

# STANDING ORDERS RELATING TO CONTRACTS

## INTRODUCTION

Contract Standing Orders are an essential part of a Scheme of Governance and are designed to ensure contracts are let in a way which:

- obtains best value for money.
- maintains the highest standards of propriety.
- complies with legal requirements.
- complies with the PCC's policies.

There must be sufficient competition to ensure that prices paid to contractors are not excessive and there must be checks and balances to guard against impropriety in the letting of public contracts. Similarly procedures must ensure the legal basis of contracts is sound but at the same time promote efficiency. These Standing Orders provide the framework within which these various objectives can be achieved.

## BACKGROUND AND CONTEXT

1. A contract is an agreement between two parties for the supply of goods and/or services. Staff and officers should avoid verbal commitments to suppliers as this can constitute a contract. The terms and conditions to be applied to the contract provide clarity and protection to the participants, and the specification of the requirement should be clearly understood by both parties. Their length and complexity are likely to depend on the extent of cost and complexity of the goods or services to be supplied.
2. All employees engaged in the acquisition and delivery of the following shall make every effort to ensure the best value for money is achieved:
  - a) goods or materials;
  - b) services and consultancy;
  - c) building works;
  - d) the supply of goods or services to third parties which provide ASC with an income.
3. Such efforts shall continue throughout the lifetime of any contract to ensure that best value for money is maintained in the quality and standard of all goods, services and works supplied and in the review of proposals to change or vary any feature of any contract during its lifetime.
4. In Avon and Somerset the Southwest One Strategic Procurement Service (SPS) is in place to support police procurement activity.

## KEY CONTROLS

5. No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Standing Orders, or any statute or the EU Directive.
6. Competition shall be encouraged from potential providers in relation to the supply of goods, services, building works, etc.
7. Every contract concluded shall also comply with:
  - a) the EU Treaty;
  - b) any relevant Directives of the EU for the time being in force in the United Kingdom including any requirement for aggregation;
  - c) any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value; and
  - d) the requirement of the Code of Practice for Local Authorities on Data Transparency to publish copies of contracts and tenders to businesses and to the voluntary community and social enterprise sector on the website.

Where any European law or the laws of England and Wales conflicts with these Standing Orders, then that law shall take precedence.

8. These Standing Orders will not apply in the following instances:
  - Contracts for the sale and purchase of land and property
  - Contracts of employment.
  - Contracts for the investment or sale of monies or securities.
  - The engagement or instruction of Counsel.
  - The engagement of draughtsmen or expert witnesses within or in contemplation of legal proceedings.
9. Subject to compliance with the above, exemption from any of the following provisions of these Standing Orders may only be made by direction of the PCC or the CFO (PCC). The PCC shall be informed of the circumstances of every exemption made at the earliest opportunity thereafter.
10. In addition to adhering to the above, any member of staff who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery, shall:
  - a) show no undue favour to or discriminate against any contractor or potential contractor;
  - b) carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information);

- c) not breach the requirements of the Policy for Gifts and Gratuities, Hospitality, Discounts, Travel and other Potential Conflicts of Interest.
11. These Standing Orders shall apply, irrespective of whether the contract is financed with monies provided by the PCC or any other person or body (e.g. grants from local councils, central government and other partnership monies).

## **DELEGATED LIMITS**

12. The delegations below are a record of those formal delegations granted by the Chief Constable's Chief Finance Officer (CCCFO) which are in effect at the time of the publication of this Scheme. A summary of these delegations can be found in Appendix A.

## **PROCUREMENT PROCESS**

- 13 Items up to a value of £10,000 should be procured using good purchasing practice and fully recorded in all cases to ensure maximum value for money is obtained. A minimum of three quotes should be sought; quotes can be simple e mails but every effort should be made to ensure they are for comparable goods or services.
14. Items above a value of £10,000 but below a value of £50,000 are to be procured by way of formal competitive quotation (which shall either be electronic, written or evidenced in writing and held for audit purposes) and from not less than three suitable persons or organisations. The assistance of SPS should be sought if necessary or simply to confirm appropriateness of approach proposed.
- 15 Items in excess of £50,000 shall be referred to SPS to be procured through formal tender, which may involve compliance with EU regulations for tendering if the EU threshold is exceeded and will need to comply with UK Government procurement rules including specifically a requirement to publish contract awards and record details on the PCC's website
- 16 A formal report in accordance with the process set out in section 19 below is submitted for approval and must be approved in accordance with the following:
- a) Up to £100,000 (goods and services) – Procurement and Strategic Contracts Manager. Any exceptional requests, regardless of value, may be referred to the CCCFO
  - b) Over £100,000 (goods and services) - CCCFO
- 17 Any contracts or procurements which are considered of a Sensitive nature\* or may impact on the reputation of ASP or the OPCC will be

discussed by the CCCFO with the OPCC prior to approval of the contract or exercising the delegation.

