,000 to under £30,000	Contract Register	Minimum of three quotes (e-tendering minimum ten calendar days)	Writing/ Email or e-tendering platform	Officer (consulting SPC as needed)	Council model contract Supplier T&Cs Purchase Order		Director (or authorised nominated Officer)	<i>Held by Officer:</i> Procurement checklist Conflict assessment
<b>Level 3</b>	£30,000 to under £100,000	Contract Register  Procurement Notices	Competitive procedure – request for quotes (e-tendering minimum ten calendar days)	e-tendering platform	Officer (consulting SPC as needed)	Council model contract	Approval to procure: Assistant Director. Approval to award: Director (or authorised nominated Officer)	Director (or authorised nominated Officer)	<i>Held in SharePoint store:</i> Contract
<b>Level 4</b>	Over £100,000 up to £1,000,000	Contract Register  Procurement Notices	Competitive procedure – open tender	e-tendering platform	Strategic Procurement & Contracts (SPC)	Council model contract	Director (or authorised nominated Officer)	Sealed AD Legal	<i>Held by SPC:</i> Procurement checklist Conflict assessment
	£1,000,000 plus  (note: Key decision <a href="#">32.2</a> )		Cabinet Member decision to commence procurement. Director decision to award referring to cabinet member				Sealed AD Legal	Committee Report (end of contract +12 years)	

