

Procurement Manual

Use hyperlink index to go to relevant section

Contents

Getting Started

London Tenders Portal

Procurement below £25,000

Starting a project

Introduction – Rule 1

Purpose – Rule 2

Exemptions – Rule 3

Roles and Responsibilities – Rule 4

Risk, Insurance and Other forms of Security – Rule 5

Insurance – Rule 6

Financial Security – Rule 7

Supplier Financial Assessment:

Business Continuity – Rule 8

General Data Protection Regulations (GDPR) – Rule 9

Approval to Procure, Award and Vary or Amend Contracts – Rule 10

Departmental Procurement Boards

Specialist Procurement – Rule 11

Contracts for Construction Works

Calculating the Value of a Contract – Rule 12

Advertising and Publication – Rule 13

Procurement Thresholds – Rule 14

Exceptions to Competitive Tendering – Rule 15

Evaluation Criteria and Going out to the Market – Rule 16

Application and Waiver of the Rules – Rule 17

Variations to Contracts – Rule 18

Receipting and Opening of Tenders and Quotes – Rule 19

Ethical and Sustainable Procurement – Rule 20

Equalities in Procurement

Climate Action

Contract Award and Execution – Rule 21

Letter of acceptance & Limited Liability

Terms and Conditions – Rule 22

1

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Ethical and Sustainable elements
Post Tender negotiations – Rule 23
Prevention of Corruption – Rule 24
 Declaring an interest
 Organised Crime
Record Keeping – Rule 25
Contract Management – Rule 26
 Ethical and Sustainable Procurement in Contracts
IR 35 – Rule 27
Consultation – Rule 28
Procurement Processes
Departmental Procurement Boards
 Frameworks
Concessions
Partnerships/Shared Services
Claims from Suppliers
Specifications
Supporting information in addition to the CPR's
Paying suppliers
Glossary of Terms

Getting Started

This document is to support you in your procurement projects; it is not intended as a replacement for training; and should you need to carry out regular procurements within your role, it is recommended that you look on iLearn for procurement courses or speak to Procurement Services regarding training.

Throughout this and the Contract Procedure Rules the Procuring Officer is the person carrying out the procurement, or the client working with Procurement Services.

Ensure that you allow enough time for your procurement, especially if it is over the EU threshold. Quite often things take longer than expected, and it is important to ensure that the process followed is robust to reduce the risk of challenge. In some cases, this can be as much as 18 months. By managing the contract through the LTP, it will remind the contract manager of contract review dates to ensure that key review dates are not missed.

Waivers will only be allowed on grounds of extreme need. Members were very clear that best value should be demonstrated via a competitive process. A procurement process will be expected especially where only two or three quotes are needed. All Waivers must come to Procurement Services and submitted to the Executive Director of Resources for approval.

Remember these rules apply to all procurement contracts even when little or no procurement has taken place:

- Section 75 agreements
- Teckal agreements with other councils

The [Procurement Services intranet](#) site is kept up to date. Information to support services with Procurement is held here. So do look at the site to get useful documents.

Useful documents:

Document	Supports
Procurement Manual	How to carry out procurement and what steps to take (this document)
Community Benefits Toolkit Sustainable procurement policy Sustainable procurement check list	How to include Community Benefits in procurement contracts How to embed community benefits and social value within your procurements
Checklist	Ensures that all elements of the procurement activity are carried out compliantly. This should be used to support all procurement activity.

Contract Management Guidance	Ensures that contracts are managed effectively
Procurement Quick guidance	Helps guide you into what process to follow
London Tenders Guidance	London Tenders Portal Guide. This is a step by step guide to using the LTP.
Equalities in Procurement Guide to Suppliers. Fairer Enfield Policy	Equalities in Procurement guides to follow
Suite of Request for quotation documents	Request for quotation pack to be used for self-service: Invitation to quote Form of submission ITQ pricing evaluation model

Procurement Services must manage all procurement projects over the EU threshold. Services MUST not carry out procurement over the EU threshold without the support of Procurement Services. Below the EU threshold the service must self-serve.

Post Brexit: Currently the Public Regulations still apply and the EU thresholds – once there are changes in UK legislation the CPR's and this manual will be updated accordingly.

London Tenders Portal

E-Tendering is expected as part of the Public Contract Regulations 2015 and the Council uses the London Tenders Portal for:

- Compliant to UK regulations
- Corporate Contracts Register
- E-tendering tool to process procurement projects
- To ensure that procurements are transparent and compliant
- Audit trail and compliance to Councils transparency obligations
- Central repository for procurement information

The [London Tenders Portal](#) is an important tool in the process of procurement. The system is used to ensure that procurement is carried out in a compliant way and provides an audit trail.

All procurement over £25,000 must go through the London Tenders Portal; this includes:

- All contracts over £25,000 even if paid for by purchase card
- Frameworks
- Collaborative procurement with other authorities
- Any agreement (over £25,000) that is likely to be paid for via a Purchase Order

If you are calling from a framework. Then try to use the LPT to do this, if not at the end provide all the information and contract to Procurement.support@enfield.gov.uk and they can create a contract record for you.

[London Tenders Portal Guidance](#) give step by step instructions on the use of the LTP.

If for any reason you are not going to use the LTP and use a different portal you must contract Procurement Services and the contract must be entered into the LTP for central recording. It is the responsibility of the service to maintain the contract register.

Procurement below £25,000

You no longer need to use the portal up to £25,000 for the total cost of the contract. You can however still use it if you wish to be transparent.

If you are going to get multiple quotes below £25,000 then Procurement Services recommendation is that you use the portal to support transparency and protect yourself from challenge.

If you are not using the portal you will still need to have:

- Written Specification
- Contract (or use PO terms and conditions – if manages risk)
- Evaluation criteria (probably only price)
- Approval to procure and award
- Signed contract at the end

It is recommended that you create a space in the departmental shared folder to maintain all the records for audit purposes and to ensure that you can access the contract etc. Alternatively use any work management system to hold the information.

If you do the procurement outside of the portal, but want a contract register created in the LTP; email procurement.support@enfield.gov.uk with all the supporting documentation and they can create this for you.

Starting a project

When starting a procurement project, you need to 'assemble' your 'project team'. These will be people that will be needed to support your procurement. These people will change depending on the value of the project; complexity and what is being procured.

You might manage the procurement yourself; or you may need input from other teams. For more complex or high value areas you will need to consider working with:

- Technical expert for input for the specification
- Financial Services input for budget and costings
- Service Department for evaluation of the bids
- Procurement Services (mandatory over EU threshold)
- Legal involvement (mandatory over EU threshold)
- Other service departments that may use your contract
- Specialist Teams/Hubs where there is a specialist procurement need; EG Legal, Digital Services, CMTC for construction.

Before starting a procurement project, you should ensure that you have read the [Contract Procedure Rules](#) and this document. Before starting any procurement project, you should ask yourself:

- Is this procurement really needed?
- Is this procurement going to support [Council outcomes and Council priorities](#)?
- Are there existing contracts in place that I can use?
- Could I use a framework to provide what I need?
- Can I work with other Council Services or other councils to go to market?
- Should this be led by another Council department (eg, Digital Services)

Make sure that you understand what the 'need' is and how that need will be met via a procurement. The Council has a duty to protect the public purse and ensure that all the money we spend is making a difference.

Introduction – Rule 1

Specifically, this document is intended to support understanding of the [Contract Procedure Rules](#) and how to implement them. It also sets out the operational elements of the Procurement Process and these should be followed in **conjunction with the CPR's**; both these documents together constitute the Contract Procedure Rules (CPR's).

The Contract Procedure Rules form part of the Councils Constitution and are therefore **mandatory**. This ensures that Contracts are carried out within the Councils rules and any UK legislation that may apply. It may also be necessary to consider Property Procedure Rules, Financial Regulations and Partnership Rules.

Spend over £500 is published every month as part of the Councils' transparency agenda, and Council contracts over £25,000 **MUST** be published in the public domain. Therefore, you **must** promote your contracts in the London Tenders Portal to ensure that the Council is compliant to the transparency reporting and have documented evidence should the need arise to corroborate out decisions.

Procurement covers any contract that is being let for commercial services, goods or works. **The CPR's relate to ALL contracts entered into, not just the procurement activity.**

Additional information is available within this Procurement Manual which details the Operational Processes to be followed when procuring or entering into a Contract.

For further guidance contact: procurement.support@enfield.gov.uk

Purpose – Rule 2

The purpose of the Contract Procedure Rules is to ensure that the Council is compliant to all UK and Council rules and legislation. Bidders can take legal action where the Council does not apply the rules and therefore it is important to protect yourself and the Council from risk of challenge.

Make sure that where we are offering contract opportunities that this is done transparently, equally and fairly. Wherever possible we should offer opportunities to local suppliers to support the Council's plan 'an economy fit for everyone'.

Exemptions – Rule 3

Exemptions are areas of spend that have been exempted by the Public Contract Regulations 2015.

It is still important to ensure that authority to commit to this contract/expense has been sought; and that there is an audit trail to support the decision making.

You should also ensure that you still apply the principles of being open, transparent, equal and fair. This ensures that you are not open to challenge.

Whilst you are not bound by the Public Contract Regulations 2015, you may still want to carry out a competitive tender to ensure best value.