\*Sensitive nature is defined as

- a) Unusual or exceptional circumstances have arisen which should be deemed sensitive under the reasonable application of a risk assessment based on the PESTELO (Political, Economic, Social, Technological, Environmental, Legal, Organisational) method;
- b) And/or where an issue is reasonably likely to be of interest to the PCC because of public interest, media interest, profile in the region or impact on the reputation of the PCC or the Constabulary or impact on key partners;
- c) And/or where an issue is of strategic or policy interest to the PCC such as outsourcing, shared services, collaboration, deviation from national trends, public-private arrangements, areas of significance in the PCC's manifesto or in the PCC's Police and Crime Plan.

18 All orders and spend will be subject to periodic analysis and dip-sampling by SPS with reports submitted to the Procurement and Strategic Contracts Manager for review.

### **Contract Awards-Sign off and approval of contracts**

19 For awards of contracts the following delegated limits apply:

- a) Contracts (Goods and Services) with a value under £50,000 can be entered into by an Area Commander, Departmental Head, the Procurement and Strategic Contracts Manager or appropriate designated deputy but should be reviewed by SPS before any formal commitments are made. All contracts should be in accordance with ASC standard terms and conditions unless written agreement to modify them has been obtained from SPS, or awarded against a legitimate and appropriate framework agreement\*, in which case the framework terms and conditions should be used, with (minor) amendments reflecting ASP's specific circumstances

\* Framework contracts can only be utilised where Avon & Somerset Police are clearly identified as able to make use of the framework arrangement. Even when this is the case it is normally the case that a process for procuring from each framework is described within the framework contract and to be compliant this process MUST be followed. If in doubt SPS should be consulted for guidance and advice.

- b) Land and Buildings – The Retained Head of Estates may sign contracts up to and including a value of £100,000, and these may be as a result of competitive quotation rather than formal tender. This rule includes the acquisition and disposal of freehold properties, and the leasehold properties over the term of the lease;

- c) Vehicles – The Head of Transport Services may approve individual orders up to a value of £250,000 where they are drawn down from an approved framework agreement (see footnote in 19a) above).
- d) Goods and Services – The Procurement and Strategic Contracts Manager may award contracts up to and including a value of £100,000 in value. In this case normal thresholds for quotations and tendering apply.

20. All contracts above these levels must be referred to the CCCFO.

21. Contracts with a value in excess of £500,000, (and certain other contracts under seal), shall be referred by the CCCFO to the PCC Chief Executive or PCCFO

### **CHANGE CONTROL/VARIATION**

22. From time to time there will be a requirement to vary contracts through a formal contract change control. Contracts of this nature will usually detail and identify the delegated authority to make such changes, for example, Southwest One or PFI, however where this is not already agreed, the following delegated financial limits will apply:

- Up to £100,000 Procurement and Strategic Contracts Manager
- Up to £500,000 CCCFO
- Over £500,000 CCCFO will refer to PCC Chief Executive or PCCFO.

Any approval for change or variation should not exceed the individual's overall delegated limit for contract approval. This means if the approval of such a change would take the total contract value up to the next authorisation level then further approval should be sought.

23. Where contract changes are needed for contracts that have been awarded through an OJEU process care needs to be exercised as major changes that have a significant impact on the original contract may need to be re-tendered according to EU law. For any significant changes SPS guidance should be sought prior to making commitments.

### **CONTRACT EXTENSIONS**

24. A number of contracts will have an option to extend the initial contract period. In such circumstances, SPS will draft a recommendation paper for approval in accordance with the process set out in section 16. The following delegated financial limits will apply:

- Up to £100,000 Procurement and Strategic Contracts Manager
- Up to £500,000 CCCFO

- Over £500,000 CCCFO will refer to PCC Chief Executive or PCCCFO.

