



Financial Regulations and Contract Standing Orders

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FINANCIAL REGULATIONS

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1. Introduction

1.1. Background

- 1.1.1. The Company is an Arm's Length Management Organisation (**ALMO**), a Company limited by guarantee, wholly owned by the Council. It provides services for the Council under the auspices of a formal Management Agreement with the Council.
- 1.1.2. The Financial Regulations and Contract Standing Orders of the Company form part of its overall Corporate Governance Framework. The Articles of the Company, the Scheme of Delegation, the Terms of Reference of the Board and its Committees, and the Standing Orders outline how the Company will be controlled and run.
- 1.1.3. The Financial Regulations are the basis of the delegation of financial management and control, and treasury management functions by the Board to the employees. They are the principles and rules which **must** be applied to all specific procedures involving finance. They apply to the Company and all its related undertakings, and give employees clear, Delegated Authority within limits to make decisions and to commit the Company to expenditure.
- 1.1.4. Compliance with the Financial Regulations is **compulsory** for all staff.
- 1.1.5. This document sets out the Company's Financial Regulations and Contract Standing Orders which form part of the Governance Assurance Framework. It translates the Company's broad policies relating to financial control into practical rules.
- 1.1.6. The Financial Regulations and Contract Standing Orders should be read in conjunction with the detailed policy and procedural documents which underpin the Financial Regulations in specific areas of the business.
- 1.1.7. The Financial Regulations and Contract Standing Orders apply to every Board Member, Committee of the Board and staff member of the Company and Executive Directors, Officers and staff of any related party, Company or anyone acting on its behalf.
- 1.1.8. All Board Members and staff have a duty to take reasonable action to provide for the security of the assets under their control, and to ensure that the use of resources within the Company is legal, properly authorised, in the best interests of the Company and delivers Value for Money (**VfM**) for the Company and its customers.
- 1.1.9. These mandatory Regulations set the framework within which the Company will operate to ensure compliance with Local and Central Government requirements. The Company will use Best Practice to achieve VfM, whilst incorporating the values of sustainability, equalities and diversity.
- 1.1.10. These Regulations encourage innovation and continuous improvement and ensure that the Company operates within an environment of economy,

efficiency and effectiveness. They replace the Financial Regulations and Procurement Standing Orders agreed by the Board in 2016.

1.2. Definitions and Interpretations – The Glossary at Appendix A contains all definitions and interpretations for these Financial Regulations and Contract Standing Orders.

1.3. General Guidelines

1.3.1. The Company will operate to best practice. All Board Members and Staff will demonstrate exemplary standards of conduct and probity.

1.3.2. The Board are responsible for controlling the finances of the Company.

1.3.3. All procedures and actions support the Company's Corporate and Departmental aims and must be for the benefit of and ensure VfM for the Company and its Stakeholders.

1.3.4. These documents apply when incurring expenditure on behalf of the Company. If the expenditure is the Council's then their procedures will apply.

2. Principles of Good Governance

2.1. The Company endeavours to incorporate best practice wherever possible. Recognised Governance Codes within and outwith the sector, such as the National Housing Federation and Financial Reporting Council, will be regularly reviewed to inform the Company's governance framework

2.2. The following principles have been developed by the Company and underpin these Regulations.

- Focusing on the organisation and purpose and the outcomes for its service users.
- Performing effectively in clearly defined functions and roles.
- Promoting values for the whole organisation and demonstrating the values of good governance through behaviour.
- Taking informed, transparent decisions and managing risk.
- Developing the capacity and capability of the Board to be effective.
- Engaging Stakeholders and being accountable.

3. Responsibilities

3.1. Board and Committees

3.1.1. The Board determine and control the strategic direction of the Company and ensure the day to day management is effectively carried out by the Chief Executive Officer and the Company's staff.

3.1.2. The Board is responsible for regulating and controlling the finances of the Company, ensuring that a financial framework exists within which all Executive Directors, managers and staff may properly act and are fully accountable for their actions and for ensuring that the Company's legal and financial responsibilities are fulfilled.

3.1.3. The Board and the Audit and Risk Committee shall keep under regular review the need for new regulations and amendments to existing ones for the supervision and control of the finances, accounts, income, expenditure and assets of the Company.

3.2. Executive Directors

3.2.1. The Chief Executive is responsible for the corporate and overall strategic management of the Company.

3.2.2. The Chief Executive is also responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the Company.

3.2.3. Executive Directors are responsible for ensuring that:

- All staff under their management are aware of the existence and content of the Financial Regulations, and other regulatory documents, and that they are adequately trained, skilled and experienced to be able to comply with them;
- The Board is advised of the financial implications of all proposals and that all such financial implications are communicated to, and agreed by, EMT in advance of presentation to the Board;
- The financial activities of their Directorate are managed within the framework and budgets approved by the Board and procedures determined by the Director of Corporate Services;
- It is also the responsibility of each Executive Director to consult with the Director of Corporate Services and seek approval from EMT on any matter liable to materially affect the finances of the Company, before any commitments are incurred;
- Directors have a duty to ensure systems of control; and
- Risk assessment and risk management are established and maintained.

3.3. Employees

3.3.1. It is the responsibility of all employees to report instances of non-compliance with Financial Regulations to their Line Manager or to any member of the EMT. The Chief Executive, Director of Corporate Services, or the Company's Internal Auditors shall report serious non-compliance to the Audit and Risk Committee.

3.4. Scheme of Delegation

3.4.1. The Company will maintain a Scheme of Delegation with respect to management decisions, contractual commitments entered into, and the financial affairs and payments on behalf of the Company. The Scheme of Delegation is contained within the Company's Governance Assurance Framework.

3.4.2. Responsibility for expenditure shall be delegated to budget holders approved by the appropriate Directors, Heads of Service and Service Managers. Budget holders will not commit expenditure in excess of the approved budget provision.

3.4.3. The Head of Finance and Business Assurance will maintain the Register of Authorised Signatories which is administered by the Council.

4. Non-Compliance with Financial Regulations

4.1. Failure to comply with any part of the Financial Regulations may constitute misconduct and lead to formal disciplinary action.

4.2. Failure to comply with any part of the Financial Regulations and Contract Standing Orders will be classed as a breach, and all breaches will be reported to the Director of Corporate Services immediately and to Audit and Risk committee on a regular basis.

Financial Regulations

5. Financial and Business Planning and Control

5.1. Financial Year

5.1.1. The Financial Year will run from 1 April to 31 March each year.

5.2. Annual Budget

5.2.1. The Company will produce 3 year budgets on an annual basis for approval by the Board by 31 March each year.

5.2.2. The Company will operate a devolved budgetary system. It is the responsibility of budget holders in consultation with the Finance Team to produce budgetary estimates for consideration by the EMT.

5.2.3. It is the responsibility of the Executive Directors to ensure that the budget estimates submitted to the Board reflect all the requirements of agreed business and service improvement plans.

5.3. Budgetary Monitoring and Control

5.3.1. The Annual Budget forms the main framework for financial monitoring and control, reporting on actual performance against budget and forecasts for the year end outturn, reported monthly to EMT and to the Board [at each Board meeting].

- 5.3.2. The Director of Corporate Services is responsible for budgetary control, financial instructions and financial systems across the Company.
- 5.3.3. The Director of Corporate Services is responsible to the Chief Executive for monitoring the budgetary performance of the Company. The Director of Corporate Services has the authority to examine all areas of financial operation and will report variations to the EMT and if required, the Board. The Finance Team will provide budget holders with details of their budgetary performance on a monthly basis.
- 5.3.4. It is the responsibility of each Executive Director to plan, control, monitor and report on income, expenditure and financial performance within their Directorate with due regard to information provided by their own staff and the Director of Corporate Services. Executive Directors are responsible for reporting material variances against budget, both actual and forecast, for their Directorate. EMT must always be informed of any financial problems and proposals for mitigation as and when they arise.
- 5.3.5. It is the responsibility of each Executive Director to ensure that their staff take appropriate and adequate action to avoid overspending against budget.
- 5.3.6. The control of income and expenditure, within the approved annual operating budget, is the responsibility of the designated budget holder who must ensure that day-to-day monitoring is undertaken effectively.
- 5.3.7. Budget holders are responsible to their Director for the income and expenditure appropriate to their budget. The budget holder shall be assisted in this duty by management information provided by the Finance Team. The types of management information available to different levels of management are described in the Company's reporting arrangements together with the timing at which they can be expected.
- 5.3.8. The Chief Executive or Director of Corporate Services may incur expenditure which is essential to meet an emergency. Any such emergency expenditure and the financial implications must be reported to the next Board Meeting.

5.4. Financial Planning

- 5.4.1. The Director of Corporate Services is responsible for preparing medium-term financial forecasts for approval by the Board for at least the period required by any regulatory body and funders. Financial plans shall be consistent with the strategic plans and the development strategy approved by the Board.

5.5. The Accounting Procedures

- 5.5.1. The Director of Corporate Services is responsible for the timely and accurate administration of the Company's financial affairs
- 5.5.2. The Director of Corporate Services is also responsible for selecting accounting policies and ensuring that they are reviewed annually for appropriateness.

- 5.5.3. All management and supervisory staff have a general financial duty to safeguard and effectively use assets, to maximise financial performance within specified service and performance standards, to ensure the accountability of staff and manage the security, custody and control of all resources appertaining to their area of responsibility.
- 5.5.4. All control, suspense and other major accounts will be reconciled and cleared on a monthly basis.
- 5.5.5. All financial records will be kept in a way that complies with the requirements of HM Revenue & Customs, the Council, and in a manner consistent with statutory accounting regulations, including the Companies Acts, and good practice.
- 5.5.6. Executive Directors must ensure that staff are aware of their responsibilities under data protection and freedom of information legislation, again in liaison with EMT.

5.6. Annual Financial Statements

- 5.6.1. The Director of Corporate Services is responsible for ensuring that the preparation and submission of the annual Financial Statements is in accordance with relevant statutes, regulations, and guidance including the latest financial reporting standards.
- 5.6.2. The Director of Corporate Services will ensure that the draft accounts are considered by the Audit and Risk Committee in advance of the Board.
- 5.6.3. The Board is responsible for approving the annual Financial Statements before the Annual General Meeting (**AGM**) and ensuring that the financial statements are available for adoption at the AGM.

5.7. Virements

- 5.7.1. A 'Virement' is the term given to the transfer of funds between different revenue budgets. It enables adjustments to be made during the year to deal with different rates of expenditure or income, e.g. unexpected savings within one budget can be used to finance unforeseen expenditure within another budget. No additional funds can be created but more flexible use of existing budgets is possible.
- 5.7.2. Virements shall be kept to a minimum and can only be made where the totality of resources approved by the Board is not exceeded.
- 5.7.3. Completed virement forms will be processed by Finance to ensure a robust Audit Trail.

6. Risk Management and Control of Resources

6.1. Introduction

- 6.1.1. The Board is responsible for adopting a Risk Management Framework for the Company and for monitoring their effectiveness.

