



Contract Procedure Rules (CPR)

June 2021

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Owner : Director of Procurement

1. Introduction

- 1.1 These Contract Procedure Rules (CPR) have been endorsed by Havering Council. This document is designed to provide Officers with the necessary information and a clear understanding of the rules and expectations of them when undertaking procurement processes on behalf of the Council.
- 1.2 The Council and its Officers have a role in procuring and commissioning, Supplies, Services, Construction Works and concessions primarily to support its statutory functions. These standing orders are made under s135 of the Local Government Act 1972 Act and provide the instructions and rules that Officers must follow in relation to procurement activities. All Members and Officers are required to comply with the CPR and to abide by the Public Contracts Regulations 2015 (as amended) (“PCR”) and the Concession Contracts Regulations 2016 (CCR 2016) or any subsequent revisions that come into force from time to time.
- 1.3 It is the responsibility for Officers to ensure that all procurement activity is followed in accordance with the following Principles;
 - Non-discrimination;
 - Transparency;
 - Equal treatment;
 - Wider market interest;
 - Proportionality;
 - Mutual recognition.
- 1.4 The CPR apply to any procurement process resulting in a commitment with a 3rd party provider where the Council will be procuring Supplies or Services or Works or a concession contract. Procurement activity is defined as commissioning / tendering / entering into a contract / entering a binding agreement or creating a joint venture, irrespective of financial value.
- 1.5 The specific aims of the CPR include;
 - To provide a documented set of rules which Members and Officers must apply to procurement related decisions across the Council. The CPR are designed to ensure that governance processes are embedded in all associated decision making, whilst also ensuring that appropriate authorisation levels are identifiable and received, prior to any procurement activity, agreements or commitment being enacted on behalf of the Council.
 - The Council actively seeks to deliver value for money across all its procurement activities in relation to the purchase of any Supplies or Services or Works (including concessions contracts). The CPR provide Officers with clear rules that incorporate governance processes to ensure value for money is considered as part of the procurement design, execution and recommended outcome for award.

- The CPR provide the mandatory requirements, which all Officers must follow without exception, save where these rules conflict with the law . It is a disciplinary offence if an officer does not comply with these rules.

2. Waivers and Exclusions

Waivers

- 2.1 Compliance to the CPR is mandatory and must be adhered to at all times. Any request to waive all or any parts of the CPR will only be granted in exceptional circumstances. No exception/waiver will be given retrospectively.
- 2.2 Examples of circumstances where an exception/waiver will be considered:
- a) A contract extension is required but the current contract does not allow for an extension
 - b) A contract award is required and a competition process is not possible due to an unforeseen emergency involving immediate risk to persons, property or serious disruption to Council services
 - c) Modification of a contract (such as increased/decreased volume or value, additional services or goods) which did not allow for the modification within the original scope advertised
- 2.3 In relation to CPR 2.2, Officers will be required to submit a Waiver request form. An exception/waiver may only be granted where it is deemed to be in the Council's best interest and permissible under law. Best value must also be demonstrated and achieved and should be demonstrated in the exception/waiver request. An exception/waiver can only be approved by a member of SLT after consultation with the Director of Procurement. Where the exception/waiver involves approving a value that exceeds the SLT threshold then the appropriate lead Member approval is required in line with the table of approvals in CPR 12.2. All waiver requests will require the approval of the Director of Procurement (or nominated Deputy).
- 2.4 Officers should not implement any proposed waiver until they have received written approval from the Director of Procurement (or nominated Deputy).
- 2.5 The Council is unable to waive any requirement of the Public Contract Regulations. Therefore, Officers should not submit any waiver requests for Band 3 procurement processes (CPR 4.8).

Exclusions

- 2.6 These CPR do not apply to:
- (a) contracts of employment which make an individual a direct employee of the Council. This shall not include Contracts for the provision of agency staff or consultants;
 - (b) contracts for investment into specific portfolios held by certain funds

- (c) contracts for the acquisition or lease or license of land and/or real estate (save for where these include the provision for the supply of Supplies, or Services or Works.
- 2.7 For the avoidance of doubt, unless a proposed Contract relates to one or more of the exclusions specified in CPR 2.6, Officers must assume that the Contract is subject to the full extent of these CPR. Where in doubt, Officers must seek the advice of a Procurement Officer prior to commencing any procurement process.

3. Roles and Responsibilities

Officers

- 3.1 When spending/entering into Contracts on behalf of the Council Officers are responsible for:
- Comply with these CPR and to ensure that they obtain appropriate corporate governance approvals in relation to all procurements undertaken;
 - Undertake any procurement training as advised on the Procurement intranet page prior to conducting or having involvement in a procurement process irrespective of value;
 - Comply with law in relation to procurements undertaken;
 - Use the Council's standard contract terms and conditions (T&Cs). Where these are not appropriate Legal Services should be consulted prior to the procurement activity or any commitment with a supplier being agreed. Legal Services are responsible for deciding on appropriate terms for the Council;
 - Engage with SPU at the earliest opportunity where the requirement is likely to exceed PCR thresholds (and £500k in the case of Works) in value or is of high complexity and risk;
 - Ensure they keep good and contemporaneous records, which are accessible to others in their teams for service continuity and in the case of any challenge;
 - Follow the corporate procurement processes as shown in this CPR at the earliest opportunity when a new requirement to scope goods or commission a service has been identified;
 - Demonstrate they have promoted the attainment of best value through specification /commissioning design and delivery of procurement activity;
 - Ensure specifications are written in such a way to promote competition in the market;
 - Ensure specifications take into account equality and diversity as well as social value implications and carry out Equality Impact Assessments and consultations, where appropriate;
 - Ensure specifications have considered sustainability and align to the aims of corporate policies;
 - Ensure that a financial assessment has been undertaken in consultation with financial accountants/finance business partners on the company accounts of any intended supplier recommended for endorsement for award as a result of a procurement activity;

- Where a parent company guarantee or bond is required as a result of the financial assessments, officers are required to liaise with Finance/Procurement and Legal to ensure risk mitigation has been adequately reflected in the contracting process. Officers should also disclose fully the risks and mitigation action taken as part of the approval to award governance report;
- Refer to the Council's Constitution and draft appropriate reports for approval prior to proceeding with a procurement activity and any subsequent award;
- To raise and ensure a purchase order is approved before commitment is given to the supplier before engagement or delivery of goods/services/works is made to the Council;
- Ensure that a named contract manager is responsible for the effective monitoring of the performance and management of contracts and that Corporate Guidance in respect of contract management is followed;
- Using the Councils Electronic Procurement System to undertake any procurement processes where the estimated total contract value is likely to be equal to or exceed £10,000.

3.2 On becoming aware of a breach of CPR, an Officer must report this to their line manager and the Director of Procurement. Alternatively, the Officer may choose to follow the guidance contained in the Council's Whistle Blowing Policy.

Self-Service model

3.3 The Self Service model enables Officers to be empowered to manage below PCR threshold procurement processes for Supplies or Services or Works procurements estimated below £500k, in accordance with the Council's Constitution and delegations and procurement legislation. The Strategic Procurement Unit (SPU) will provide training and appropriate support to ensure Officers have the training and the necessary tool kits and guidance material to undertake these procurement activities.

3.4 Officers must ensure that any Self Service procurements are done in accordance with the SPU guidance tool kit as advertised on the Procurement Intranet page. These procurements must be conducted in an ethical, transparent way with quality and value for money being a key focus.

3.5 SPU will provide guidance to allow procurements to be classified in respect of their value, risk and complexity. Where a high risk and/or complexity is determined, SPU will provide additional support for Officers as appropriate.

3.6 Officers must ensure they upload all procurement, contract and audit documentation onto the Councils electronic procurement system and contract management systems.

3.7 Contracts must not be artificially underestimated, overestimated or sub-divided into two or more separate contracts where the intention or effect is to avoid the application of CPR and/or legislation including mandatory requirements as to thresholds.

