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**Devon & Cornwall  
Police Authority**

# **CONTRACT STANDING ORDERS**

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## SECTION 1 – INTRODUCTION AND PURPOSE

### 1.1 Primary Objectives

These contract standing orders govern the procedures for tenders and contracts and the relative responsibilities of the Police Authority and Police Force. These contract standing orders shall apply to all contracts entered into by or on behalf of the Police Authority with any other person or body.

The orders have 4 primary objectives:

- (a) To ensure that the Police Authority and Force obtain value for money and fulfils the duty of achieving Best Value as defined in Section 3 of the Local Government Act 1999.
- (b) To ensure that the Police Authority and Force complies with English law and European law in force in England that governs the procurement of goods, services and works.
- (c) To establish procurement procedures which, when followed, should protect Members and officers of the Police Authority and Force from any allegation of acting unfairly or unlawfully which may be made in connection with any procurement by the Police Authorities and Forces of goods, services, or works.
- (d) To ensure that any risks associated with entering into the contract are assessed as part of the procurement process.

These contract standing orders form part of the overall framework of the Police Authority and their statutory duties and responsibilities under the Police Act 1996, the Police and Magistrates' Courts Act 1994, the Police and Justice Act 2006 and the Police Authorities (Particular Functions and Transitional Provisions) Order 2008.

These standing orders shall apply to all contracts entered into by, or on behalf of, the Police Authority with any other person or body.

### 1.2 Definitions and Interpretation

In this contract standing orders:

- (a) “**Member**” shall mean all members of the Police Authority.
- (b) “**Treasurer**” is the person duly appointed by the Police Authority with overall responsibility for the administration of the Police Authority's and Police Forces financial affairs. Treasurer shall include such persons as the Treasurer specifically authorises for the purposes of these contract standing orders.

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- (c) **“Chief Executive”** is the person duly appointed by the Police Authority with responsibility for the general administration of the Police Authority. Chief Executive shall include such persons as the Chief Executive specifically authorises for the purposes of these contract standing orders.
- (d) **“Chief Constable”** is the person duly appointed by the Police Authority and shall include such officers of the Police Force as the Chief Constable specifically authorises for the purposes of these contract standing orders.
- (e) **“Officers”** shall mean all persons appointed by the Police Force and Police Authority and covers both civilian and uniformed personnel.

Additional definitions are available in the glossary of terms in appendix A.

### 1.3 General Principles

1.3.1 These contract standing orders and all contracts entered into by the Police Authority and Force are subject to the principles outlined in the EU Treaty. The Police Authority must comply with these principles throughout the procurement process. These principles are as follows:

- (a) Equal treatment;
- (b) Non-discrimination;
- (c) Transparency;
- (d) Mutual recognition;
- (e) Proportionality.

1.3.2 Before any contract is made, there must be:

- (a) The proper authority of the Police Authority and Force in accordance with the processes set out in the Authority’s Financial Regulations or local scheme of delegation.
- (b) Adequate budgetary provision for the purpose.

### 1.4 Scope of Contract Standing Orders

1.4.1 These orders apply to all procurement by the Police Authority and Force unless any such procurement is expressly excepted under these orders, or subject to an exemption. (see section 1.4 and Appendix B)

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1.4.2 These contract standing orders apply to all procurement activity including:

- (a) **One off contracts** (sometimes called 'spot' or 'individual purchase' contracts). These are contracts that are required to meet a specific need and will generally be short-term contracts to supply goods and services to meet an individual requirement with a firm price.
- (b) **Call off contracts.** Used to supply goods or services, quantities of which may or may not be known and/or specified, over a given time period, subject to the prices, specifications and terms and conditions agreed.
- (c) **Framework Agreements.** This is an arrangement between one or more contracting authority and one or more contractors, the purpose of which is to establish the terms and conditions governing contracts to be awarded during a given period in particular with regard to price and, where appropriate, the quantity envisaged.
- (d) **Works contracts** where contracts are let by public authorities for civil engineering and building works and works concession contracts.
- (e) **Partnering contracts or arrangements – including PFI and PPP.** This is where the Authority seeks to develop a relationship with a supplier based on partnership principles (as distinct from a formal partnership) with a supplier thereby sharing the costs and risks involved. For example, civil engineering works and individual building schemes.
- (f) Any **consultants** used by the Police Authority and Force shall be appointed in accordance with these contract standing orders.