In all cases you will still need:

1. A specification or set of requirements to set out what the deliverables are and where and when they need to be delivered.
2. A contract (even a PO) to ensure that the supplier adheres to Council contractual arrangements.
3. Management of the outcomes and outputs of the contract to ensure that the council is maintaining value for money.

It is not mandatory to use the London Tenders Portal to record the contract but can be used if this helps. Contact Procurement.support@enfield.gov.uk if you want to record your contract in the LTP who will help you with this. This ensures that a copy of the contract is held centrally and that the contract renewal is monitored.

In all cases the rules around the sealing and storage of contracts still apply as these are council rules separate to the Procurement Regulations.

Please remember that you are exempt from procurement for these areas, but that does not mean that you cannot do a competitive procurement to obtain VFM.

Where contracts are entered into under the Emergency rule, then these must be in the LTP, as VFM will not have been demonstrated in most cases, and the contract should not be for a long term. If it is demonstrated that the contract is needed to be on-going then a proper procurement should take place to test the market.

Roles and Responsibilities – Rule 4

All officers involved in commissioning or procuring of goods, services or works, must ensure that they are aware of the Contract Procedures Rules and the operational rules within this Procurement Manual. As a Local Authority we have a duty to protect the public purse.

All roles and responsibilities are set out in the CPR's.

Risk, Insurance and Other forms of Security – Rule 5

It is important when carrying out procurement that the risk of the procurement/project is assessed. This ensures that relevant steps can be taken to mitigate or minimise any potential risk to the Council.

These risks could be financial, service affecting or reputational. Risk is not always due to the size/value of the contract. A small contract could carry a high risk if it is controversial or for a high-risk area. It is important to carry out a risk assessment at the start of the project; and continue to review this risk throughout the project and the lifetime of the contract.

You may want to carry out a 'brainstorming' exercise to identify risks associated with the procurement exercise and the contract. You may also want to include questions in the quotation/tender process to suppliers on the mitigation and management of risk through the lifetime of the contract.

The Council has a Risk Strategy and assessments should be carried out using the [Council's Corporate Risk](#) template. These risks should be set out in your DAR and what actions are being taken to minimise/mitigate these. The template must be stored on the LTP for evidence.

GDPR must also be considered when selecting a supplier, to ensure that if any personal data or client data processed by the supplier is done so in a compliant way.

As part of good practice and to ensure that Equalities are considered an Equalities Impact Assessment (EQIA) should be undertaken to understand the impact of the contract on service provision and customers/residents/staff.

Insurance – Rule 6

It is important within the Contract that the correct levels of insurance are stipulated. They may vary due to the type of Contract.

In order to decide on what type of insurance is required by the Contractor/Third party the Service must consider what works/services are being provided. A construction contract will need different arrangements to a health contract. A health contract may need medical negligence for an example.

The following are the main types of insurance that may be required by the Contractor/Third party in order to protect the Council:

- **Public Liability Insurance**
Covers the cost of third-party claims following an accidental loss of/damage to property and/or injury.
- **Product Liability insurance**
Covers the manufacturer or trader against claims for loss of/damage to property and/or injury caused by a product the business has designed, manufactured, sold or supplied.
- **Employers Liability Insurance**
Covers the cost of claims made by employees of a company/organisation who are injured due to the negligent actions of the employer, during the course of their employment.
- **Professional indemnity Insurance**
Will apply where there has been a breach of duty by an insured (e.g. the consultant/provider) in their professional capacity arising from a negligent/accidental error or omission on their part.
- **Medical negligence/malpractice insurance**
Generally, provides cover to medical practitioners for injury claims from a patient as a result of an error or omission and/or breach of duty on the part of a medical practitioner.
- **All Risks Insurance cover**
Provides cover for property (buildings/goods) for damage caused by standard perils (Fire, Lightning, explosion, aircraft, riot, malicious persons, earthquake, subterranean fire, storm, flood, escape of water, impact, subsidence and accidental damage)

NB: Please note that for Public Liability, Products Liability, Employers Liability, Professional Indemnity and Medical Negligence/malpractice cover negligence must be proven for a claim to be successful.

In order to decide on what the appropriate level of insurance a Supplier/Contractor should have, the service will need to consider the following question:

‘What is the maximum potential loss (guesstimate) the Council could suffer in any 1 year as a result of the works carried out by the said provider’?

Based on the risk assessment, this should have been identified, if this is considered to be no more than £10m then cover for that amount would not be unreasonable. If, however, it is considered the maximum loss to be more, then the service needs to make a decision on how much more (i.e. how many £1million loss incidents does the Council anticipate could occur?). The response to this will give an indication of how much additional insurance should be in place.

Often these following amounts are used

- Public liability £3 million
- Employers liability £5 million
- Professional indemnity £1 million

For context the Council’s own insurance policies have the following limits -

- Public liability £50 million
- Employers liability £50 million
- Professional indemnity £1 million

Services must assess the risk themselves and decide on the appropriate level of cover.

Looking at what type of work the provider will be doing for the Council and the associated risks that work entails, in conjunction with assessing the maximum potential loss the Council could suffer in any one year as a result of the work being undertaken by the provider is vital to ensure that the Council is adequately protected.

Financial Security – Rule 7

When assessing risk; the risk of the supplier performance/delivery should also be reviewed. It may be necessary to have further forms of security in place to cover the risk to the Council. This may be done in several ways:

Supplier Financial Assessment:

The objectives of undertaking supplier financial assessment as part of a procurement exercise are to:

- Assess the risk to public sector business and/or public money which would result if a potential provider bidding for a contract were to go out of business during the life of the contract, or have inadequate financial resources to perform the contract; and
- When justified, eliminate from a procurement any potential provider whose current financial capacity would pose an unacceptable risk to business and/or public money.

The financial assessment of potential providers should be undertaken in a manner that is proportionate, flexible and not overly-risk averse while ensuring taxpayer value and safety is protected and the relevant EU Procurement Law complied with.

Furthermore, all potential providers, whatever their size or constitution, should be treated fairly and with equal diligence during the financial appraisal process. For example: no SMEs, public service mutuals or third sector organisations should be inadvertently disadvantaged by the financial assessment process.

Financial standing should only be considered as part of the overall selection criteria. It may not, on its own, reflect potential providers' ability to deliver.

Only experienced staff should conduct financial assessment such as your Financial Services contact. It is recommended to use a **Dunn and Bradstreet Report** as this is a more comprehensive report. This should be used during the procurement process to ensure that we are entering into a contract with a supplier that is financially viable. **This should also be carried out during the lifetime of the contract to ensure supplier reliance/ risk.**

You may also want to consider undertaking other due diligence on suppliers.

- Ensuring due diligence is flexed based on value and risk of each procurement; must be proportionate to the value of the contract.
- Clearly identifying the activities / checks that must be performed (A check list is in development – speak to Procurement Services if you need to do this).
- Mandating ongoing supplier due diligence checks are performed and that evidence of supplier due diligence will be maintained on the LTP.

Consideration must also be given to expanding the types of due diligence required beyond financial and legal. This may be a **William Lickorish** report.

Think about what types of due diligence need to be carried to ensure that the supplier is capable of providing the service that is being considered during the procurement process.

Business Continuity – Rule 8

When carrying out your business continuity plans you must consider suppliers that your service relies on or who are **important to delivery of your service**. These must be listed in your **Business Impact Analysis**. You should also consider having a paper list in case of emergencies, with key contacts etc.

Think about situations such as Brexit or Covid-19 where it may be necessary to speak to all your key suppliers to understand the impact on them, and how this may impact on their ability to deliver services. This is why it is vital to have a list of suppliers. The emergency situation may affect different suppliers in different ways, so again not all situations may affect all suppliers. Financial Resilience checks may

be necessary in some emergency situations to ensure continuity. See Rule 7 on financial security checks.

To minimise risk and improve service delivery resilience the Council has committed to implementing the [London Resilience Standards](#). This **means that suppliers must meet the Councils Resilience Requirements:**

- Commissioning of public services must include a requirement that organisations tendering for contracts meet the council's resilience requirements and that providers share information and data on the impact of disruptions such as severe weather or industrial action; and
- Projects, contracts, initiatives and other organisational changes and developments always account for resilience to ensure that these enhance and do not weaken capability of the supplier

In line with the Council's Business Continuity Policy; during the risk assessment, supplier failure or failure to deliver/perform should be assessed. Where delivery of the services is assessed as critical, or there would be major reputational damage in the event of a supplier failure to supply; then Business Continuity Plans should be requested as part of the contract and services should build in contingency plans.

This must demonstrate how they will continue to support services to the Council should there be some incident or issue at a national, local level or at the supplier site. It is recommended as part of your contract review that you review these with your supplier to ensure they are fit for purpose.

- Have they tested them?
- Have they had to implement them, if so, how did this work?

These Suppliers must be identified in the service department's Business Impact Analysis Form and provided to the Emergency Planning Team. This should also be considered where the Supplier supports the Council in the event of an Emergency/Disaster Recovery.

General Data Protection Regulations (GDPR) – Rule 9

Potential Suppliers must be assessed to ensure that they meet GDPR requirements. Specifically, regarding data storage and data handling. It is the responsibility of the procuring officer to ensure that any potential supplier is compliant to GDPR at the tendering stage.

This should be ascertained at the tendering/quotation stage. Please contact the councils Data Security Officer at the start of your project as this is a requirement of GDPR requirements.