Senior Leadership Team (SLT)

3.8 The Senior Leadership Team (SLT) is responsible for:

- ensuring that all Officers reporting to them who are engaged in undertaking procurement activity have completed the corporate procurement training as advised on the Procurement intranet page;
- ensuring that Officers engaged in any procurement activity are familiar and compliant with CPR, Financial Regulations and the Council's Constitution detailing delegations;
- ensuring there is adequate budget available;
- ensuring that contracts they are responsible for are managed in accordance with corporate guidance and that all contracts are assigned a responsible owner.

Strategic Procurement Unit (SPU)

3.9 The Director of Procurement (DOP) provides the senior leadership function for the SPU. The DOP is responsible for the oversight, strategic delivery, coordination of resources, systems, processes, procedures and tools in relation to enabling the service delivery of the SPU and its subsequent compliance with Procurement Law. They will make the latest version of the CPR together with guidance available to every officer, Member of the Council and the public.

The Strategic Procurement Unit is responsible for:

- Keeping under review any need for subsequent revisions of this CPR document, subject to full council approval;
- To provide expert market knowledge to help officers find the best suppliers to meet specified needs;
- Managing all tenders and contract awards over the PCR threshold (unless agreed otherwise by the DOP) in accordance with relevant legislation and regulation;
- Providing training for officers to assist the embedding of Self Service procurement;
- Designing training and guidance, which reflect applicable or mandated best practice initiatives/commissioned reviews, to support the implementation of these CPR;
- Providing training to all officers involved in the procurement of goods, works and services;
- Providing all Self Service Tool Kits and Guidance Packs for officers;
- Developing strategic action plans for each category of spend in conjunction with stakeholder departments;
- Providing commercial support to Contract Managers;
- Ensuring that good practice contract and supplier management is written into specifications;
- Developing our supply chain to deliver performance improvements;
- Ensuring transparency over spend, contracts and contract opportunities;
- Embedding social value and sustainability across the supply chain and ensuring, where applicable, the relevant policy considerations are

- embedding into the procurement process;
- Maintaining a corporate central contracts register;
- Ensuring efficient and effective purchasing practices are in place for all staff;
- Monitoring compliance with the purchase order process and contracted expenditure, ensuring reporting is in place to manage exceptions.

4. Procurement Thresholds, Valuing Contracts and Contract Bands

Procurement Threshold

- 4.1 The following table illustrates the PCR thresholds at the time of publication of these CPR. These apply to all procurements that reach the thresholds stated and ultimately determine the procurement processes, which must be followed to ensure compliance with Procurement legislation.

Category of contract	<i>PCR Threshold</i>
	(applicable from 1 January 2021)
Supplies or Services	£189,330
Works	£4,733,252
Light Touch Regime (for health/social services)	£663,540
Concession Contracts Regulations 2016 (CCR 2016)	£4,733,252

- 4.2 In the case of mixed contracts where a single contract covers more than one element of works, services or supplies, applicable regulations are determined by the 'main subject matter', based on which of the estimated values is the highest.
- 4.3 Officers must ensure they consult the Procurement intranet page as the above thresholds are applicable at the time of CPR publication however they are reviewed periodically and can change so officers should ensure they have applied the most up-to-date thresholds prior to undertaking their procurement activity.

Valuing Contracts

- 4.4 Officers must ensure that when calculating the spend for their respective procurements they must adhere to the principles of aggregation; the spend must reflect the total anticipated expenditure to be procured across the full life of the proposed Contract including any potential extension period. Officers must not disaggregate or separate spend in order to be below the thresholds stated.

- 4.5 For any procurements led by the SPU, Officers should work with SPU to ensure market engagement and benchmarking has formed part of the due diligence. For Supplies or Services, this will include those procurements estimated to be above the Supplies or Services threshold outlined in CPR 4.1; and for Works it will cover those estimated above £500k. It may also include lower value procurements where risk and complexity are determined to be high.
- 4.6 All spend data should be robust in nature and based on the preceding years historic trends and future modelling where possible. For Self-Service procurements (CPR 3.3) the officer undertakes this activity independently and will be subject to decision scrutiny via approvals by the appropriate delegations as part of the Council's Constitution in relation to the approval to procure and approval to award process.
- 4.7 In the instance of joint commissioning, when defining full life cycle costs, Officers are required to;
- Include the provision of personalisation budgets within the aggregated spend analysis.
 - Include the total aggregate cost of the joint financial commitment between all partners, also providing specifics in detail of all costs associated with Havering cost implications directly.
 - Show clear financial and supporting commentary to enable an understanding of the full scope of the procurement, and the level which Havering represent within the joint commissioning partnership

Contract Bands

- 4.8 The procedures applicable to procurement processes will be determined by the following Contract Value Bands ('Bands'):

Band (Route)	Contract Value
1	Up to £10,000
2	£10,001 to any amount below the PCR or CCR Threshold
3	PCR or CCR Threshold and over

5 Approval to Procure

- 5.1 Prior to commencing any procurement process, Officers are required to obtain the approval of the Appropriate Decision Maker in accordance with the Councils Scheme of Delegation.

Officers with delegated authority to approve a procurement process under these CPR ('Decision Makers') are as follows:

Band (Route)	Maximum Contract value	Type	Decision Maker
1	Up to £10,000	Supplies or Services	Level 3 Officer
2	£10,001 to £50,000	Supplies or Services	Level 3 Officer
	£50,001 to £189,330	Supplies or Services	Level 2 Officer
3	£189,331 to £500,000	Supplies or Services	Level 2 Officer
	£500,001 to £2,000,000	Supplies or Services	Level 1 Officer
	£2,000,001 to £10,000,000	Supplies or Services	Cabinet Member
	Above £10m	Supplies or Services	Cabinet

Band (Route)	Maximum Contract value	Type	Decision Maker
1	Up to £10,000	Works	Level 3 Officer
2	£10,001 to £50,000	Works	Level 3 Officer
	£50,001 to £500,000	Works	Level 2 Officer
	£500,001 to £4,733,252	Works	Level 1 Officer
3	£4,733,253 to £5,000,000	Works	Level 1 Officer
	£5,000,001 to £10,000,000	Works	Cabinet Member
	Above £10m	Works	Cabinet

Procurement Initiation Form

5.2 Officers must submit a Procurement Initiation Form (PIF) prior to commencing any Band 2 or Band 3 procurement process.

Band 2 Procurements

All PIFs submitted by Officers which relate to either a i) Supplies or Services or ii) Works procurement process, where the estimated total contract value is likely to fall within the following spend thresholds will require the approval of the Appropriate Decision Maker as defined within CPR 5.1. Officers should not commence their procurement process until this approval has been obtained.

- Supplies or Services: Between £10,000 up to £189,330 (PCR Threshold)
- Works: Between £10,000 up to £4,733,252 (PCR Threshold)

5.3 Officers are not required to submit a PIF if their procurement process:

- (a) Falls within Band 1
- (b) is the subject of a Waiver application approved in accordance with CPR.2
- (c) relates to the extension of an existing contract

Annual Procurement Plan (APP)

5.4 In March of each year, the Director of Procurement shall submit an APP to Cabinet for approval. The approval of Cabinet will be sought, following approval of the APP by the SLT.