1.4.3 If there is any change to English law or European law in force in England, which affects these orders, then that change must be observed until these orders can be revised. If these orders conflict in any way with English law or European law in force in England then that legislation takes precedence.

## 1.5 Exemptions and Exceptions

1.5.1 Unless a Contract falls within the list of general exceptions set out in Appendix B it can only be exempted from these orders by an application for an exemption so long as this will not lead to a breach of EU and UK regulations.

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- 1.5.2 Exemption from these contract standing orders shall only be accepted on the written authority of the Chief Executive which shall be given only when the Chief Executive, after consultation with the Treasurer, is satisfied that the exemption is justified in the interests of the Authority by special circumstances.
- 1.5.3 The Chief Executive shall maintain a register of all authorisations for exemption from these standing orders, which shall be available for inspection by all members of the Police Authority.
- 1.5.4 The authority of the Chief Executive to authorise an exemption from these contract standing orders shall include the giving of authority to negotiate and conclude a contract with a single contractor if the Chief Executive, after consultation with the Treasurer, considers that the exemption is justified in the interests of the Authority by special circumstances.

### 1.6 Officer Responsibilities

- 1.6.1 All officers who have the authority to purchase must ensure compliance with these contract standing orders, the Police Authority Financial Regulations and all UK and European Legislation in force in England at that time.
- 1.6.2 An officer responsible for managing any contract must comply with the Code of Conduct and Strategy for the Prevention and Detection of Fraud and Corruption and must not invite or accept any gift or reward in respect of the award or performance of any contract.<sup>1</sup>
- 1.6.3 The officer must have regard for any current guidance provided by the Procurement Department and the principles outlined in the National Police Procurement Strategy.
- 1.6.4 The officer must establish if an Approved Contract or Framework Agreement exists before seeking to let another contract. This Approved Contract or Framework Agreement must be used unless there is an overriding reason not to. Where a non-approved contract is requested, this must be approved by the Procurement Department.
- 1.6.5 The officer must ensure that any agent, including consultants, acting on their behalf also complies with these contract standing orders.

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<sup>1</sup> See Section 4.7 and 4.8 of these contract standing orders for further details

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- 1.6.6 The officer must ensure that if any employee or contractor arrangement is affected by any transfer arrangement, such as Transfer of Undertaking Protection of Employment (TUPE) that advice is obtained from legal services and HR before proceeding.

### **1.7 Delegated Authority**

- 1.7.1 Any procurement carried out on behalf of the Police Authority may only be undertaken by officers with the appropriate delegated authority to carry out such tasks.

### **1.8 Review and Amendment of Contract Standing Orders**

- 1.8.1 Subject to section 1.8.2 below any amendments to these contract standing orders are to be drawn up jointly by the Chief Executive, Treasurer and Chief Constable and approved by the Police Authority.
- 1.8.2 The Treasurer may amend the financial thresholds (in the contract standing orders) from time to time reflecting changes in national price indices, statutory provisions or guidance from other bodies (e.g. Audit Commission, HMI etc). Any such change shall be reported for information to all members of the Police Authority.

## **SECTION 2 – PROCEDURE BY VALUE OF REQUIREMENT**

### **2.1 General Principles**

- 2.1.1 Obtaining best value is an underlying principle of these contract standing orders. The complexity of the procurement procedures that must be followed will vary depending on the value and risk.
- 2.1.2 The total value of the procurement is defined as the total anticipated contract/purchase value and this will be calculated as follows:
- (a) Where the contract is a capital or one-off purchase or for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period;
  - (b) Where the purchase involves recurrent transactions for the same type of items, by aggregating the value of those transactions over the contract period;



