



# Contract Procedure Rules

## CONTENTS

1	INTRODUCTION.....	3
2	APPLICATION .....	3
3	SCOPE.....	4
4	REGULATION & LEGISLATION .....	5
5	ROLES AND RESPONSIBILITIES .....	6
6	CONTRACT VALUE CALCULATION .....	7
7	AUTHORISATION.....	8
8	PROCUREMENT METHOD.....	8
9	SINGLE TENDER ACTION .....	11
10	INFORMATION GOVERNANCE .....	12
11	ACCEPTANCE.....	13
12	CONTRACT SIGNING and SEALING.....	13
13	CONTRACT MANAGEMENT .....	14
14	EXTENSIONS and VARIATIONS.....	15
15	WAIVERS .....	17
16	DEFINITIONS <del>and Interpretation</del> <a href="#">AND INTERPRETATION</a> .....	17
17	APPENDIX 1 - TABLE A – Authorisation and Acceptance Thresholds .....	21

## 1 INTRODUCTION

- 1.1 Procurement decisions are among the most important decisions a manager makes because the money involved is public money and the Council is concerned to ensure that as a minimum high quality supplies, works and services are provided in a timely manner. Effective and efficient use of resources in order to achieve best value is a ~~legal~~legislative duty. The Council's reputation is also important and should be safe guarded from any suggestion of dishonesty, corruption or failure to meet legal responsibilities.
- 1.2 Any Procurement activity must comply with ~~the Law, these~~ Contract Procedure Rules, Council policy, ~~and the Constitution and English law~~. It is a disciplinary offence to fail to comply with Contract Procedure Rules when undertaking Procurement on behalf of the Council. Council employees and third party service providers have a duty to report breaches of Contract Procedure Rules to an appropriate senior manager [for action](#) and the Chief Internal Auditor [for noting](#).
- [1.3](#) All Procurement must be undertaken with regard to high standards of probity. The Council has a commitment to transparency and it is important that the ~~p~~Procurement process is as transparent and open as possible.
- ~~1.3~~[1.4](#) [These Contract Procedure Rules are to be read in conjunction with the Public Contracts Regulations 2015, Cabinet Office Procurement Policy Notes and London Borough of Barnet the Council's Officer Code of Conduct.](#)

## 2 APPLICATION

- 2.1 The Contract Procedure Rules provide the governance structure within which the Council may procure works, supplies and services. The aims of these rules are to:
- ensure value for money and propriety in the spending of public money;
  - enable works, supplies and services to be delivered effectively and efficiently without compromising the Council's ability to influence strategic decisions;
  - ensure that the Council is not exposed to unnecessary risk and likelihood of challenge arising from non-compliant ~~p~~Procurement activity; and
  - ensure compliance with current ~~legislation~~Law, ~~update all appropriate guidance notes, tools and templates and follow Procurement Policy Notes (PPN) issued by Cabinet Office.~~
- ~~2.2~~ [These Contract Procedure Rules apply to all persons who commission and or procure contracts on behalf of the Council, including external consultants or third party service providers.](#)

~~2.22.3~~ The Policy and Resources Committee may, from time to time, recommend to the Constitution, Ethics and Probity Committee and Council that the financial thresholds as set out in these Contract Procedure ~~#~~Rules be amended.

~~2.3~~ Refer to any approved Scheme of Delegation with regard to identifying any manager with the right to undertake Procurement as delegated by their Commissioning Director, Director, Assistant Director, or Head of Service. Schemes of Delegation will be maintained by the relevant Commissioning Director. Reference must be made to any approved Constitutional Scheme of Delegation with regard to identifying any manager with the right to undertake Procurement as delegated by their Director, Assistant Director, Lead Commissioner or Head of Service. Schemes of Delegation will be maintained by the relevant Director, Assistant Director or Lead Commissioner and will be published on the Council's website.

~~2.4~~ Reference must be made to the Procurement Code of Practice for more detailed explanation of Procurement procedures, processes, associated Council policies, and required cContract terms. The Procurement Code of Practice must be read together with these Contract Procedure Rules. Further detailed guidance can be provided by Central Procurement.

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~~2.52.4~~ All officers ~~should~~must undertake Procurement in a manner which avoids any potential conflicts of interest and ~~should~~must follow the procedure as set out in the Staff Officer Code of Conduct.

~~2.62.5~~ The Commercial and Customer Services Director in consultation with the Chief Operating Officer shall maintain and issue the Contract Procedure Rules, and the Procurement Code of Practice.

~~2.72.6~~ Unless the context otherwise requires, terms used in these Contract Procedure Rules shall have the meanings ascribed to them ~~as set out in the Definitions~~ section 16 (Definitions and Interpretation) ~~of these rules.~~

~~2.8~~ The Contract Procedure Rules take precedence over the Procurement Code of Practice.

### 3 SCOPE

3.1 The Contract Procedure Rules ~~are applicable~~ apply to all Procurement activities, including ~~where~~ expenditure of external funding, such as grant allocation, received by the Council from external sources.

3.2 The Contract Procedure Rules ~~are not applicable~~ do not apply to Non-Procurement activities as defined in Section 16.178 (Definitions) of these Contract Procedure Rules. Payments to ~~T~~third ~~P~~parties for Non Procurement activities shall be subject to authorisation by Finance.