The APP shall set out relevant details of all procurement processes the Council is planning to commence in the forthcoming financial year where the estimated total value of the contract is likely to be equal to or greater than following amounts:

Type	Amount
Supplies or Services	£189,330
Works	£500,000

- 5.5 In September of each year, the Director of Procurement shall submit a further report to Cabinet setting out any updates to the APP that have become necessary in the preceding six months.
- 5.6 Each year, every Directorate shall submit a report to the Director of Procurement by no later than 31 January , providing relevant details of all Contracts they require to be included in the APP. Directorates shall submit a further report to the Director of Procurement by no later than 31 July, providing details of any updates to the APP that have become necessary in the preceding six months.
- 5.7 The Director of Procurement shall review the APP, and any updates to the APP, prior to them being submitted to Cabinet for approval in accordance with CPR 5.4 and 5.5
- 5.8 For the purposes of CPR 5.4 and 5.6, 'relevant details' of each Contract include:
- (a) name of Decision Maker;
 - (b) Contract title and brief description of Contract;
 - (c) estimated Contract start and end dates and details of any optional Contract extension periods;
 - (d) estimated total Contract value
 - (e) risk assessment
- 5.9 When reviewing the APP, SLT will inform the SPU which procurement processes will / will not require Officers having to obtain Decision Maker approval to procure. This will be based on a risk assessment of each procurement process. Officers will be required to check the APP prior to commencing any Band 2 or Band 3 procurement process, to see whether it has been included within the APP, and whether they need to obtain Decision Maker approval to procure.

Strategic Procurement Board (SPB)

- 5.10 The Strategic Procurement Board (SPB) provides corporate assurance of the adequacy and effectiveness of procurement and contract management arrangements and delivery of procurement and contract management savings.

5.11 To ensure that commercial arrangements are robust and evidence based, the Board will require procurement processes to be subject to review at critical decision points (Gateways).

5.12 The main decision Gates are:

- Gateway 1: the decision to proceed with a tender or quotation
- Gateway 2: the decision to proceed to award a contract
- Gateway 3: the decision to begin normal operation of the contract

5.13 These gate threshold tests will apply to all procurement processes where the estimated total contract value is likely to be equal to or greater than the following amounts or have been identified as high risk.

Band (Route)	Type	Amount
2	Works	Between £500,000 up to £4,733,000
3	Supplies or Services	Above £189,330 (Threshold)
3	Works	Above £4,733,00 (Threshold)

5.14 The Gateway Decision will have the following effect:

- Approved: the procurement meets the Gate threshold and can continue
- Not Approved: the procurement does not meet the Gate threshold and cannot continue until identified issues are addressed
- Conditionally Approved: the proposal can continue subject to (minor) issues being addressed

6 Duration of Contracts, Framework Agreements and Dynamic Purchasing Systems

6.1 No Contract (excluding Framework Agreements and Dynamic Purchasing Systems) shall be awarded for a period exceeding five years without the prior written approval of the Director of Procurement.

6.2 No Framework Agreement or Dynamic Purchasing System shall be awarded for a period exceeding four years without the prior written approval of the Director of Procurement.

7. Preliminary market consultations

7.1 Before commencing a procurement process, Officers may consult with prospective Suppliers for the purpose of undertaking market analysis, informing the preparation of the procurement Process (including the preparation of the

Procurement Documents) and informing Suppliers of the Council's plans and requirements.

- 7.2 For the purposes of CPR 7.1, any advice sought or accepted from prospective Suppliers or may only be used in the planning and conduct of a procurement process provided that it does not have a discriminatory effect or distort competition.

8. Procurement Documents

- 8.1 All Procurement Processes for Contracts with a value exceeding £10,000 shall be undertaken using the Council's Electronic Procurement System.
- 8.2 All Quotations shall be invited using the Council's standard Invitation to Quote documents. Exceptions must be agreed in writing with the Director of Procurement prior to quotations being invited.
- 8.3 All Tenders shall be invited using the Council's standard Invitation to Tender documents. Exceptions must be agreed in writing with the Director of Procurement prior to tenders being invited.
- 8.4 Procurement documentation shall always include a copy of the Council's relevant Contract conditions.
- 8.5 All procurement documentation Officers are required to use will be made available on the Councils intranet.

Self Design

- 8.6 The scoping design and creation of specifications and KPIs which forms the basis of the procurement activity has a fundamental impact on not only the level of competition which is generated for the procurement, but also the standard of Supplies or Services procured to enable and support the Council in the application of its duties. Officers are required to draft their specification requirements shaping the future service provision and commissioning cycle. Officers must ensure the following outcomes are considered and reflected in any specification proposed for market:
- Consideration of staffing, ICT and assets as part of the information issued to market;
 - Encouraging maximum competition whilst meeting the outcome based needs of the organisation;
 - An appropriate cost level compared to the needs of the organisation, specifically ensuring not to over specify outside of core needs aligned to the commissioning outcome requirements;
 - Without appropriate and objective justifications, it is prohibited to stipulate brand names, preferred Suppliers or component parts as part of the specification requirement. These should be outcome based so bidders are

able to again have maximum choice yet fulfilling the output requirements in their offer submission to the Council. If there are contentions with this or dependencies on sub-Suppliers as part of existing infrastructure, advice should be sought from SPU in the first instance as early as possible in the specification design process;

- Key Performance Indicators (KPIs) should also be considered to promote measurement mechanisms to ensure the outcomes of the contract are achieved and clear targets set for Suppliers to work to and be measured against;
- Consideration within the specification must include exit planning and identifying as a minimum, any specific information or assets required to be returned to the Council upon termination or re-letting of a contract.

9. Competition requirements

Exemptions from Competitive Procurement Processes

9.1 The obtaining of competitive Quotations or Tenders (in particular, the application of CPR 9.4 to 9.8 is not required when undertaking a procurement process for:

- (a) Supplies or Services or Works where procured under an existing Contract, subject to the Contract and the use of it being compliant with these CPR;
- (b) the award of Contracts for which effective competition is prevented by government or statutory control;
- (c) Supplies or Services required in connection with existing equipment (including software) of a proprietary nature where no suitable alternative Supplier exists;
- (d) a unique work of art or artistic performance;
- (e) the award of a Special Educational Needs or Social Care Contract where, in the opinion of the Decision Maker following written consultation with the Director of Procurement, the award of the Contract to a particular Supplier would provide Value for Money or is required to meet obligations under relevant legislation;
- (f) the purchase of professional membership fees, or any training specifically required to attain or renew a professional membership where the organisation bestowing such membership requires the engagement of a particular Supplier/s;
- (g) the payment of corporate membership fees to professional bodies;
- (h) the award of Contracts in situations of genuine emergency, in particular where the Council is required to procure Supplies or Services or Works in order to protect life or property or prevent serious disruption to services to the public. Situations arising from a lack of planning and/or internal process delays do not constitute emergencies.

Contracts within Band 1

9.2 At least one (1) written Quotation must be received. Where practicable, a Quotation from a Local Supplier must be sought.

9.3 Procurement processes less than £10k need not be formalised to the extent required by procurements of higher value, but will be made in writing by use of a Purchase Order, with a sufficient description of the Supplies or Services or Works and clearly identifying the requirement, the price and terms of trading previously agreed between the parties

Contracts within Band 2

9.4 Officers whose procurement processes fall within Band 2 are required to seek the following minimum number of quotations and tenders.