- 6.1.2. It is the responsibility of Executive Directors to ensure that risk management and the routine operation of the Risk Management Framework is embedded within their Directorates.
- 6.1.3. Executive Directors are also responsible for the management of risks set out in the Strategic and Operational Risk Registers and for ensuring that all risks specific to their Directorates, in the form of Operational Risk Registers, are recorded, reviewed and managed by their Heads of Service and Service Managers.
- 6.1.4. The Director of Corporate Services is responsible for maintaining and developing the Risk Management Framework and for promoting best practice in risk management throughout the Company.
- 6.1.5. Business cases, project proposals, Directorate plans, and any area of business development shall include a risk assessment in the prescribed format as required by the Framework. All reports to the Board or the Committees and all new policies adopted by the Company shall include a risk assessment within them.
- 6.1.6. It is essential that the Company develops and maintains a robust system for identifying and evaluating risks to the business activities of the Company. Identification of these risks must be responded to with meaningful plans and actions to eliminate the risk or to mitigate its likelihood and impact. This process should be informed by the proactive participation of all those associated with planning and delivering services.

6.2. **Internal Control**

- 6.2.1. Internal Control refers to the systems devised by management with the intention of achieving the objectives of the Company in a manner that promotes, facilitates and demonstrates the economic, efficient and effective use of resources whilst ensuring that the assets and interests of the Company are safeguarded.
- 6.2.2. The Director of Corporate Services is responsible for advising the Board, Executive Directors and staff on effective systems of internal control and making arrangements to implement internal controls appropriate to the activities of the Company. These arrangements must be compliant with relevant law, recognised best practice and the policy, control and accountability framework of the Company.
- 6.2.3. In respect of services received by the Company from service providers (including the Council) and management services supplied by the Company, EMT may take into account the internal controls systems operated by the service provider determining the internal control systems required by the Company.
- 6.2.4. It is the responsibility of the Executive Directors to ensure that their staff have knowledge of and comply with all systems of internal control.

6.3. Audit

6.3.1. The Director of Corporate Services is responsible for preparing an annual audit plan comprising:

- a timetable for the preparation and audit of the annual financial statements and shall advise staff and the external auditors accordingly; and
- an internal audit programme to assess the adequacy of the internal control system.

6.3.2. External auditors and internal auditors shall have authority to:

- Access Company's premises at reasonable times.
- Access all records, documents and correspondence relating to any financial and other transactions of the Company.
- Require and receive such explanations as are necessary concerning any matter under examination.
- Require any employee of the Company to account for cash, assets, stores or any other Company property under their control.
- Seek access to any records concerning the Company belonging to third parties, if required.

6.4. Internal Audit

6.4.1. The internal audit services will be provided by an independent, qualified organisation and historically this has been provided by the Council through an SLA.

6.4.2. The main responsibility of internal audit is to provide the Board, Audit and Risk Committee and EMT with assurances on the adequacy of the internal control system and to provide examples of Industry Best Practices where appropriate.

6.4.3. The programmes of internal audit work shall be independently assessed and agreed by the Audit and Risk Committee on behalf of the Board. The internal audit service shall remain independent in its planning and operation and has direct access to the Board, Audit and Risk Committee and Chief Executive.

6.4.4. The Audit and Risk Committee will establish the scope of the annual internal audit work in consultation with the Director of Corporate Services. The Committee will approve and review the annual internal audit work programme and will report annually to the Board on internal audit and internal control.

6.4.5. Each year the Audit and Risk Committee shall review the performance of the internal auditors and, provided their work is of a sufficiently high standard and reasonably priced, shall reappoint them.

6.5. External Audit

- 6.5.1. The appointment of the Company's external auditors shall be approved at the Company's Annual General Meeting.
- 6.5.2. The primary role of external audit is to report on the Company's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties shall be in accordance with advice set out in the Code of Audit Practice and the Auditing Practices Board's auditing standards.
- 6.5.3. The Director of Corporate Services will be responsible for liaising with the external auditors, including Commissioning and supervising a continuous, rolling audit of the accounting, financial and other operations of the Company, and for ensuring the completion of the external audit within the statutory timescales.
- 6.5.4. Each year the Audit and Risk Committee shall review the performance of the external auditors and, provided their work is of a sufficiently high standard and reasonably priced, shall recommend that the Board reappoint them within the audit contract period.
- 6.5.5. The external audit contract will be tendered in accordance with Contract Standing Orders set out in this document and the successful firm appointed at the relevant Annual General Meeting.

6.6. Business Continuity

- 6.6.1. A Business Continuity Plan will be produced under the guidance of the Executive Directors. Copies will be given to Heads of Service and Service Managers and it will be available on the Company Intranet.

6.7. Gifts, Hospitality & Conduct

- 6.7.1. Staff and Board Members must follow the Code of Conduct.
- 6.7.2. All gifts and hospitality must be recorded in the Gift & Hospitality Register held by the Company Secretary and reported quarterly to EMT and annually to Audit and Risk Committee.

6.8. Document Retention Periods

- 6.8.1. Documents will be retained within the guidelines of the document retention policy.
- 6.8.2. The key areas:
- Documents relating to the Incorporation of the Company will be retained indefinitely.
 - Minutes of Board and Committee meetings will be retained indefinitely.

- Audit reports, Budget Papers and Final Accounts will be retained for their statutory period.
- All documents relating to Contracts under seal and / or executed as a deed will be retained for a minimum of twelve years after completion.
- Documents relating to loan agreements will be retained for a minimum of twelve years after the last payment.
- All documents relating to Contracts for the supply of Goods & Services will be retained for a minimum of six years after completion.

Documents relating to low value purchases (below £10,000) where there is no continuing maintenance or service requirement will be retained for three years.

6.9. Insolvency Procedures

6.9.1. The Board is responsible for ensuring that the Company ceases to trade if there are reasonable grounds for believing the Company is insolvent. The Chief Executive and EMT, shall provide appropriate information to the Board and the appropriate officers within the Council should it be suspected that the Company may be insolvent.

6.10. Data Protection

6.10.1. The Director of Corporate Services is the designated Senior Information Risk Owner (**SIRO**). The Customer and Communications Service Manager has been designated as the Data Protection Officer and is responsible for maintaining proper security and privacy of information. Access to areas where data is stored shall be restricted to authorised persons. Information relating to individuals held on computer shall be subject to the provisions of the General Data Protection Regulations (GDPR). The Data Protection officer shall ensure compliance with GDPR.

6.11. Fraud, Corruption and the Bribery Act 2010

6.11.1. The Director of Corporate Services is responsible for the development and maintenance of an anti-fraud and anti-corruption policy which incorporates the requirements of the Bribery Act 2010. All staff shall comply with this policy and conduct themselves in line with the requirements of the Employee Code of Conduct, which are on the SLHD intranet <https://intranet.stlegerhomes.co.uk/policies-and-procedures/>

6.11.2. The Company Secretary shall maintain a register of all instances of fraud and irregularities occurring within the Company or impacting on it. The Fraud Register shall be a standing agenda item of the Audit and Risk Committee. The Fraud Register shall be available for review by the Audit and Risk Committee.

6.11.3. The Audit and Risk Committee shall review each case of actual or attempted fraud or any irregularities and report to the Board, as required.

6.12. Insurances

- 6.12.1. All insurances, arrangements and levels of cover will be reviewed annually in consultation with the appropriate Executive Directors and the Council's Insurance Department, through the appropriate Service Level Agreement. Arrangements will be made by the Director of Corporate Services to ensure the Company's assets and activities are properly insured in accordance with Company policy and good practice.
- 6.12.2. The appropriate Executive Director or Service Manager shall give prompt notification to the Director of Corporate Services of all new risks, or properties which need to be insured and of any alterations affecting existing risks and insurance cover.
- 6.12.3. The Director of Corporate Services shall be notified in writing of a potential claim through loss, liability or damage or other cause which may lead to a claim and take such action as may be necessary to satisfy any insurance condition.
- 6.12.4. Executive Directors and all relevant staff shall consult the Director of Corporate Services and, if felt necessary, the Company's solicitors regarding the terms of any indemnity which the Company is requested to give.
- 6.12.5. The appropriate Executive Director or Service Manager, in consultation with the Contract and Compliance Service Manager, shall ensure that all Contractors have adequate employers and third party liability insurance before contracts are carried out on behalf of the Company. Details will be checked annually.

7. Income

7.1. Monies Due

- 7.1.1. The receipt of monies from the Company's debtors is administered by the Council through a SLA in accordance with the Council's Sundry Debtors Income Collection Best Practice Guide.
- 7.1.2. The responsibility for identifying amounts due and the responsibility for collection must be separated as far as is practical.
- 7.1.3. Receipts, tickets and other records of income must be held securely for the appropriate period.
- 7.1.4. All income shall be securely locked away to safeguard against loss or theft, and to ensure the security of cash handling.
- 7.1.5. Appropriate details shall be recorded on to paying in slips to provide an adequate Audit Trail and money collected and deposited is to be reconciled to the relevant bank account on a regular basis.
- 7.1.6. All income must be banked gross and may not be used as petty cash, to cash personal cheques or to make other payments.

- 7.1.7. Debtors accounts must be raised promptly following the completion of work and/or supply of goods and services.
- 7.1.8. Debtor accounts can only be amended or cancelled with the authorisation of a member of staff approved to conduct this as recorded on the authorised signatory's database administered by the Council Financial Services Support department.
- 7.1.9. The monitoring and management of Debtors is set out in the Company's Debtors policy.
- 7.1.10. EMT must ensure that levels of cash held on Company premises, in relation to their Directorates and related service area activities, do not exceed the approved limits and shall liaise with the Director of Corporate Services to ensure that adequate insurance is in place at all times.
- 7.1.11. Adequate arrangements shall be put in place to ensure the safe despatch of Company monies to the Company's premises or bankers.

7.2. Rent Income and Cash (Council property)

- 7.2.1. Rent income is collected from tenants by the Company on behalf of the Council as part of the Management Agreement and the cost associated with providing this service is recovered through the management fee. Therefore, all such income is the property of the Council and not the Company. All rent income due shall be the responsibility of the Director of Housing Services who will ensure that the necessary detail is recorded on the Housing IT system. The Director of Housing Services shall ensure strict adherence to the Company's rent policies and procedures and that all cases of rent arrears are investigated promptly with appropriate action taken.
- 7.2.2. Rent income must be posted promptly to the appropriate tenant account.
- 7.2.3. Income shall be paid fully and promptly into the appropriate Council bank account in the form in which it is received. Appropriate details shall be recorded on to paying in slips to provide an adequate Audit Trail and cash (or cash equivalents) collected and deposited are to be reconciled to the relevant bank account on a regular basis.
- 7.2.4. The Head of Finance and Business Assurance is responsible for ensuring that there is an appropriate segregation of duties between the officers responsible for processing and approving rent refunds.

7.3. Grants & Certification

- 7.3.1. The Director of Corporate Services shall be responsible for ensuring that adequate accounting systems are in place to enable the Company to comply with statutory procedural conditions in connection with receipt of grants and allowances. The appropriate Executive Director will ensure that arrangements are in place to claim the full and appropriate grants.

7.3.2. The Chief Executive and EMT are authorised to make certifications to the grant giving bodies for the claiming of grants.

8. Expenditure

8.1. General

8.1.1. The ordering of goods and services shall be in accordance with the Company's detailed finance procedures.

8.1.2. The Company's money should be spent with demonstrable probity and in accordance with the Company's policies. The Company's procedures shall ensure that services obtain VfM from their purchasing arrangements.

8.2. Key Controls

8.2.1. The electronic Purchase to Pay (**P2P**) system, or the TOTAL Housing Management System, **must** be used for the purchase of all goods or services, except those made using petty cash, credit card or for public utility services.