3.3 Where the Council is entering into a ~~eContract~~ as an agent ~~and/or~~ in collaboration with another public body or organisation which is the principal or lead body in the collaboration, these Contract Procedure Rules apply only in so far as they are consistent with the requirements of the principal or lead body concerned. Where the Council is acting as principal or the lead body, these Contract Procedure Rules will take precedence. ~~Where the Council enters into a Framework Agreement, the Framework Agreement Terms and Conditions will take precedence. Prior to entering into a Framework Agreement it is essential that due diligence checks are carried out to demonstrate fitness for purpose and value for money.~~

Comment [SD1]: See 8.6 below

3.4 Where the Council's schools have to abide by the Scheme for Financing Schools which requires them to follow Contract Standing Orders (CSO) for Schools, then the CSO for Schools shall take precedence over ~~these~~ Contract Procedure Rules.

3.5 Any interest in land, transaction in land and or lease transaction is excluded from the Contract Procedure Rules but must be authorised in accordance with the requirements set out in the Constitution and, specifically, the Management of Asset, Property and Land Rules.

~~3.5.6~~ Section 75 NHS Act 2006 arrangements are not subject to these Contract Procedure Rules

## 4 REGULATION & LEGISLATION

4.1 ~~Customer Support Group (CSG)~~ Central Procurement is responsible for ensuring Council awareness and compliance with the requirements of all relevant ~~legislation~~ Law. Any significant changes to existing ~~legislation and/or new legislation~~ Law will be ~~updated~~ reflected in these Contract Procedure Rules. ~~and in the Procurement Code of Practice.~~

4.2 The ~~Procurement Code of Practice~~ Contract Procedure Rules will be regularly reviewed and updated by ~~Central CSG~~ Procurement with any significant changes referred to the Constitution, Ethics and Probity Committee in accordance with paragraph ~~s 2.2 and 2.65~~.

4.3 Officers must treat suppliers equally and without discrimination and must act in a transparent and proportionate manner.

4.4 Before commencing a Procurement procedure officers may conduct market consultations with a view to preparing the Procurement and informing suppliers of their Procurement plans and requirements provided that it does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency. Officers may, for example, seek or accept advice from independent experts or authorities or from market participants.

- 4.5 Officers must take appropriate measures to effectively prevent, identify and remedy conflicts of interest arising in the conduct of Procurement procedures so as to avoid any distortion of competition and to ensure equal treatment of all suppliers. This obligation covers any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the Procurement procedure.
- 4.6 Where a candidate or tenderer, or an undertaking related to a candidate or tenderer has advised the Council or has otherwise been involved in the preparation of the Procurement procedure, the Council shall take appropriate measures to ensure that competition is not distorted by the participation of that candidate or tenderer.
- 4.7 Such measures shall include the communication to the other candidates and tenderers of relevant information exchanged in the context of or resulting from the involvement of the candidate or tenderer in the preparation of the Procurement procedure; and the fixing of adequate time limits for the receipt of tenders. The measures taken must be documented
- 4.8 The candidate or tenderer concerned shall only be excluded from the procedure where there are no other means to ensure compliance with the duty to treat suppliers equally and prior to any such exclusion, candidates or tenderers shall be given the opportunity to prove that their involvement in preparing the Procurement procedure is not capable of distorting competition.

## 5 ROLES AND RESPONSIBILITIES

- 5.1 Directors, Assistant Directors, ~~Lead Commissioners~~ ~~and~~ ~~Senior Directors~~ and Heads of Service are accountable for all Procurements in their respective Delivery Units/area of responsibility. Their duties in relation to all Procurements and eContract Management are to:
- 5.2 ensure compliance with ~~English the Law~~, Council policy ~~and the~~ Contract Procedure Rules ~~and the Procurement Code of Practice~~;
- 5.3 identify, deliver, measure and record value for money;
- 5.4 ensure that a written pre-tender estimate of anticipated costs, ~~as~~ calculated in accordance with Section 6 (Contract Value Calculation) of these Contract Procedure Rules, is prepared, ~~and has is in b~~ Budget ~~provision~~ ~~and recorded in writing~~;
- 5.5 identify, evaluate, record and appropriately mitigate risk e.g. provision of performance bond or parent company guarantee;
- 5.6 maintain a Scheme of Delegation, in accordance with Constitutional requirements;