Type	Contract value	Competition requirements
Supplies or Services	£10,001 to £99,999	<p>At least three (3) written Quotations must be obtained. For this purpose, an Invitation to Quote shall be sent to at least three Suppliers. All such Suppliers must be contacted prior to the commencement of the Procurement Process to establish their interest in submitting a Quotation.</p> <p>Where practicable, a Quotation from at least one Local Supplier must be sought.</p> <p>Where Contract value exceeds £25,000, Officers shall advertise the Invitation to Quote on Contracts Finder.</p>
Supplies or Services	£100,000 to PCR Threshold	<p>At least five (5) written tenders must be obtained. For this purpose, an Invitation to Tender shall be sent to at least five Suppliers. All such Suppliers must be contacted prior to the commencement of the procurement process to establish their interest in submitting a Tender.</p> <p>Where practicable, a Tender from at least one Local Supplier must be sought.</p> <p>Where Contract value exceeds £25,000, Officers shall advertise the Invitation to Tender on Contracts Finder.</p>

Type	Contract value	Competition requirements
Works	£10,001 to £99,999	<p>At least three (3) written Quotations must be obtained. For this purpose, an Invitation to Quote shall be sent to at least three Suppliers. All such Suppliers must be contacted prior to the commencement of the Procurement Process to establish their interest in submitting a Quotation.</p> <p>Where practicable, a Quotation from at least one Local Supplier must be sought.</p> <p>Where Contract value exceeds £25,000, Officers shall advertise the Invitation to Quote on Contracts Finder.</p>
Works	£100,000 to £499,999	<p>At least five (5) written tenders must be obtained. For this purpose, an Invitation to Tender shall be sent to at least five Suppliers. All such Suppliers must be contacted prior to the commencement of the procurement process to establish their interest in submitting a Tender.</p> <p>Where practicable, a Tender from at least one Local Supplier must be sought.</p> <p>Where Contract value exceeds £25,000, Officers shall advertise the Invitation to Tender on Contracts Finder.</p>
Works	£500,000 to £4,733,300 (PCR Threshold)	Full market tender / competition

9.5 Where CPR 9.4 requires that at least three written Quotations must be obtained and fewer than this number of Quotations are received, the reasons for this must be recorded in the Contract Award Report required by CPR 12.3.

9.6 Where CPR 9.4 requires that at least five written Tenders must be obtained and fewer than this number of Tenders are received, the reasons for this must be recorded in the Contract Award Report required by CPR 12.3.

9.7 All Works procurement processes where the estimated total contract value is likely to fall between £500,001 up to £4,733,252 (PCR Threshold) will be supported and carried out by the SPU using the Councils Electronic Procurement System.

Contracts within Band 3

9.8 All Band 3 procurement processes will be supported and carried out by the SPU using the Councils Electronic Procurement System.

9.9 Tenders shall be sought in accordance with the Public Contracts Regulations.

9.10 Notices to be published in the UK 'Find a Tender' service by the SPU. Notices include contract notices, contract award notices, contract amendment/modification notices and modification of contract during term notices.

Notices such as PIN (Prior Information notice) are an enabler to advertising and notifying the market in advance of any future procurements. SPU led procurements over the PCR threshold, PIN notices will be placed where appropriate. Officers must ensure they inform SPU of any forthcoming areas they are intending to bring to market as early as possible.

Single Bids – Limited Competition

9.11 In the event the minimum number of bids were sought as detailed above, however insufficient responses are received by return, where there is at least a single bid that meets the specification requirements and has an offer capable of acceptance then an award will be subject to obtaining usual approval via the Council's Constitution in respect to the appropriate delegations. The award recommendation approval report should clearly explain that the compliant number of bids were sought however only one bid was received.

Local Suppliers

9.12 For the purposes of CPR 9.4, a 'Local Supplier' shall mean a Supplier who performs any part of a Contract from premises with an address in the London Borough of Havering.

10. Evaluation & Award Criteria

Evaluation Criteria

10.1 All evaluation methodology must be designed and carried out in accordance with the SPU Price/Quality Evaluation Framework guidance tool pre any tender exercise. This can be found on the council's intranet alongside guidance. The tool seeks to assess the following areas when determining weighting criteria for tender bid evaluations:

- Market competitiveness/capacity

- Complexity of requirement
- Reputational/Service/Financial risk if major contract performance issues
- Direct contribution to Council Priorities
- Difficulty/cost of switching providers
- Social Value Opportunity

10.2 Once the Weightings have been determined for Quality and Price, the basis for evaluation must state MEAT (Most Economic Advantageous Tender) within the tender/call off documentation as the basis for award selection.

10.3 Evaluation Procurement training, which will be provided by SPU and advertised on the Procurement Intranet page. All award recommendations must be fact based and clearly appraise the benefits and risks of all bid submissions. Officers must ensure that the recommendations to award comprehensively identifies the full benefits and risks to decision makers to enable an informed approval to proceed to be given.

Award Criteria

10.4 Award Criteria shall be the criteria used to assess Tenders, Quotations or the terms of a Framework Agreement.

10.5 All Award Criteria shall be assigned a relative weighting expressed as a percentage.

10.6 Award Criteria, including their relative weightings, shall be established prior to the commencement of a Procurement Process and must be stated in full in the Procurement Documents. Under no circumstances shall the Award Criteria be changed following the Closing Date.

10.7 The award of Contracts shall be based solely on the Award Criteria specified in the Procurement Documents.

10.8 Award Criteria must be appropriate to the procurement and designed to secure an outcome that will provide Value for Money for the Council, and shall be one or more of:

- lowest cost, lowest price or highest return (if payment is to be received by the Council);
- quality;
- Social Value, as required by CPR 18.25

11. Framework Agreements and Dynamic Purchasing Systems

Framework Agreements

11.1 Officers are permitted to award a Contract under a Framework Agreement or Dynamic Purchasing System awarded by another public body, provided that:

- (a) use of the Framework Agreement/ Dynamic Purchasing System is legally compliant and likely to offer Value for Money, and has been approved in writing by a Procurement Officer prior to any Contract being awarded; and
- (b) the Council has the right to use the Framework Agreement/ Dynamic Purchasing System.

11.2 Call-Off Contracts shall be awarded strictly in accordance with the procedures specified in the Framework Agreement or Dynamic Purchasing system. It is the responsibility of the Officer awarding the Call-Off Contract to ensure the correct procedures are followed, taking advice from a Procurement Officer and/or a Legal officer as necessary.

Dynamic Purchasing Systems

11.3 A Dynamic Purchasing System ('DPS') shall be identical to a Framework Agreement, except that any Supplier may apply for admittance to a DPS throughout the full period of its operation by satisfying defined Supplier Qualification Criteria.

11.4 A DPS may be divided into different categories of Supplies or Services or Works (i.e. lots). In such cases, it is permissible to stipulate Supplier Qualification Criteria appropriate to each category.

11.5 At the time of inviting Tenders or Quotations under a DPS, Officers shall ensure that all applications for admittance to the DPS received by that time have been processed and all applicants have been notified of whether or not they have been admitted to the DPS.

11.6 Officers shall, in writing, invite all Suppliers admitted to a DPS to respond to any Invitations to Tender/ Invitation to Quote issued under a DPS. Where a DPS has been divided into lots, Officers shall invite all Suppliers having been admitted to the lot/s corresponding to the procurement to submit a Quotation/Tender.

Pre-Established 3rd Party Frameworks

11.7 The use of frameworks is only permissible if the framework itself has been created in accordance with procurement legislation and that the Council is eligible to undertake call offs under that framework.

11.8 Organisations who offer framework agreements, which can be accessed and utilised, usually do so on the basis of a fee payable by the Authority and some form of contractual commitment prior to being able to have access to the templates and suppliers on their framework. Any costs or commitment, which the Council would be required to provide, must be clearly reflected in all approval reports to allow the entering into these agreements. Officers should carefully consider the framework offering, its conditions including whether it is fit for purpose, remains live and available for use and that the council is cited as an available participant.

11.9 Use of a DPS that has been established by another public body or central buying group, and which is open and available for use by the Council, shall be subject to the same principles that are set out above for frameworks.

Council Own Frameworks

11.10 Establishing a council-led Framework agreement must be clearly demonstrated as the most appropriate route to market for the procurement itself and must be done in accordance with the Procurement guidance for 'creating a framework Agreement'.

11.11 A clear appraisal of the route to market options with supporting reasons as to why a specific framework is the most appropriate selection must be included.

11.12 The PCR have particular reference to the requirement for Authorities to produce specific reports detailing information in relation to Frameworks and DPS which have been let. These reports can be requested by the Commission or the Cabinet Office and must be produced by the Authority. It is perceived that Frameworks and Dynamic Purchasing Systems, due to the value will fall into SPU led activity however, Officers should note the expectation required by PCR legislation.