8.2.2. Works, goods and services ordered either by electronic, telephone, fax or e-mail **must** give the actual purchase order number and be subsequently confirmed by an official order.

8.2.3. All orders placed must clearly state:

- Supplier / contractor name.
- Goods / services being procured.
- Price and quantity of items being ordered including rate of VAT applicable.
- Full account code.

8.2.4. The key controls for ordering and paying for work, goods and services are:

- a) All goods and services shall be ordered only by appropriate persons and must be correctly recorded.
- b) All goods and services shall be ordered in accordance with the Company's Contract Standing Orders.
- c) All orders shall be approved only by those staff authorised to do so as per the Financial Authorisation Matrix set out in Appendix B.
- d) All orders shall be raised and approved in advance of the related goods and services being received by the Company.
- e) Goods and services received shall be checked to ensure they are in accordance with the order. Goods shall not be received by the person who placed the order.

- f) Variations to prices and quantities shall be adjusted on the purchase order and referred back to the authorising officer(s) for re-approval.
- g) Invoices shall not be processed for payment unless they have either been matched to an authorised order or approved in writing by the appropriate authorising officer as per the Financial Authorisation Matrix, Appendix B.
- h) Payments will not be made by the Company unless goods and/or services have been received by the Company to the correct price, quantity and quality standards.
- i) All payments will be made to the correct supplier, for the correct amount and are properly recorded, regardless of the payment method.
- j) All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the Company's Document Retention Policy and statutory requirements. The Director of Corporate Services is responsible for the retention of financial documents. These shall be kept in a form acceptable to the relevant authorities and compliant with the requirements of the Data Protection Act.
- k) All expenditure is accurately recorded against the correct budget and any [exceptions] are corrected.
- l) Supplier records are only set up when the required independent collaborative checks have been satisfactorily completed.
- m) Where contractors are employed to undertake building works etc, the requirements of HM Revenue and Customs' Construction Industry Scheme are complied with.
- n) Processes are in place to maintain the security and integrity of data for transacting business electronically.

8.2.5. Official orders must be in a form approved by the Director of Corporate Services and must be issued for all works and goods or services that are to be supplied to the Company, except for supplies and/or other [E?exceptions] specified or agreed by the Director of Corporate Services.

8.2.6. Executive Directors must monitor compliance within their own Directorates to ensure the following:

- a) No orders are issued for goods or services where the cost is not covered by an approved budget.
- b) Orders are only raised for goods and services provided to and for the use of the service area.

- c) Orders MUST be raised and approved in advance of both the related goods and services being received / consumed and the respective invoice being receipted.
- d) Orders are approved only by those staff authorised to do so as per the Financial Authorisation Matrix.
- e) Goods and services ordered are appropriate and needed, there is adequate budgetary provision and that, where applicable, Quotations or tenders have been obtained in accordance with the Company's approved authorisation levels and Standing Orders.
- f) Adequate records are retained and made readily available for inspection and that these contain full details of goods and services to be supplied, prices and discounts where appropriate.
- g) Goods and services are checked on receipt to verify that they are in accordance with the order and, where relevant, appropriate entries are then made to inventories or stores' records. This check shall be carried out by a different officer from the person who authorised the order.
- h) At least two authorised members of staff are involved in the ordering, receiving and payment process. Ideally, a different officer from the person who authorised the order, and in every case, a different officer from the person checking a written invoice, shall authorise the invoice.
- i) Appropriate steps are taken to obtain competitive prices for goods and services of the appropriate quality, in accordance with the Company's Procurement Strategy and Contract Standing Orders, and provide assurance that VfM is secured.
- j) The Head of Finance and Business Assurance is notified of all outstanding expenditure relating to the previous financial year as soon as possible after 31st March in line with the timetable determined annually by the Head of Finance and Business Assurance; and
- k) The Director of Corporate Services is notified immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

8.3. Payment of Invoices

8.3.1. The Director of Corporate Services shall ensure that:

- a) Payment is not made by the Company unless:
 - A proper VAT invoice has been received, checked, coded and certified for.
 - Supplier invoices are formally addressed to the Company.

- The invoice has been checked to ensure it has not previously been paid.
 - Expenditure has been properly incurred, is within budget provision and discounts have been taken where available.
 - The prices and arithmetic are correct and accord with Quotations, tenders, contracts or catalogue prices; and
 - The correct accounting treatment of tax has been applied.
- b) Suppliers of goods and services are encouraged to receive payment by the most economical means for the Company.
- c) Financial records and documents are retained and stored in accordance with the Company's Document Retention Policy and statutory requirements.
- d) Where payments are to be made to consultants other than through the Company's payroll system, that there is a clear justification for this and that there are no tax implications that may arise.
- 8.3.2. Segregation of duties shall be maintained to ensure that payments are checked and released by officers independent of those responsible for processing the final payment.
- 8.3.3. New supplier details shall be independently checked by Finance prior to any payments being made by the Company. Supplier payment profiles should be checked on a periodic basis.
- 8.3.4. In some instances cheques or payments will need to be raised for expenditure where no order or invoice has been provided. Such instances include:
- Compensation payments to tenants and leaseholders;
 - Replenishment of franking machines;
 - Petty cash purchases; and
 - Some periodic payments such as rents, rates and utilities.
- 8.3.5. Manual cheques drawn on the Company's bank account shall bear the signature of two authorised signatories, as per the Company's authority levels.
- 8.3.6. The authority to sign cheques also applies to similar payment instruments such as telegraphic transfers, standing order mandates and direct debt instructions.
- 8.3.7. All blank cheques and cheque books shall be ordered only on the authority of the Director of Corporate Services who shall ensure proper arrangements are made for their safe custody.

8.4. Petty Cash

8.4.1. SLHD use petty cash for the purchase of low cost items which are needed urgently when it is not possible to go through the normal ordering process

8.4.2. The petty cash accounts must not be used for the payment of salaries, wages, staff travelling or subsistence expenses or to pay any type of claim that should be properly accounted for through the payroll system.

8.4.3. All expenditure must be supported by a receipt and documented by a petty cash voucher. If any payment includes VAT a formal VAT receipt showing the following details should be obtained:

- Details of purchase, the purchase price and the amount of VAT.
- Name, address and VAT registration number of the supplier.
 - In exceptional circumstances only a till receipt may be available. In this instance the VAT number should be shown on the receipt which should also state the description of the items purchased.
 - These details will enable St Leger Homes to reclaim the VAT element of the expenditure

8.4.4. Petty cash must not be used if the item is available though:

- The normal purchasing procedures of using a stock or non-stock requisitions, or;
- If the item is available under contract and can be obtained through normal purchasing procedures

8.4.5. Petty cash must always be kept in a lockable cash box and locked in a safe which had adequate insurance to cover the balance of cash held.

8.4.6. Personal credit cards should not be used to make petty cash purchases.

8.4.7. Personal monies must not be used to supplement a petty cash imprest account under any circumstances.

8.4.8. All petty cash transactions will be logged onto the corporate petty cash recording system and not ad-hoc paper records

8.4.9. Staff must not authorise a payment from the petty cash to themselves

8.4.10. There will be a member of staff who is responsible for controlling petty cash, in their absence there will be defined arrangements for administering the petty cash

8.4.11. Where it is necessary to transfer the responsibility for the petty cash, the petty cash record must be balanced to the amount of cash in hand and agreed by both members of staff

8.4.12. The petty cash vouchers will be reconciled at the point of the collection of the reimbursement request by an independent (Doncaster Council) officer who is not responsible for the day-to-day administration of the petty cash function

- 8.4.13. The petty cash record will be annually reconciled against the physical cash float by an independent officer (Business Assurance Team) who is not responsible for the day-to-day administration of the petty cash function

The petty cash procedures must be adhered to at all time

8.5. Purchasing Cards (Credit Cards)

- 8.5.1. Purchasing cards are allocated on an individual basis for use by the designated named card holder when procuring goods and services on behalf of the Company.
- 8.5.2. All purchase card requests shall be approved by the Head of Finance and Business Assurance in advance of being ordered and allocated to employees.
- 8.5.3. All Cardholders must read the User Guide and Guidance Notes and sign the Lloyds Bank Business Acceptance Form.
- 8.5.4. Company Purchasing Cards must only be used for Business use, for purchases within the cardholders' service area and within approved spending limits.
- 8.5.5. Due to the nature and operation of purchase cards approval of expenditure as per required by the Financial Authorisation Matrix is done retrospectively.
- 8.5.6. Cardholders can use the card via the telephone, fax or over the internet.
- 8.5.7. Individual PIN numbers will be provided to each cardholder to support secure purchases. The PIN number must never be shared with other individuals or kept with the purchase card.

8.6. Hotel Account Cards (Premier Inn, Travelodge)

- 8.6.1. SLHD has corporate accounts with two hotel companies to enable efficient accommodation booking for employees and customers (eg. decants, homelessness)
- 8.6.2. Hotel account cards are allocated on an individual basis for use by the designated named card holder when procuring goods and services on behalf of the Company. Cards must not be used for personal use.
- 8.6.3. All Hotel account card requests shall be approved by the Head of Finance and Business Assurance in advance of being ordered and allocated to employees.
- 8.6.4. All Cardholders must read the respective User Guide and Guidance Notes and sign the related Acceptance Forms

8.7. Decorating Vouchers

- 8.7.1. Decoration Vouchers are issued to tenants to assist them in repairing any damage caused by work being carried out in their home. Details of the

procedures to be followed are detailed in the Company's Decoration Voucher Policy.

8.8. Service Level Agreements (SLAs)

8.8.1. The Company maintains a number of SLAs with the Council. It is the Company's policy to ensure that it obtains VfM for all services received, and so these SLAs remain subject to review.

8.8.2. EMT is responsible for ensuring that all SLAs are reviewed on a timely basis and that regular monitoring and performance reporting against each SLA by an appropriate responsible officer takes place.

8.8.3. EMT will seek to agree a programme of SLA reviews with the Council and represent the Company as lead client in general SLA discussions and negotiations with the Council.

8.8.4. Periodic VfM reviews of each SLA will take place in a form prescribed by the Director of Corporate Services and will include benchmarking and market testing exercises.

8.8.5. Progress with the monitoring, performance review and agreement of SLAs as well as the results of VfM reviews will be reported to the Executive Management Team.

8.8.6. The decision to withdraw, in part or in full, from any of the Council SLAs will be subject to a 'notice period' of 6 months from the date when the Council is informed of the Company's decision in writing.

8.9. Goodwill, Ex-Gratia and Compensation

8.9.1. No cash payments are made in respect of Goodwill. Ex-gratia and compensation payments will be made in accordance with the Compensation Policy which can be found on the SLHD intranet <https://intranet.stlegerhomes.co.uk/policies-and-procedures/>

9. Salaries, Wages and Pensions

9.1. General

9.1.1. The Head of Service for Human Resources and Organisational Development (HR & OD) shall ensure that systems are in place for recording in a format agreed with the Director of Corporate Services all matters affecting the calculation and payment of salaries, wages and benefits.

9.1.2. Employees must adhere to the Employee Code of Conduct and all payroll policies and procedures. Details can be found on the SLHD intranet <https://intranet.stlegerhomes.co.uk/hr/pay-and-benefits/>

9.2. **Employee and Board Members Expenses**

9.2.1. Claims by employees for expenses incurred whilst undertaking duties on behalf of the Company must be paid through the payroll system.