- 5.7 ensure that all appropriate staff comply with the provisions of the Contract Procedure Rules ~~and the Procurement Code of Practice and~~ have attended [Central-CSG Procurement approved](#) training before undertaking ~~p~~Procurement and ~~e~~Contract ~~m~~Management activities;
- 5.8 take immediate action in the event of a breach of the Contract Procedure Rules ~~of Procurement Code of Practice~~ within their area of responsibility;
- 5.9 ensure that all ~~existing and~~ new eContracts above the published limits and planned during the forthcoming financial year are clearly identified in their Budget and [Annual Procurement Forward Plan](#);
- 5.10 ensure that eContract terms and conditions to be used in a Procurement have been approved by HB Public Law (~~Joint Legal Service~~) or a Legal Advisor approved by the Monitoring ~~Responsible Officer~~ [in consultation with the Head of CSG Procurement](#);
- 5.11 ensure ~~that~~ an original signed eContract is provided to the Deeds Officer and a digital copy of the signed version, together with Acceptance ~~and Authorisation approval~~ documents and any waiver of these Contract Procedure Rules are placed ~~in~~ the Council's contract repository and a version approved by the ~~S~~supplier is prepared for publication;
- 5.12 ensure that proper records of all eContracts ~~and tenders etc. including minutes of tender evaluation panels and other meetings~~ are kept on the Council's approved Electronic Procurement Portal, which may be inspected and kept for the period specified in the Council's Records Retention and Disposal Policy;
- 5.13 ensure that the appropriate Procurement ~~Method process~~ as set out in Section 8 of these Contract Procedure Rules is followed;
- 5.14 keep a register of all eContracts with total values of £5,000 or over, which may be inspected; and will support the annual ~~b~~Budget review. [Central-CSG Procurement](#) will keep and publish a consolidated register of all eContracts with total values of £10,000 or over, subject to [commercial confidentiality and D](#)data ~~P~~rotection requirements;
- 5.15 ensure that all eContract ~~m~~Management is ~~executed~~ ~~carried out~~ in accordance with Section 13 ~~(Contract Management)~~ of these Contract Procedure Rules;

## 6 CONTRACT VALUE CALCULATION

- 6.1 Contract value means the estimated aggregate or recurring value payable in pounds sterling exclusive of Value Added Tax over the entire eContract period including any [form of options or extensions](#) of the eContract.
- 6.2 Where the eContract term is ~~without~~ ~~not~~ fixed length the estimated value of the eContract ~~should~~ ~~must~~ be calculated by [multiplying the monthly spend value of spend multiplied by 48](#) in accordance with Regulation ~~86~~ of the [EU Public Contracts Regulations 2015](#).

6.3 Contracts must not be artificially underestimated or disaggregated into two or more separate contracts ~~where the effect is to~~ with the intention of avoiding the application of Contract Procedure Rules or ~~English the Law~~.

~~6.3 Please refer to the Code of Practice for further information.~~

6.4 ~~Where in the case of~~ Framework Agreements or Dynamic Purchasing Systems ~~is planned~~ the contract value must be calculated to include the total estimated value, net of VAT, of all the individual contracts arrangements envisaged for the total term of ~~under the Framework Agreement or the Dynamic Purchasing System.~~

## 7 AUTHORISATION

7.1 Any Procurement, including extensions and variations to eContracts (permitted within the existing eContract) submitted in the Annual Procurement Forward Plan, ~~for and~~ approved by the Policy and Resources Committee, is deemed as Authorised irrespective of the Contract value.

7.2 Any Procurement which has not been Authorised as set out in 7.1 must be Authorised in accordance with Table A in Appendix 1 of these Contract Procedure Rules.

## 8 PROCUREMENT METHOD

8.1 ~~Where a p~~Procurement will result in a ~~f~~Framework ~~a~~Agreement, Dynamic Purchasing System or eContract refer to Table A in Appendix 1 of these Contract Procedure Rules to determine the Procurement process that should be used. If any further clarification is required ~~reference should be made to the~~ CSG ~~Central~~ Procurement Team.

~~8.1~~

8.2 All tender opportunities for works, goods or services, ~~including call-offs from Framework Agreements,~~ over £10,000 (except for Social Care Placements, Special Educational Needs listed in 8.58 and ~~a~~non-~~p~~Procurement activities defined in 16.176) must be advertised using the central-CSG e-procurement portal and in accordance with Appendix 1, Table A and be subject to Tender Review. ~~as set out in the Procurement Code of Practice.~~

8.3 All Procurements for goods and services over £25,000 must be advertised on Contracts Finder within 24 hours of the time when the Procurement is advertised in any other way. Procurement over the EU financial threshold must be advertised in the OJEU first and then on Contracts Finder. A Contract award notice must also be published on Contracts Finder.

8.28.4 Commissioners may decide to award a contract in the form of separate lots and may determine the size and subject-matter of such lots. They must document the main reasons for their decision not to subdivide into lots.



8.5 Where the ~~p~~Procurement is carried out in accordance with 8.1 above and results in a Framework Agreement or Dynamic Purchasing System, any subsequent call-offs must be carried out in accordance with the ~~Terms and Conditions of~~ rules laid down in the Framework Agreement or the Dynamic Purchasing System.

8.6 Where the Council accesses an existing Framework Agreement, the Framework Agreement terms and conditions of contract must be used, amended as appropriate as permitted by the Framework Agreement. Before entering into a Framework Agreement due diligence checks must be carried out to demonstrate that the Council can lawfully access the Framework Agreement and that it is fit for purpose and provides value for money.

8.3 —

8.48.7 Where a performance bond or guarantee ~~would be~~ is required to ensure Contract performance and/or to protect the Council for the execution of the contract, the requirement must be pre-notified and the bond or guarantee must be in place before ~~€~~Contract signature.

8.8 For ~~a~~Non-~~p~~Procurement activity that results in a contractual obligation for social care placements and special education needs (SEN) where the decision has been made on the ~~€~~Council's behalf (such as court directed order, personal budget/statement request or an individual's specific needs) the authority to sign off to award an individual funding agreement in accordance with the decision making framework ~~as~~ is contained within the Responsibility for Functions as set out in the Constitution.