Direct Award Options on Frameworks

11.13 Where officers are recommending use of a direct award on a multi-supplier framework, the officer must disclose this as part of the approval to procure and award process with a clear rationale to support reasons as to why a single supplier is justified and how it meets value for money requirements.

11.14 Officers may only consider this options where the Framework itself expressly permits a direct award option and any direct award must be followed in strict accordance with those terms and instructions of the Framework provider. Failing which it will not be possible to obtain Council governance approvals and Non-Key/Key Decision to progress to award.

Collaborative, Joint-commercial Enterprises and Public Sector Spin Outs

11.15 Where an officer intends to engage a collaborative, joint-commercial enterprise or public sector spin out as part of an intended procurement strategy early engagement must be sought from SPU (Director of Procurement) at least 6-10 months before any contractual arrangement is required to take effect. In addition to procurement expertise, legal expertise and financial business partner modelling will also be required in the preparation to seeking SPB and governance approval to commence.

Contracts secured through Purchasing Consortia

11.16 Approval to create or join a Purchasing Consortium must be obtained as part of the approval to procure and award process, which must identify the procedure for award of individual contracts or orders placed via the consortium subsequently. Once approval has been obtained, contracts or orders placed

through the Consortium Agreement will not be subject to the quotation or tendering requirements in these CPR.

Select Lists: Works

- 11.17 Select Lists are lists of approved Suppliers who have been pre-assessed or qualified in order to provide defined Supplies or Services or Works to areas of the Council in line with requirements of the CPR.
- 11.18 Constructionline shall be used as the Council's select list for Works procurements unless a recognised alternative is approved by the Director of Procurement. It provides a list of Works Suppliers for Contracts below the PCR Threshold for Works. Officers will draw up their select tender list from organisations who have been included on Constructionline.
- 11.19 Where the Contract value is estimated to be between £100,000 and up to the PCR threshold for Works, a minimum of 5 organisations will be selected and invited to tender.
- 11.20 Where a select list is not used for Works procurements below the PCR threshold a framework may be used instead where it is demonstrated this can offer better value for money. Furthermore, in instances where a tender can be demonstrated to offer best value, this may be used subject to approval by the Director of Procurement and a minimum number of 5 organisations must be invited to tender.

Concession Contracts

- 11.21 All Concession Contracts should be developed in conjunction with SPU. If your intended procurement process is a concession contract, the Concession Contracts Regulations 2016 (as amended) (or any subsequent revisions) will apply. Officers should ensure that they clearly investigate and document as part of the approval to procure process any income associated with the award of a Concession Contract regardless if generated by the supplier for its own profit or in the case of the Council receiving income from the supplier as a result of the award of the concession contract. Income generation should be defined clearly in any contract awarded and should be on the basis of Open book costing principles to ensure validation of income during the life of the contract.

In-house Award and Wholly owned companies

- 11.22 An award may be made to an in-house team after competition, provided that:
- the in-house team has been evaluated as the most economically advantageous tender in accordance with the requirements set out in the Procurement Strategy;
 - the person making the award can demonstrate that the in-house team represents the best value in terms of quality and price.

11.23 An award may be made to a council wholly owned company without competition where legal requirements are met. Careful analysis by Legal Services is required and appropriate governance decisions taken.

12. Approval to Award

12.1 Following completion of the evaluation of all quotations/tender responses received, prior to awarding a contract to a Supplier/s Officers must:

- a) Obtain the approval of the Appropriate Decision Maker as defined within CPR 12.2 as well as
- b) Ensure a Purchase Order (PO) has been raised and approved. The Council operates a strict No PO, No Pay policy. This means no Supplies or Services or Works should be delivered to the Council without an approved PO.

12.2 Officers with delegated authority to approve the award of a contract under these CPR ('Decision Makers') are as follows:

Band (Route)	Maximum Contract value	Type	Decision Maker
1	Up to £10,000	Supplies or Services	Level 3 Officer
2	£10,001 to £50,000	Supplies or Services	Level 3 Officer
	£50,001 to £189,330	Supplies or Services	Level 2 Officer
3	£189,331 to £500,000	Supplies or Services	Level 2 Officer
	£500,001 to £5,000,000	Supplies or Services	Level 1 Officer
	£5,000,001 to £10,000,000	Supplies or Services	Cabinet Member
	Above £10m	Supplies or Services	Cabinet

Band (Route)	Maximum Contract value	Type	Decision Maker
1	Up to £10,000	Works	Level 3 Officer
2	£10,001 to £50,000	Works	Level 3 Officer
	£50,001 to £500,000	Works	Level 2 Officer
	£500,001 to £4,733,252	Works	Level 1 Officer
3	£4,733,253 to £5,000,000	Works	Level 1 Officer
	£5,000,001 to £10,000,000	Works	Cabinet Member
	Above £10m	Works	Cabinet

12.3 In order to obtain the approval of the Appropriate Decision Maker to award a contract then dependent on the total estimated value of the contract, Officers will either need to submit a Key Decision or Non-Key Decision Report:

- Key Decision Report: Officers should submit a Key Decision Award Report if their procurement process complies with CPR 12.5
- Non Key Decision Report. Officers should submit a Non Key Decision Award Report if the estimated value of their procurement process is below

£500,000 and it will not have a significant impact on two or more Borough wards.

The contract award report shall set out as a minimum:

- how the legal duty to challenge, consult, compare and compete has been met;
- how the contract award will meet the Council's statutory duty of economy, efficiency and effectiveness (i.e. best value);
- how continuous improvements in service provision will be maintained and monitored and ongoing efficiencies will be achieved.

12.4 Officers whose procurement process represents a Key Decision for the Council will also be required to ensure their procurement is added to the Councils forward plan. A copy of the template Officers should complete will be available on the Councils intranet.

Key and Non Key Decisions

12.5 The Council defines a "Key Decision", as any decision which is likely to:

- a. Result in the Council incurring new expenditure or making new savings or Incurring financial obligations or risk above **£500,000** or
- b. have a **significant impact** on those living or working in 2 or more wards in the borough.

12.6 Officers whose procurement process will represent a Key Decision for the Council are required to ensure their procurement is added to the Councils forward plan. A copy of the template Officers should complete will be available on the Councils intranet.

Call-in Period

12.7 Only Key Executive Decisions are subject to the Call-in procedure.

12.8 Once a Key Decision is made, it is usually published the following week. At this point, the decision is subject to the Call-in process, which allows for the halting of the implementation of the Key Decision. In the limited circumstances when a decision is called in, there is a requirement for the decision to be scrutinised at Overview and Scrutiny Committee. The decision may then need to revert to the decision taker or be agreed to proceed. It is vital that decisions are not implemented until such time that the appropriate period has passed or the decision is released by Overview and Scrutiny Committee.

Publication of Contract Awards

12.9 After a Contract has been awarded, Officers must:

- (a) where contract value exceeds £5000, publish details of the Contract in the Council's contract register, via the Electronic Procurement System; and

- (b) where Contract value exceeds £25,000, publish details of the Contract on Contracts Finder.

Notifying successful and unsuccessful Bidders

12.10 Following approval of a Contract Award Report in accordance with CPR 12.3, all Bidders shall be notified in writing of the outcome of the Procurement Process. This shall not include any Bidders that have already been excluded from the Procurement Process.

12.11 Officers may, on receipt of a written request from an unsuccessful Bidder, provide that Bidder with a debriefing, verbally or in writing.

12.12 For all contracts above the PCR Threshold, all tenderers must be notified of:

- The evaluation criteria;
- Their score using the criteria;
- The winning score;
- An explanation as to why the winning tender scored more highly (relative advantages) than the other tenderer's;
- The identity of the winning tenderer and price of the contract to be awarded.

12.13 For all other contracts with a value in excess of £100,000 up to the PCR Threshold, all bidders must be notified of:

- Their score in the evaluation;
- The winning score.