9.2.2. The remuneration and expenses claimable by Board Members is governed by the Board Members Expenses Policy. Rates for expenses claims are included in the policy.

9.3. **Redundancy and Other Employee Payments**

9.3.1. All payments made to ex-employees in respect of the following areas shall be in accordance with SLHD's policies and processed and paid through the Company's payroll systems:

- Payments in lieu of notice; and
- Statutory and non-statutory redundancy payments.

10. **Assets**

10.1. **General**

10.1.1. The Director of Corporate Services is responsible for ensuring that the Company's assets are used efficiently, effectively and economically in order to demonstrate that VfM is being obtained. The Director of Corporate Services must ensure that records and assets are properly maintained and securely held.

10.1.2. A Fixed Asset Register and ICT inventory shall be maintained, recording a description and location of ICT equipment – laptops, desktops, screens, mobile phones and handheld devices.

10.1.3. A register of other capital equipment leased by the Company (eg. trades vehicles, equipment), will be maintained within the Finance department.. The form in which the Fixed Asset Register shall be kept is to be set by the Director of Corporate Services.

10.1.4. A register of office furniture and equipment is not maintained due to volume and fluidity of location. All furniture and equipment must be regularly checked and maintained by the relevant Head of Service to ensure it is fit for purpose. Any equipment not in use must remain in offices or stored within the Stores depot. Equipment no longer required or fit for purpose must be disposed of in line with these Financial Regulations (see below)

10.1.5. Each officer assigned responsibility for assets in the Fixed Asset Register shall be responsible for maintaining an annual check of all their respective assets. Nominated officers responsible for individual assets shall ensure that all property and equipment is maintained in good working order.

10.2. Disposal of Assets

10.2.1. The disposal of any asset must provide for the greatest economic benefit to the Company and approved by the relevant Executive Director.

10.2.2. Disposal of stock is covered in the Disposal of Obsolete Stock Policy.

10.3. Stocks and Stores

10.3.1. All relevant staff shall be responsible for the care and custody of the stocks and stores under their control.

10.3.2. Arrangements shall be made for periodical test examinations of the Company's stock. Stock counts should be performed on all categories of stock on a rolling basis at least once every year. Appropriate levels of stocks shall be maintained at all times.

10.3.3. Adequate procedures shall be in place to ensure that all Company stock is counted and reconciled to the stock management system on, or at a date not significantly different to, the 31st March each year.

10.3.4. Stock held by the Company at the year-end shall be valued at the lesser of cost and net realisable value in the Company's accounting systems, records and annual accounts.

10.3.5. All adjustments to stock values, arising due to variances identified during either perpetual or year-end stock takes, are to be reviewed and authorised by the Contract and Compliance Service Manager.

10.3.6. All discrepancies shall be reported on a regular basis to the Director of Property (Technical) Services, and if appropriate, to investigate possible theft which would be dealt with in accordance with the Company's disciplinary policy.

10.3.7. Each relevant member of staff must provide to the Head of Finance and Business Assurance all information as deemed required in relation to stores for the accounting, costing and financial records at the earliest opportunity upon request.

10.3.8. Significant stock losses must be reported to the Director of Property (Technical) Services who must then ensure appropriate action is taken in accordance with internal procedures.

10.3.9. Obsolete stock will be dealt with as outlined in the Obsolete Stock Policy.

10.3.10. Damaged or out of date stock will be disposed of in accordance with Health & Safety requirements.

11. Treasury Management

11.1. General

11.1.1. The Company's treasury management functions are currently managed by the Council on the Company's behalf through the Financial Services SLA. The Company's bank account is held with the suite of Council bank accounts.

11.1.2. The responsibility for cash flow planning, monitoring and reporting shall rest with the Director of Corporate Services. The cash flow forecast shall be reviewed monthly and shall include projections on a rolling 12 month basis. Longer-term cash flow forecasts shall be produced in accordance with business planning requirements.

12. Procurement and contracts

12.1. Procurement Strategy

12.1.1. The Company's Procurement Strategy sets out the strategic procurement objective of the Company, which is to deliver modern, efficient and effective procurement that complies with current regulations and legislative requirements and also has a positive impact on the communities the Company operates in.

12.2. Contracts

12.2.1. All procurement activity must be conducted in accordance with the Company's Contract Standing Orders, which are set out in detail in the section below.

CONTRACT STANDING ORDERS

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- 22.0 Joint Procurement
- 23.0 Contracts valued up to £5,000 inclusive
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- 26.0 (inclusive)
Intermediate Value Procurement Contracts valued at:-
£80,000 to £189,330 for Supplies and Services, £80,000 to £663,540 for
Contracts under the Light Touch Regime, £80,000 to £4,733,252 for
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Appendix A – Glossary of Terms

Appendix B – Authorisation flow chart

1.0 Introduction

- 1.1 Strategic Procurement is 'the process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the **whole life cycle** from identification of needs, through to the end of a Contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision.'
- 1.2 These Contract Standing Orders outline the policy and procedures for the procurement activities across the Company which includes ordering for the purchase, Commissioning, hire, rental of goods, supplies, works and services on behalf of the Company.
- 1.3 Compliance with the Contract Standing Orders ensures that:
- All Suppliers are treated fairly and equally and that all procurement takes place in an open and transparent way, encouraging competition.
 - The rules and procedures governing the procurement process are set out clearly for officers and third parties buying or Commissioning on behalf of the Company, and Suppliers and other interested Stakeholders.
 - All elements of procurement, from identifying the need through to disposal of goods or ending of Contracts, are governed to ensure sound, robust procurement practice.
 - The Company complies with Procurement Law and other legal requirements such as the Social Value Act.
 - The Company minimises risk of a successful challenge in the Courts.
 - The Company can prevent and defend against allegations of corruption and incorrect or fraudulent procurement practice, should the need arise.
 - Individual members of staff are able to prevent and defend against allegations of corruption and incorrect or fraudulent procurement practice, should the need arise.
- 1.4 The Company has a duty to make the best use of its assets and finances on behalf of the residents and businesses of the borough. It is important that works, goods and services are procured in a way that offers Value for Money and is carefully regulated, lawful, and ensures transparency and accountability.
- 1.5 The following pages offer further details in relation to the compliance and general requirements around procuring Goods and Services on behalf of the Company and should be complied with for any procurement activities.
- 1.6 It also should be noted that these Contract Standing Orders should be read in conjunction with the Company's Financial Regulations and the Procurement Strategy in order for Company employees to discharge their responsibilities accordingly.

2.0 Basic Principles of Procurement

- 2.1 All procurement and Commissioning procedures must:
- Be in line with the Company's objectives as set out in the Business Plan.
 - Meet the procurement need and achieve Value for Money.
 - Ensure fairness and transparency in the allocation of public Contracts.

- Comply with all appropriate legal requirements.
- Ensure that all risks in the process are appropriately assessed and managed.
- Ensure that all required pre-tender consultation has taken place.
- Ensure the Procurement and Commercial Team is engaged at an early stage of the Commissioning process to ensure that the best commercial option is undertaken in any resulting tendering exercise.
- Promote Social Value through Company's activities.
- Encourage participation of Doncaster Businesses in Company Contracts

2.2 Procurement procedures - once the need for goods, services or works has been identified, officers are required to :-

- a. Investigate whether the Company has an in-house supplier which can meet the requirements; or if this is not possible
- b. Investigate whether there is a Companywide Contract or other arrangement already in place; or if this is not possible
- c. Consider carrying out a procurement process by either a tendered process or via a regional/national framework, to ensure that the best route to market is obtained. (for the avoidance of doubt this process should only be carried out if steps a-b have not proved possible).

3.0 Service Level Agreements (SLA)

3.1 Any arrangements with the Council via an SLA will sit outside of these Contract Standing Orders and will be managed by the Business Performance and Assurance Team.

4.0 Compliance

4.1 These Contract Standing orders must be adhered to by:

- All permanent or temporary staff.
- External consultants.
- Board members or tenant representatives.
- Any other party that may be responsible for awarding, managing and monitoring Contracts on behalf of the Company.

4.2 The highest standards of probity are required of all those involved in the procurement, Award and Contract Management of the Company's Contracts.

4.3 Any failure to comply with any of the provisions of these Contract Standing Orders, the Financial Regulations or UK and European Union legal requirements may result in disciplinary action and may in some instances/cases constitute a criminal offence.

4.4 The Contract Standing Orders are a minimum standard and a more prescriptive procurement regime must be followed where this is required by European and UK Law and agreements with Grant Funding organisations.

4.5 Measures should be taken to effectively prevent, identify and remedy conflicts of interest arising through procurement activity so as to avoid any distortion of competition and to ensure equal treatment of all Suppliers and Tenderers.

4.6 Any Officer, Member or other person acting on the Company's behalf must declare any potential Conflict of Interest as soon as they become aware of it. This must be declared to Procurement and Commercial Team and a decision to allow continued involvement approved or declined by the Procurement and Commercial Service Manager and recorded.

5.0 Forward Plan and Contracts Register

5.1 Senior Management Team to consult with the Procurement and Commercial Team as soon as the need for a procurement exercise becomes apparent so this information can be entered onto the procurement plan.

5.2 Where appropriate the Procurement and Commercial Team shall publish Prior Information Notices on the Governments Find a Tender Service website listing the contracts for works, services and supplies which it expects to procure in the coming financial year.

5.3 The Procurement and Commercial Team will maintain and update the Company's Contracts Register and publish this in accordance to the requirements specified in the Local Government Transparency Code.

6.0 Budget Availability

6.1 No procurement activity can take place without written confirmation that a budget or other financial resources are available which have been previously approved by the Board or Executive Management Team.

7.0 Estimating Contract Value

7.1 When contracting goods, services or works, a genuine assessment of the Whole Life value of the Contract or Framework Agreement must be undertaken.

7.2 The estimated value must present the total potential cost, exclusive of VAT, over the whole life of the project, including any extension terms. If the project can be demonstrated as truly, innovative and an estimate cannot be provided approval to proceed must be obtained from the Executive Management Team before commencing a competitive tendering process.

7.3 Where Grant Funding is a contributory factor to the potential cost, this must be included as part of the Contract value.

7.4 The Company shall make the best use of its purchasing power by aggregating purchases wherever possible. In particular Contracts shall not be disaggregated in an attempt to avoid the application of these Contract Standing Orders or the Regulations, if not this may result in a breach Regulations.

7.5 For Concession Contracts the value of the Contract shall be the total turnover of the concessionaire generated over the duration of the Contract, net of VAT, in consideration for the goods, services or works that are the object of the Concession Contract.

7.6 The value of an Income Generating Contracts is the gross income generated by the Company as a result of the rights granted, or goods, services or works supplied by the Company.

8.0 General Data Protection Regulation (GDPR)

8.1 Where any Supplier is to be given possession of or access to any personal data, the Authorising Officer must comply with GDPR and the Company's Data Protection obligations.

8.2 The Authorising Officer must follow the Company's Information Security and Data Protection Policies, in particular regarding contracting with data processors and sharing data, and carry out a Data Protection Impact Assessment (DPIA) in consultation with the Information Governance

9.0 Procurement Business Case

9.1 A Procurement Business Case should be developed for every procurement process over £80,000. The Procurement Business Case should clearly explain the background to the Contract, details of the research undertaken and options available, and details of the arrangements that will be established for the management of the Contract and any required exit strategies that may be deployed.