Any approval for extension should not exceed the individual's overall delegated limit for contract approval.

Any variation which extends or varies a contract shall be made in writing.

## **WAIVER OF STANDING ORDERS/PROCUREMENT REGULATIONS**

25 From time to time SPS or another Department may request a waiving of Standing Orders/Procurement Regulations, due to commercial and/or operational reasons. Section 61-67 sets out the procedure to be followed. The following delegated financial levels will apply:

- Up to £100,000 CCCFO
- Over £100,000 may be authorised by the CCCFO in consultation with the PCCCFO.

## **CONSULTANTS**

26 Consultants fall into two main groups:-

**Type a)** Business Advisors, providing technical or commercial advice based on their expertise and processes. Typically type a) consultants are engaged to fulfil a brief in terms of helping to find solutions to specific issues but the ways in which that is to be done generally falls to the consultant to decide, within constraints such as budget and resources agreed with ASC and

**Type b)** Professional service providers (Solicitors, Auditors etc.)  
Contractors are usually defined as fulfilling tasks or duties that could be fulfilled by ASC staff in the normal course of events, often helping to bridge a gap caused by staffing shortages or skill gaps within ASC.

Type a) Consultants represent an expensive option, often providing services which can be completed in house, and if not co-ordinated closely can be a waste of our resources. **No consultants should therefore be engaged, regardless of the cost, without the prior written approval of the CCCFO**

27 The CCCFO will require that a competitive procedure has been used to source the best value option and ensure a properly defined scope of work and identifiable deliverables are specified in advance of any activity commencing and a prior estimate of the cost of the work obtained. This should not be related simply to the daily rates or hours unless the work cannot be quoted or tendered in any other way.

- 28 Procurement of Type b) Consultants and Contractors also needs to comply with these Contract Standing Orders.
- 29 The appointment of any architect, contract administrator, engineer, surveyor or other professional as a consultant with responsibility for supervising a contract on the PCC's behalf is also conditional on the following:
- (a) that he/she complies with all the PCC's Standing Orders as though he/she were a Chief Officer.
  - (b) that at the request of the Chief Constable, the Chief Executive or the CFO (PCC), he/she produces all the records maintained by him/her in relation to the contract.
  - (c) that he/she passes all those records to the Chief Constable, Chief Executive or the CFO (PCC) on completion of the contract.
  - (d) that, where considered appropriate, he/she produces evidence of and maintains professional indemnity insurance throughout the currency of the contract.
  - (e) that the contract contains an express provision that all documents and materials and all rights (including all intellectual property rights and ownership) therein which are prepared by or for the consultant for use, or intended use in relation to the performance of the contract or which otherwise arise out of the performance by the consultant of its duties there under are assigned to and shall vest in the PCC absolutely.

#### **FAILURE TO COMPLY**

30. It is an implied condition of all Officers involved with any contract that they must at all times observe the provisions of these Standing Orders. If any Officer fails to comply with the provisions of these Standing Orders, disciplinary action may be taken. Any Officer signing contracts without authority will not only infringe these Standing Orders but may also incur personal liability.

#### **OFFICERS INTERESTS**

31. Any Officer having any interest whatsoever which might reasonably be considered likely to influence his or her judgement in contract matters, must declare such interest to his or her Area Commander or Departmental Head who will forward the information to the Chief Constable and Chief Executive respectively. The Chief Executive will record the declaration in a register. This requirement applies equally to all officers of both the PCC and the Force.

#### **SELECTION CRITERIA**

32. The selection procedure consists of three key stages, each of which requires approval before proceeding to the next stage:

- a) **Stage 1** - The selection procedure begins with a full consideration of options to procure, which should include a review of whether procurement is actually necessary at all. Once all the options have been contemplated an Options paper should be submitted for approval in accordance with the approval authorities identified in Appendix A. If the outcome from the Options analysis is to recommend an extension to an existing contract then a stage 3 approval (recommendation to award) must also be created.
- b) **Stage 2** - Unless otherwise approved by the PCC, the selection of organisations to be invited to quote or tender under these Standing Orders shall be based on a combination of technical capacity, quality and financial standing, in accordance with the principles of the EU directives. These will normally be determined following a Pre-Qualification Questionnaire (PQQ)\* has been submitted to all interested parties and responses received and evaluated. Once the evaluation is complete a short list of vendors should be drawn up and submitted for approval in accordance with the approval authorities identified in Appendix A
- \* Note following the introduction of new UK government procurement rules effective from February 2015, PQQ's for below OJEU tenders are no longer allowed. This is to promote the participation of Small & Medium Enterprises in tender opportunities.
- c) **Stage 3** – Following evaluation of final tenders or quotes a recommendation to award will be submitted for approval in accordance with the approval authorities identified in Appendix A.