8.9 Procurement activity for Contracts for certain health, social, community, educational and cultural related services whose value is equal to or over the threshold of €750,000 must be tendered and awarded in compliance with Chapter 3, Section 7, of the Public Procurement Regulations 2015. Refer to the ~~Central~~SG Procurement Team to advise on the procedures to be applied in connection with the award of these Contracts which will take into account the specificities of the services in question

8.10 For Procurements below the EU financial threshold only Suitability Assessment Questions can be asked. This means there can be no PQQ stage.

8.58.11 ~~Commissioners shall base~~ the award of Contracts will be based on the most economically advantageous tender assessed from the Council's point of view. That tender shall be identified on the basis of the price or cost, using a cost-effectiveness approach, such as Life-Cycle Costing, and may include the best price-quality ratio, which shall be assessed on the basis of criteria, such as qualitative, environmental and/or social aspects, linked to the subject-matter of the Contract in question.



~~8-68.12~~ shall require tenderers to explain the price or costs proposed in the tender where tenders appear to be abnormally low in relation to the works, supplies or services

## 9 SINGLE TENDER ACTION

~~9.1~~ A single tender action or commitment is not allowed unless it is in compliance with the Law and approved in advance by the Commercial and Customer Services Director. [Refer to the Procurement Code of Practice for detailed guidance.](#)

~~9.1~~ Single tender action is the awarding of a Contract to a contractor without undertaking a competitive tendering exercise. Single tender actions are permitted under Regulation 32 of The Public Contracts Regulations 2015 in the following exceptional circumstances:

- ~~where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the Contract are not substantially altered;~~
- ~~where the works, supplies or services can be supplied only by a particular supplier for any of the following reasons:
  - i. ~~the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance,~~
  - ii. ~~competition is absent for technical reasons,~~
  - iii. ~~the protection of exclusive rights, including intellectual property rights,~~  
~~but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.~~~~
- ~~insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the Council, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with;~~
- ~~in the case of goods contracts, for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations where a change of supplier would oblige the contracting authority to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance;~~
- ~~in the case of works or services contracts, new works and services consisting of the repetition of similar works or services entrusted to the contractor to which the Council awarded the original Contract, provided that such works or services are in conformity with a basic project for which the original Contract was awarded following a~~

[Page 23](#)

competitive procedure under the Public Contracts Regulations 2015. The basic project must indicate the extent of possible additional works or services and the conditions under which they will be awarded. As soon as the first project is put up for tender, the possible use of this procedure shall be disclosed and the total estimated cost of subsequent works or services shall be taken into consideration by the contracting authority when assessing the estimated contract value.

- 9.2 Where a competition has been undertaken, in accordance with Section 8, and only a single bid has been received, the Commercial and Customer Services Director can approve the award of a eContract, subject to a value for money review being undertaken and an audit trail being available for inspection. The award of the eContract cannot proceed without this authorisation.

## 10 INFORMATION GOVERNANCE

10.1 When engaging a providercontractor to undertakeprovide a service on behalf ofto the eCouncil which involves the handling of personal data you must carry out due diligence checks must be carried out with regards to Ddata Pprotection. Checks must provide sufficient guarantees that the contractor's technical and organisational security measures for the handling and protection of personal information and data are appropriate, suitable and lawful. This is a requirement under the seventh Pprinciple 7-of the Data Protection Act.

10.2 Evidence of these checks, copies of policies and guarantees provided by the contractor must be retained by the officer responsible for management of the eContract and be regularly reviewed throughout the life of the eContract (at least annually). NB: If you are inthere is any doubt as to whether the checks provide sufficient guarantees for the service provision you are engaging, you must seek sign off fromrefer to the BarnetCouncil's Information Management team.

10.3 Appropriate Ddata Pprotection clauses must be included in the Contract used-when engaging a service providercontractor to undertake-provide a service on behalf of-to the eCouncil which involves the handling of personal data. As a minimum the clauses contained in the Council's sStandard Terms and Conditions of Contract must be used. Changes must not be made without consultation with the BarnetCouncil's Information Management Team.

10.4 Refer to the Council's Data Protection Compliance Toolkit for further guidance on your Ddata Pprotection responsibilities, a copy ofincluding the current Due Diligence Checklist and atthe hHow to eGuide for interpreting your responses.

Appropriate Freedom of Information Act 2000 (FOI) and Environmental Information Regulations 2004 (EIR) clauses must be used when engaging a providercontractor to undertakeprovide a service on behalf ofto the eCouncil. The clauses contained in the Council's sStandard Terms and Conditions of Contract must be used. Changes must not be made without consultation with the BarnetCouncil's Information Management Team. —It must be noted that tThe eContract must not contain clauses which say that the eContract itself or any information held or produced etc under it are exempt from FOI or EIR, and that tThe eContract must not

contain any clauses which describe which information would be exempt from disclosure under FOI or EIR.

10.6 Refer to the Council's FOI/EIR Toolkit for further guidance on your FOI/EIR responsibilities.

10.1 When procuring a new eContract which involves the processing of a significant amount of personal information the senior responsible Council officer must ensure due diligence checks are carried out to provide sufficient contractual guarantees that the contractor's technical and organisational security measures for handling and protection of personal information and data are appropriate, suitable and lawful. This is a requirement under the seventh principle Principle 7 of the Data Protection Act.