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- (c) Where the total contract value over the full duration of the contract (not just the annual value) is uncertain, by multiplying the monthly payment by 48;
  - (d) For framework agreements and call off contracts with no guaranteed commitment the contract value will be the estimated value of call offs over the full duration of the contract;
  - (e) Where an in-house or out-sourced service provider is involved, by taking into account redundancy and similar/associated costs.
  - (f) Where a partnering arrangement is to be put in place the total value of the likely partnership.
- 2.1.3 The value must be calculated in pounds sterling exclusive of Value Added Tax.
- 2.1.4 Contracts must not be artificially under or over estimated or divided into two or more separate contracts where the effect is to avoid the application of contract standing orders or EU Legislation.
- 2.1.5 The Police Authority and Force should make the best use of its purchasing power by aggregating purchases wherever practical in accordance with section 23 of the Police Act 1996 and section 4(a) and (b) of the Police Authorities (Particular Functions and Transitional Provisions) Order 2008
- 2.1.6 A summary of the process and responsibilities can be found at Appendix C.

## 2.2 Low Value Transactions

- 2.2.1 Defined as transactions valued at or below the 1<sup>st</sup> threshold<sup>2</sup> for goods, services or works that cannot be obtained via an existing Approved Contract.
- 2.2.2 Whilst obtaining value for money remains the primary objective multiple quotations need not be obtained provided compliance with this objective can be demonstrated.
- 2.2.3 A written or electronic quotation must be obtained before any order is processed and this must specify:

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<sup>2</sup> The threshold levels are outlined in Appendix C and subject to review from time to time by Treasurers in accordance with section 1.8.2

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- (a) The goods, services or works to be supplied;
- (b) Where and when they are to be supplied;
- (c) The value of the transaction;
- (d) The Terms and Conditions including Payment Terms.

2.2.4 In the case of Works Contracts and Consultancy Contracts the use of pre agreed hourly/day rates is acceptable.

### 2.3 Call Off from existing Approved Contracts

2.3.1 Where the requirement can be satisfied from an existing Approved Contract then the order will be considered an Exception<sup>3</sup> to these orders as long as the call off arrangements defined within the individual contract are followed.

### 2.4 Intermediate Value Transactions

2.4.1 Defined as transactions for goods, services or works valued over the 1<sup>st</sup> Threshold but below the 2<sup>nd</sup> Threshold.

2.4.2 A risk based procurement options analysis will be undertaken to determine the most appropriate procurement route.

### 2.5 High Value Transactions

2.5.1 Defined as transactions for goods, services or works valued over the 2<sup>nd</sup> Threshold but below the relevant current EU Threshold<sup>4</sup>.

2.5.2 The formal tender process applies as set out in Section 3.

### 2.6 Requirements over EU Threshold

2.6.1 Defined as intended purchases for goods, services and/or works that exceeds the current EU Threshold.

2.6.2 Where the anticipated value of the contract exceeds the current EU Threshold then the formal advice of the procurement team should be sought and a formal tendering process will be commenced by the Procurement Department.

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<sup>3</sup> See Exceptions at Appendix B

<sup>4</sup> The current EU Threshold is available from the procurement team

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- 2.6.3 All planned contracts where the value exceeds the current EU Threshold must be reported to the Procurement Department.
- 2.6.4 All EU Notices will be published centrally by the Procurement Department and sufficient time must be built into the planning process for requirements subject to EU Procurement Procedures.
- 2.6.5 Any tender activity following the EU Procurement Procedures must adhere to the award process defined in the notice.

### SECTION 3 – COMMON TENDERING PRINCIPLES

#### 3.1 Joint Procurement

- 3.1.1 The Police Authorities have a statutory responsibility to work collaboratively with other police authorities<sup>5</sup>
- 3.1.2 Wherever possible the Police Authority and Force will purchase goods, services and/or works through collaborative arrangements where such cooperation is appropriate to do so.
- 3.1.3 The Procurement Department shall approve any joint procurement arrangements with other Police Authorities, Local authorities or public bodies including membership or use of Central Purchasing Bodies prior to the commencement of any procurement on behalf of the Police Authority.
- 3.1.4 All joint procurement arrangements shall be compliant with the legislation relating to public sector procurement and shall be open to participation by the individual Authority.

#### 3.2 Framework Agreements

- 3.2.1 Where the Police Authority and Force are able to utilise a pre-existing Framework agreement procured by a central purchasing body, other public sector bodies or the Police Authorities themselves, then the Police Authority may benefit from using those agreements without initialising a separate formal tender process.