## **INVITATIONS TO TENDER**

33. All tenders issued by the PCC shall consist of instructions to tenderers regarding submission information, terms, conditions and specification with a pricing schedule to be returned in accordance with the conditions specified.
34. Where appropriate, tenders shall use existing templates maintained by SPS. All tender documents must specify ASC's standard terms & conditions. Should this not be possible SPS advice and approval must be sought in respect of alternative terms or modifications to standard terms. For Estates contracts, standard industry or construction terms and conditions may be used.
35. Completed tenders shall be submitted by the date and time and in the manner stated in the instruction for invitation to tender (electronic being the preferred method) and shall comply with the public sector requirement around being anonymous prior to opening of the document.

## **OPENING OF TENDERS**

- 36 All tenders shall be opened at one time, which shall be as soon as practicable after the time appointed for their opening in the invitation to tender.
- 37 Tenders may be opened by those approved as set out in Appendix A. A list of names will be maintained by SPS.
38. Where examination of tenders reveals clerical errors or discrepancies which would affect the tender figure(s) in an otherwise successful tender, the tenderer should be afforded an opportunity of confirming, withdrawing or correcting his offer (the correction of genuine errors is permitted for tenders which are compliant in all other aspects). This should be documented, including the reason(s) for referral back to the tenderer.

## **EVALUATION OF TENDERS**

39. Assessment criteria may be made on technical, qualitative and financial grounds appropriate to the contract concerned. These should be agreed before the Tender is issued in consultation with an appropriate stakeholder group, agreed with SPS as appropriate which should include financial and technical/practitioner representation.
40. Evaluations of the Tender submissions are to be carried out by the stakeholder group based on the agreed criteria which shall be applied to all tenderers fairly, transparently and consistently.
41. Additional interviews, presentations and site visits for larger contracts may be included. Where they are to be included, such decisions should be made prior to the invitation of tenders, not when adjudicating received offers.
42. Those members of staff involved in the evaluation process should be mindful of the current policy on gifts, loans and hospitality.

## **AUTHORISED OFFICERS**

43. The correct contracting party for all contracts entered into by Avon and Somerset Constabulary is the Police and Crime Commissioner (Avon and Somerset). The only person(s) who may enter into a contractual agreement which legally binds the PCC is the Chief Executive or the CFO (PCC) or their duly authorised representatives, and as provided in the Appendix hereto.
44. The affixing of the Common Seal shall only be attested by the Chief Executive or a person authorised by him/her. A record of all documents

which are sealed shall be kept by the Chief Executive and the record shall be signed by the person who shall have attested the seal.

45. Authorised Officers shall, subject to the provisions of the PCC's Financial Regulations and the provisions of these Standing Orders and such directions as given by the PCC from time to time, have authority to enter into contracts of a Level 1 threshold value (as set out in the Appendix hereto).

## **BUDGET AUTHORISATION**

46. Before entering into any contractual commitment on behalf of the PCC, the relevant Authorised Officer must ensure that there is sufficient approved budget in the current financial year to meet the commitment being made.
47. No contract shall be let unless the expenditure involved has been included in an approved capital or revenue budget, or has been otherwise approved by or on behalf of the PCC.

## **PURCHASING PROCEDURES AND RETENTION OF RECORDS**

48. Except as provided in Standing Orders 61-67 before any contract is entered into, tenders or quotations must be sought in one of the ways described in these Standing Orders and the detailed procurement procedures.
49. In all instances (no matter the value) full written records of each contract must be maintained, including all quotations/tenders received and all correspondence (including notes of telephone calls and meetings) relating to the selection of suppliers and award of contract, for a period of not less than seven years after the date of the expiry of the contract (12 years if the contract is under seal).
50. In relation to contracts whose total value exceed the relevant EU threshold, due diligence checks may be undertaken of such supplier(s) prior to awarding the contract(s). Advice and guidance from the SPS must be sought as to whether this is required.