12.14 Templates with relevant information to be included are available from SPU.

13. Terms and conditions, and signing and sealing of Contracts

13.1 Every Contract shall be based on contract conditions in a form approved by a Legal Officer. No modifications to these conditions shall be made (whether during the course of a procurement process or after the Contract has been awarded) without prior written consultation with a Legal Officer. This shall include any modifications proposed by Bidders or Contractors.

13.2 Save where otherwise stipulated, all deeds irrespective of their value and contracts of £150k and above and care contracts of £200k and above must signed under seal by the Director of Legal and Governance (or by other authorised Officers within Legal Services).

13.3 Contracts with a total value of less than £150k may be executed under seal where an SLT officer or Director of legal & Governance deems appropriate.

13.4 All other contracts under £150k and Care Contracts under £200k must be executed under hand by applying the signature of the duly authorised officer in accordance with the Council's delegations detailed in the Constitution.

13.5 Subject to Standstill and Call in requirements being met, in the event that there is a need for a contract to commence prior to the completion of the formal contract documentation then a Member of SLT after consultation with the Director of Legal and Governance may authorise the issuing of an Early Authorisation Approval to the contractor.

The Early Authorisation Approval shall include the following information:

- Supplies, Services, Concession or Works to be undertaken;
- Costs applicable
- Terms and conditions (this can be by reference to other documents);
- Subject to completion of formal contract and any collateral warranties where in reference to Works.
- Any requirements for Performance Guarantees or Bonds

14 Variations to Contracts, Extensions to Contracts & Contract Termination

14.1 All variations must be undertaken in accordance with either PCR Regulation 72 or Concession Regulations 2016 (as amended). No variations, extensions and modifications to contracts should be made unless approved by Legal. The exception to this is where there is provision in the existing contract with clear parameters, which formed part of the original procurement. In any event, these will need to be captured in writing between the parties.

14.2 Officers must ensure that they take appropriate advice from Legal Services and Procurement prior to enacting a decision to terminate an existing contract where financial and or service risk is deemed a of consequence to the Council. Officers will also require appropriate approval as per the Constitution to endorse the decision to terminate.

15 Contract Management

15.1 Officers must ensure that all contracts over £100,000 have a designated council officer acting as Contract Manager at all times and throughout the life of the contract. Contracts below this threshold that, in line with the SPU contract classification guidance, are judged by Officers to be high risk/complexity will also require a Contract Manager.

15.2 The Contract Manager must ensure that systems are in place to manage and monitor contracts in respect of:

- a) compliance with specification and contract
- b) contractor performance and KPI's
- c) budget, cost and savings

- d) user satisfaction
- e) risk management
- f) delivery of social value commitments

15.3 Reviewing and driving quality performance must be an embedded practice of any contract awarded. Officers must keep documented records for the outcomes of each review, highlighting any areas of concern and if there are any negative contract management issues which impact on the provision of services.

15.4 SPU will provide training, guidance and tools to support the classification of contracts via their value, complexity, risks and opportunities and will offer guidance on the indicative resources required to manage a contract of that nature. The classification tool will provide more detail on the specific contract management activities required of the Contract Manager for the type of contract they are managing alongside suitable training resources.

15.5 As a minimum, contract review meetings must be held in line with the guidance provided by SPU held on the procurement page on the intranet.

15.6 The SPU will provide commercial support to Contract Managers, for those contracts classified as strategic or critical, to ensure they provide value for money throughout their lifecycle.

16 Grant Funded Expenditure

16.1 Where the Council receives Grant Funding and/or is named as the accountable body for the expenditure of monies, and/or where the terms of the grant permits the Council to directly carry out Works, or buy Services or Supplies, any procurement will be conducted in line with these CPR.

17 State Subsidy Compliance

17.1 An advantage such as a grant, or other funding made to a third party (including that to a Direct Service Organisation), either by the Council or from another public source, which may be considered as a subsidy will need to be reviewed against "State Subsidy" rules to establish whether a grant, or other contribution, (financial or in kind) affects the procurement or other transaction being considered by the Council. Where a third party who is in receipt of a grant, or other contribution, from the Council or another public body is included on a select list of tenderers the extent of its value in terms of affecting the Council's obligations defined in principles of Equal Treatment, Transparency, Non Discrimination, Proportionality and Mutual Recognition should be considered to establish whether there is any risk of infringement of the "State Subsidy" Rules arising from various trade agreements between the UK and 3rd party countries such as the EU-UK Trade and Cooperation Agreement 2021.

17.2 "State Subsidy" may apply where a benefit:

- It is granted by a State or through State resources;

- It favours certain undertakings or the production of certain Supply;
- It could distort or threaten to distort competition;
- It could affect trade between States.

17.3 The Rules themselves have permitted exemptions which may mean the grant or, other contribution would not raise a risk infringement but if all of the above apply, advice should be obtained from the Director of Legal and Governance prior to considering the impact on ongoing procurement activity including its potential suspension.

17.4 Where State Subsidy is considered, the outcome of any assessment will be recorded and retained with the tender/contract documents.

18 Havering Council's Policies and Other Considerations

Havering Council's Corporate Plan and Procurement Alignment

18.1 Havering Council's Corporate Plan outlines the core priorities of the Council. This document can be found on the Council's Website. All procurements must be aligned to these priorities and associated targets for savings.

Early Consultation and Engagement

18.2 Officers must ensure they have engaged with Lead Members and all appropriate internal stakeholders particularly if decisions are planned to go to Cabinet or in relation to decisions that are managed via the programme office as a non-cabinet but Key Executive Decision (ED).

18.3 Officers must ensure that market engagement with Suppliers is factored into any procurement time plan particularly where a market requires stimulation and/or development to ensure sufficient interest and competition. Such pre-market engagement (i.e., before official procurement launch has formally taken place) may be used in the planning and conduct of the procurement procedure, provided that it does not have the effect of distorting competition and does not result in a violation of the principles of non-discrimination and transparency. It is particularly important to allow sufficient time to engage with (if appropriate) BME and minority led businesses.

18.4 Ways to ensure there is no distortion include: sharing of all available relevant information to all expressing an interest in the opportunity; and ensuring that all Suppliers have appropriate time to digest the information and respond/contribute accordingly. The need to conduct pre-market engagement ultimately should be to gather information, transparently and fairly, to help develop the Council's procurement strategy for any given opportunity without determining an outcome of award; to stimulate the market, innovation and potential solutions available, to promote maximum competition which will fulfil delivery needs, outcomes and value for money.

18.5 Officers must work with SPU and share their forward service plans to identify as early as possible an understanding of what procurement activity is due to take

place over the future term (12-18 months) to enable effective planning and resourcing support.

18.6 Officers will also need to consider if the law requires a consultation and if an EQIA is needed with service users and others impacted by the procurement activity.

Sustainability

18.7 Officers are required to ensure they have considered and reflected on ethical and sustainable procurement considerations in all aspects of commissioning practice including but not limiting to climate change, supply chain risk assessment and mitigation. Officers shall work with the SPU to agree those future procurements where Supplier commitments or appropriate evaluation criteria can be developed to support climate change initiatives.

Modern Slavery Act

18.8 The Modern Slavery Act 2015 provides the legal basis for combating the crimes of slavery and human trafficking.

18.9 Section 54 of the Modern Slavery Act acknowledges that businesses have a role to play in achieving this aim, by taking steps to ensure such crimes do not occur within their own organisations or supply chains.

18.10 The Council has a key role to play in combating the risks and looks at ensuring it:

- Maintains updated modern slavery tender, terms & conditions and contract documentation
- Strategically assesses supply chains to identify the prevalence of risk factors
- Provides appropriate training to Officers seeking to procure Supplies or Services where Modern Slavery is deemed a likelihood of occurrence.