Please ensure that there are GDPS clauses in your contract terms.

You may also need to consider non-disclosure agreements within the contract.

Approval to Procure, Award and Vary or Amend Contracts – Rule 10

It is important that correct governance is followed when starting procurement. All contracts must have evidence of an approval/decision to procurement and be stored on the LTP. The authority must be something that documents that the relevant person under the Scheme of Delegation as has approved the project.

For low value procurements, this may be an email. For higher value procurement then an authority report is probably required, which will set out the project and what need is being met. Consider using the ROD form ([Record of Decision](#)) where the value is low or where a DAR is not used. It is the responsibility of the service department to gain this authority and Procurement Services will not support any procurement that does not have evidence of approval to procure. Procurement Services should be consulted when writing any DAR and must be invited to provide procurement implications in the 'Other implications' section. You should also discuss your route to market with procurement for input into the report. It may be that your route to market may not be the most competitive or appropriate for your contract and this may affect

It may be that the project was discussed at a strategic level at one of the departmental boards; and this may be sufficient evidence of approval to procure.

Where a contract is being let by Procurement Services on behalf of the whole council then Procurement Services will take responsibility for governance. Eg Stationery Contract.

For construction contracts and contracts over the £500,000 then a DAR/authority report is needed. This is needed to ensure that proper governance is followed and authority to proceed is obtained at the right level of the organisation, prior to go to KD and it is not approved for award.

An Authority Report for award must be produced by the Service Department for all requirements with a contract value above the Key Decision threshold (£500,000) and listed on must be on the [Key Decision List](#), this includes any contract where the costs or the income is equal to or greater than £500,000. The Authority Report must be approved in accordance with the Scheme of Delegation and Council governance.

Departmental Procurement Boards

The council has Departmental Boards within Services to discuss Strategic Procurement. These boards are responsible for the approval of procurement projects over the EU threshold for £1m for works. Ensure that you take your project to the correct board for approval. See more information further down the document.

Specialist Procurement – Rule 11

The Council has created 'Service Areas' and moved common activity into teams. These areas manage the specialist areas and must be consulted when letting a contract that comes with their area.

In some cases, such as Digital Services and Legal then these teams have a 'centralised' function and are the lead for the Council and in these cases no procurement for these services should be made outside of these services. These teams must lead the procurement and where necessary with Procurement Services

Some areas may not have a centralised budget but do have the corporate responsibility for these areas. These services must be contacted to ensure that the correct contracts are used or that you are complying with any relevant trade regulations etc.

You must ensure that you liaise with these teams to follow the correct process. In the case of CCTV, you must ensure that you are conforming to the correct legal requirements and use suppliers that are compliant to correct industry standards.

To maximise value for money for the Council, procurement should be done in collaboration with other Council service areas or use or amend existing contracts where possible.

Procurement Services will not support ICT procurements that are not led by Digital Services, this is to ensure compliance with data regulations, security regulations and integration into the Councils IT network.

No external legal advice is to be instructed or sought without the prior approval of Legal Services.

Contracts for Construction Works

Before starting any Construction Project, you must ensure that you check with the Corporate Maintenance & Construction Team (CMCT) that your procurement should not be managed by them; under Rule 11.2 of the CPR's.

Governance - It is important to ensure that proper governance has been obtained; and that even if the project is part of the capital works programme that other elements of the project also have agreement and funding. Construction contracts over £1,000,000 will need to go to the relevant departmental board for approval. The typical key milestones for a Construction project are as follows:

1. **Feasibility** – this determines the scope of the project and budget required
You will need Authority Decision for:
 - 1.1. Expenditure for Feasibility study
 - 1.2. Services appointments

2. **Commit to Procure** – Procurement up to Contract Award
You will need Authority Decision for:
 - 2.1. Funding budget on the Capital Programme
 - 2.2. Expenditure and Pre-Construction Services
 - 2.3. Procurement Strategy
 - 2.4. Submission of Planning Application

3. **Contract Award** – for Construction ‘Works’ contract
You will need Authority Decision for:
 - 3.1. Construction ‘Works’ Contract Award
 - 3.2. All expenditure to complete the project

4. **Completion**
 - 4.1. Building Manual / Health & Safety File
 - 4.2. CIBSE Log Book / Corporate Maintenance requirements
 - 4.3. Asset Management information

EU Thresholds – Construction Contracts normally fall under the category for ‘Works’, and therefore the procurement should follow ‘Work’ higher Threshold Levels. Most construction projects will have numerous contracts and for some contracts the lower threshold will apply. For example, Consultant appointments are deemed ‘Services’ and Modular Buildings are deemed ‘Supplies’.

Procurement Strategy – This must form part of the Feasibility stage and be included in the Commit to Procure Authority Decision. This must include the following:

1. **LBE Client Brief** – this must be sufficient to determine the requirement
2. **Outline Scope of the ‘Works’** – this would normally be developed by Construction design consultants in response to the Councils Client Brief
3. **Cost Estimate** – this should be prepared by a Quantity Surveyor
4. **Project Design & Procurement Programme** – This should be in sufficient detail to identify the method of procurement and the activities necessary
5. **Risk Register** – This must be in the corporate format and be costed and factored to determine the project contingency that must be added to the Cost Estimate. You should also consider slippage and unforeseen costs in your risk assessment; and any business continuity plans where the project is critical.

Supplier Selection - Constructionline can be used for the selection of pre-approved suppliers. However, under your risk assessments you may decide that additional checks may be needed to ensure that accreditation by Constructionline cover all your requirements.

The Council has signed the Construction Industry Charter; services must consider this when selecting supplier. They also need to ensure that during the selection process that suppliers have policies and are adhering to the Equality Act, Modern Slavery Charter, Construction Charter.

Procurement Process – All Contracts over £25,000 must be procured via the [E-Tendering Portal](#) this will ensure transparency and add to the Councils Contracts Register. Invitation to Quotation / Tender documents must be sufficiently detailed to obtain the best possible bids. Over the EU threshold you must ensure that you use the

right templates and contracts. This includes PAS91 tender templates for Supplier Selection. All SAP Orders must be raised immediately after contract award to avoid payment delay if the supplier is not an approved vendor.

Other LBE Construction Policy Requirements:

Construction expertise – No construction project should be undertaken without the appropriate competent technical expertise formally engaged – Seek advice. CMCT will provide technical due diligence to ensure that the Councils interests are protected.

Contract Terms & Conditions – Only standard JCT Terms & Conditions should be used unless approved by Legal Services. JCT online should be used with the draft contract particulars forming part of the Invitation to Quotation / Tender documents.

Contract Security - should be obtained for all construction works contracts over £250,000 and MUST be obtained for over £1,000,000; the preference is a Performance Guarantee Bond obtained from a UK based third part Surety, using the Councils Form of Bond. Refer to Rule 7.2

Liquidated Damages for late completion – This must be assessed using the Councils standard template and included in the Invitation to Tender document – Seek advice.

Contract Insurance – The typical insurance requirements are as follows:

1. Public Liability Insurance - £5m minimum
2. All Risks Insurance of the Works – Seek advice
3. Professional Indemnity Insurance - Seek advice – this will be required wherever the supplier is completing a design; seek guidance on level of cover.
4. Employers Liability – Seek advice – not to be confused with Employment insurance, this relates to damage to property inherent in carry out the works; this will require risk assessment and commercial advice. The level of insurance should be determined from your risk assessment and seeking appropriate advice.

Contract Award – This is a critical stage and must not be undertaken without input from CMCT or Legal Services:

Advise must be sought on the following:

1. Letters of Limited Liability
2. Letters of Acceptance
3. SAP Order
4. Contract execution as a Deed (contracts over £250k)

Contract Management – The typical regime required is as follows:

1. Monthly Contract Progress Reports should be provided to the Client Budget Holder on the first Friday of every month by the Contract Administrator.
2. Monthly Contract Cost Reports should be provided to the Client Budget Holder on the first Friday of every month by the Quantity Surveyor.
3. Contract Payments – Councils Financial Regulations require that all payments on account of contracts shall be authorised by a certificate issued by a Director or other officer authorised by him or her. The certificate shall include the total amount of the contract, the value of work executed to the valuation date, the

amounts already paid, the retention money and the amount now certified. The due date for payments should be the last day of the month.

Evaluation Criteria and Going out to the Market

You must consider your evaluation criteria when going to market. For procurement over the EU threshold this must be published at the time of going to the market. For low value procurements you may want to consider price only and stipulate the quality in the specification.

It is advisable to keep written records of the evaluation as in case of challenge these may be needed.

All procurement over £25,000, must have at least two local quotes, this is now a Council priority. You must also consider Social Value and use the Social Value Portal to drive social value for your project. Adherence to the Equality Act and supporting the council Equality Aims.

The council has signed the Modern Slavery Charter, and therefore it is important that Services ensure that any procurement/suppliers are not participating (intentionally or unintentionally) in modern slavery. This needs to be tested at the point of procurement and monitored through contract management.

It is important to ensure that all contracts have Equality clauses, that the monitoring of Equality clauses are carried out at the same time as the operational and commercial conversations/reviews.

Calculating the Value of a Contract – Rule 12

When applying the contract procedure rules, the value of the contract is key to understanding what rules you need to apply. That is why calculating the value of your contract is important. The contract value is always calculated by the cost x the term of the contract. If the term of the contract is unknown, then you will need to multiply by 48 months.