9.2 Where procurement is for services or goods and services and the estimated value is above the relevant Threshold the Procurement Business Case should consider, to the extent to which it is proportionate and relevant to what is proposed to be procured:

- How what is proposed to be procured might improve the economic, social and environmental well-being of the area;
- How, in conducting the process of procurement, the Company might act with a view to securing that improvement; and
- Whether it would be beneficial to undertake any consultation on these issues.

9.3 The Procurement Business Case should address whether to Award the Contract in the form of separate lots and if so consider the size and subject-matter of such lots and any limit on the number of lots a Tenderer can Tender for or be awarded and any rules for determining which lots will be awarded. Where it is recommended that the Contract is not divided into lots the reason for the decisions should be recorded.

9.4 The Procurement Business Case must be signed off by the relevant member of the Senior Management Team with responsibility for the service area concerned and the Procurement and Commercial Service Manager.

10.0 ICT and ICT Related Contracts

10.1 The ICT Service Manager or appropriate IT related sub group must be consulted regarding the procurement of ICT consumables, hardware, software or website development or any other ICT service prior to the commencement of any tendering activity.

11.0 Awarding of Contract

- 11.1 These Contract Standing Orders should be read in conjunction with the decision making provisions and authorisation limits set out in the Company's Financial Regulations.
- 11.2 Contracts valued under the EU Threshold can be signed by a member of the Leadership Team or Procurement and Commercial Service Manager, whereas Contracts valued above Threshold must be signed by a member of the Executive Management Team.

12.0 Relevant Contracts

- 12.1 The letting of all relevant Contracts must comply with these Contract Standing Orders. Contract is a legally binding agreement required for all goods, works or services entered into by the Company. A Contract can be formed through verbal, written means or via the exchange of monies.
- 12.2 A relevant Contract is any arrangement made by, or on behalf of, the Company for the carrying out of works, or for the supply or provision of goods, materials or services.

This includes arrangements for:

- The undertaking of works.
- The supply or disposal of goods.
- The hire, rental or leasing of goods and equipment.
- The delivery of services.
- Consultancy services.
- Concession or Income Generating Contracts

- 12.3 Relevant Contracts do not include:

- Contracts for the employment of individual members staff (permanent, interim or casual). For the avoidance of doubt the appointment of recruitment agencies are subject to these Contract Standing Orders.
- The employment of Barristers (for court related work) - Barristers engaged to represent the Company must be appointed by a member of the Executive Management Team.
- Contracts relating to disposal or acquisition of an interest in land.
- Legal services Contracts and arbitration services Contracts provided they fall within the exemptions set out in Regulation 10 of the Regulations.
- The selection of a supplier who usage is a condition of a Grant Funding approval.
- Where there is one supplier, such as works of art, copyrighted material, taxes or licence arrangements.

- 12.4 Letters of Intent may only be issued in very exceptional circumstances following consultation and approval of the Director of Corporate Services.

- 12.5 The Company may enter into nil (cash) value Contracts. The Company's Contract Standing Orders will still apply in this case if a third party making an

economic gain.

- 12.6 Contractors fulfilling duties on behalf of the Company must comply with the Company's Contract Standing Orders.
- 12.7 Any lease, hire, rental or credit arrangement (such as vehicle or equipment leasing) which has a capital cost must be approved for inclusion in the Capital Programme in accordance with the Financial Regulations relating to Capital expenditure, prior to commencing any procurement exercise.

13.0 Exemptions to the Contract Standing Orders

- 13.1 No Exemptions can be made to the requirements of competition in terms of these Contract Standing Orders, unless authorised in writing by a member of the Executive Management Team, after considering a written report in the form of a Contract Standing Orders waiver, which is completed by the appropriate Member of the Senior Management Team.
- 13.2 A register of all Exemptions will be maintained by the Procurement and Commercial Service Manager and will be reported to the Audit and Risk Committee on an annual basis.

14.0 Waivers to Contract Standing Orders

- 14.1 Waivers to Contract Standing Orders may be allowed under certain circumstances. Waivers which may be permitted include:
- a. Where a member of the Senior Management Team is able to demonstrate that only one specialist firm is able to meet the requirement.
 - b. A Contract needs to be placed as an emergency solution where there is immediate risk to persons or property or serious disruption to the Company's services.
- 14.2 Only members of the Executive Management Team have authority to waive the Contract Standing Orders.
- 14.3 Waivers should be obtained in advance of the procurement action, however in certain circumstance where time is of the essence a retrospective waiver can be submitted within 2 months of the need arising and will be deemed compliant.
- 14.4 However waivers must not be used to avoid the requirements of these Contract Standing Orders to go out to competition, due to lack of time available within the procurement timelines.
- 14.5 Requirements of EU Procurement Directives, UK Procurement legislation or any other relevant law or external regulatory framework cannot be waived.
- 14.6 Waivers can only be allowed up to the value of the relevant EU Threshold, currently
- £189,330, for goods & services;

- £663,540 for Contracts under the Light Touch Regime; and
- £4,733,252 for works Contracts and for Concessions

14.7 Waivers must demonstrate that Value for Money has been obtained and there is a clear benefit or advantage to the Company.

14.8 Waivers must be documented in a form approved by a member of the Executive Management Team, this is available on the Company's intranet and should be submitted to the Procurement and Commercial Team before approval is sought.

14.9 Where waivers are to be used a formal Contract and/or the Company's standard terms and conditions must be signed or issued prior to commencement.

15.0 Contracting Route Options

15.1 There are different methodologies to contracting on behalf of the Company, these are set out in paragraphs 16 – 28 of these Contract Standing orders.

16.0 Using In House Suppliers (IHS)

16.1 Where an In House Supplier is available, then this provider must be used.

16.2 Where there is no IHS or where the IHS cannot provide the service required due to capacity, other options can be considered.

16.3 The Company will benchmark IHS to ensure they are achieving Value for Money, and where it is decided that the Company is not receiving Value for Money then alternative arrangements will be considered, this may include looking to external suppliers to provide the service.

17.0 Using Companywide Contracts

17.1 Where the Company already holds a Contract, officers are required to use these Contracts.

17.2 Details of the current Companywide Contracts are available on the Contract Register located on the Company's intranet page.

17.3 There is no Exemption from the use of Companywide Contracts unless agreed by the Procurement and Commercial Service Manager.

18.0 Negotiated Contracts

18.1 There may be a need to consider negotiation when procuring goods, services and works. Officers should be advised that there are restrictions associated with procuring above EU procurement Thresholds.

18.2 The use of a negotiated process must be approved by a member of the Executive Management Team. Verbal negotiation must be undertaken by at least two Officers at least one of whom must be independent of the process.

18.3 Written negotiation must be subject to evidenced independent process check, calculation and value for money. If the Contract value is above Threshold and the proposed procedure is either Competitive Dialogue or Negotiated Procedure, these must be conducted by the Procurement and Commercial Team in line with the EU procurement regulations.

19.0 Concession Contracts

19.1 Concession Contracts for services or works are a supply Contract and the procurement of Concessions shall follow the competitive and contracting requirements in these Contract Standing Orders.

19.2 Concession Contracts for works or services with a value of £4,733,252 or more are subject to the Public Concessions Regulations 2016 and will be such to such additional procurement process requirements.

19.3 The value of a Concession Contract shall be the total turnover generated by the concessionaire over the duration of the Contract, net of VAT, in relation to the services or works that are the object of the Concession Contract.

20.0 Using Framework Agreements

20.1 Officers may use a Framework Agreement let by another public sector body, such as public sector consortia or another company. These are available for the works, service or goods that are required and the Company is clearly identified as eligible to call off under the Framework Agreement.

20.2 The advice of Procurement and Commercial Team should be sought before using Framework Agreements. The Procurement and Commercial Team are aware of the appropriate Framework Agreements that can be accessed for the works, goods and services.

20.3 Where direct award is available via the Framework Agreement the Procurement and Commercial Team will evaluate its viability to ensure the best route to market is obtained.

20.4 The Framework Agreement may also include within its terms the requirement for a mini-competition exercise, if this is required, the Procurement and Commercial Team will undertake this process in line with the guidance set out in these Contract Standing Orders.

21.0 Approved Lists

21.1 The Company does not use Approved Lists of Suppliers.

22.0 Joint Procurement

22.1 When undertaking a Joint Procurement arrangement on behalf of the Company the Procurement and Commercial Team will ensure the other public bodies that are to be included in that arrangement are listed in the advertisement and Contract documents. They can either be individually listed or referred to as a class of organisations within a particular region e.g. "all Local Authorities in the

Yorkshire and Humber Region". The estimate given must include the potential usage of that joint arrangement by those public bodies listed.

23.0 Contracts valued up to £5,000 inclusive

23.1 Where the estimated value or amount of a proposed Contract does not exceed £5,000 then the Authorised officer should obtain at least 1 verbal quotation from suitable suppliers followed up by written confirmation (including email).

23.2 A quotation should be sought from a Doncaster Business. Whilst there is only a requirement for one quotation the Authorised Officer must consider whether additional quotations are in the Company's best interest.

24.0 Contracts valued over £5,000 to £25,000

24.1 Where the estimated value or amount of a proposed Contract is over £5,000 but does not exceed £25,000 then the Authorised Officer should obtain at least 2 written Quotations from suitable suppliers. Wherever possible the Quotations should be sought from at least one Doncaster Business.

24.2 Whilst there is only a requirement for two Quotations the Authorised Officer must consider whether additional Quotations are in the Company's best interest.

24.3 The record of the Quotations received and decision on Award will be recorded on the appropriate pro-forma which is available on the Company's intranet and should be submitted to the Procurement and Commercial Team within 10 working days of Award.

24.4 Any potential Tenderers approached must be made aware the purchase will be on the Company's Standard Terms and Conditions of Contract for a Purchase Order which should be sent to the Company at the same time as requesting a written Quotation.

25.0 Low Value Procurement - Contracts valued £25,000 to £80,000 (inclusive)

25.1 Where the estimated value or amount of a proposed Contract is over £25,000 but does not exceed £80,000 then the Authorised Officer should obtain at least 3 written Quotations from suitable Tenderers. Where appropriate these quotations should be administered via the quick quote function on ProContract. Wherever possible the Quotations should be sought from at least one Doncaster Business.

25.2 Whilst there is only a requirement for three Quotations the Authorised Officer must consider whether additional Quotations are in the Company's best interest.

25.3 If any of the cost is externally funded then the Authorised Officer must review the conditions of the funding agreement to ensure that this route is appropriate.