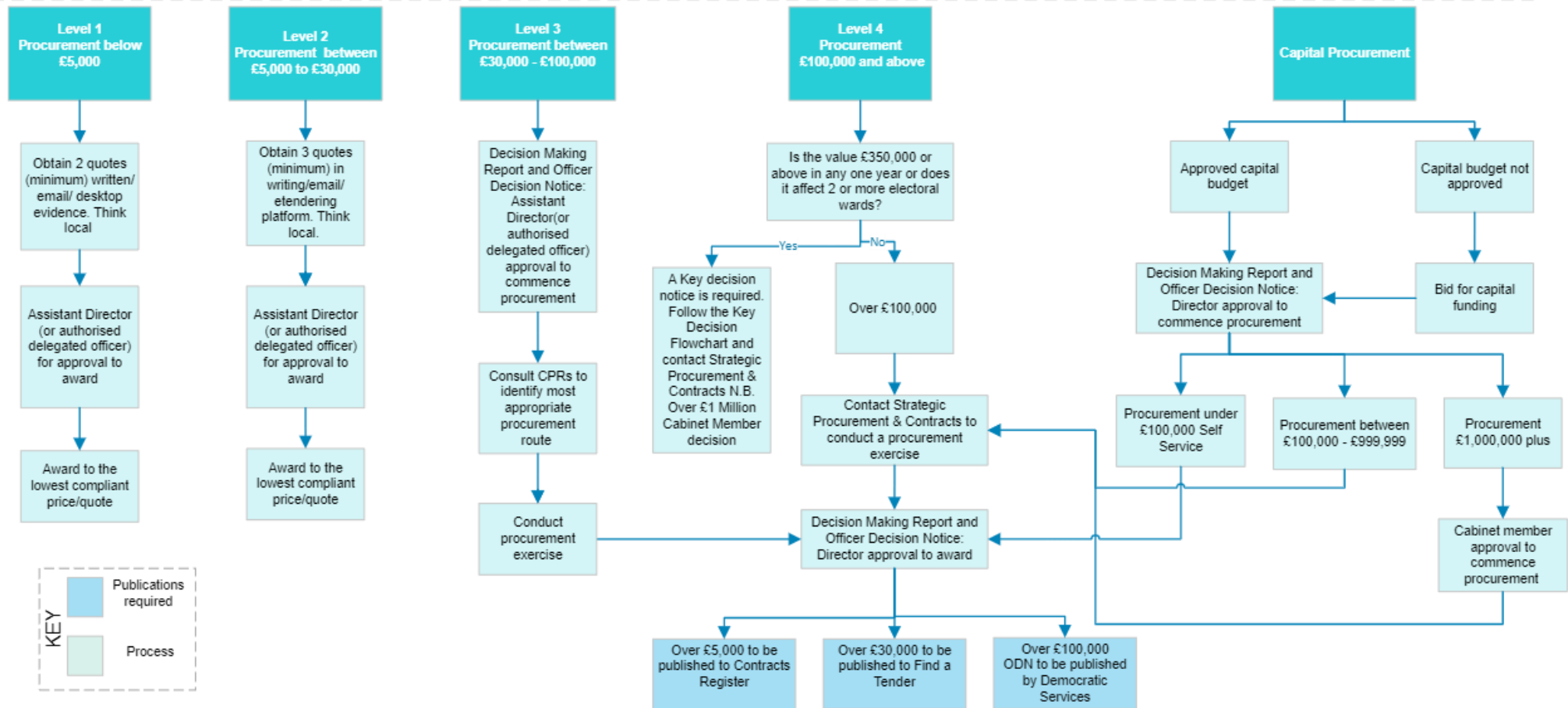


## Appendix 2 – NOTICES REQUIRED UNDER PA 2023

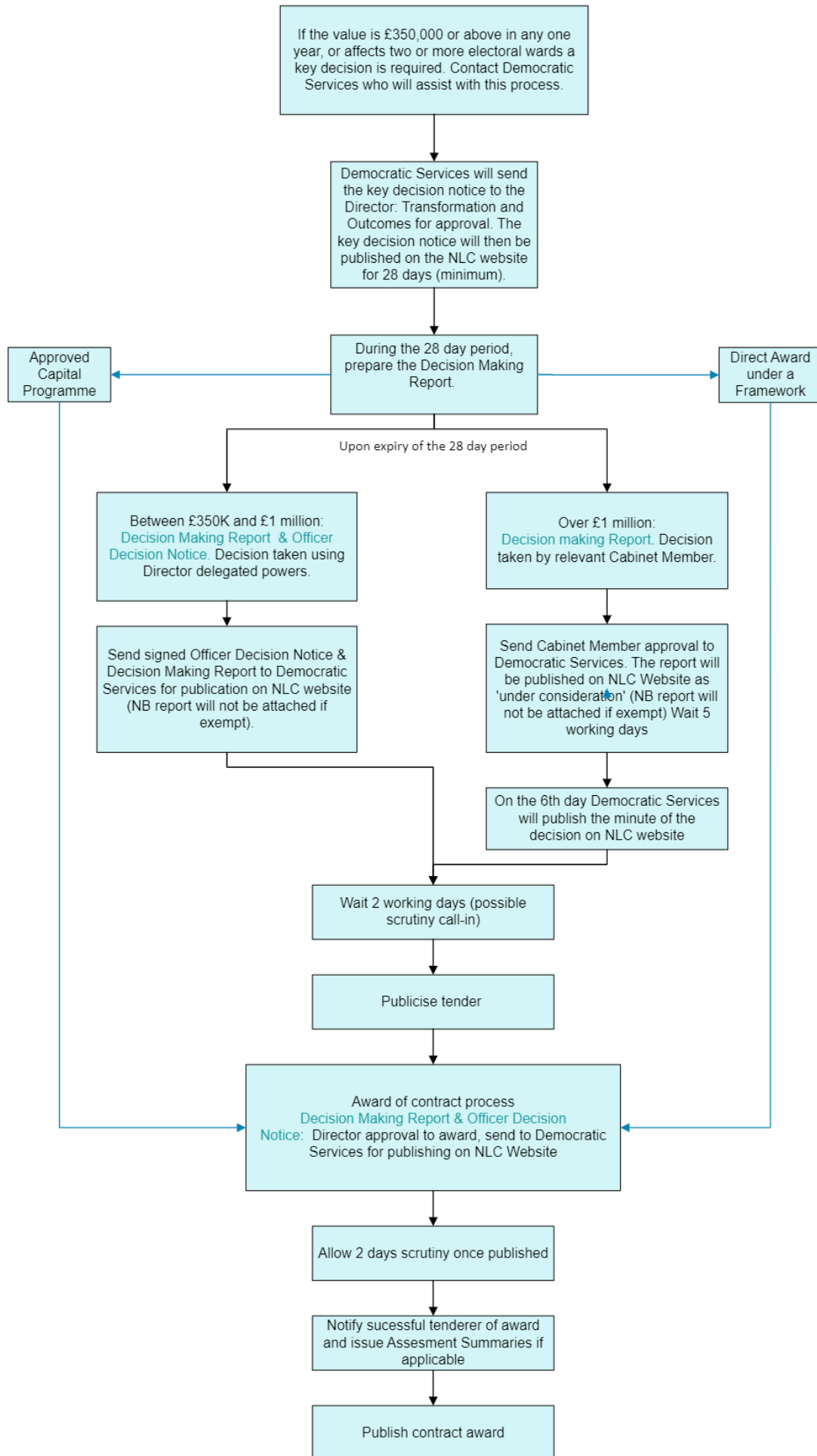
Type of notice	Relevant provisions	Purpose
Pipeline Notice	s93 PA 2023 Reg. 15 Procurement Regulations 2024 (PA2024)	Mandatory annual notice setting out planned procurement over £2million for the next 18 months.
Preliminary Market Engagement Notice	s17 PA 2023 Reg. 17 PA 2024	Mandatory if preliminary market engagement is undertaken.
Planned Procurement Notice	s15 PA 2023 Reg. 16 PA 2024	An optional notice setting out the intention to undertake a tender exercise.
Tender Notice	s21, s87 PA 2023 Regs. 18 – 21 PA 2024	Mandatory notice published inviting tenders for both Covered Procurement (s21) or an advertised contract over £30,000 (inc. VAT) (s87).
Dynamic Markets Notice	s39 PA 2023 Reg. 25 PA 2024	Mandatory notice setting out the intention to set up a Dynamic Market.
Transparency Notice	s44 PA 2023 Reg. 26 PA 2024	Mandatory notice setting out the intention to make a direct award.
Contract Award Notice	s50 PA 2023 Reg. 27 PA 2024	Mandatory notice published on award of contract which commences the standstill period.
Contract Details Notice	s53, s87 PA 2023 Regs. 32 – 36 PA 2024	Mandatory notice setting out the details of when the contract is completed for the award of a Covered Procurement (s53) or a contract over £30,000 (inc. VAT) (s87).
Procurement Termination Notice	s55 PA 2023 Reg. 37 PA 2024	Mandatory notice when a decision is taken not to award a contract.
Contract Performance Notice	s52, s71 PA 2023 Reg. 39 PA 2024	Mandatory notice every 12 months for contracts valued over £5million to assess KPI (key performance indicators) performance and on termination.
Contract Change Notice	s75 PA 2023 Reg. 41 PA 2024	Mandatory notice if a Covered Procurement is varied and there is an increase or decrease of the term or value by more than 10% for goods and services or 15% for works.
Payments Compliance Notice	s69 PA 2023 Reg. 38 PA 2024	Mandatory notice every 6 months setting out the Council's compliance with the 30-day payment term.
Contract Termination Notice	s80 PA 2023 Reg. 40 PA 2024	Mandatory notice when a Covered Procurement contract is terminated.