Therefore a 3-year contract of £1000 per annum will be a £3000 contract.

If there is to be an option to extend a contract, then these extensions also need to be included in the calculations:

Eg: a 3year contract with options to extend for 2 years

$$3 \times £1000 + 2 \times £1000 = £5000$$

If it is unclear what the cost of the contract might be then you will need to use information to judge what the contract value might be:

- Current cost of any contract
- Spend/budget currently being spent
- Budget available in the future

- Market forces and price
- Benchmarking information
- Other council spend or information in the public domain
- Market engagement/research

For new projects, all costs may not be understood, it is therefore recommended to carry out market research and market engagement to understand market forces. It is important not to deliberately break down a contract into smaller elements to avoid procurement thresholds.

Reducing the term of the contract will reduce the overall cost. The reduction of the contract term; in most cases will reduce the value for money element of the contract and adds operational costs to the Council in carrying out procurement exercises more frequently.

There is also no such thing as a 'rolling contract' a contract must always have an end date. At the end of this term the contract expires, and a new contract must be let. This applies to contracts of 1 year which are entered into on a regular basis year after year. Therefore a compliant procurement exercise must be carried out.

The introduction of Lots within procurement is not disaggregation; and can help smaller suppliers (SME's) to bid for work. The use of Lots should be encouraged.

- All costs must be included in the cost of the contract, but exclude VAT.
- All costs must include ongoing costs, maintenance, and support costs for the whole life of the contract. Where there are variable costs then the highest figure must be used.

If the contract is with other organisations and the Council is the lead authority, then the value is the total with all the other organisations. Where the council is not the lead authority then only the value of the council's element is needed.

Where the value is within 10% of the EU threshold then EU process need to be considered. Contact Procurement Services to discuss this.

Advertising and Publication – Rule 13

Under the EU threshold the Council does not ask for advertisement. Using the LTP, is not advertising as you are selecting suppliers, unless you go to the open market for an expression of interest. Over the EU threshold you **MUST** advertise.

It is important to understand that publication of Contracts is necessary over £25,000 for the Council to be compliant with its Transparency obligations, as all contracts over this value must be in the public domain. To do this the contract must be in the LTP and promoted to the Contract Register at the end of the procurement process and then into Contracts Finder.

Procurement Thresholds – Rule 14

The value of the contract determines what level of procurement needs to be carried out. The threshold values for goods and services are different to those for works.

Once you have worked out the value of your contract, you can then look up in the CPR's table (Rule 14) which sets out how many quotes you will need to obtain.

The guidance is a **minimum** amount of quotations; and in all cases, more should be obtained to ensure that best value has been demonstrated, and to account for bidders not responding. This may save time later if too few bids are returned and may need a second procurement if best value cannot be demonstrated.

You may also want to consider market engagement prior to going out to the market. If you go to the market for quotation and bids are returned higher than the EU threshold, then you will have to abandon the procurement and start again following the EU procurement process. This will create delay.

Market engagement can give you useful feedback on your specification, or contract terms, which might enable you to make some changes to attract more bidders. This will help to achieve best value.

When carrying out procurement for construction it is important to ensure that proper estimates have been applied, as 'contract creepage' is common in this area. You may wish to consider a fixed fee for this type of work.

Where construction line is used, it is important to ensure that a 'fair and transparent' method of selection is used to invite suppliers to tender/bid. If there is a challenge you must be able to demonstrate that you have not been anticompetitive.

The Council is committed to supporting the local economy through the Council Plan 'an economy fit for everyone'. Therefore, seeking local quotes is vital and is mandated under the CPR's.

When seeking quotes on a regular basis officers must ensure that they rotate those Suppliers invited to quote i.e. that different Suppliers are invited for each exercise. It is acceptable to invite a previously successful Supplier for a similar contract if that Supplier performed well.

It is against the Rules to deliberately disaggregate the value of a contract and split the value up to reduce the number of quotes to be obtained or carry out multiple procurements to avoid the Rules. Procurement Services will monitor compliance with this requirement. Officers need to be mindful of aggregation of spend. The use of lots also can help smaller suppliers to bid for larger contracts.

Use the [procurement checklist](#) to help you.

Frameworks and other corporate agreements, where they exist, should be used (provided Best Value can be demonstrated) and managers must retain sufficient evidence to demonstrate compliance.

Estimated Total Contract Value	Minimum No. of Quotations	Minimum No. of Local Quotations	Additional Requirements (if applicable)	Method of issuing a contract	Advertising or Publication	Responsibility for Procurement Process
Up to £25,000	1	Local in the first instance	Where possible Service Departments should seek out quotations from local Suppliers.	<ul style="list-style-type: none"> • Use of Purchase Order for goods; or • Standard contract for more complex requirements or where the level of risk needs to be addressed. 	Advertising not required.	Self-service in line with Rules and Procurement Manual.
Contracts from £25,001 to £100,000 for supplies and services. Or £25,001 to £500,000 for works:	3	2 Where possible	<p>If less than three quotes are received the Service must seek the relevant level of approval within their service to award and demonstrate that VFM has been demonstrated/achieved. The decision must be recorded in writing and all documentation supporting the decision retained in the E-Tendering Portal.</p> <p>Refer to the procurement manual for construction contracts.</p>	<ul style="list-style-type: none"> • Use of Purchase Order for goods; or • Standard contract for more complex requirements or where the level of risk needs to be addressed. <p>Please also refer to Rule 25 for requirements for sealing.</p> <p>Ensure added to the Key Decision List if contract award is over £500,000 or procurement costs are over £500,000</p>	Refer to advertising section in this Manual for requirements	Self-service via the E-Tendering Portal and in line with the Rules and Procurement manual. Must be promoted to the contracts Register to create a Corporate Contract Register to meet the Council's transparency obligations. Must publish on Contracts Finder via the E-Tendering Portal for award.

<p>Contracts above £100,000 to EU threshold * for supplies and services or above £500,000 for works</p>	<p>5</p>	<p>2 Where possible</p>	<p>If less than five quotes are received the Service must seek the relevant level of approval within their service to award and demonstrate that VFM has been demonstrated/achieved.</p> <p>The decision must be recorded in writing and all documentation supporting the decision retained in the E-Tendering Portal.</p> <p>Refer to the procurement manual for construction contracts.</p>	<p>Up to £500,000:</p> <ul style="list-style-type: none"> Signature on standard contract or sealed by Legal Services if required <p>Over £500,000:</p> <ul style="list-style-type: none"> Standard contract sealed by Legal Services <p>Please refer Rule 25 (requirements for sealing)</p> <p>Ensure added to the Key Decision List if contract award is over £500,000 or procurement costs are over £50,000</p>	<p>Refer to Procurement Manual for requirements</p>	<p>Self-service via the E-Tendering Portal and in line with the Procurement manual. Must be promoted to the contracts Register to create a Corporate Contract Register and meet the council's transparency obligations. Must publish on Contracts Finder via the E-Tendering Portal.</p>
<p>Above EU threshold for goods, services and works (including Light Touch Regime)</p>	<p>Follow EU procurement Process</p>	<p>Consider how to develop local market within the procurement and social value.</p>	<p>A fully compliant process must be carried out in accordance with the Public Contract Regulations 2015</p> <p>Possible routes to market:</p> <ul style="list-style-type: none"> Open Restricted Negotiated Competitive dialogue Competitive procedure with Negotiation Frameworks 	<p>Up to £500,000:</p> <ul style="list-style-type: none"> Signature on standard contract or Sealed by Legal Services if required <p>Over £500,000:</p> <ul style="list-style-type: none"> Standard contract sealed by Legal Services <p>Please refer to Rule 25. Ensure added to the Key Decision List if contract award is</p>	<p>Must follow EU directives</p>	<p>Project managed by Procurement Services with cooperation from Legal Services as appropriate.</p> <p>All procurements over EU Threshold must have followed relevant processes set out in the Procurement Manual.</p>

			<ul style="list-style-type: none"> • DPS <p>This must be led by Procurement Services.</p>	<p>over £500,000 or procurement costs are over £500,000</p>		<p>Service departments are responsible for:</p> <ul style="list-style-type: none"> • Specification • Governance & authority • Evaluation
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Exceptions to Competitive Tendering – Rule 15

There are exceptions to competitive tendering, and this Rule should be studied to ensure that your procurement does meet the exceptions if you are going to apply under these rules for a procurement. Remember that Value for Money cannot be demonstrated by applying this rule and should only be used in exceptional circumstances.

Refer to the framework section of this Manual for following Mini competition Rules. If you are to award or contract with a Teckal organisation, please ensure that you have checked with Legal that Teckal does apply. The contract is still subject to the Rules and governance process.

All exceptions will be reported to the Executive Director of Resources on a quarterly basis at the Corporate Procurement Board, and annually at the General Purposes Committee. Except for the use of Framework that should be managed through the LTP, all other exceptions need to go through the Exception/waiver form. These go to procurement.support@enfield.gov.uk to approve and create a contract on the LTP.

You must consider the value as over the EU threshold an exception to the Rules is unlikely to be agreed.

Remember that a record of the contract must be maintained in the LTP, so either use the LTP to obtain your quotation, or ask Procurement.support@enfield.gov.uk to set up the contract for you.