10.2 Evidence of these checks, copies of policies and guarantees provided by the contractor must be retained by the officer responsible for management of the eContract and be regularly reviewed throughout the life of the eContract.

10.3 Refer to the Procurement Code of Practice section on Information Governance for more detailed guidance or contact the Information Management Team.

## 11 ACCEPTANCE

11.1 Acceptance of eContracts must be in accordance with Appendix 1 Table A and in all cases is subject to:

- ~~Budgetary~~ provision;
- a compliant ~~P~~Procurement process; and
- confirmation of acceptable financial status of the service provider

11.2 Acceptance thresholds for eContract extensions and variations of all values are subject to further conditions as set out in Section 14 (Extensions and Variations) of these Contract Procedure Rules.

11.3 The financial evaluation of tenders will be undertaken by:

- CSG Procurement if the Contract is valued at less than £172,514 for supplies or services or less than £4,348,350 for works, or;

A Financial Officer as delegated by the Chief Finance Officer if: (a) the contract is valued at £172,514 or more, for supplies or services; or (b) the contract is valued at £4,348,350 or more for works; or (c) the contract is considered to have significant impact on the local community.

## 12 CONTRACT SIGNING and SEALING

12.1 Every eContract or eContract novation must be in a form approved by the Monitoring ~~Responsible~~ Officer (or in consultation with HB Public Law) or delegated officer, if its value exceeds ~~£25,000~~24,999 or where appropriate to the nature of the eContract.

- 12.2 All ~~€~~Contracts signed/awarded following ~~A European Procurement Procedure a Procurement process with a Contract value above the EU financial threshold (£172,514)~~ shall be sealed unless the Monitoring ~~Responsible~~ Officer or delegated officer directs otherwise.
- 12.3 ~~Contracts~~ ~~Contracts~~, ~~Dynamic Purchasing Systems~~, ~~approved lists~~ or Framework Agreements entered into with respect to the provision of social care to individual service users must be sealed. Call-off placements from a ~~Framework Agreement under OJEU~~ ~~the EU financial threshold of £172,514~~ do not require sealing and ~~in this case~~ need only be signed by the respective Director in accordance with the ~~s~~Scheme of ~~d~~Delegation.
- 12.4 Where the ~~Responsible~~ Monitoring Officer or delegated officer considers it desirable that a ~~€~~Contract should be sealed other than as specified above, then such a ~~€~~Contract must be sealed.

### 13 CONTRACT MANAGEMENT

- 13.1 During the life of the ~~€~~Contract Directors, Assistant Directors, ~~Lead Commissioners~~ ~~sing~~ Directors and Heads of Service must ensure that the Council's approved processes for ~~€~~Contract ~~Management~~, as set out in the ~~Procurement Code of Practice~~ ~~Contract Management Toolkit~~ are adhered to. In particular to ensure continuous improvement and ~~Value for Money~~ is achieved Directors, Assistant Directors, ~~Lead Commissioners~~ ~~sing~~ Directors or Heads of Service must ensure that those responsible for managing contracts undergo ~~Central~~ ~~CSG~~ Procurement approved training to ensure:
- ~~€~~Contract performance and key performance indicators are monitored and any reduction in performance is acted upon and recorded;
  - compliance with specification and ~~€~~Contract terms; and
  - cost management including reconciliation of payments against work done, supplies or services delivered;
- 13.2 Throughout the life of the ~~€~~Contract, contract managers must ensure the elimination of unlawful discrimination and the promotion of equality in accordance with current ~~legislation~~ ~~Law~~.
- 13.3 Contract managers or owners must ensure appropriate security measures are applied to prevent the unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to personal data.
- 13.4 For services or goods ~~€~~Contracts valued above £172,514 and works ~~€~~Contracts above ~~£499,999~~ ~~500,000~~ a ~~€~~Contract monitoring and review check must be performed 6 months after ~~€~~Contract commencement.

## 14 EXTENSIONS and VARIATIONS

14.1 Regulation 72 of the Public Contracts Regulations 2015 permits an amendment, extension or renewal of an existing Contract without triggering a new Procurement exercise in the following cases:

- a) The original Contract includes a “clear, precise and unequivocal review clause” (including a price review clause) allowing for a certain modification to be made, provided the review clause(s) clearly state(s) the scope and nature of the changes that can be made and the conditions under which such a change can be made. The overall nature of the Contract must not be altered as a result of the change;
- b) A change of contractor cannot be realistically made for economic or technical reasons and would cause significant inconvenience or substantial duplication of the Council’s costs, and new works, services or supplies need to be purchased from the contractor. This is subject to the provision that each change does not increase the Contract’s value by more than 50 per cent as a result;
- c) Circumstances have arisen that the Council could not reasonably have foreseen and that require an amendment to the existing Contract. The Contract’s overall nature must not be altered and the Contract’s value must not increase by more than 50 per cent as a result of any change;
- d) A new contractor is required to replace the contractor originally party to the Contract, either because this is the result of corporate restructuring, including takeover, merger, acquisition or insolvency leading to a universal or partial succession of the original contractor, or because this change was envisaged in a review clause in the original Contract. This provision cannot be relied on if the contractor is being replaced for a different reason;
- e) The proposed modifications are insubstantial. Modifications will not be insubstantial if they result in any of the following:
  - o the Contract would become materially different;
  - o the scope of the Contract would extend considerably;
  - o the outcome of the initial Procurement procedure would have been different had the modification been implemented at that time. For example, other tenders would have been accepted or other candidates would have been admitted;
  - o the economic balance would shift in favour of the contractor; or
  - o a new contractor would replace the original contractor in a circumstance not provided for in d) above.
- f) The value of the modification is both below the EU procurement financial threshold and less than 10 per cent of the initial Contract value (where the contract is for supplies or services) or less than 15 per cent of the initial Contract value, in the case of a works contract. More than one change can be made under this provision provided the cumulative value of the modifications do not exceed the EU procurement financial threshold.