## **TOTAL VALUE OR AMOUNT OF CONTRACTS**

51. Value of contract shall be ascertained by aggregate, and not annual, value. A project shall not be divided into a number of separate contracts in order to avoid the limitations imposed by statute, EC directives or these Standing Orders.
52. A call-off contract shall be treated as one contract under these Standing Orders.

53. Contracts must not be artificially under or over-estimated where the effect is to avoid the application of these Standing Orders.
54. Where an individual item of expenditure or the carrying out of works and/or the supply of goods, materials or services is within the levels specified above, but it is known that the projected expenditure on items/services within the same category is likely to exceed any such level during the course of the financial year, tenders must be sought to appoint a contractor in accordance with the appropriate procedure for the level of expenditure to be incurred.

### **PRE TENDER MARKET RESEARCH AND CONSULTATION**

55. SPS may review the market for a proposed procurement through discussions with suppliers and other research, but no person may:
  - Base any specification upon one supplier's offering such as to distort competition.
  - Make any indication or commitment to suppliers that their offering may be preferred by the PCC.
  - Suggest any procurement route which is inconsistent with the provisions of these Standing Orders.
  - Enter into negotiations about price where a competitive procurement process has yet to take place in accordance with the terms of these Standing Orders.

### **TENDERING FROM ASP FRAMEWORKS**

56. In certain circumstances, where goods & services will be routinely required that may not have sufficient time for a full procurement process to take place (for example in Estates Dept. where speed to react to a situation is crucial) it may be appropriate to pre-establish an ASP specific multi – supplier Framework or frameworks that would establish terms and conditions and commercial arrangements with a number of appropriate suppliers within defined and specified parameters.
57. Such Framework agreements may only be awarded as a result of a fully compliant procurement process, managed in the usual way by SPS.
58. Once a multi –supplier framework agreement has been put in place, specific awards of work for less than £100,000 should, be put to a minimum of four of the suppliers named in the framework for quotation and having given due consideration to the supplier best able to provide the required service and value for money an award made.

59. The process of selecting the contractors to bid for specific works must be seen to show no favour, ensure that adequate rotation occurs and be fully documented.
60. For orders with a value above £100,000, a more formal mini-tender process, overseen by SPS, limited to the suppliers named on the framework, should be followed to determine the successful contractor.

## **EXCEPTIONS TO NORMAL PROCEDURES**

61. Waivers allowing variation from these PCCSO's will only be authorised in exceptional circumstances. Most often, such waivers will be Single Tender Actions (STA's).
62. Waivers will be approved in accordance with the delegated authority set out in Appendix A.
63. Such waivers will only be considered if the appropriate delegated authority is satisfied that:
  - (a) There is no effective competition for the work, goods or materials required by reason of the fixing of prices or charges under statutory authority or for technical reasons;
  - (b) The work, goods or materials required are of such a special nature that no advantage would accrue by inviting competitive tenders or there is only one supplier; or
  - (c) The work, goods or materials are urgently required such that competition is impracticable, for example, a genuine unforeseeable operational requirement.
  - (d) There is a genuinely justifiable case to extend a contract and use an existing supplier/contractor to maintain continuity of supply or site experience.
64. Provided that in each instance specified above:
  - (a) Such action does not contravene any statutory or EC requirement; and
  - (b) Details of the contract are reported to the PCC where the value of the contract exceeds the Level 2 Threshold; and
  - (c) Adequate documentation is retained for all contracts where tenders are not required.
65. Some tenders may also qualify for a specific exclusion from the requirements of the EU Procurement Directives on grounds of national security. Confirmation must be obtained from SPS in the first instance regarding whether such exclusion applies to the proposed purchase.

66. For the avoidance of doubt, the provisions of these Standing Orders (with the exception of the tendering and quotation requirements) must be fully complied with in relation to all contracts to which paragraphs 46-50 apply.
67. Where these Standing Orders do not specifically require written tenders or quotations it is the responsibility of all staff to ensure and demonstrate that good purchasing practice is followed to ensure maximum value for money.

### **CONTRACTS MADE UNDER THE POLICE ACT 1996 (EQUIPMENT) REGULATIONS 2011.**

68. Certain Goods and services covered under the above Act and amended from time to time **MUST** be sourced exclusively by the use of the arrangements specified in the Regulations if such commodities are to be for Police use and irrespective of their value. For all purchases and a current list of which commodities this applies to, advice and guidance must be sought in the first instance from the SPS.