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<sup>5</sup> Section 4 (a) and (b) The Police Authorities (Particular Functions and Transitional Provisions) Order 2008  
Section 23, Police Act 1996

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- 3.2.2 The process for establishing and maintaining a framework agreement must be approved by the Procurement Department prior to the creation of the framework.
- 3.2.3 Care must be taken when utilising existing framework agreements to ensure that they are appropriate and fit for purpose for the Authority's needs.
- 3.2.4 Before procuring from or entering into a framework agreement the Authorised officer shall be satisfied that:
- (a) the term of the arrangement shall be or is for a period of no longer than four years duration;
  - (b) the terms and conditions of the arrangement do not compromise the Authority's contractual requirements;
  - (c) full, open and proper competition in respect of the creation of the framework has taken or will take place in accordance with the relevant EU Rules and or relevant contract standing orders.
- 3.2.5 When procuring from (calling-off) a framework agreement the Authorised officer must adhere to the process set out under the existing framework agreement terms and should seek advice from the Procurement Department if in any doubt.

### 3.3 Advertising

- 3.3.1 All high value transactional requirements and requirements over the EU Threshold **must** be publicly advertised and all low value and intermediate value transactional requirements **may** be publicly advertised through one or more of the following:
- (a) Publication of an OJEU notice, where appropriate;
  - (b) Publication through Bluelight e-tendering;
  - (c) Publication on the Police Force website;
  - (d) Publication in a dedicated contracts publication approved by the Procurement Department such as Contrax Weekly;
  - (e) Advertisement in the local press; as applicable
  - (f) Advertisement in a relevant trade journal, as applicable.

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- 3.3.2 Care must be taken to balance the cost of advertising for low and intermediate value transactions with the EC Treaty principles of non-discrimination and transparency.

### 3.4 Pre-qualification

- 3.4.1 Non EU notices, no matter how transacted, must specify a time limit of not less than 10 working days, within which interested parties must express their interest in tendering.
- 3.4.2 Establish and publish the evaluation criteria and associated weightings for short listing.
- 3.4.3 After the expiry of the advertised time limit, invitations to tender should be despatched to a shortlist of interested parties assessed to be the most suitable from the expressions of interest evaluated against the stated criteria.

### 3.5 Pre-Tender Market Research and Consultation

- 3.5.1 The Procurement Department may review the market for a proposed procurement through discussions with suppliers and other research, but may not:
- (a) Base any specification on one supplier's offering such as to distort competition;
  - (b) Make any indication or commitment to suppliers that their offering may be preferred by the Police Authority;
  - (c) Suggest any procurement route which is not consistent with these orders;
  - (d) Enter into negotiations about price where a competitive procurement process has yet to take place.

### 3.6 The Invitation to Tender

- 3.6.1 At least three (3) suppliers must be invited to tender, unless there is overriding business or legal justification that this is not required and in these circumstances an Exemption<sup>6</sup> must be sought.
- 3.6.2 The specification and evaluation criteria must take into account the Police Authority and Force priorities regarding Equality,

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<sup>6</sup> See Section 1.5

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Sustainable Procurement, Health and Safety and Value for Money.

- 3.6.3 The specification for the requirement must be adequate and fair to allow tenders to be sought and fit for purpose.
- 3.6.4 There must be an assessment of the quality of both tenderers and tenders by pre determined non-discriminatory evaluation criteria and weightings, including whole life cycle cost where appropriate.
- 3.6.5 The risks associated with the contract must be assessed.
- 3.6.6 A tender file must be maintained to record all matters associated with the tender and shall be available for inspection by Police Authority Members.
- 3.6.7 The standard terms and conditions, which apply, must be stipulated. Where it is proposed that a form of contract be used, which does not adopt the Police Authority's and Forces' approved standard terms or industry standard terms such as JCT or ICE; the use of such form must be approved by the Chief Executive.
- 3.6.8 The invitation to tender must explain how information provided in the tender will be treated with regard to statutory requirements.
- 3.6.9 Tenderers responding to a below EU Threshold Tender must be given adequate time to respond, consistent with the level of complexity of the requirement and, except where the industry norm is otherwise, this should be a minimum of fifteen (15) working days.
- 3.6.10 The Invitation to Tender must request either:
  - (a) that the tender is submitted in a plain sealed envelope or package bearing a tender label marked 'Tender' giving only the tender title and opening date. The tender label must not identify the name of the tenderer, or
  - (b) an electronic file is delivered to a designated secure electronic tendering system.
- 3.6.11 Tenderers must be required to hold their tenders open for acceptance for a minimum of 90 days from the date of opening.
- 3.6.12 The Police Authority and Force does not bind itself to accept the lowest tender or any other tender, and this will be included as a statement in all Invitations to Tender