Evaluation Criteria and Going out to the Market – Rule 16

When going out to the market you must consider how you are to evaluate the returning bids. For low value it is recommended that this should be on price only. It is helpful to show your evaluation criteria to bidders to help them to formulate their responses, and to minimise challenge at the end, should they be unsuccessful.

Maintaining written evidence of evaluation scores is also recommended; should there be a challenge, which should be uploaded into the LTP for audit trail. If you include presentations or interviews as part of the procurement process, then you must state how this will be carried out and scored.

It is permissible to contact suppliers at the market engagement/soft market testing stage, as long as you do not commit to anything and are clear this is only a market sounding exercise, this can include meetings, presentations and demonstrations.

Application and Waiver of the Rules – Rule 17

The CPR's are about getting VFM through procurement. Therefore, a Waiver is effectively a direct award, and therefore cannot demonstrate VFM. Members are quite clear that Waivers should only be sought in exceptional circumstances.

All Waivers are reported annually at the Council's General Purposes Committee by Procurement Services. All Waivers must be agreed locally within services at the appropriate level under the scheme of delegation and then sent to Procurement Services. These will be vetted and then sent to the Executive Director for Resources for approval.

The term of the contract should be only sufficient to be able to carry out a 'proper procurement' to ensure that the market is tested. Normally Waivers will be for a one-year period to ensure that a competitive process is carried out in that time to demonstrate VFM.

It must be noted that Waivers will not be granted over the EU threshold, as the Council is unable to waive the Public Contract Regulations 2015.

Variations to Contracts – Rule 18

Any changes to contract must be in line with the CPR's and properly recorded.

It is important to first understand if the supplier is open to changes to the contract. Any changes must be within the core delivery of the contract. Eg a supplier of food could not be asked to include the supply of stationery in their contract.

Remember that the variation of a contract to include additional requirements may be a lack of competition and may be challenged by other suppliers. In all cases best value must be obtained.

Variations must first:

- Have budget approval
- Demonstrate best value
- Have appropriate approval to proceed
- Must be in line with the existing contract

Variations must follow the same approval process as letting a new contract; and must be updated in the LTP.

Receipting and Opening of Tenders and Quotes – Rule 19

The London Tenders Portal must be used for all procurement projects over £25,000. This ensures that the opening of tenders is fully audited and complies with e-tendering regulations.

If there are situations where it is felt that the London Tenders Portal cannot be used, then Procurement Services must be contacted, and this discussed. In all cases the contract must be recorded in the LTP if let via an external portal.

There are regulations around using electronic tendering and you must ensure that these are complied with. Remember, that by using the London Tender Portal, you are protecting yourself from risk of challenge from the supplier as it provides a safe and complaint procurement process which is fully audited and prevents the seeing of bids from suppliers prior to other supplier bids. You may want to consider using the portal for security purposes under the £25,000 limit.

If you use a separate portal you must also put the information into the LTP for retention purposes and meet transparency regulations. This includes accessing Frameworks or contracts with other Councils. Please Contact Procurement.Support@enfield.gov.uk to support you with this.

Ethical and Sustainable Procurement – Rule 20

The [Council Plan](#) has set out its main objectives for the next 5 years.

The main deliverables are:

- Good Homes in well-connected neighbourhoods
- Safe, healthy and confident communities
- And economy that works for everyone
- A modern Council
- Climate Action
- Fairer Enfield
- Early Help

All procurements should consider the Social Value Act 2012 and community benefits. Any social value must be recorded by the service and monitored through the lifetime of the contract.

The Council has a Sustainable and Ethical procurement policy and suggests inclusion of a **minimum 10% evaluation weighting** for sustainability in all procurement that are tendered.

All procurement should be in accordance with the Councils agreed polices including but not limited to:

- (i) Modern Slavery Charter;
- (ii) Construction Charter; and
- (iii) Health in Everything we do
- (iv) Fairer Enfield

The Council is introducing a Social Value Portal, which will provide Themes, Outcomes and Measures (TOMS) for suppliers to provide social value. It will calculate the value of the social value to the council and record evidence of the delivery of the social value. This portal will be used in all procurement over the EU threshold. Should services want to use this under the EU threshold please contact Procurement Services.

Wherever possible use of the local market must be considered to support and help to generate the local economy.

A responsible and Ethical Toolkit is being developed to provide questions to ask at procurement. this will be in line with the Councils new Fairer Enfield Policy that is in development. Please refer to this for further information on this.

Equalities in Procurement

The Council also needs to consider Equalities in all procurement. The [Public Sector Equality Duty](#) is contained in section 149 of the Equalities Act 2010. It requires public bodies which are subject to the duty, to have due regard to the three aims of the duty:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- Advance quality of opportunity between people who share a protected characteristic and people who do not share it; and
- Foster good relations between people who share a protected characteristic and people who do not share it.

Alongside this is the council Fairer Enfield Policy, which is part of the Councils Plan and its new Equality Policy. The Council is committed to improving the equality and diversity within the Council and expects its suppliers to uphold the same equality standards.

As a commissioning or procurement officer, you must consider Equality and Diversity in your procurement exercise. We must ensure that as a minimum, companies are adhering to the Equalities Act. At best we should be using the procurement project as a way of improving diversity within different industries to ensure that underrepresented groups are being encouraged and developed; to create a fairer and equal opportunity for all. The Sustainable and Ethical Procurement Policy will support this and should be used in conjunction with these rules.

Equalities is a core requirement of a contract where services are provided directly to the public or where indirectly or directly the Council has a duty to promote equalities. The Council will check a contractor's compliance with equalities issues in two ways:

- Prior to Contract Award - by asking the equalities questions requiring documentary evidence to support equality systems/processes within the company.
- After Contract Award - by including contract conditions on equality in all Council contracts and by monitoring a contractor's performance and compliance.

Specifications also need to be accessible and ensure Equality to access the opportunity. This should also consider:

- BME/SME
- LGBT community

It is important that all procurement is carried out fairly, transparently and equally to all parties.

A responsible and Ethical Toolkit is being developed to provide questions to ask at procurement. Please refer to this for further information on this.

Other guidance can be found in the [Buying Better Outcomes](#)

Climate Action

The Council has signed a Climate Change emergency and aims to be carbon neutral by 2030. Therefore, it is important to consider elements in the procurement that may affect the Climate within the specification. The Sustainable and Ethical Procurement Policy will support this and should be used in conjunction with these rules.

- Look to use less materials to reduce carbon footprint of manufacture
- Energy efficient equipment
- Reduce carbon emission through less travel or more efficient forms of transport/travel
- Carbon off setting

This is a main aim in the Councils plan, and you must consider elements prior to procurement to include in your specification and ITT, RFQ.

Think about materials that are being specified and think about whether they can be more ethically or responsibly sourced. Think about transport and carbon emissions relating to the transportation or importation of the goods.

A responsible and Ethical Toolkit is being developed to provide questions to ask at procurement. Please refer to this for further information on this.

Contract Award and Execution – Rule 21

Contracts must be awarded in accordance with the Contract Procedure Rules and UK regulations. The CPR's follow the Public Contract Regulations and ensures that the Council is compliant in letting contracts.

In all cases approval to award contracts should be sought and must be from the appropriate level of authority. This evidence should be retained and loaded into the London Tenders Portal.

Awarded contracts must be signed and where necessary sealed by legal. These must be scanned and uploaded to the LTP.

Procurement Services will arrange a handover at the end of any EU procurement to ensure that services have access to the LTP and that there is a nominated person to manage the contract.

Letter of acceptance & Limited Liability

Letters of acceptance are generally not used by the Council. There are situations where these are necessary. Agreement from Head of Legal Services or Director of Legal and Governance Services should be obtained.

Letters of acceptance must be set out on a proper template agreed by Legal. This should include (but not limited to):

- Price,
- Duration
- Supplier
- What is to be supplied/delivered

Letters of acceptance are only binding on the Council and the contracting party where the letter expressly states that their Tender has been accepted and the Council agrees to pay them the tender sum. The letter of acceptance should normally seek to incorporate the terms and conditions of the relevant Council standard contract or relevant industry standard contract (e.g. JCT, ICE, NEC) indicating the Council's intention to enter into a formal, written contract with the contracting party, to carry out the works/services or supplies described in the letter, such work/services or supply of goods to commence on a date specified or at any rate before the parties execute the formal, written contract, until then the contracting parties obligations to the Council shall be governed by the Invitation to Tender documentation.

Letters of acceptance are not a substitute for a signed contract, especially for contracts under seal.

Limited Liability Letters may only be used where there is a requirement for urgent works mobilisation (not simply to allow site access) and only if such has been approved by the Assistant Director of Legal Services (unless a previously approved template is used) and the appropriate authority report in accordance with the Councils Constitution has been signed off.

These should also be loaded into the London Tenders Portal for audit requirements.

Terms and Conditions – Rule 22

Every contract must have terms and conditions of agreement. As a minimum, these should be the Purchase Order.

The Council has developed a suite of contracts with standard terms and conditions which are available from Legal Services. These should be used for all contracts under the EU threshold.

It is important in the contract pack to include:

- Standard terms and conditions
- Description of the goods, services or works to be supplied or performed
- Price to be paid and any discounts
- Where the contract is to be performed and the times
- Place or places for delivery
- Security

Changes to these standard terms and conditions should not be made unless in conjunction with legal or the template.