### **SUBMISSION OF TENDERS AND QUOTATIONS**

69. All tenders should be electronic and through the approved e procurement tool, currently BlueLight, except where impractical. All tenders must state:
- (a) the PCC does not bind itself to accept the lowest or any tender or quotation.
  - (b) the terms and conditions that will apply to the final contract to be made when the successful tenderer has been selected. Attempts by tenderers to replace or amend the PCC's terms and conditions may constitute grounds for rejection of that tender or quotation.
  - (c) the tender evaluation criteria, with appropriate scoring system and weightings.
70. Where an electronic tendering system is not used, every invitation to tender or quote shall additionally state:
- (a) the place, time and method(s) by which the tender or quotation should be delivered.
  - (b) that no tender or quotation will be considered unless submitted in a plain sealed envelope bearing either the label provided or bearing the words "Tender/Quotations for ....." followed by the subject to which it relates. There must be no name or mark to identify the sender, including company advertising logo. Any external wrapping used by a courier service must not reveal the name of the sender. Postal franking machines should not be used if the tenderer could be identified there from.
  - (c) that tenders submitted by Fax or E-mail will not be considered unless specified as being acceptable in the tender documentation (for the

avoidance of doubt this particular condition will not apply to quotations for contracts whose total value are within or below the Level 2 Threshold).

71. In the event of an electronic tender, a designated Officer shall open the tender(s) which shall be retained in the electronic system.
72. In relation to any non-electronic tenders or quotations, the Chief Executive shall ensure:
  - (a) there are proper controls to ensure tender and quotation documents are sent to all invitees, and that the details sent are correct and complete.
  - (b) any amendments to tender or quotation documents required during the tender/quotation period are provided to all invitees in writing.
  - (c) that records are kept of all amendments issued in the tender/quotation period and of the invitees' notification of receipt.
  - (d) that where acknowledgement of receipt is not received from an invitee, wherever administratively expedient, confirmation is pursued that the details were received.

## **RECOMMENDATION TO AWARD AND NOTIFICATION OF RESULTS**

73. Following the evaluation of all bids and any clarifications a preferred bidder should be selected by the evaluation team and a recommendation to award created for approval.
74. Once the recommendation to award is approved, unsuccessful tenderers may be advised as to general reasons for their failure to be awarded a contract, but under no circumstances shall the details of the submission of other tenderers be disclosed without prior approval of the SPS to ensure compliance with EC Directives or the laws of England and Wales.
75. If the recommendation is following an options analysis (as detailed in 32a) reference to this and its prior approval should be clearly shown
76. Where tenders have been issued under the EU Procurement Directive there is a requirement to formally notify participating vendors of the outcome of the tender and provide an 'Alcatel letter' advising reasons for the outcome and providing a 10 day period for queries or challenges to the decision.
77. Award notifications must also be advertised on the Governments Contract Finder site

## **FORM OF CONTRACT**

78. Every contract shall be in writing and on behalf of the PCC.

79. All transactions using an approved Force Purchasing Card must be in accordance with these contract standing orders with the following exceptions:

A purchasing card order may be placed by:

- telephone
- post
- sending card and order details by fax
- ordering over the internet provided the site is secure (usually indicated by "https:" or by a padlock at the bottom of the screen)
- in person at a business premises.

80. All contracts for information technology or information technology equipment shall be let only after consultation with the Force's Information Communications Technology Department. In the case of tenders, such consultation shall take place prior to the issue of the tender documentation.

## **CONTENTS OF CONTRACTS**

81. All contracts shall clearly specify:

- (a) the nature and extent of the work and services to be carried out, or the quantity and description of goods and materials to be supplied.
- (b) the price to be paid with a statement of discounts or other deductions or variations.
- (c) The time or times within which the contract is to be performed or the goods delivered.
- (d) terms and conditions which should include contract termination provisions and clearly show any costs that may be associated with termination or minimum commitment amounts or values

82. There shall be two identical contracts for signature or execution. All contracts shall be signed/executed by the Contractor first. The last party to sign/execute the contract shall be the PCC. All contracts shall be signed/executed in accordance with the provisions of the Appendix hereto.