~~14.2~~ Commissioners must consult CSG Procurement to confirm that any of the circumstances set out in section 14.1 above apply, permitting a Contract amendment, extension or renewal and Commissioners must also comply with the Authorisation and Acceptance Thresholds in Appendix 1

~~14.1~~~~14.3~~ Placement Agreements for individuals in Social Care or Educational Needs may be varied or extended without reference to the Variation or Extension Acceptance levels and documentation set out in Appendix 1 Table A.

~~14.2~~~~14.4~~ The value referred to in Appendix 1 Table A in the column headed 'Variation or extension Acceptance' is the total value of the original eContract value plus the addition of the value of any extensions and/or variations i.e. the total value of the extended or varied eContract.

~~14.3~~~~14.5~~ Contracts may only be extended or varied if all of the following conditions have been met:

- the initial eContract was based on a Contract Procedure Rules compliant competitive tender or quotation process;
- the value of the extension or variation added to the value of the original eContract does not exceed the original Authorisation threshold as defined in Appendix 1, Table A;
- the extension or variation has an approved bBudget allocation;
- the extension or variation is in accordance with the terms and conditions of the existing eContract;
- if the initial eContract was subject to an EU regulated tender procedure, that the extension option was declared within the OJEU contract notice and the original Acceptance report (Delegated Powers Report/relevant Committee Report); and
- the eContract has not been extended before;

~~14.4~~~~14.6~~ Where the pProcurement results in a eContract which includes a provision for an extension, any aAcceptance of that extension needs to be in accordance with Appendix 1 Table.

~~14.5~~~~14.7~~ ~~In the event that~~ If any of the conditions at 14.14 or 14.36 cannot be met, ~~and the total value of the eContract (plus including extension(s) and variations) is over £100,000, then either a waiver must be sought in accordance with Section 15 (Waivers) or a new pProcurement exercise must be~~ commenced.

~~14.6~~~~14.8~~ Where a variation or extension moves the total value of the Contract into a higher threshold, then acceptance must be sought in accordance with Appendix 1, Table A.

~~14.7~~ Any variation or extension that has the effect of raising the contract value above the relevant OJEU threshold is not allowed as this would contravene English law.

~~The Acceptance thresholds for eContract extensions and variations are set out in Appendix 1, Table A of these Contract Procurement Rules.~~



14.9 A Contract Variation Notice needs to be sent to OJEU in the case of contract variations permitted and made in accordance with paragraphs b) and c) of section 14.1 above.

## 15 WAIVERS

~~15.1~~ ~~In the event that~~ If the application of these ~~Contract Procedure #~~Rules prevents or inhibits the delivery or continuity of service, Directors or Assistant Directors, ~~Lead Commissioners~~ing Directors and Heads of Service may apply for a waiver. All applications for a waiver of these Contract Procedure Rules must be submitted to Policy and Resources Committee specifically identifying the reason for which a waiver is sought, including justification and risk.

15.2 Directors, Assistant Directors, ~~Lead Commissioners~~ing Directors and Heads of Service may take decisions on emergency matters (i.e. an unexpected occurrence requiring immediate action) in consultation with the Chairman of Policy and Resources Committee providing they report to the next available Policy and Resources Committee, setting out the reasons for the emergency waiver. A copy of the relevant Policy and Resources Committee report must be provided to ~~Central~~CSG Procurement and stored on the Councils contract repository.

15.3 Inadequate planning and organisation of resources does not constitute an acceptable justification for a waiver.

15.4 Any waiver can only be granted for a maximum period of 12 months.

~~15.4~~15.5 Waivers cannot be granted where this would breach the Law

## 16 DEFINITIONS and INTERPRETATION

16.1 **“Acceptance”** is the authorisation to enter into a ~~e~~Contract with a particular supplier(s) on the terms, conditions and at the price(s) as set out in the ~~e~~Contract documents.

16.2 **“Annual Procurement Forward Plan”** means the annual report compiled by the Council setting out their planned contractual Procurements for the forthcoming financial year and submitted to the Policy and Resources Committee for authorisation.

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~~16.2~~16.4 **“Approved Officer”** means the Director, Assistant Director, Service Lead, ~~or Lead Commissioner~~ing Director or Head of Service in accordance with the Scheme of Delegation who has responsibility for all ~~e~~Contracts tendered and let by their respective area of responsibility including ~~e~~Contract monitoring and ~~Contract #~~Management once ~~e~~Contract is in place.