- 25.4 The record of the Quotations received and decision on Award will be recorded on the appropriate pro-forma which is available on the Company's intranet and should be submitted to the Procurement and Commercial Team within 10 working days of Award.
- 25.5 Any potential Contractors approached must be made aware the purchase will be on the Company's Standard Terms and Conditions of Contract for a Purchase Order which should be sent to the Company at the same time as requesting a written Quotation.
- 26.0 Intermediate Value Procurement Contracts valued at:-
£80,000 to £189,330 for Supplies and Services
£80,000 to £663,540 for Contracts under the Light Touch Regime
£80,000 to £4,733,252 for Works (current EU Threshold)**
- 26.1 Where the estimated value or amount of a proposed Contract is between £80,000 to £189,330 for supplies and services or £80,000 to £4,551,413 for works these are required to be tendered via ProContract (or other approved tendering portal).
- 26.2 There is no minimum time limit for which procurement processes within this Threshold need to be advertised. However, it is expected that a sufficient (but not disproportionate) time limit is applied to allow potential Tenderers to respond. This therefore needs to be considered on a case by case basis, dependent upon any prior market engagement undertaken, the complexities of the Specification and the level/amount of detail required within the Tender response.
- 26.3 Tenders undertaken for procurements between these Thresholds must not include a pre-qualification or selection stage, or a stage in the procurement process where the authority can assess the suitability of a candidate for the purpose of reducing the number of candidates to a smaller number who will proceed to a later stage of the process.
- 26.4 Where there is a need to determine whether a Company meets any prescribed minimum requirements in terms of its financial standing or other relevant matter as part of the Evaluation process, this should be done through due diligence with the top scoring Tenderer only.
- 26.5 Members of the Executive Management Team can waive the need to go to market at this Contract value and just approach a number of Tenderers to Tender or submit a Quotation. This must be confirmed to a member of the Procurement and Commercial Team via e-mail prior to the procurement exercise giving a rationale as to why this route has been chosen.
- 26.6 Where this direct route is chosen a minimum of 3 Tenderers will be invited to Tender and wherever possible a Tender should be sought from at least one Doncaster Business.
- 26.7 This process will be administered via the Procurement and Commercial Team and will be undertaken on ProContract (or other approved tendering portal).

**27.0 High Value Procurements for Contracts valued over:-
£189,330 for Supplies and Services
£663,540 for Contracts under the Light Touch Regime
£4,733,252 for Works**

- 27.1 Where the estimated value of the proposed Contract exceeds the Threshold, it must be tendered in accordance with the Regulations.
The Regulations allow a range of different procedures:
- Open Procedure
 - Restricted Procedure
 - Competitive procedure with negotiation
 - Competitive Dialogue
 - Innovation partnership
- 27.2 The Open Procedure and the Restricted Procedure are the most commonly used procedures. Where consideration is given to any of the other procedures, early advice must be sought from the Procurement and Commercial Team.
- 27.3 Where a Restricted Procedure is proposed a minimum of 5 Tenderers should be shortlisted to Invite to Tender (where at least 5 suitable Tenderers have expressed an interest).
- 27.4 The choice of procurement procedure selected must be detailed in the Procurement Business Case referred to in section 8, setting out the justification for using the selected procedure.
- 27.5 All tenders above the EU Threshold(s) must be advertised on the UK Governments Find a Tender Service website (FTS) using the ProContract portal or equivalent.
- 27.6 Publication of the Tender Documents on ProContract or equivalent and Contracts Finder must not occur until 48 hours after the despatch of the FTS notice.
- 27.7 For Contracts valued above the EU Threshold there are minimum timescales to be adhered to, for which Tenderers are given the opportunity to express interest, complete and return the Tender documentation. The timescales stipulated are dependent upon the type of notice issued to act as a call for competition and should be treated as minimum timescales and not be relied upon as the standard.
- 27.8 When determining the time limits for the receipt of the Selection Questionnaire (SQ) and Tenders, the Authorised Officer must be proportionate and fair to the market and take into consideration, the complexity of the Specification and Tender Submission requirements, along with any previous market consultation undertaken. The justifications for the time limits set, should be detailed within the Procurement Business Case.
- 27.9 Social Value must form part of the evaluation criteria for all procurements above £189,330 and have a minimum weighting of 10%.

28.0 Trial Purchases

- 28.1 A member of the Executive Management Team may approve the trial of goods, services or works that is new to the Company up to a value of £100,000, to ascertain if the supply is of interest to the Company, without competition.
- 28.2 Where an Exemption to competition in Contract Standing Orders 14.1 does not apply, a full competition, compliant with the Contract Standing Orders must be conducted following the trial, if the Member of the Executive Management Team wishes to continue with the type of supply.
- 28.3 Arrangements must be made to ensure the Supplier(s) involved in the trial has not obtained any advantage through that involvement when compared to alternative suppliers of a similar supply.

29.0 Qualification

- 29.1 For all procurements with a value of over £189,330 for supplies and services, £663,540 for Contracts under the Light Touch Regime or £4,733,252 for works the Company shall only enter into a Contract with a Tenderer if it is satisfied as to the Tenderer's:-
- Economic and financial standing.
 - Technical ability and capacity.
 - Insurance arrangements.
 - Quality systems.
 - Health and Safety Records.
 - Environmental performance and compliance with environmental legislation.
 - Compliance with all relevant legislation.
- 29.2 For every such procurement the procurement business plan will set out the minimum standards of:
- suitability to pursue a professional activity;
 - economic and financial standing; and
 - technical and professional ability.
- 29.3 If any which are considered suitable and appropriate to the Contract having regard to the requirements of the Regulations and these will be included in the procurement documents.
- 29.4 Where a procedure other than the Open Procedure is being used the Procurement Business Plan must set out the proposed Criteria for selecting those to be invited to Tender or Participate in the Dialogue and these must be included in the relevant procurement documents.
- 29.5 Whilst candidates may initially self-certify as to compliance with requirements whether using the European Single Procurement Document (ESPD) or otherwise, officers should consider when it would be appropriate to ask candidates to provide evidence of meeting the relevant standards and Criteria, and in any event before being Awarded the Contract, the successful Tenderer must have provided satisfactory evidence.

29.6 Where any Tenderer seeks to rely on the capacities of other entities in terms of economic and financial standing and professional and technical ability it shall be required:

- to prove how those capacities will be available to it; and
- to demonstrate that such entity is not liable to exclusion under the Regulations;

in the case of economic and financial standing that any relevant entity will be required to provide a parent company or other suitable guarantee to the Company and these requirements will be made clear in the relevant procurement documents.

30.0 The Invitation to Tender/Quote

30.1 The Invitation to Tender or Quote shall include details of the Company's requirements for the particular Contract including:

- a. description of the services, supplies or works being procured;
- b. the procurement timetable including the Tender/Quotation return date and timescales. A reasonable period should be allowed for the applicants to prepare their Tender/Quotation and where applicable meet the minimum Regulation timescales;
- c. Specification and instructions on whether any variant Tenders are permissible;
- d. subject to the Company's terms and conditions of Contract or a request for the bidders to submit their terms and conditions (the Company should look to use its own terms and conditions wherever possible).
- e. the Evaluation Criteria including any weightings and or sub-criteria as considered appropriate;
- f. pricing mechanism and instructions for completion;
- g. whether the Company is of the view that TUPE may apply;
- h. if appropriate the form and content of method statements to be provided by the bidders;
- i. rules for submitting of Tenders/Quotations (all Tenders/Quotations should state that the Company's preferred option is to have Tenders/Quotations submitted electronically where appropriate);
- j. any further information, such as a project brief, which will inform or assist Tenderers in preparing Tenders/Quotations; and
- k. consideration should also be given whether or not a performance bond should be required. This should be considered for all Contracts over £500,000, and should only be specified following advice from the Director of Corporate Services.

31.0 Submission, Receipt, Opening and Registration of Tenders

31.1 Requests for Quotations and Invitations to Tender over £80,000 must be transmitted and Quotations and Tenders over £80,000 received by electronic means using the Company's ProContract system or equivalent. This will:

- (a) evidence and record successful transmissions; and
- (b) securely store tenders to ensure that they are not opened until the deadline for receipt of Quotations/Tenders has passed.

32.0 General

- 32.1 The design of the Tender/Quotation documents must be such that price documentation cannot be changed or substituted following Submission of the Tender or Quotation.
- 32.2 No Tenders, Quotations or SQ received after the specified date and time for their receipt can be considered by the Company unless approved by the Procurement and Commercial Service Manager.
All Tender/Quotation documents must be retained in line with the provisions set out at by the Company's document retention policy and set out on the Company's website.

33.0 Evaluation of Tenders & Quotations

- 33.1 The Evaluation Criteria shall be predetermined and listed in the Invitation to Tender/Quotation documentation in order of importance giving the relative weighting wherever possible. Save where it is obvious, marking methodologies should also be provided to bidders so they understand how their Tender will be evaluated. Sub-criteria should also be listed. In addition, the Criteria shall be strictly observed (and remain unchanged) at all times throughout the Award procedure.
- 33.2 Tenders subject to the Regulations shall be evaluated in accordance with the relevant Regulations and the Evaluation Criteria set out in the Invitation to Tender – further advice is available from the Procurement and Commercial Team. All other Quotations/Tenders shall be evaluated in accordance with the Evaluation Criteria set out in the Invitation to Tender/Quote.
- 33.3 Where a Tender is non-compliant for example because it does not meet the Company's Specification or other key requirement it will not be eligible for acceptance and should not be marked.
- 33.4 All Contracts, except contracts where lowest price was predetermined to be the only Criteria, must be Awarded on the basis of the offer which represents most economically advantageous Tender/Quotation for the Company as determined by the Award Criteria.
- 33.5 Procurements should only be abandoned and re-tendered for proper justifiable reasons e.g. funding is no longer available etc. It would be a breach of the Regulations if a tender process was abandoned on the grounds that a particular Tenderer was not the successful Tenderer and such action would leave the Company open to legal challenge.

34.0 Errors in Tenders/Quotations

- 34.1 Errors in Tenders/Quotations must be dealt with either by asking the Tenderer to confirm that they will accept the contract documentation as issued or if not withdraw the Tender/Quotation from the procurement process. Where a Tenderer has made a genuine error they may be given an opportunity to correct that error. Other than where a procurement exercise is being carried out under the Competitive Dialogue or Negotiated Procedure, where fine tuning and

clarification are permitted, no other adjustment, revision or qualification is permitted.

- 34.2 Tender/Quotation documents must state how errors in Tenders/Quotations will be dealt with.
- 34.3 Contractors regularly making errors should be warned appropriately.
- 34.4 Where a Tender is received which appears to contain an abnormally low price or costs, if the Tender would otherwise be the winning Bid, the Tenderer should prior to acceptance be asked to explain the reasons for the abnormally low sum and the explanation should be considered carefully to establish whether there are grounds to require or justify the discretionary rejection of the Tender. Advice should be taken from the Procurement and Commercial Team.

35.0 Post Tender Negotiation

- 35.1 Where a procurement exercise is conducted pursuant to the Regulations through either the Open Procedure, the Restricted Procedure or the Competitive Dialogue procedure, post tender Negotiations are not permitted. Under the Open Procedure and the Restricted Procedure Negotiations on price are never permitted. Where the Competitive Dialogue procedure is used all aspects of the procurement can be discussed pre-tender. However, post tender the officer may only seek to clarify, specify or fine tune tenders in accordance with (i) the Regulations and (ii) the Tender instructions (this should only be done in accordance with advice from the Company's legal providers).
- 35.2 Where procurements are conducted outside the Regulations, such as below Threshold Contracts, the Executive Management Team may authorise Negotiations if they consider that it is in the Company's interest to do so.
- 35.3 Negotiations shall be conducted on behalf of the Company by at least two appropriately trained officers (in correct procurement procedures). A full written record shall be kept of the results of the Negotiations, signed by a Director and the Supplier, and retained on file by the Procurement and Commercial Team.
- 35.4 An amended Tender following Negotiations under this rule may not be accepted unless it provides Value for Money to the Company.
- 35.5 At all times during the procurement process the Company shall ensure that all Tenderers are treated equally and in a non-discriminatory and transparent manner.