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- 3.6.13 Tenderers must be informed that tenders received after the closing date or tenders not submitted in accordance with these contract standing orders will be disqualified from consideration, unless one of the conditions as defined at 3.8.8 prevails.

### **3.7 Receipt of Tenders**

- 3.7.1 Every reply to an Invitation to Tender must be addressed to the Chief Executive of the Authority or, for electronic tenders, to a designated secure electronic tendering system as identified in the Invitation to Tender.
- 3.7.2 Tender packets, envelopes or electronic files received must be date stamped with the date and time of receipt by an officer designated by the Chief Executive and locked away until the specified time for their opening.

### **3.8 Tender Opening**

- 3.8.1 All envelopes, packages or electronic files shall remain in the custody of the Chief Executive or an officer designated by the Chief Executive until the time appointed for their opening.
- 3.8.2 Tenders should be opened within twenty four (24) hours of the closing date and time.
- 3.8.3 Tenders shall be opened at one and the same time in the presence of the Chief Executive or an officer designated by the Chief Executive for the purpose, and of the Chief Constable or an officer designated by the Chief Constable for the purpose.
- 3.8.4 The opened tenders must be date stamped and signed by the Chief Executive or an officer designated by the Chief Executive and the Chief Constable or an officer designated by the Chief Constable.
- 3.8.5 A record shall be maintained showing the number of tenders received and all tenders shall be kept for a minimum of two years.
- 3.8.6 Any tender received after the specific date and time shall be endorsed on the envelope, package or electronic file with the date and time of receipt by an officer designated by the Chief Executive.
- 3.8.7 Late tenders received after the specific time may be opened only to ascertain the name of the tenderer and to record details of the tender.

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- 3.8.8 No tender received after the time specified in Invitation to Tender shall be accepted unless:
- a) The tender is late and it is clear without any contact with the tenderer that the tender was sent in such a way that in the normal course of events it would have arrived on time;
  - b) It was the only tender that was invited and is received within two working days of the original date and time of receipt and the Authorised Officer is notified in advance;
  - c) The Authorised officer is notified more than 2 days in advance and a decision is made to extend the date and time for all tenderers.
  - d) In all circumstances, the Head of Internal Audit or designated officer must approve any late tender submissions as detailed in 3.8.8 a) to c). All such adjudications will be recorded on the tender file.

### **3.9 Errors in Tenders**

- 3.9.1 The Head of Internal Audit or designated Officer may permit a tenderer to correct an error or omission that, in the opinion of the Head of Internal Audit or designated officer, is an obvious one. Any such adjudications will be recorded on the tender file.
- 3.9.2 Where financial error is identified in a tender for Works contracts the tenderer is required to standby or withdraw their tender in accordance with the principles of Alternative 1 of JCT Series 2 Practice Note 6 Main Contract Tendering or any re-enactment thereof. This is applicable for single stage tenders or quotes where the evaluation criterion is lowest tender.

### **3.10 Tender Evaluation**

- 3.10.1 Tenders must be assessed in accordance with the pre-determined evaluation criteria and weightings.
- 3.10.2 The results of the tender evaluation must be retained on the tender file which shall be available for inspection by Police Authority Members.