18.11 As part of ITT/Contractual, terms clear measurements and expectations of Suppliers should be incorporated to ensure committed action is taken by Suppliers to combat Modern Slavery and Human Trafficking throughout supply chains.

Promoting Local Suppliers and Small Medium Enterprises - SME

18.12 Where permissible within the law, the Council is committed to providing opportunities for local Suppliers and actively encourages their use where they can offer best value for money. It does this by mandating a procurement policy of inviting at least one suitable local Supplier to provide a quotation for any procurements above £10,000 in value (where a local Supplier exists). Local is defined as within the borough boundaries.

18.13 Officers should consider this within the design of specifications and procurement strategies of any intended relevant procurement activity.

18.14 For contracts over the relevant PCR threshold Officers must also consider whether the contract should be divided into Lots in order that SMEs can bid for work.

Leaseholders

18.15 Officers must assess whether their procurements will affect leaseholders' assets in anyway. If this is the case, Officers must ensure they have left adequate time to reflect the requirements of all relevant Section 20 Consultation processes including assessing the returns and considering all consultation responses prior to appropriate decision taking.

TUPE and Pension Requirements

18.16 TUPE considerations can apply in many different cases, be it: contractor-to-contractor; in-house to an external provider; or external to In-house service. When considering the future procurement project, Officers must ask the existing service provider(s) whether TUPE is deemed to apply on this activity/ any new subsequent contract. Non-disclosure agreements (NDAs) must be completed and recorded prior to information being shared during the tendering process.

18.17 Officers must seek advice from Human Resources /SPU prior to issuing a request for TUPE information and use the standard templates provided. SPU must also be engaged with to ensure due diligence is undertaken prior to re-issuing TUPE data to identify any inappropriate loading of staff that will ultimately inflate costs borne by the transfer to any new provider as part of the procurement process.

18.18 Officers must also factor in sufficient time (28 days minimum) where TUPE processes apply, as part of the mobilisation process. Where large workforces are involved it is appropriate to ensure that sufficient time is given to other parties to undertake staff consultations and transfers.

18.19 Officers must ensure that they build into their procurement exercise potential for suppliers to seek admission the Councils pension scheme and the assessment of liabilities to be considered by external Actuaries. Where Havering staff are TUPE transferred to a 3rd party employer in a procurement exercise this is likely to result in the need for the new employer to provide either continued access to the Havering Council Pensions Scheme (LGPS) by way of an Admission Agreement with guarantee or bond (at the decision of the Pensions Committee) or offer a broadly comparable scheme to those employees.

18.20 In 2nd or 3rd generation transfers between incumbent and new provider post procurement some employers will seek access to the pensions scheme and route to admission. Officers are reminded to engage with the Councils Pension Team at oneSource Finance at the earliest opportunity.

Supplier Payments

18.21 All the council's procured expenditure must be in accordance with these CPR. No commitment is to be given to any Supplier without first having complied with

all governance processes stated in the CPR and Havering Council's Constitution. Unless it is agreed as an exception by the Director of Finance, a purchase order must be raised following governance approvals and prior to engaging any Supplier to provide Supplies or Services or Works to the Council. A list of agreed exceptions is maintained on the intranet.

- 18.22 The Council aims to move all invoicing in electronic format to make it easier for our Suppliers to trade with us and to track the progress of orders and payments. Where you are using a Supplier registered for electronic invoicing you must follow the rules and guidance issued by Finance/Procurement.
- 18.23 Suppliers must issue all invoices via the route provided by Exchequer and Transactional Services. Service departments should not be presenting invoices for payment themselves unless these have been agreed as part of the exception process and authorised by the Director of Finance, who may agree general exceptions where Service-specific systems are in use. All invoices must include a purchase order number. Invoices without a Purchase Order number will be returned to the Supplier. Suppliers cannot be paid until you have confirmed that the requirement has been satisfactorily delivered. A Purchase Order must be followed by a Goods Receipt Notice regardless if it is a Supplies, Services or Works requirement before an invoice can be paid. It is the requisitioner's responsibility to ensure all purchases are receipted to the appropriate value and in a timely fashion.
- 18.24 When commissioning a procurement or entering into a contract with a Supplier to provide Supplies, Services or Works the standard payment terms are 30 days from the invoice date. You must obtain the agreement of the Director of Finance for any deviation from the standard payment terms. Whilst payment terms can be shorter, the Council must ensure it complies with the regulations of 30 days maximum credit period. This must be in writing as a Payment Exception and must be obtained prior to entering into a Purchase Order and contract. All approvals must be in place prior to a Purchase Order being approved. Where payments are agreed in advance, appropriate review of a Supplier's financial stability, standing and due regard for risk in the event of Supplier failure must be undertaken and agreed by the Director of Procurement and relevant Finance Manager.

Public Services Social Value Act 2012

- 18.25 The Social Value Act requires the Council to consider how a procurement may be used to improve the economic, social and environmental conditions in the borough where the procurement-estimated value exceeds the relevant PCR threshold.
- 18.26 All reports submitted by Officers at the approval to procure stage must set out how added social value has been addressed including:
- a) how added social value will be achieved, or by exception
 - b) why added social value is not achievable for the procurement in hand

- 18.27 The SPU will issue advice and guidance to Officers on how to consider and achieve added social value within their procurement process.
- 18.28 Officers must seek advice from a Procurement Officer as to the applicability of LLW to a particular Contract prior to commencing a Procurement Process for the award that Contract.
- 18.29 For Contracts of a value equal to or greater than the amounts specified in CPR 5.13, Officers must specify:
- (a) whether the product/service being procured is in scope of the Living Wage
 - (b) whether LLW will be paid under the proposed Contract;
 - (c) that the financial modelling has been done to support payment of LLW;
 - (d) if LLW is not to be paid, the reasons supporting this.

19 Freedom of Information & Confidentiality

- 19.1 Under the Freedom of Information Act (FOIA) 2000, we have an obligation to publish specific information and to provide information to members of the public upon request. However, the FOIA enables certain confidential information and commercially sensitive material to be withheld. You must therefore ensure tender information is kept confidential at all stages, especially during tender evaluation and after the contract is awarded. Suppliers must also be given the opportunity to highlight in their tender any information that they would not wish disclosed under FOIA.
- 19.2 Requests for information under the FOIA will be dealt with under the usual Council procedures for such requests.

20 Conflicts of Interest and Corruption

- 20.1 Every officer must maintain unimpeachable standards of integrity when engaged in a procurement activity and comply with the anti-fraud/bribery and corruption policy.
- Corrupt behaviour is a crime under the statutes referred to below. The Council may terminate a contract and recover all its loss if the contractor, its employees or anyone acting on the contractor's behalf does any of the following things:
- offers, gives or agrees to give to anyone any inducement or reward in respect of this or any other Council contract (even if the contractor does not know what has been done); or
 - commits an offence under the Bribery Act 2010 or Section 117(2) of the Local Government Act 1972; or
 - commits any fraud in connection with any Council contract, whether alone or in conjunction with Council members, contractors or employees.