All contracts over the EU threshold must be drawn up by Legal Services. Please ensure that you factor in sufficient time for legal to develop the contract with you. Contracts must be ready at the time of going to the market for over the EU threshold.

If you need to use the supplier's terms and conditions of contracts; this must be discussed with Legal Services who must review the terms and conditions to ensure they are acceptable to the Council.

At the end of the procurement process a signed copy of the contract (or call off agreement) must be obtained and upload this to the LTP for reference.

The contract is an important document and will be needed to ensure that the delivery of the contract is being made. You may need to refer to the contract in times of dispute, poor performance etc.

Ethical and Sustainable elements

Where it is proportional to do so terms in the contracts must be included that cover:

- Equalities
- Modern Slavery
- GDPR
- Construction Charter
- Climate/Carbon emissions

Post Tender negotiations – Rule 23

Post tender negotiations may only take place if the tender documents allow for negotiations. Otherwise bidders should be invited to re-tender on a revised specification. Please speak to Procurement Services for advice before starting any negotiations.

This may include negotiations prior to procurement.

Prevention of Corruption – Rule 24

All procurement must be carried out in a process that is fair, transparent and equal. It is also important to ensure that the supplier is also acting in a transparent and fair way.

Officers should ensure that they follow the Council's Code of Conduct. It is especially important that officers do not accept gifts or rewards from suppliers or potential bidders that may be an inducement or where information may be imparted that may give advantage to a bidder over another bidder. This may include pricing or design specifications.

Officers must ensure that their behaviour does not lead to accusations of corruption, as this will be investigated and if found to be proved will lead to dismissal and is a crime under the [Bribery Act 2010](#) and section 117 of the [Local Government Act 1972](#).

Should you have any concerns over fraud or corruption you must raise this under the Council's [Council's Whistle Blowing Policy](#).

The tender process should ask the bidder to declare information on criminal activity. If you feel that a bidder is acting in a dishonest or corrupt manner then again this must be highlighted, and potentially be investigated.

Declaring an interest

To ensure that processes are transparent it is vital that officers declare any interest in any potential or actual contracts. This can be done in writing to the head of Procurement Services or to their manager.

Any employee who has a pecuniary or other interest in any actual or potential Council contract must declare it in writing to their Manager and where the contract/procurement is over EU threshold then this needs to be sent to Procurement Services additionally. All hospitality, gifts or other inducements received shall be recorded in the Service Department's hospitality register. Remember this is to protect you should there be any accusations at the end of the procurement by a losing bidder of not being transparent.

Declaration of interest forms should form part of the tender pack, and suppliers are asked to declare any interests, throughout the procurement process and the lifetime of the contract.

Organised Crime

Some industries are open to organised crime. Therefore, it is important to ensure that processes are followed to protect the council against these.

The Council needs to protect itself from organised crime. Where it is suspected that there is organised crime within the industry that a Service Department is procuring in, Procurement Services should be contacted, or the Whistle-Blowing policy used, to inform management. Officers need to be aware of the Council's Money Laundering Policy; and ensure that any procurement/contract award does not have implications for money laundering.

Areas to consider are:

- Construction
- Taxis
- Cleaning

Record Keeping – Rule 25

Keeping records of contracts is vital and over the EU threshold part of the regulations. For information on how long records should be kept please refer to the [Council's Records Retention Schedule](#).

As a minimum, all documentation relating to the procurement project must be held on the London Tenders Portal. Should your service be audited for procurement activity; this is where they will expect to find the information and you will be in breach of process by not uploading here.

If the contract is over £500,000 then the legal department will need to hold the original of the contract. Over £500,000 then the contract must be signed under seal and the original retained within the legal department.

Ensure that awarded contracts are registered on to the Corporate Contract register, by 'promoting' within the E-Tendering Portal.

Legal Services are responsible for the process of sealing the contracts. The affixing of the common seal of LBE is attested by an authorised officer from Legal Services, whose signature will be seen as executing the contract on behalf of the Council. The Supplier must validly execute the contract, and Legal Services should be consulted as to the appropriate execution clause'. The Supplier must affix its company seal, which must be attested by two directors or one director AND a company secretary.

Contract Management – Rule 26

Contract management is the responsibility of the services. For contracts over **£100,000** (contract value) a nominated contract owner must be allocated on the London Tenders Portal. This person must have access to the LTP and is responsible for maintaining all records in the LTP appertaining to the contract.

Contract management is vital to ensure delivery of the services and that VFM is maintained. Do not assume that what you are being charged is in line with the

contract unless you check. This should be done in line with your budget monitoring to monitor contractual costs.

A contract review schedule should be in place for those Contracts that are of high value or high risk to the council. Contracts over **£500,000 for the contract term**, KPI's should be in place and regularly monitored for performance. Issues of poor performance should be dealt with promptly and professionally with recorded actions and timescales for improvement. Contract Managers should regularly report on their contracts to their senior leadership meetings, and /or the departmental board. Procurement Services are developing a reporting methodology for central recording of contract management.

Often areas of poor performance are not dealt with until issues reach a crisis. It is very difficult at this point to retrospectively deal with issues. Remember that a supplier cannot improve if they are unaware that they are not performing to your requirements.

Withholding payment should also not be advised unless there is a strong case to do so. Legally this may have a detrimental effect on your case or the performance of the supplier.

Contract Managers are advised to read the [Contract Management Guidance](#) for more information. When contract managers leave their contracts must be allocated to their replacement and the LTP updated.

Procurement Services will arrange a handover at the end of any EU procurement to ensure that services have access to the LTP and that there is a nominated person to manage the contract. This will include ensuring that the contract manager has access to the LTP and is the nominated person in the LTP for the contract. It is the responsibility of the service going forward to maintain this data – as this is the Councils' Contract Register and any changes of term **MUST** be updated here.

A copy of the contract register is presented to the Departmental Procurement Boards each month. It is the responsibility of the service to ensure that contracts due to expire are put on their work plan to replace the contract. Services will be held to account for contracts that have expired, and no action has been taken (archive the contract as closed and/or replaced by a new contract).

Further reports are being developed to ensure that the Council is more strategic with its contract management, and services are expected to manage their contract more closely to ensure VFM.

Ethical and Sustainable Procurement in Contracts

Please also consider all ethical and sustainable procurements that are embedded within the contract. The delivery of these must also be measured within the management of the contract. This may include the monitoring of:

- Equalities policies
- Modern slavery
- Construction Charter
- Health in Everything
- Social Value delivery

It is vital to ensure that suppliers are practising a strong Equalities policy and there is no discrimination; and they are not supporting Modern Slavery.

Where there are mandated ongoing supplier due diligence checks; ensure that these are performed, and that evidence of supplier due diligence will be maintained on the LTP. This may include:

- Insurance evidence
- DBS checks
- Training evidence

IR 35 – Rule 27

In April 2017 the government introduced new taxation rules affecting those people who are self-employed/suppliers. It is important if you are letting a contract for services that you ensure that IR35 is considered, especially if you are going to contract with a small SME. If you apply the rules incorrectly the Council is liable to any miscalculation of tax and will suffer reputational.

From October 2020, the Chief Executive as banned the use of Bloom, unless approved by HR and Procurement Services.

The Council has a policy of ensuring that all temporary staff are engaged through the Council's Vendor Neutral Supplier (Matrix) unless agreed with Head of HR or Director of HR and OD. Staff must be engaged through recruitment or through the Council's Vendor Neutral Supplier.

Procurement must only be used to procure services and not to provide individual staff members. Officers must refer to the [Principles of Managing Agency Workers](#) and [IR35 HR guidance](#) before proceeding to procurement where IR35 may apply.

Before commencing a procurement, you must first consider if the person carrying out the work is likely to fall within IR35 regulations? If so, then speak to HR or carry out the test. It may be that you do not carry out a procurement but rather a recruitment through the vendor neutral supplier.

If your specification is based on a Job description or person specification, the this implies the role is inside IR35. Whether IR35 applies, should be ascertained at the point of identifying the business need. This way the Council can engage those operating Outside IR35 in a compliant way. The evaluation process, therefore, should commence when the need for a resource has been identified and not a person (this is not needed if recruiting).

It should be completed, where there is an understanding that the market for contractors who typically operate via Ltd companies whose preference often is to work outside of IR35. Members of the HR team will be able to advise on the circumstances which this type of review may be necessary).

The judging of status needs to follow the Councils Assessing IR35 Status guidance, to ensure that you are following Council guidelines and HMRC regulations.

Evaluating whether or not a role would be employment if an intermediary were not in place is not clear cut. That is why HMRC have lost some of their own court cases. It is a matter of judgement against a set of criteria. There are certain factors that typically would make a role more akin to employment than a business-to-business arrangement and these have been extracted below. It is also useful to consider 'the spirit' of the regulations and the key tests. Specifically:

1. **Control:** Will management control be exerted over the person performing the role or will they be asked to manage and control others.
2. **Mutuality of Obligation:** Will the Authority feel obliged to pay the worker 'for being present' or will they be paid for work completed in the same way that you would only pay a business once a service had been delivered? Is there an implied sense of an on-going contract for work beyond the scope of the assignment? Will the person performing the role feel obliged to turn up – even if there is a pause in the project?
3. **Part and Parcel:** Is the person treated as 'part and parcel of the organisation' (e.g. would they be asked to represent the organisation externally, make decisions about budgets and finances, be the 'go to person' for other staff, be part of a published management structure, have a P.A. or assistant)?
4. **Substitution:** Will the Authority accept a suitable substitute should an individual be unable to continue with the project for any reason?