36.0 Awarding Contracts

- 36.1 A Contract shall only be Awarded on the basis of the Tender Evaluation Criteria.
- 36.2 Where a Tender is to be evaluated on price only the Contract must be Awarded to the Tenderer submitting the lowest price. It is not recommended to Award Contracts on price only.

- 36.3 Where the Quotation/Tender proposed for acceptance exceeds the estimated budget by more than 10% it shall not be accepted unless a member of the Executive Management Team has received written advice from:
- an Authorised Officer, explaining why the Tender exceeds the budget; and
 - the Head of Financial Services has confirmed that adequate budgetary provision exists to cover the funding of the additional cost.
- 36.4 Where the scope of the original Contract is to be reduced in order to fit within budgetary provision the Company will at least be required to re-enter Negotiations with all contractors who have submitted a Bid. Advice should be sought from the Procurement and Commercial Team as to whether the exercise should be recommenced.

37.0 Standstill

- 37.1 For contracts valued over EU Threshold a 10 day Standstill Period must be implemented (i.e. a Contract must not be entered into with the successful Tenderer and neither goods, works nor services may be performed or delivered to the Company during this period).
- 37.2 The Procurement and Commercial Team will undertake the preparation of this standstill letter. This is a specific letter that must be sent out to:
- the successful Tenderer; and
 - any unsuccessful Tenderer.
- 37.3 The letter advises all Tenderers of the result of the Evaluation and as a minimum must:
- contain the Award Criteria used to select the winning Bid;
 - the score obtained by the recipient of the letter/notice;
 - the score obtained by the winning bidder and the name of the winning bidder;
 - the reasons for the decision, including the characteristics and relative advantages of the successful Tender; and
 - the precise date when the standstill is expected to end.
- 37.4 Where an unsuccessful Tenderer requires further information or requests a meeting on why they were unsuccessful in the competition this is to be referred to the Procurement and Commercial Service Manager.

38.0 Contract Award Notice

- 38.1 All Contract Awards above £5,000 will be recorded on the appropriate register to ensure the company is able to comply with the Transparency Code and any contract awarded over £25,000 will need to be recorded on Contracts Finder.
- 38.2 Contracts above £189,330 for supplies and services, £663,540 for Contracts under the Light Touch Regime or £4,733,252 for works shall be executed under hand, unless the member of the Executive Management Team approves other arrangements, where the Contract will be executed under seal.

- 38.3 Contracts will be based on the Company's relevant standard terms and conditions. Where a variation is required from the standard terms and conditions this will be agreed by the Company's legal provider.
- 38.4 The decision to Award a Contract shall be made on receipt of a written recommendation from the Procurement and Commercial Team. This recommendation should give details of the reasons why tenders, if any, were disqualified and the reasons for the selection of Contractor(s).
- 38.5 Where the terms and conditions of Contract are not fully agreed to by the Supplier, no Supplier shall be allowed to commence delivery of goods, works or services until a full risk assessment has been carried out by the Procurement and Commercial Team as to the possible implications to the Company by the Contractor being allowed to commence work before the Contract terms and conditions have been finalised.
- 38.6 Following the notification of Award of Contract the details of the Awarded Contract are to be published on the Company's Contracts Register and Contracts Finder to meet the requirements of the Regulations and Transparency Agenda.
- 38.7 Where a Contract has been tendered pursuant to the Regulations, the Company shall publish a Contract Award Notice on the Governments Find a Tender Service website and on the ProContract system as soon as possible and in any event no later than 30 days after the date of Award of the Contract.
- 38.8 The Procurement and Commercial Team are also required to prepare a report in accordance with Regulation 84 of the Public Contract Regulations.

39.0 Contract Terms and Conditions

- 39.1 The Company will use its best endeavours to ensure that contracts are entered into on its terms and conditions, which shall also be included with each purchase order, request for Quotation or Invitation to Tender. Where this is not possible either:
- because the Company's terms and conditions are not suitable
 - a Supplier has been asked to submit their terms and conditions,
 - where there are material changes to the Company's terms and conditions;
- they must be formally approved by the Procurement and Commercial Team prior to Contract Award.

40.0 Contract Extensions and Variations

- 40.1 Proposed Variations to a Contract should be notified in advance to the Procurement and Commercial Service Manager to ensure that they will not contravene the requirements of the Regulations.
- 40.2 All Contract Variations must be carried out within the scope of the original Contract. Contract Variations that materially affect or change the scope of the original Contract are not allowed and could require a fresh procurement under the Regulations.

- 40.3 All Contract Variations must be in writing and signed by both the Company and the Supplier except where different provisions are made within the Contract documentation. The value of each Variation must be assessed by the appointed Contract Manager and all necessary approvals sought prior to the Variation taking place.
- 40.4 The term of any Contract may only be extended where all the following criteria have been met:
- provision for an extension of the term is evidenced by the original Contract (and the original Tender/Quotation); and
 - where the budget provision and the extension is in line with the Financial Regulations; and
 - where the Contract still delivers Value For Money.
- 40.5 Only the Procurement and Commercial Service Manager may approve an extension to the term of a Contract outside the rules, after consulting with the Executive Management Team.
- 40.6 Contract extensions will not be permitted if the value of the extension takes the Contract above the EU procurement Threshold/s.
- 40.7 All Variations and extensions to any Company contracts must be in writing and the Procurement and Commercial Team will ensure that the Contracts Register is updated accordingly.

41.0 Termination of Contract

- 41.1 Provision for the Termination of a Contract must be included within the terms and conditions of the Contract. Only the Procurement and Commercial Service Manager, with the guidance of the Company's legal provider, Executive Management Team has the authority to agree early Termination of a Contract.
- 41.2 The Procurement and Commercial Service Manager must be consulted where there are serious concerns over the performance of a Contract.
- 41.3 The Procurement and Commercial Service Manager must be consulted if the performance of a Contract is giving rise to concern and consideration is given to Termination.

42.0 Procurement by External Agents

- 42.1 Any consultants used by the Company shall be appointed in accordance with these Contract Standing Orders. Where the Company uses consultants to act on its behalf in relation to any procurement, then the Executive Management Team shall ensure that the consultants carry out any procurement in accordance with these Contract Standing Orders. No consultant shall make any decision on whether to Award a Contract or who a Contract should be Awarded to. The Executive Management Team shall ensure that the consultant's performance in relation to procurement is in accordance with these Contract Standing Orders.

42.2 Where the Company uses consultants to act on its behalf in relation to any procurement the consultant must declare any conflict of interest that may arise to the Executive Management Team prior to commencing work on any tender.

42.3 Where the Executive Management Team considers that such a conflict of interest is significant they should consider whether it is appropriate for the consultant to work on a particular tender and the consultant should not be allowed to evaluate tenders on behalf of the Company.

43.0 Employment Through Intermediaries (IR35)

43.1 Before an individual(s) is employed through an intermediate partnership or company the Authorised Officer must consider whether IR35 applies to the Contract. This will involve reviewing the relationship between the individual and the partnership and the company and then either reviewing any formal declaration from HMRC or assessing through the Company's assessment tool to ensure our obligations under IR35 are adhered to.

44.0 Tenants or Tenant Board Members Involvement

44.1 Where appropriate, the Company will consider tenants or tenant board members in the tender Evaluation process. The relevant member of the Senior Management Team is responsible for ensuring consultation has taken place with tenants or tenant board members and decide whether their involvement is required or not.

45.0 Record and Document Retention and Control

45.1 A Contracts Register of all contracts Awarded shall be maintained by the Procurement and Commercial Team.

45.2 For every individual Contract above £80,000 a contracts file shall be maintained with appropriate documentation which must include, as a minimum, the following: -

- a. the method for obtaining Bids;
- b. any Exemption under section 12 together with reasons for it;
- c. the Evaluation Criteria in descending order of importance and associated Evaluation method;
- d. Tender Documents sent and received from Tenderers;
- e. any pre-tender market research;
- f. all notes made by the Evaluation Panel during the Evaluation of tenders;
- g. clarification and post-tender negotiation (to include minutes of meetings);
- h. a copy of the Contract documents;
- i. post-Contract Evaluation and monitoring;
- j. communications with all Tenderers during the tender process and with the successful Supplier throughout the period of the Contract;
- k. Award of Contract documentation;
- l. any decision to abandon a procurement exercise or terminate a Contract; and
- m. all delegated decisions, authorisations, waivers and reports relating to the tender process and subsequent Contract.

46.0 Purchase Cards

- 46.1 The Company uses purchasing cards in order to reduce transaction costs for low value purchases by reducing time spent on processing of orders and invoices.
- 46.2 Purchase cards must not be used as a way of bypassing the Contract Standing Orders. However, in some circumstances, where a Contract exists and the supplier allows, a purchase card may still be used as a method of payment, where this offers better Value for Money or is specified in the Contract. For further guidance refer to the Purchase Card policy.

47.0 Cost Control

- 47.1 The Director of Corporate Services shall ensure that suitable procedures are laid down and followed for the effective cost control of all contracts. Such procedures shall involve a continuous monitoring of the cost being incurred on each Contract with the objective of ensuring that the project is completed within the authorised cost and that any unavoidable extra costs are identified quickly so that appropriate action can be taken.

48.0 Contract Claims

- 48.1 To safeguard the Company's right to deduct Liquidated Damages, if the Contract is over-running the Authorised Officer must certify in writing that the Supplier ought to reasonably to have completed the works within the Contract period. Such a certification must be in accordance with the Contract conditions and be issued prior to the issue of the final certificate for payment.
- 48.2 Any events that may lead to claims for extension of time must immediately be brought to the attention of the Procurement and Commercial Service Manager.
- 48.3 Claims for extension of time must be assessed promptly and any extension award made in accordance with the conditions of Contract.
- 48.4 If the works are not complete the Authorised Officer must issue a certificate of non-completion in accordance with any relevant Contract conditions immediately after the expiry of the (extended) date for completion. It is the ultimate responsibility of the Procurement and Commercial Team to arrange for the deduction of Liquidated Damages.
- 48.5 If the Supplier subsequently brings forward fresh evidence of delay, the Authorised Officer may award a further extension but must then also issue a revised certificate stating the revised date in accordance with any relevant Contract conditions.
- 48.6 Before the final certificate is issued the Authorised Officer shall check that any necessary certificate has been issued in accordance with the relevant contractual conditions.

48.7 The Executive Management Team must be kept informed at all times of all contractual claims whether by or against the Company.

48.8 It is critical that documentary evidence is kept relating to all aspects and stages of a claim and these should be kept by the Procurement and Commercial Team.

49.0 Review and Amendment of Contract Standing Orders

49.1 The Head of Asset Management and the Procurement and Commercial Service Manager are authorised to make technical amendments from time to time to ensure these procedures are consistent with legal requirements, changes in Company structures and personnel and best practice

GLOSSARY OF TERMS (including general procurement terms)

Added Value - Any benefits or services which can be provided over and above that of the contract requirements.

Aggregation of Demand – Where similar or same purchases made separately over a period of time (and often from multiple suppliers) are combined into one contract requirement.

Approved List – List of suppliers who have met a minimal level of quality assessments, usually through a selection Questionnaire, or pre-approved list e.g. Constructionline database and approved to provide specific work, goods or services.

Approved Suppliers – Suppliers included on Approved Lists.