- 20.2 In accordance with Section 117 of the Local Government Act 1972 all employees of the Council must make a written declaration if they, close friend or a family member have a personal or pecuniary interest which may impinge (or might reasonably be deemed by others to impinge) on a contract in which the Council also has an interest. Failure to disclose interests is an offence.
- 20.3 There are two separate types of declarations of interest 1) a corporate declaration which officers are required to complete annually as part of their job roles and 2) a procurement declaration for anyone who is involved in an evaluation panel or that holds an influence on a procurement outcome. The Declaration of Interest in relation to Procurement activity is found on the Procurement Intranet page and must be completed by all officers involved in procurement activity and submitted to SPU for above threshold procurements for each procurement exercise officers are engaged on.
- 20.4 For Self Service procurements, it is the officer's responsibility to ensure that all parties involved in a procurement have been asked if they have any Declarations of Interest in accordance with the criteria stated in these CPR. Officers are required to evaluate and complete the Self Service declaration of interest forms and retain these electronically at a local level for audit purpose and for each procurement activity undertaken.
- 20.5 Where an adverse declaration of interest is disclosed for either SPU or Self Service procurements, the appropriate service manager will be required to assess if that declaration has any bearing on the procurement in hand and where appropriate those persons should be removed from the procurement process. Further advice should be sought from SPU/Legal Services for risk mitigation steps. All decisions must be appropriately recorded contemporaneously.
- 20.6 An adverse declaration of interest may include situations where:
- Any member of staff, (whether directly employed by the Council or otherwise), who holds a role in any aspect of the tendering /decision making process to select suppliers for award and has a relationship with any bidder/candidate who is involved in or may potentially be involved in a Council procurement activity. Specifically, where that relationship may increase the perception of advantage or disadvantage to that candidate/bidder or other bidders in the process.
 - Any Member or officer who holds scheme of delegation responsibility for the approval and endorsement of any recommendation of award who has a relationship with any bidder that has applied to be considered for the bid in question.
 - Any Officer, external consultants, community representatives and persons involved in the procurement process on behalf of the Council who has a relationship with any bidder that may impact on the impartiality of their role and potentially bring the procurement process into compromise. Including the perception of 3rd parties as to that potential for bias.

- 20.7 Officers will ensure that staff, consultants, community representatives and representatives whom are involved in any procurement process are aware of the above requirements. They are bound to disclose any relationships/considerations or factors that impact on their impartiality in accordance with the above mandatory requirements in writing.
- 20.8 A disclosure of a conflict of interest must explain the nature of an individual's relationship, the level of exposure the individual has had to the organisation in question, the time period relating to the potential conflict. Officers and representatives must act in accordance with the values, integrity and standards described in these CPR and any subsequent Council policies and procedures. All Officers and representatives must act in the best interest of the Council whilst ensuring the Council is safeguarded from negative financial or reputational risk.

21 Personal Data (GDPR)

- 21.1 Where personal data relating to individuals is to be shared in a contractual relationship with a 3rd party the Council is obligated to ensure that it complies with General Data Protection Regulations and the Data Protection Act 2018. Officers must ensure that their procurement exercise is compliant by identifying the data to be shared, purpose, how it will be processed, transferred and protected. Where sensitive personal data is identified officers must arrange a Data Protection Impact Assessment and liaising with the Councils Data Protection Officer.
- 21.2 Any sharing of personal data with a 3rd party organisation must be covered by way of a written agreement between the parties covering the scope of the control and processing of personal data.

Definitions

Terms listed below shall have the corresponding definitions meanings assigned to them. The term 'person' shall include persons and anybody of persons, corporate or non-corporate.

Term	Definition
'Agent'	Any person acting on the Council's behalf.
'Award Criteria'	The criteria, which may include one or more sub-criteria, used to assess Tenders, Quotations or the terms of a Framework Agreement.
'Value for Money'	The optimum balance of cost, quality and risk and Social Value.
'Bidder'	Any person that has submitted to the Council a Tender or Quotation.
'Cabinet'	The Cabinet of the London Borough of Havering
'Cabinet Member'	A member of the Cabinet of the London Borough of Havering.
'Call-Off Contract'	A Contract awarded under a Framework Agreement or Dynamic Purchasing System.
'Closing Date'	The time limit specified in the Procurement Documents for the submission of Quotations or Tenders (or any later time limit that is notified to all Bidders where such notification is provided before the previous Closing Date).
'Consultant'	A person engaged to advise the Council.
'Contract'	A legally binding agreement between the Council and one or more third parties for the provision of Suppliers and Services or execution of works (or a combination of these). Unless otherwise stated, the term 'Contract' shall also refer to a Framework Agreement and a Dynamic Purchasing System.
'Contract Award Report'	A report in a Standard Form setting out details of a Procurement Process undertaken and a proposal to award a Contract to one or more Suppliers.
'Contract Management'	The process undertaken by Contract Managers to ensure that risk and cost are managed within the terms of a Contract, and that the intended outcomes of a Contract are delivered.

'Contract Manager'	An Officer assigned by the Decision Maker to conduct Contract Management.
'Contractor'	Any person awarded a Contract by the Council.
'Contracts Finder'	www.gov.uk/contracts-finder
'Contract Value Bands'/ 'Bands'	Contract value ranges as defined in CPR 4.7 for the purpose of determining the procedures relating to each procurement process.
'The Council'	The Council of the London Borough of Havering.
'Council Committee'	A committee established by the Council which has functions of the Council delegated to it. This definition includes sub-committees.
'Decision Maker'	As defined in CPR 3.
'Dynamic Purchasing System'	A procurement system that is identical to a Framework Agreement, except that it shall be open throughout the full period of its operation to any Supplier that satisfies defined Supplier Qualification Criteria.
'Electronic Procurement System'	An electronic system for inviting and receiving Tenders and Quotations, approved for use by the Director of Procurement.
'Framework Agreement'	An agreement between the Council or another public body, and one or more Suppliers, which establishes the terms under which the Suppliers may enter into one or more Contracts with the Council in the period during which the framework agreement applies.
'Invitation to Tender'	A set of Procurement Documents, in a Standard Form, constituting a formal invitation from the Council to one or more Suppliers to submit a legally binding offer.

'Invitation to Quote'	A set of Procurement Documents, in a Standard form, constituting a formal invitation from the Council to one or more Suppliers, to submit a legally binding offer.
'Legal Officer'	A representative of the Director of Governance and Law.
Level (Approval)	The Level of Officer who can approve a procurement process or award of contract.

	<p>Level 1: Chief Executive or SLT Member</p> <p>Level 2: Assistant Director</p> <p>Level 3: Head of Service</p>
'Member'	An elected member of the Council of the London Borough of Havering.
'Officers'	An employee of the Council. For the purposes these CPR, 'Officers' shall have the same meaning as 'Members'.
'Procurement Documents'/ 'Procurement Documentation'	The documents constituting an Invitation to Quote or an Invitation to Tender. This shall include Supplier Qualification Documents.
'Procurement Officer'	A representative of the Director of Procurement.
'Procurement Process'	A process undertaken with the aim of awarding a Contract.
'Public Contracts Regulations'	The Public Contracts Regulations 2015 (as amended) or The Concession Contract Regulations 2016 (as amended).
'Quotation'	A formal response to an Invitation to Quote received by the Council from a Bidder.
'Supplier Qualification Criteria'/ 'Supplier Qualification Questions'	Questions designated for the purpose of assessing the suitability of Suppliers to be invited to submit a Tender or Quotation or to be awarded a Contract.
'Supplier Qualification Documents'	Documents consisting of Supplier Qualification Questions.
'Quotation'	A formal response to an Invitation to Quote received by the Council from a Bidder.
'Standard Form'	In a form approved by the Director of Procurement.
'Sub-Committee'	A sub-committee established by the Council or by a Committee, which has functions delegated to it by the Council or a Committee.
'Supplier'	Any person or public entity or group of such persons and entities, which offers the provision of Supplies or Services or the execution of Works.
'Tender'	A formal response to an Invitation to Tender received by the Council from a Bidder.
'PCR Thresholds'	The threshold amounts applicable to Contracts for Supplies, Services or Works as defined in regulation 5 of the PCR. A Contract of a value estimated to be in excess of the relevant threshold shall be subject to these regulations.

'Waiver Application'	An application in a Standard Form to waive one or more CPR submitted in accordance with CPR 2 (Waivers) to the Director of Procurement.
'Written' or 'in Writing'	Information conveyed in hard-copy (paper) or electronically transmitted documents (including, but not necessarily limited to, email and e-forms). This shall not include the transmission of information via mobile telephone text messages and e-messaging services such as, but not limited to, Microsoft Skype and Microsoft Teams.