A questionnaire has also been included in the guide to help managers reflect on the 'spirit' of the regulations and make their final judgements.

There is an online Employment Status Service (ESS) test that provides the view of HMRC on whether a worker on a specific engagement/contract should be classed as employed or self –employed for tax purposes.

Remember that the risk now sits with the Council and we will be liable for any unpaid NI; therefore, if there is any doubt please speak to HR.

<https://www.gov.uk/guidance/check-employment-status-for-tax>

Consultation – Rule 28

For Housing procurement contracts the [Commonhold and Leasehold Reform Act 2002](#) (CLRA) may apply. Where applicable, officers must undertake the required consultation with leaseholders. Leaseholders can nominate Suppliers for inclusion on a tender list for specific, below EU Threshold, procurement projects. Officers

must liaise with Home Ownership Services to clarify the requirements under the CLRA before commencing with any procurement likely to affect leaseholders.

For all other procurement's officers shall ensure that where applicable consultation with stakeholders is undertaken within the appropriate period of the procurement process.

Procurement Processes

This section covers the processes that sit around the CPR's and must be followed in conjunction with the CPR's.

Departmental Procurement Boards

The council now has Departmental Boards within Services to discuss Strategic Procurement. These boards are responsible for the approval of procurement projects over the EU threshold for £1m for works. Ensure that you take your project to the correct board for approval. Arrange this with the PA for that area.

- People – Doug Wilson
- Place – Peter George
- Resources & CEX – Matt Bowmer

All procurements over the EU threshold or £1m works, must be taken to a board to be approved. This may be at a strategic level; and in fact, should be taken at the strategic level. It is important that sufficient time is factored in for this.

Minutes from these meetings must be retained for audit purposes and evidence of authority.

Ideally you should take the business case as a Gateway 1 – The strategic view of the project. This needs to go to the board as a written DAR, Report or use the Gateway 1 template to take the business case. There is a slide template to use to present at the meeting if needed.

You may want at this point gain approval to the route to market. If the business case is so high level that at this point the route to market is not clear, then you may want to come back to the board as a Gateway 3 – which is the route to market.

Approval to Award is not normally needed to come to the board but you do need written approval to award.

The board may ask for you to come to the board to give updates on the performance of the contract.

Frameworks

Frameworks are a 'shortlist' of suppliers that has been through a procurement process and are able to be 'called off' to provide provision. When using a framework, it is important to ensure that you follow the framework rules to be compliant. This can mean a direct award or the need to carry out 'further competition' to select a supplier. This will be found in the framework rules. **The London Tenders Portal must be used to carry out any further competition**, and where there is a direct award; this must be recorded in the portal.

Where a 'mini competition' is needed, then this should be classed as a procurement exercise and the same principles should apply to services. Be open, transparent, and equal in treatment. Have clear criteria for selection and allow reasonable time for suppliers to respond to the quotation/Tender process.

You will also have to use the framework terms and conditions which cannot be varied. Make sure you are happy to abide by these prior to using the framework.

When using a framework, it is important to ensure that the framework is legally compliant and that the council can access this framework. 'Due diligence' assessment must be carried out via Procurement Services. You must upload evidence of due diligence to the London Tenders Portal.

Frameworks do offer a quicker and easier way to market, but do not always offer Best Value. You must ensure that you have looked at all options and be clear that this is the best way forward.

Remember that internal governance still needs to be followed, as you are still committing the Council to a contract. Therefore, if the cost of the contract is over the EU threshold then you will need to go to the Departmental Procurement board. If over £500k then you will need to follow the Key Decision process.

If you wish to set up a framework to be used internally you must contact Procurement Services to discuss this. It is important that the framework is set up correctly and that it is open to the right areas of the Council and where possible other organisations.

A list of [frameworks](#) can be found on the Intranet Hub.

Concessions

Some contracts offer an element of income or are 'zero' value. In these cases, it is important to understand what the supplier is getting in return for these contracts. If the contract will benefit the bidder, then this has a value (not necessarily monetary). It is important to ensure that these are let in a fair and transparent way. Following a procurement process will ensure this.

Pilots must also be considered in this way also. The winner of the pilot will have an advantage when the pilot has ended should you decide to go to the market at the end of the pilot. You should also consider that sometimes it is difficult to go to the

market when a pilot has become so embedded in the working practices. It may be that a contract is let subject to a trial period.

When looking to let a concession contract you also need to consider evaluation criteria and in particular quality; in the same way that you would identify quality in a procurement element to score bids for supplier contract.

The value of the concession contract is based on estimate of turnover of the parties bidding. If in doubt seek support from Procurement Services or finance on how this is evaluated.

The letting of Concessions fall under the Public Contract Regulations 2015, and the Concessions Contract Regulation 2016. Under the EU thresholds for concessions you should invite the number of bidders in line with procurement thresholds as a minimum.

It is best to speak to Procurement Services prior to any contract that may be a concession or grant award to ensure that you are being compliant.

Partnerships/Shared Services

Where the Council is working in partnership or in a shared service then the Rules still apply. Remember that there may be no procurement process to access a Pan London Agreement, but this is still entering into a contract and therefore the Rules still apply. Governance still applies.

Also consider any partnerships that include staff and where these sit in the contract. Please refer to the Council's Partnership Procedure Rules within the Constitution to ensure compliance with Council policy prior to any commitment.

Claims from Suppliers

Should a supplier wish to make a claim then you should refer the matter to the Head of Legal Services or Director of Legal and Governance services for consideration.

Any claims for increases in rates, fees etc should be reviewed if there is no provision in the contract for this. The council has a policy of no up lifts in contracts; so, you should refer these to Procurement Services for advice.

Specifications

The specification should be clear and concise and written in plain English.

The specification for goods, works or services is a description of what is required. It is best to focus on service or product outcomes rather than inputs to allow reasonable scope for innovation. It should be clear, to the point and jargon free.

Colleagues or other local authorities or organisations may be able to provide you with examples of specifications related to your project. Frequently far too little time is spent compiling the specification, and yet this is the core part of the tender documents and if this is not properly prepared the contract will not deliver exactly to your requirements. A clear and concise specification will reduce the number of queries you will get from tenderers.

Do not be tempted simply to take a specification from a previous project and re-issue it with just a name change.

As far as possible research your market to establish what is available and to check that your service or product is available. You may send the specification to interested parties and ask for comments. It may be appropriate to consult with a small number of proposed tenderers on the specification before finalising the details, particularly where there is no established market for your service/product. When doing this be careful not to write the specification in such a way as to appear to give favour to one provider over another. Ensure that your specification does not deviate from the details provided in the national or EU advertisements.

Ensure that your specification is non-discriminatory. Ensure that it is accessible for all. Consider if it is encouraging for groups such as:

- BME/SME
- LGBT community

Consider the councils obligations under Climate Action, as you may need to set out in the specification responsibly sourced goods, or carbon emissions targets.

Evaluation

Whilst writing your specification give some thought to how you will evaluate the tenders and how the successful contract will be monitored. The specification and tender documents should always reflect evaluation criteria and contract monitoring arrangements. If it is the intention to apply quality thresholds or to carry out quality evaluation you must establish the criteria and include them in the tender documentation.

Relevant information

Only include relevant information. For instance, if you require a service be provided within 7 days say why - there may be a cost implication. If better planning means it could be provided within a greater/lesser timescale that better suits your tenderers it may create more interest and allow greater innovation.

Legal requirements & council standards

Consider what legal regulations and council standards are relevant to your contract and ensure that there is adequate provision, particular concerns include health & safety, construction & design management, sustainability issues, insurances, risk management etc.

References to brand names or standards

Never refer to particular makes, brands, sources or processes that have the effect of favouring one supplier over another. Makes, sources or proprietary names can only be referred to where this is justified by the subject matter or the product cannot be otherwise specified by technical standards. In these cases, the reference must be followed by the words 'or equivalent'.

Where British standards are mentioned in specifications they should be followed by the words 'or equivalent'.

Structure of a specification

The structure of a specification for goods/services and the amount of detail required for the specification will be set by the value and complexity of the goods/services. The structure given here is a suggestion. Each of the headings below would be a separate section of the specification. The text under the headings is an indication of the kind of issues that should be covered.

1. Cover sheet

Title of the contract, date, department name and logo, lead officer name and contact details.

2. Contents page

3. Overview

An overview of the contract requirements Why do we need the goods/services? What will they be used for?
What is critical to the council in relation to them?
How will the contract assist the Council in the performance of its functions?
Details of the requirements to comply with best value legislation and demonstrate value for money.

4. Background & scope

Include details of current arrangements.
Information on the purpose and objectives of the goods/services and the users/departments.
Volumes required.
Installation and maintenance requirements.
What is not part of the contract (if this needs to be made clear) Operational environment and other issues that might influence the contract provision.
Benefits expected from the contract and any operational problem that may need to be resolved
Contracts duration and proposed start date.

5. Supplier responsibilities:

List of the specific tasks to be performed by the supplier.
Outcome or output specification i.e. the service must achieve.
Contract management e.g. dedicated contract phone number (especially if requiring an 'out of hours' service)

Resources or qualifications required (for service contracts) Delivery requirements.