### **3.11 Post Tender Clarification**

- 3.11.1 For the purposes of tender evaluation, it is acknowledged that from time to time it is necessary for discussions with tenderers to take place in order to clarify any aspect of the information provided including prices to ensure that a tenderer has constructed their bid correctly or has fully understood the contract specification.
- 3.11.2 Where procurement is conducted through either the Open or Restricted procedures within the EU Regulations no negotiations are permitted (including post tender negotiations), which may have the effect of distorting competition (for example fundamental changes to aspects of the contract, including price changes and variations to the authority's requirements).
- 3.11.3 Any post tender clarification shall be undertaken by the Procurement Department in a controlled manner that affords all valid tenderers an equitable opportunity to clarify their tender submission. Such actions may result in changes in price.

### **3.12 Award of Contracts**

- 3.12.1 A contract may only be awarded by an Authorised Officer with the required delegated authority to award contracts.
- 3.12.2 All contracts awarded which are valued at or over the formal tender threshold (High Value Transactions) must be recorded on the Bluelight Police Database by the Procurement Department.
- 3.12.3 For contracts subject to the full scope of the EU Directives, the Procurement Department must notify all tenderers of the intended award of contract and must allow a minimum standstill of ten (10) calendar days between notification of a proposed award and entering into a contractually binding agreement. An award of contract, or a conditional award of contract, may not be made until this standstill period has expired.
- 3.12.4 Where a contract exceeding the EU Threshold has been awarded a Contract Award Notice will be published in OJEU no later than 48 days after the date of award of the contract.
- 3.12.5 The Authorised Officer must ensure written approval to proceed has been received from all participating Customers, prior to awarding a collaborative contract.

### **3.13 Notification to Unsuccessful Tenderers**

- 3.13.1 For contracts below the EU Threshold, unsuccessful tenderers must be notified in writing following contract award.
- 3.13.2 For contracts below the EU Threshold, a debriefing to unsuccessful tenderers will be given on written request from the tenderer.
- 3.13.3 For a contract exceeding the EU Threshold, the Procurement Department will carry out debriefing in accordance with EU legislation.

### **3.14 Procurement by Consultants**

- 3.14.1 Where the Police Authority uses consultants to act on their behalf in relation to any procurement, then the Authorised Officer shall ensure that the consultants carry out any procurement in accordance with these contract standing orders.
- 3.14.2 No consultant shall make any decision on whether to award a contract or whom a contract should be awarded to unless specifically empowered to do so in writing by the Chief Executive or Chief Constable.
- 3.14.3 The Authorised Officer shall ensure that the consultant's performance is monitored.

### **3.15 Statistical Returns**

- 3.15.1 The Procurement Department is required, no later than 31<sup>st</sup> July in each year, to send to the Office of Government Commerce a report with details of each above EU Threshold contract or framework agreement concluded by it during the reporting year.

### **3.16 Contract Extension**

- 3.16.1 Any contract which provides for (an) extension(s) may be extended in accordance with its terms, subject to performance and value for money considerations.
- 3.16.2 The Procurement Department is responsible for authorising extensions to contracts, where the contract provides for such (an) extension(s).

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3.16.3 Where the terms of the contract do not expressly provide for an extension, an exemption is required and is subject to approval by the Police Authority Resources Committee. These should only be extended in exceptional circumstances.

### **3.17 Termination of Contract**

3.17.1 Termination of any contract may be carried out by the Procurement Department in accordance with the terms of that contract. However advice must be sought from the force legal department prior to termination.

## **SECTION 4 – CONTRACT AND OTHER FORMALITIES**

### **4.1 Contract Documents**

4.1.1 All Contracts must be in writing in a form approved by the Chief Executive.

4.1.2 Where the contract is for a Low or Intermediate Value, the use of an electronic or manual Purchase Order is an acceptable form of contract, which must make reference to the quotation and terms agreed.

4.1.3 Every High Value Contract must, as a minimum, state clearly:

- (a) description of the goods required or the scope of works or services to be provided;
- (b) that the supplier may not assign or sub-contract without prior written consent;
- (c) any insurance requirements;
- (d) ombudsman requirements;
- (e) requirements relating to legislative requirements;
- (f) environmental considerations;
- (g) data security requirements;
- (h) that charter standards are to be met if relevant;
- (i) compliance with the law on health and safety at work;
- (j) race relations, disability, anti-discrimination and equalities

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requirements;

(k) a right of access to relevant documentation and records of the contractor for monitoring and audit purposes, if relevant;

(l) pricing mechanism and arrangements for payment;

(m) rights of termination;

(n) protection against the contractor's defective performance by default provisions which are appropriate to the contract;

(o) the contract period.