# Appendix 3 – GOVERNANCE

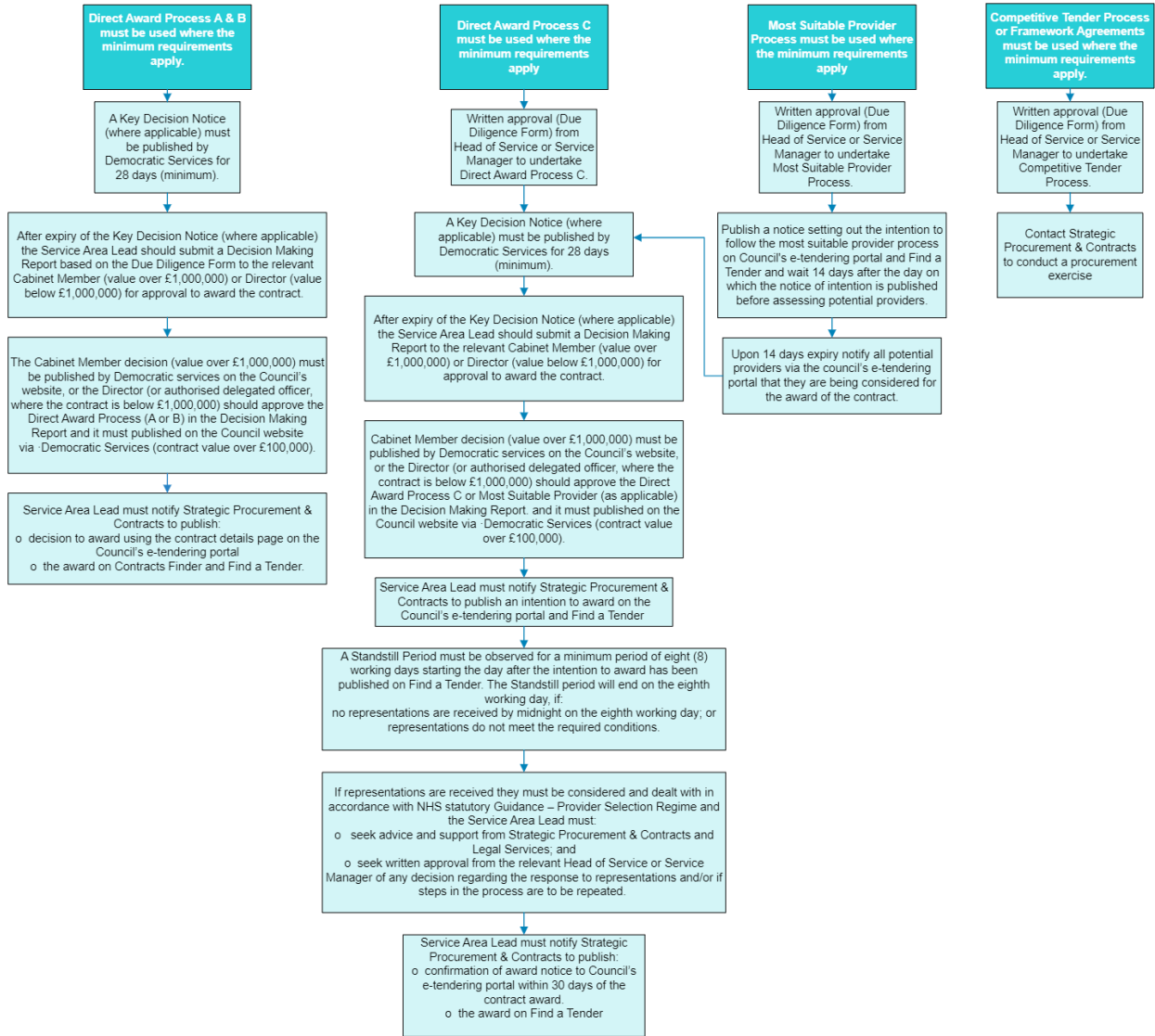
## Decision Making Process



**Key Decision Flow Chart**



**Provider Selection Regime Flow Chart**



## Appendix 4 – USEFUL LINKS

[Procurement Act 2023](#)

[The Procurement Act 2023 \(Commencement No. 3 and Transitional and Saving Provisions\)](#)

[Regulations 2024](#)

[The Procurement Act 2024](#)

[The Health Care Services \(Provider Selection Regime\) Regulations 2023](#) [Public Contracts](#)

[Regulations 2015](#)

[The Utilities Contract Regulations 2016](#)

[The Concession Contracts Regulations](#)

[2016](#)

[The Public Services \(social value\) Act](#)

[2012](#)

[The Public Procurement \(Amendment etc.\) \(EU Exit\) Regulations 2020](#)

[Modern Slavery Act 2015](#)

[Social Value Act 2012](#)

[Local government Transparency Code](#)

[2015 Freedom of Information Act 2000](#)

[IR35 Guidance](#)

[Local Government Act 1999 \(Section 3; best value\)](#)

[National Procurement Policy Statement](#)

## Appendix 5 – DEFINITION AND GLOSSARY

Term	Meaning
Academy/Academies	A school that is directly funded by central government and independent of local authority control
Budget Holder	The officer with responsibility for the budget concerned and with delegated authority to award the contract
Cabinet Member	Elected member of the Council who is responsible for the Cabinet Portfolio under which the service area sits
Central Digital Platform - Find a Tender -	The UK government's official portal. The central digital platform is an enhanced version of <a href="#">Find a Tender</a> (FTS), providing access to high value contracts, the PA2023 procurement notices, and the new Supplier Information Service (SIS).
Central Purchasing Bodies	A contracting authority (as defined by the Procurement Regulations)
Concessions	Where the Council awards a Service Provider the right to provide a service and rather than pay the Provider, the Council transfers the market opportunity to them, along with the demand risk. Revenue from fees paid by service users is kept by the Service Provider and used to meet the costs incurred in delivering the service and potentially to make a profit
Constitution	Set of legal, administrative, and legislative principles by which the Council is governed, especially in relation to the rights of the people it governs.
Contract	Document setting out various particulars for the provision of supplies, services and works
Contracts Finder	An online government database which enables suppliers to search for contract opportunities, across the nation and sectors.
Contract Management	Contract management is the process of creating, implementing, and reviewing contracts between a business and supplier, or partner, and is an essential part of running the business well.
Council	Refers to North Lincolnshire Borough Council unless otherwise specified.
Covered Procurement	The award, entry into and management of a public contract in accordance with the Procurement Act.
CPRs	Contract Procedure Rules
CPV codes	CPV (Common Procurement Vocabulary) codes are standardised vocabulary which helps classify contract notices to enable suppliers to find notices of interest to them.
Data Protection Impact Assessment (DPIA)	A DPIA is a process to systematically analyse proposed data processing activities and help identify and minimise data protection risks arising. The UK GDPR requires that you consult the Data Protection Officer (DPO) on DPIAs and the DPO must keep a record of all DPIAs.
Director	Officer who is responsible for a Service Area or grouping of services of the Council
Disaggregate	The splitting down of requirements into lower value packages
Dynamic Purchasing System (DPS)	A procurement tool available for contracts for goods, works, and services commonly available on the market, where new suppliers can join at any time. DPS will expire at the end of the agreement and no more can be established under PA2023.
Dynamic Market	Introduced by the Procurement Act 2023 and is a list of qualified suppliers of the dynamic market who are eligible to participate in future above