Procedural issues.

Guarantees to be included Maintenance and back-up Decommissioning/ installation tasks Invoicing.

Urgent requirements.

Variation in requirements.

Documents and records to be maintained by the supplier.

Critical timescales.

Communications.

Pre and Post tender meetings.

Responsibilities at the end of the contract.

6. Technical and/or quality requirements

Technical standards to which the goods must conform (if needed) (Add the words 'or equivalent' after any British standard).

Any particular standards or features that will help set the expected quality levels or equipment performance standards.

Performance indicators if appropriate.

Environmental/legislative/health & safety requirements.

Explain clearly if you are interested in delivery ideas from tenderers.

7. Council responsibilities

Specific issues that will form part of the council's obligations, eg. Ensuring access, facilities and equipment to be made available to the supplier.

8. Payments, charging & invoicing

Details about payments etc must be included in the contract terms and conditions. Check that all is covered to your satisfaction.

9. Performance monitoring

Details of how the council proposes to monitor the quality of goods/services supplied and that they meet the specified requirements.

Items available and delivered within the required timescales.

Availability and response of technical support.

Supply of spares.

Goods of correct quality and quantity.

Frequency of performance review meetings, and who should attend.

Details of action to be taken to correct defective goods supplied.

Details of how requests by the council should be dealt with.

Management information/self-monitoring arrangements that will assist in controlling the contract i.e. total spend by business unit/ department etc.

10. Pricing schedule

You may want to set out here how the pricing of the contract is to be set out in the response. You may want to include spreadsheet for responses.

Supporting information in addition to the CPR's

This section is for information only and is not part of the CPR's but is good practice.

Paying suppliers

Once you have set up a contract with a supplier it is important to ensure that they are set up in the payments system (Neptune). If they are not set up, you will not be able to raise a purchase order to pay supplier invoices. This will delay payment to your supplier. All suppliers set up via a procurement should be paid via a Purchase Order and not AP.

If you have managed the procurement exercise through the LTP, then you need to send the supplier creation pack to the supplier through the portal for security. For suppliers under the £25,000 threshold you need to complete the supplier request form on the Exchequer services pages.

Once they are set up in Neptune you can raise a purchase order. To be compliant you need to do this prior to the invoice arriving.

Once the goods or services specified in the contract have been delivered or the term has come to an end, then the contract has ended, and any additional services or goods need to be procured. EG; delivery of 5 training sessions. At the end of the 5 session the contract has been delivered and any additional services must be re-procured.

For the prevention of fraud, suppliers that have not received a payment for over 18 months will be blocked, and a new procurement will be needed to unblock them. Or a supplier pack sent out, as they may have changed their details/bank account etc.

Glossary of Terms

Where these Rules refer to approval required from a person in a specified role (e.g. Head of Procurement & Commissioning Services) such approval may be delegated to another officer by that person.

Advertising	Where Tenders and Quotations are advertised for bidders
Aggregation	Is the requirement to add together the estimated value of separate contracts for meeting a single requirement. EU procurement expressly prohibits the splitting of requirements into smaller units or orders in an attempt to avoid the application of EU procurement.
Best Value	Means the optimum combination of price and quality identified through the Most Economically Advantageous Tender (MEAT).
Business Impact Analysis Form	Business Continuity Form for emergency Planning.
Bribery Act 2010	Bribery Act 2010
Code of Conduct	The Councils code of Conduct and how officers must carry out their duties in terms of conduct.
Concessions	A type of contractual arrangement under which, rather than paying the Supplier to deliver a work or service, the Council grants the Supplier the right to exploit an opportunity and receive some or all of its income from third parties (e.g. the public), retaining the profit. Defined under the Concessions Regulations 2016
Consultation	A formal process to consult or discuss
Construction Industry Charter	The Construction Charter commits to working with Unite in order to achieve the highest standards in respect of direct employment status, health & safety, standards of work, apprenticeship training and the implementation of nationally agreed terms and conditions of employment
Contract	Means an agreement between the Council and any other organisation, including another public authority, made by formal agreement or by issue of a letter of acceptance or official purchase order for works, supplies or services.
Contract management	The management and monitoring of a contract to ensure delivery and performance; including commercial elements and payments.
Contracts Finder	Government site for advertising contract opportunities and awards.

Contract Templates	Standardised contracts to be used by Service Departments and procuring officers that have been drawn up by Legal Services for the contracting of goods, services and works.
Corporate Contract Register	Corporate Register of Contracts held by Procurement Services within the London Tenders Portal
Council's Constitution	Documents (s) that sets out how the Council is governed.
DAR/Authority Report	Delegated Authority Report required by governance to record decision making and record approval from delegated authority. (See Other Authority)
Directors	Means Directors and Executive Directors of Enfield Council
E-Auctions/Reverse Auctions	The use of electronic media to conduct a tendering or bidding exercise where suppliers are able to bid, in secure, controlled conditions, for a contract.
E-Procurement	The electronic system used in the Council to electronically raise requisitions, purchase orders, supplies receipts and invoice payments.
E-Tendering	The carrying out of the tendering process using electronic means, such as the internet and specialist e-tendering software applications. It includes undertaking the tasks of advertising the requirements for supplies and services, registering suppliers, and issuing and receiving tender documents via the internet, as well as automating the evaluation of responses to a tender. Systems also incorporate contract management functionality.
E Tendering Portal	The E-procurement portal to be used to meet e procurement regulations.
EU	European Union.
EU Procurement	Procurement conducted in accordance with the relevant EU Directives and the corresponding UK legislation including in particular the Public Contracts Regulations 2015 as amended or replaced from time to time.
EU Threshold	Threshold set by the EU over which procurements must follow EU directives processes.
Exception	A procurement that is excluded from some part of the rules
Exemption	A procurement that is excluded from the Public Contract Regulations 2015
Financial Regulations	Financial regulations forming part of the Council's Constitution ; that set out financial management regulations for the council.

Framework Agreement	An agreement with suppliers which sets out the terms and conditions under which specific purchases can be made throughout the term of the agreement and which where necessary has been tendered in accordance with EU Procurement
Goods	Tangible products that can be consumable or non-consumable.
Health in Everything We do	Council Policy to improve the health and wellbeing of staff and residents of the borough
Hub	Team or group that provide centralised support for the Council
IR35	HRMC regulations regarding working regulations and TAX for agency workers, interims and consultants.
Light Touch Regime	This is the procurement process set out in the Public Contract Regulations 2015 that cover areas in Schedule 3; namely Adult social care and other areas listed in schedule 3.
London Tenders Portal (LTP)	E-Tendering Portal used by the council to manage all procurement activity and contract register.
Modern Slavery Charter	Charter signed by the Council to support the eradication of Modern Slavery; specifically, within the Council supply chain.
OJEU	Means the Official Journal of the European Union or replacement publication system.
Other Authority	Where a DAR or Authority Report is not used within a service, the authority to procurement must be set out clearly in some other report, email or policy etc. (See DAR/Authority Report).
Partnership Procedure Rules	Rules set out to govern Partnership arrangements and form part of the Constitution.
Performance Bond	A bond issued by an insurance company or a bank to guarantee satisfactory completion of a project by a Supplier.
Procurement Manual	Document that support this document and sets out the processes and governance to be followed for all procurements. Provides more detailed information and links to supporting information to ensure compliance these rules.
Procuring Officer	The officer who is carrying out the procurement or the client/service department officer working with Procurement Services
Property Procedure Rules	Rules set out to manage property procurement and form part of the constitution

Public Contract Regulations Rules Public 2015	Means all relevant external procurement rules and regulations applying in England.
Quotation	A formal statement or promise usually submitted by a potential Supplier in response to a request for a quotation to supply specified Supplies, works or services required by a purchaser at specific prices within a specific time frame. (A quotation should be distinguished from an Estimate, which is not a fixed price). N.B. A contract arises on acceptance of a quotation. Unless otherwise specified a quotation may be subject to the supplier's terms and conditions of business and those terms and conditions become part of the contract. Therefore, a request for quotations should specify that the quotation is subject to the Council's terms and conditions.
Resilience Requirements	Resilience Requirements needed by the Council to mitigate risk in emergencies
Services	Services such as maintenance of equipment, transportation, consultancy, technical services. etc. as defined by the current Public Contract Regulations.
Service Department	Departments within the council.
Social Value Portal	The portal used to manage social value bids.
Supplier	A company that will provide goods, service or works to the Council after a competitive process.
Supplies	Can be tangible object delivered in relation to a contract. See also goods.
Strategic Delivery Board	Board to manage strategic Delivery of transformation and ICT transformation.
Teckal Company	A Council owned company meeting the conditions under Regulation 12 of the Public Contracts Regulations 2015 ('Award of Contracts to Controlled Persons') and thereby deemed to be akin to an in-house department of the Council.
Tender	A sealed bid submitted in response to an invitation to tender, which invitation contains detailed information on requirements including a specification and terms and conditions
Variation	Any alteration, modification, addition to or deletion of any requirement of the Contract terms or specification.

VEAT Notice	Voluntary Ex-Ante Transparency Notice as part of the EU regulations.
Vendor Neutral Supplier	HR supplier used to manage all Agency Workers and temporary recruitment processes.
Works	The outcome of building or civil engineering as defined under Schedule 2 of the Public Contract Regulations 2006, as amended