83. Once signed and dated, or otherwise executed, for and on behalf of the PCC in accordance with these Standing Orders, one signed copy of the contract shall be returned to the Contractor for their records and the second signed copy shall be retained by the Procurement Department on behalf of the PCC in a secure place for a period of not less than 7 years after the date of expiry of the contract (12 years if the contract is under seal).

## **SECURITY FOR PERFORMANCE**

84. Where the contract is expected to exceed the Level 3 Threshold the Chief Executive or the CFO (PCC) will be requested to consider whether security should be obtained and, if so, the nature and amount. This may take the form of a performance guarantee bond, a parent company or bank guarantee or occasionally a deposit of money. This provision shall not however prevent the taking of such guarantees for contracts of a lesser value where the Chief Executive or the CFO (PCC) may consider it appropriate.

## **CANCELLATION OF CONTRACTS**

85. There shall be inserted in every written contract a clause which details under what circumstances the PCC would be entitled to cancel the contract. Such a clause should clearly state in the event of cancellation what costs would be incurred and which party would be responsible for such costs.
86. Consideration shall be given to notice periods and consequences of early termination where applied.

## **CONTRACT AUDIT**

87. Internal Audit, on behalf of the CFO (PCC), shall at all reasonable times have access to all documents maintained by the Chief Constable, the Chief Executive, Architect, Contract Administrator, Engineer, Surveyor or Consultant, and wherever possible have site access facilities during which they can expect information and explanation(s) on demand.

## **SPONSORSHIP AND REVENUE AGREEMENTS**

87. All contracts where sponsorship is involved must be undertaken in accordance with the force guidelines/protocols relating to sponsorship in place from time to time, and shall subsequently be reported by the Chief Officer concerned to the PCC.
89. All contracts where revenue for the Constabulary is generated must be undertaken in accordance with the force guidelines/protocols relating to revenue generating contracts in place from time to time, and shall subsequently be reported by the Chief Officer concerned to the PCC.

## **CONTRACTS REGISTER**

90. A record of all contracts let with a value in excess of £10,000 shall be maintained by SPS and published on the PCC website in accordance with the Elected Local Policing Bodies (Specified Information) Order 2011

## **CONTRACT MONITORING**

91. Where appropriate, contracts shall be monitored and measured by the way of performance indicators and regular review meetings involving the Contractor and Practitioner representation.
92. Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall only be authorised by the CCCFO in consultation with the Procurement and Strategic Contracts Manager in accordance with the delegated limits of authority.

APPENDIX A

<b>THRESHOLD LEVEL</b>	<b>Total (or Annual value)</b>	<b>Procurement Process</b>	<b>Contract Awards</b>	<b>Contract Variations</b>	<b>Extensions &amp; Waivers</b>	<b>Approval of Contract (Signature Required)</b>
1	Up to £10,000	May be procured without competitive tender via a written or electronic quotation	N/A	N/A	N/A	Authorised Officer
2	£10,000 - £50,000	Procured by way of competitive quotation with no less than three suitable persons or organisations	Area Commander or Dept Head but should be reviewed by SPS	Delegated authority ie SWO or PFI if not the Procurement & Strategic Contracts Manager	SPS will draft a recommendation paper for approval by the Procurement & Strategic Contracts Manager	Head of Department / CFO (CC)
3	£50,000 - £100,000	Referred to SPS to be procured through formal tender	The Procurement & Strategic Contracts Manager	Delegated authority ie SWO or PFI if not the Procurement & Strategic Contracts Manager	SPS will draft a recommendation paper for approval by the Procurement & Strategic Contracts Manager	CFO (CC)
4	£100,000 Land & Buildings	Referred to SPS to be procured through formal tender	Land & Buildings – Retained Head of Estates	Land & Buildings – Retained Head of Estates	Land & Buildings – Retained Head of Estates	CFO (CC)
5	Up to £250,000 Vehicles only	When drawn down from an approved framework agreement in accordance with the framework procedure	The Head of Transport Services	The Head of Transport Services	The Head of Transport Services	CFO (CC)
6	£100,000 - £500,000	Referred to SPS to be procured through formal tender	CFO (CC)	CFO (CC)	CFO (CC)	CFO (CC)
7	Over £500,000	Referred to SPS to be procured through formal tender	PCC Chief Executive or PCCFO	PCC Chief Executive or PCCFO	PCC Chief Executive or PCCFO	PCC Chief Executive or PCCFO