~~16.3~~16.5 **“Authorisation”** is the approval required to enable any Procurement to occur.

~~16.4~~16.6 **“Budget”** is the annually agreed budget and supporting plans and strategies for each Delivery Unit.

16.7 **“Contract”** means a formal written agreement between the Council and the provider of any goods, services or works, including ~~T~~terms and ~~C~~conditions ~~as approved by Joint Legal Services~~HB Public Law.

~~16.5~~16.8 “Contract Management” is the process of managing contracts to achieve optimal goods, works and services at optimal cost in accordance with the Council’s Contract Management Toolkit

~~16.6~~ “CPT” means Central Procurement Team.

~~16.9~~ “Contracts Finder” means a web-based portal provided for the purposes of Part 4 of the Public Contracts Regulations 2015 by or on behalf of the Cabinet Office;

~~16.10~~ “DPR” means Delegated Powers Report. Templates and guidance for completion are available from the Assurance Group (Governance).

~~16.7~~16.11 “Dynamic Purchasing System” is appropriate for commonly used purchases the characteristics of which, as generally available on the market, meet the Council’s requirements. The rules for using it are set out in regulation 34 of the Public Contracts Regulations 2015.

~~16.8~~16.12 “Emergency” where immediate action is needed to protect life or property or to maintain a critical service. Decisions that were not anticipated within the Budget or Budget plan but nevertheless relate to everyday business, not major changes/decisions outside the approved Budget and statutory plans.

“English Law” means all laws and regulations which set the legislative boundaries and obligations of the Council within the context of Public Sector Procurement. European Procurement Directives are incorporated into English Law.

~~16.9~~16.13 “EU” means European Union.

~~16.14~~ “Framework agreement” is an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. In the UK we would know this as a “standing offer to treat (see Code of Practice).

~~16.15~~ “Law” means any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972, regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Council is bound to comply

~~16.16~~ “Life-Cycle Costing” shall, to the extent relevant, cover part or all of the following costs over the life cycle of a product, service or works:—

(a) costs, borne by the Council or other users, such as:

(i) costs relating to acquisition, .

(ii) costs of use, such as consumption of energy and other resources, .

(iii) maintenance costs, .

(iv) end of life costs, such as collection and recycling costs; .

(b) costs imputed to environmental externalities linked to the product, service or works during its life cycle, provided their monetary value can be determined and verified. These costs may include the cost of emissions of greenhouse gases and of other pollutant emissions and other climate change mitigation costs

16.17 **“Light Touch Regime”** is defined as XXXXXX refers to the contract award procedures applicable to contracts for services set out in schedule 3 of the Public Contracts Regulations 2015 which are valued at EUR 750,000 (or around £625,000) or more. These contract opportunities and contract award notices must be advertised in OJEU and Contracts Finder. CSG Procurement will advise on the Procurement procedures to apply to these Contracts which will take into account the specifics of the services in question and which will ensure compliance with the principles of transparency and equal treatment of suppliers.

16.18 **“Monitoring Officer”** is defined within Article 9 of the Constitution means the Council's Director of Assurance **“Non-Procurement”** expenditure applies where the Council has to pay for a Service which it did not initiate or for payments where it is not appropriate to tender including (but not exclusively) inter-authority and inter-agency payments, subscriptions/memberships, emergency temporary accommodation for vulnerable people, assessments and recoupment.

16.19 **“OJEU”** means the Official Journal of the European Union.

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16.11 **“Part A Procurement”** covers all goods or services not defined as Part B Procurement or Works.

16.12 **“Part B Procurement”** means a procurement activity which includes the provision of Health services, Social Care services, Educational services, Temporary Housing needs, recreational, cultural and sporting services.

~~16.13~~16.20 **“Procurement”** means the acquisition by means of a public contract of works, supplies or services by one or more contracting authorities from economic operators chosen by those contracting authorities, whether or not the works, supplies or services are intended for a public purpose. This includes any activity which includes the identification of need, options appraisal and the execution of a competitive selection process, quotation or tendering process.

16.21 **“Annual Procurement Forward Plan”** means the annual report compiled by the Council setting out their planned contractual Procurements for the forthcoming financial year and submitted to the Policy and Resources Committee for authorisation. **“Public Contracts Regulations 2015”** are the regulations implementing EU Directive 2014/24/EU of the European Parliament and Council into English Law

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~~16.15~~16.22 **“Purchase”** means the activity which uses a mechanism to undertake Procurement under the Council's standard terms and conditions (Purchase Card or Purchase Order) or against an accepted contract.

~~“Non Procurement” expenditure applies where the Council has to pay for a Service which it did not initiate or for payments where it is not appropriate to tender including (but not exclusively) inter-authority and inter agency payments, subscriptions/memberships, emergency temporary accommodation for vulnerable people, assessments and recoupment.~~

~~“OJEU” means the Official Journal of the European Union.~~

~~16.23~~ **“Quotation”** means a priced bid for the provision of goods, a service, or supply of works.