Assignment – The transfer of rights from one contractor to another on the basis of the same contract.

Audit Trail – System or paper generated evidence showing how decisions and procedures were carried out.

Authorised Officer – a person appointed by the Executive Management Team who is responsible for a service area.

Award – The allocation of a contract to a successful bidder/contractor/supplier.

Award Stage – Final stage of the tendering process, with notification of the successful supplier and the signing of the contract.

Bid – A submitted tender.

Procurement Business Case (Procurement) – The reasons for carrying out a procurement or project, usually indicating initial value, and justifying the need such an identified service need or meeting Company's objectives.

Challenge Point – a review of the Evaluation process to ensure that the procedures and outcome of the Evaluation process are fair, transparent and reflect the views of the Evaluation Panel.

Chief Financial Officer of the Company - is the Director of Corporate Services who is primarily responsible for managing the financial risks of the business. This officer is also responsible for financial planning and record keeping, as well as financial reporting to the Chief Executive and Company Board.

Collaboration – Process by which two or more 'organisations' (local authorities, other public sector bodies) work together to obtain a joint solution for a shared requirement. Used to capitalise on the advantages of Aggregation of Demand demand, such as economies of scale or stronger positioning in the Marketplace.

Collusion – illegal process of agreeing to unfair activities in a procurement process, such as price fixing.

Commissioning – the strategic activity of assessing need and using resources (both budgets and services) to meet those needs, with procurement forming part of commissioning for the sourcing and setting up contracts to provide services.

Company- refers to St Leger Homes of Doncaster Limited, registered Company number 05564649;

Company Secretary - means an Executive Director designated by the Board in accordance with the Companies Act 1985 (and as subsequently amended), or a senior member of the management team to whom duties are delegated in accordance with the Company's Scheme of Delegation.

Competitive Dialogue – Competitive dialogue is a procedure in which any economic operator may request to participate and whereby the Company conducts a dialogue with the candidates admitted to that procedure, with the aim of developing one or

more suitable alternatives capable of meeting its requirements, and on the basis of which the candidates chosen are invited to tender.

Concession – an agreement between the Company and a contractor for where payment comprises in whole or in part the right to exploit the works or services by receiving income from third parties rather than direct payment from the Company.

Contingencies – future events or circumstances which may occur.

Contract – Legally binding document that sets out the terms and conditions of the delivery of the works, services or goods, including performance measures.

Contract Management – The function of managing the formal aspects of the Contract/s that the organisation are entered into

Contract administration – handles the formal governance of the contract and changes to the contract documentation.

Contracts Finder - Government portal for advertising contract valued above £25,000 as required by the Public Procurement Regulations 2015.

Contracts Register – A register of Companywide Contracts centrally held by the Procurement and Commercial Team.

Contract Award Notice – Notice of the award of a contract published on the UK Governments Find a Tender Service website (FTS) as required by Public Procurement Regulations 2015.

Contract Standing orders – A policy which sets out the rules which must be followed when undertaking any procurement process.

Companywide Contracts – contracts let on behalf of the Company to meet the requirements of good, services or works which are common or shared across the Company.

Council - refers to Doncaster Metropolitan Borough Council.

Criteria – Set of specific requirements that a quote or tender will be marked against.

Delegated Authority – Officers who have been authorised to carry out such tasks as set out in the company's scheme of delegation.

Director – The person responsible for the proper compliance with these procedures. Except as indicated otherwise, a Director may delegate authority to other persons to deliver their responsibilities.

Disaggregation – Splitting a requirement for similar works, goods or services into a number of smaller contracts to avoid having to undertake a full competitive tender exercise for contracts exceeding the EU Thresholds. This practice is a breach of EU legislation.

Dispute - Disagreement between the Company and supplier or contractor which may result in Court action.

Doncaster Business – A company or other organisation which has an office or premises within the Doncaster Metropolitan Borough Council area.

EMT - means the team of Executive Directors forming (from time to time) the Executive Management Team.

EU Procurement Directives (EU Legislation) – European Procurement Law enacted into UK law as the Public Procurement Regulations 2006, detailing rules and Regulations that must be complied with for all public sector procurement processes that exceed specified Thresholds.

Evaluation – Detailed assessment and comparisons of bid Submissions verifying how suppliers will meet the requirements of the contract, measured against quality and price criteria.

Evaluation Panel – Group brought together with the specific aim of assessing submitted tenders against pre-set criteria, to make final recommendations on the Award of contract.

Exceptions – Permits the undertaking of a procurement action within a specific area without the need for a competitive tender exercise.

Execute – the completion of contract documentation, including the signing, and sealing where required, of the formal contract.

Executive Director - means an employee of the Company holding a post designated as an Executive Director.

Exemption – excluding a procurement activity from one or more of the Contract Standing Orders.

Framework Agreement – Used where specific works, services or goods will be needed on a number of occasions over a known duration, but the exact requirement isn't known. Can be with a single supplier (sometimes referred to as a 'call-off' contract) or with a multiple number of suppliers. Once set up, there is no need to go to the open market as competition is held between those suppliers on the framework.

FTS (Find a Tender Service) - on-line publication advertising tender opportunities and publicising contract awards for the public sector in the UK

FTS Notice – published notice of a tender opportunity or contract award on Find a Tender Service website.

GDPR – The General Data Protection Regulations and Data Protection Act.

Grant Funding – Funding derived from ERDF or similar funding which may be dependent upon the fulfilment of certain criteria throughout the procurement and/or Contract Management process.

IHS– In-House Service Provider is an identified internal service offered by the Company.

Income Generating Contracts – Contracts through which the Company may derive a one-off or regular income.

Invitation to Tender – Sent to Tenderers asking them to submit bids based on a Specification, indicating the requirements of the Company.

IR35 – Intermediaries Legislation related to off-payroll working governing the process and limitations for employing individuals through intermediary companies.

Joint Procurement – Where other public bodies are included within a procurement exercise.

Leadership Team – Directors and Heads of Services of the Company.

Letter of Intent – A written statement indicating the Company's willingness to enter into a formal contract.

Light Touch Regime – The new light-touch regime (**LTR**) is 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. The list of services to which the Light-Touch Regime applies is set out in Schedule 3 of the Public Contracts Regulations 2015.

Liquidated Damages – Compensation awarded by a court judgement or a contract stipulation regarding breach of contract.

Management Agreement - means the Management Agreement between the Council (1) and the Company (2) relating (inter alia) to the management of housing stock owned by the Council.

Marketplace – Wording used to describe a commercial activity or a group of potential suppliers possibly able to meet requirements.

Member - means a duly appointed member of the Board of the Company.

Negotiation – Process by which a contract proposal is reached through discussion and agreement between the prospective contractor and the Company.

Negotiated Procedure – Procurement process undertaken directly with one bidder. Used under specific circumstances.

Non-Commercial Consideration – Non-financial concerns such as social and environmental factors.

Novation – Substitution of a contractor with a new contractor, or of a contract with a new contract.

Open Procedure – Tender process which is open to any supplier who wishes to bid. All tenders must be considered.

PFI – A Private Finance Initiative is a way of creating public – private partnerships by funding public infrastructure projects with private capital.

Pre-Procurement Procedure – A requirement for Stakeholder to ensure they have correctly identified the needs of the service and outcomes have been assessed.

Pre-Qualification Questionnaire – Set of questions used to establish the suitability of a supplier to be included in a bidding process, based on experience, financial stability and quality assessments. Is also be used to eliminate bidders in a restricted (two stage) tender so that only the most suitable suppliers are invited to tender.

ProContract – Supplier, Contract, management, system (ProContract) is an electronic e-tendering system used by Yorkshire contracting authorities for Tender management and Contract Management.

Procurement Business Case– The reasons for carrying out a procurement or project, usually indicating initial value, and justifying the need such an identified service need or meeting Company's objectives.

Procurement Law – applicable UK and EU law including the Public Contracts Regulations 2015 and the Concession Contract Regulations 2016, as the same may be amended from time to time.

Procurement Code of Practice – The document is an aid to understanding approaches and best practice approach to procurement activity.

Regulations – Public Contract Regulations 2015.

Qualified Tender – Where a bidder submits a bid which has been amended to the bidders' requirements, such as inserting their own terms and conditions.

Quotation – Written or verbal price given by a supplier on request.

Remedies Directive – EU legislation which sets out the rules by which the procurement actions and decisions may be challenged.

Regulations – Public Contract Regulations 2015.

Relationship management – keeps the relationship between the two parties open and constructive, aiming to resolve or ease tensions and identify problems early.

Restricted Procedure – Tender process where potential suitable Tenderers are identified by the evaluation of a Pre-Qualification Questionnaire. Only those passing the evaluation criteria of the Pre-Qualification Questionnaires will be invited to tender.

Selection Questionnaire (SQ) – Set of questions used to establish the suitability of a Tenderer to be included in a bidding process, based on experience, financial stability and quality assessments. Is also be used to eliminate bidders in a restricted (two stage) tender so that only the most suitable Tenderers are invited to tender.

Service delivery management – ensures that the service is being delivered as agreed, to the required level of performance and quality.

SLA - means Service Level Agreement.

Social Value – The consideration of elements in a procurement **Specification** – Detailed description of what is required, including monitoring procedures.

Stakeholder – Individual or organisation with an active interest in the impact or effect of the company's procurement activities.

Standstill Period – Contracts over the EU threshold must include a minimum standstill period between the decision to award a contract and the actual award. Unsuccessful suppliers are notified of the proposed award and given the opportunity

to appeal if they believe that the award is not justified. It is named after the case law establishing a ruling of an unfairly awarded contract.

State Aid – Any Government aid must not distort competition by favouring certain businesses or goods.

Sub-Letting – Engagement of another contractor by the main contractor.

Submission – The bid or tender submitted by a supplier in response to an invitation to quote or tender.

Sustainable Procurement – the economic, environmental and social issues to be considered in procurement.

Tender – Written response to an Invitation to Tender that contains a full costed proposal. Submitted in a sealed process, and evaluated against set criteria.

Tenderer – Prospective supplier who submitted a bid in response to an Invitation to Tender or quote.

Tender Documents – Set of documents provided to prospective Tenderers which forms the basis on which Tenders will be submitted. Includes, as a minimum, instructions to Tenderers, contract terms and conditions, Specification, evaluation criteria, pricing schedule, form of tender and anti-Collusion statement.

Testing the Market – Formal procurement process to establish whether there are suppliers able and interested in providing quotes or bidding.

Termination – Cancellation of all or most of a contract.

Thresholds – Financial boundaries (based on the Whole Life Value of a proposed contract) which determine the procurement action, for example whether a competitive tender is required..

TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) - Preserves the continuity of employment and safeguards employment rights of all employees transferring to a new employer i.e. where there is a change of contract provider or where current company staff are being transferred to another service provider.

Value for Money – ensuring the needs of the company are met whilst achieving the required balance of quality and price.

Variation - A variation is usually a change to the Specification. It may either be a one off item of work or service, or a change for the remainder of the contract. Deeds of Variation and Variation Orders are contractually binding on both parties.

Waiver – Approval obtained prior to procurement activity, by a member of the Executive Management Team, permitting an exception to the Contract Standing Orders.

Whole Life Value – All costs incurred in the lifespan of the contract, including disposal.

YORtender – Supplier, contract, management, system (YORtender) is an electronic e-tendering system used by Yorkshire Councils.

Procurement Flow chart