	threshold procurements.
Electronic tender (e-tendering) platform	The Councils approved e-tendering system web portal by which the Council advertises and manages quotations and tender opportunities.
Finance Manual	The rules and procedures for financial activities <a href="#">Finance Manual</a>
Freedom of Information	Access to information held by public authorities. <a href="#">Freedom of Information Act 2000</a>
Framework Agreement	An overarching agreement with a supplier where prices, specifications and terms are pre-agreed, however no obligation to purchase. Requirements are “called off” as and when required over a specified period.
Heads of Terms	They provide an outline, overview, and set out the key provisions the Authority requires to be covered in the successful Providers terms and conditions.
Key Decision	A <a href="#">Key Decision</a> is an executive decision that is likely to: <ul style="list-style-type: none"> <li>▪ result in the council incurring expenditure or the making of savings (including the receipt or loss of income) over £350,000 in any one financial year.</li> <li>▪ Have significant effects on communities living or working in an area comprising two or more electoral wards or divisions in the local authority area.</li> </ul> Flowchart: <a href="#">Appendix 3</a> .
Light Touch Services	A specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. Those service contracts include certain social, health and education services, defined by Common Procurement Vocabulary (CPV) codes in <a href="#">Schedule 1</a> of the Procurement Regulations 2024.
Local Government Transparency Code	This document sets out the minimum data that local authorities should be publishing, the frequency it should be published and how it should be published <a href="#">Local government Transparency Code 2015</a>
Lots	<a href="#">Lots</a> are a way to split a larger single procurement into smaller ‘chunks’ which are then procured under separate contracts with different suppliers.
Maintained School	Primary and secondary schools funded by central government via the local authority, not charging fees to students
MAT	Most Advantageous Tender
Monitoring Officer	The Monitoring Officer ensures the lawfulness and fairness of Council decision making and serves as the guardian of the Council's Constitution and the decision-making process. Responsibilities include advising the Council on the legality of its decisions, providing guidance to councilors and officers on the Council's Constitution and its powers and assisting the Standards Committee in its role of promoting and maintaining high standards of conduct and probity within the Council.
National Frameworks	A framework established for use by named purchasing bodies as a potential route to market, to be used in accordance with the terms and conditions specified.
Open Framework	An “open framework” is a scheme of frameworks that provides for the award of successive frameworks on substantially the same terms.
Public Contract	A public contract is a contract entered into by a contracting authority with a value above the relevant threshold that is not exempted by Schedule 2 of the Procurement Act 2023 (Act)

Procurement Notices	Mandatory notices for all contracts ( <a href="#">Appendix 2.</a> )
Regulated Procurement	A below threshold contract which is not exempt or a concession or utilities.
Risk Management	The identification of potential risks and the arrangement of contingency plans to manage or mitigate those risks
Service Area	A Council service that is responsible for specific service delivery
SME	Small and Medium sized enterprises defined as: any business with fewer than 250 employees and either an annual turnover below £45m or a total balance sheet less than £40m.
User choice contracts	User choice contracts (Schedule 5 PA 2023) are those pursuant to which services are supplied directly to a particular individual under the Section 8 light touch regime: usually in the context of delivering bespoke care.
UK Legislation	Any applicable Act of Parliament, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, exercise of the royal prerogative, enforceable community right within the meaning of Section 2 of the European Communities Act 1972, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements
VAT	Value Added Tax