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~~16.24~~ **“Reasonable means of selection”** means an unbiased selection process based on the relative merits of the quotation provided and taking account of previous purchasing practices for supplies, services or works of a similar type. This process would normally involve attaining more than one quotation, audit trail of action undertaken and confirmation from the relevant approved officer that budget is available and rationale for appointment is accepted. ~~Reasonable means of selection process are detailed in the Procurement Code of Practice.~~

~~16.17~~~~16.25~~ **“Suitability Assessment Question”** means a question which relates to information or evidence which the Council requires for the purpose of assessing whether candidates meet requirements or minimum standards of suitability, capability, legal status or financial standing

~~16.18~~~~16.26~~ **“Works”** means building & engineering works, including capital works.

17 APPENDIX 1 - TABLE A – Authorisation and Acceptance Thresholds

	Procurement value	Authorisation to commence a procurement process	Authorisation Documentation	Procurement method	Acceptance process	Acceptance Documentation	Variation or extension Acceptance
A	<del>Up to £25,000</del> <u>Under £10,000</u>  <u>(Purchase Order)</u>	Head of Service  <del>Council Officer</del> as designated by approved Scheme of Delegation	Audit trail, <del>recommended to be on forward plan over</del> <u>£10,000</u>	Reasonable means of selection <del>including budget authorisation and audit trail</del> and <u>evidence of having sourced and considered the local Barnet supplier market</u>	Head of Service <del>or</del>  <u>Council Officer</u> as designated by approved Scheme of Delegation	Audit Trail  <del>Over £10,000 –</del> <u>Summary DPR</u>	<u>Summary DPR</u> <del>Must move to next threshold if above</del> <u>£10,000</u>
B	<del>£1025,001 to</del> <u>£172,514 to</u> <u>£25,000</u>	<del>Director/Assistant Director</del> <u>Head of Service</u>  <u>Council Officer as designated by approved Scheme of Delegation</u>	<u>Procurement Forward Plan</u> <del>or forward Plan or</del>  <u>Full Officer DPR</u>	Minimum 2 written Competitive Quotations received <del>–</del>  <u>No PQQ</u>  <u>“Suitability Assessment Questions” only can be asked</u>	<del>Approved Officer</del> <u>Head of Service</u>  <u>Council Officer as designated by approved Scheme of Delegation</u>	Summary DPR	<u>Full DPR (maximum £172,514 – please refer to 14)</u> <u>Summary DPR</u>
C	<u>£172,514 and over</u> <u>25,001 - £172,514</u>	<u>Relevant Thematic Committee or P and R via Forward Plan</u> <u>Director/Assistant Director</u>	<u>Procurement Forward Plan</u> <del>or Forward Plan or</del> <u>Theme Committee report</u>	<u>Minimum 2 written Competitive Quotations received</u>	<u>Council Officer as designated by approved Scheme of Delegation</u> <del>if within budget – Officer in consultation with Chairman of relevant</del>	<u>Summary DPR</u> <del>if within budget and agreed savings target on forward plan – Officer Full DPR</del>	<u>Summary DPR</u>  <u>if within budget – Relevant Thematic</u>

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			<a href="#">Full Officer DPR</a>	<a href="#">No PQQ - Suitability Assessment Questions only</a> Part A <sup>iii</sup> - EU tender Part B: Minimum 3 competitive Quotations received Works: EU tender above £4,348,350 Health, educational, cultural and social care related services above 750,000 Euro	<a href="#">theme or Policy and Resources Committee</a>		<a href="#">Committee</a>
<a href="#">D</a>	<a href="#">£172,514 and over</a>	<a href="#">Relevant Thematic Committee</a> <a href="#">Procurement Forward Plan</a>	<a href="#">Theme Committee Report</a> <a href="#">Procurement Forward Plan</a>	Works: Full OJEU Tender above £4,348,350 Goods: Full OJEU Tender Services: Full OJEU Tender Health,	<a href="#">If within <del>h</del>Budget - Council Officer in consultation with Chairman of relevant theme</a>  <a href="#">Policy and Resources</a>	<a href="#">If within <del>h</del>Budget and agreed savings target on forward plan Officer Full DPR</a>	<a href="#">If within <del>h</del>Budget - Relevant Thematic Committee</a>

				<a href="#">educational, cultural and social care related services: Full OJEU Light Touch Regime Tender above 750,000 Euro (c. £625,000)</a>	<a href="#">Committee</a>		
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[All pP procurements above £10,000 must be advertised on the E-portal \(see 8.2\). All pP procurements over £25,000 must be advertised on UK Contracts Finder](#)

[Reasonable means of selection as defined in section 16.254](#)

[Under OJEU threshold the Commercial and Customer Services Director may waive the requirement of 2 written quotes subject to a Summary DPR provided, demonstrating that the market place has been fully tested and we have obtained value for money.](#)

<sup>†</sup> [All procurements above £10,000 must be advertised on the E-portal \(see 8.2\). All procurements over £25,000 must be advertised on UK Contracts Finder](#)

<sup>‡</sup> [All procurements above £10,000 must be advertised on the E-portal \(see 8.2\). All procurements over £25,000 must be advertised on UK Contracts Finder](#)

[Under £75,000 Head of Procurement may waive requirement of 2 written quotes subject to assurance that the market place has been fully tested](#)

<sup>‡‡</sup> [To determine if the goods or services to be purchased are Part A or Part B refer to Definitions \(see 16.13 and 16.14\) or Central Procurement](#)