4.1.4 Contract documents must be retained for a minimum period of six years from the contract end date and, if under seal (see 4.5), for a period of twelve years.

### 4.2 Contract Formalities

4.2.1 Contracts must be completed with the appropriate documentation and authorisation in accordance with the table in appendix C.

4.2.2 All contracts for the supply of goods and services must be completed and/or officially awarded before the supply begins, except in exceptional circumstances, and then only with the written consent of the Chief Executive.

### 4.3 Letters of Intent

4.3.1 In exceptional circumstances and with the prior approval of the Chief Executive a letter of intent can be issued to allow work to commence in advance of contract completion.

4.3.2 In the case of Works Contracts a tender acceptance letter in a form approved by the Chief Executive is acceptable in order to allow work to commence, although the issue of a formal contract must follow without delay.

### 4.4 Signature

4.4.1 The authorised officer responsible for signing the contract must have been granted the appropriate authority, as per Appendix C, and ensure that the person signing for the other contracting party has authority to bind it.

## **4.5 Sealing**

- 4.5.1 The Chief Executive shall determine whether a contract has to be executed under seal. Examples of where a contract may be sealed include:
- a) the Police Authority's wishes to enforce the contract for more than six years after its end (e.g. for land or construction works); or
  - b) the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services; or
  - c) a bond is established on behalf of the contractor(s) or their guarantors; or
  - d) it is required by parties to the agreement; or
  - e) the total value exceeds £1,000,000.
- 4.5.2 Where contracts are completed by each side adding their common seal, the affixing must be attested by or on behalf of the Chief Executive.
- 4.5.3 The Chief Executive shall be responsible for ensuring that arrangements are made for the Common Seal of the Authority to be kept in safe custody.

## **4.6 Bonds and Parent Company Guarantees**

- 4.6.1 A Parent Company Guarantee or Performance Bond may be required at the discretion of the Chief Executive in consultation with the Treasurer.
- 4.6.2 The Police Authority and Force must never give a bond.

## **4.7 Prevention of Corruption**

- 4.7.1 All officers must comply with the Police Force Code of Conduct and the Joint Anti-Fraud and Corruption Strategy and must not invite or accept any gift or reward in respect of the award or performance of any contract under the Local Government Act 1972.
- 4.7.2 All contracts must contain an appropriate clause that provides

## **NOT PROTECTIVELY MARKED**

protection and the right to terminate the contract in the event of a supplier offering any inducement, committing fraud or committing an offence under the Prevention of Corruption Acts or shall have given any fee or reward the receipt of which is an offence under sub-section (2) of section 117 of the Local Government Act 1972.

### **4.8 Declaration of Interests**

- 4.8.1 If it comes to the knowledge of a member or an officer of the Police Authority and Force that a contract, in which he or she has a pecuniary interest, has been or is proposed to be entered into by the Police Authority, he or she shall immediately give written notice to the Chief Executive and record it on the register of interests which shall be available during office hours for inspection by any member of the Authority.
- 4.8.2 Officers should refer to Sections 94 to 98 and Section 117 of the Local Government Act 1972 for further clarification of the rules.

## **SECTION 5 – CONTRACT MANAGEMENT**

### **5.1 Managing Contracts**

- 5.1.1 Contract management is the process that enables both parties to the contract to meet their obligations in order to deliver the outputs required from the contract. It involves building a good working relationship between the Authority and the Contractor. It continues throughout the life of the contract and involves managing proactively to anticipate future needs as well as reacting to situations that arise.
- 5.1.2 The key objective of contract management is to obtain goods and/or services in accordance with the terms and specification as agreed in the contract and to achieve value for money. This involves balancing costs against risks and actively managing the customer-provider relationship. It also involves developing the supplier's continuous improvement capability over the life of the contract.
- 5.1.3 Where it is appropriate to do so the Authority will nominate a designated contract manager with responsibility for service delivery management, relationship management and contract administration.

**A - Glossary of Terms**

Approved Contract	A contract that has been created in accordance with these contract standing orders for call off or use by the Police Authority and Force. A list of contracts can be found on the Bluelight Database available via the Procurement Team. If in doubt whether there is an approved contract available contact the Procurement Team
Approved Standard Terms	Standard terms and conditions approved by the Chief Executive. Includes industry standard terms and template terms and conditions (for example JCT) set up for use by the Police Authority.
Authorised Officer	An officer appointed by the Police Force covering both civilian and uniformed personnel who has delegated authority to procure and/or approve contracts on behalf of the Police Authority in accordance with the Authority's Financial Regulations and scheme of delegation.
Central Purchasing Body	A public sector contracting authority that <ul style="list-style-type: none"> <li>• Acquires supplies and or services intended for contracting authorities or</li> <li>• Awards contracts or concludes framework agreements for works, supplies or services intended for use by contracting authorities</li> <li>• Concludes framework agreements for goods, services or works intended for one or more contracting authority</li> </ul> <p>Example of CPB's include the Office of Government Commerce Buying Solutions (OGCbs) and Central Office of Information (COI)</p>
Code of Conduct	The code regulating conduct of officers contained within the Police Authority's regulations
Contract Register	The Bluelight Procurement Database ( <a href="http://www.blpd.gov.uk">www.blpd.gov.uk</a> )
Contactoer	Same as 'Supplier' defined below.
EU Notice	Notice posted in the Official Journal of the European Union (OJEU). Includes a Prior Indicative Notice (PIN), a Tender Notice or an Award Notice
EU Regulations	The UK regulations implementing the EC public procurement directives
EU Threshold	The threshold at which EC public procurement directives must be applied if expected to be exceeded by the Total Value
Financial Regulations	The Financial Regulations approved by the Police Authority
Framework	An agreement between one or more contracting authorities

Agreement	and one or more supplier, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price, quality and where appropriate the quantity envisaged.
OJEU	Official Journal of the European Union
Parent Company Guarantee	A contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a contract with the Police Authority, the Police Authority can require the parent company to do so instead
Performance Bond	An insurance policy: If the contractor does not do what it has promised under a contract with the Police Authority, the Police Authority can claim from the insurer the sum of money specified in the Bond (often 10% of the contract value). A Bond is intended to protect the Police Authority against a level of cost arising from the supplier's failure.
PFI	Private Finance Initiative
PPP	Public Private Partnership
Procurement Department	The Procurement Department of Devon & Cornwall Constabulary, located at Police Headquarters, Middlemoor.
Purchasing Cards	A Corporate Purchasing Card utilised for the purchase of low value goods and services.
Purchase Order	An electronic or manual order placed through the local approved procurement system
Service Provider	Same as 'supplier' defined below
Scheme of Delegation	A list of Authorised Officers who have authority to procure on behalf of the Police Authority in accordance with the Authority's Financial Regulations
Supplier	Any person or public entity or groups of such persons and or bodies providing, or seeking to provide, supplies, services or works to the Police Authority. Other terms such as contractor, service provider, and economic operator may also be used.
Tender	A written response to an Invitation to Tender
Tenderers	Suppliers who have been invited to submit a tender to the Police Authority.
Total Value	The whole of the value or estimated value (in money or equivalent value) for a group of similar commodities or services: <ul style="list-style-type: none"><li>• whether or not it comprises several lots or stages across the Police Authority as a whole</li></ul>



- whether or not it is to be paid or received by the Police Authority as a whole or separate departments within the Police Authority and Force.

Value for Money

Used by the OGC, this is defined as:  
“...ensuring that the organisation’s procurement, projects and processes are systematically evaluated and assessed to provide confidence about suitability, effectiveness, prudence, quality, good value and avoidance of error and other waste, judged for the public sector as a whole, not just for the Accounting Officer’s organisation.

Written Quotation

Must be in letter, fax or email and must be addressed personally, containing pricing information and delivery details. Printouts of catalogues are not written quotations.

**B - General Exceptions from Contract Standing Orders**

These Contract Standing Orders apply to all Goods, Services and/or Works purchased by the Police Authorities and Forces, with the following exceptions:

- (a) Procurements of goods, services, or works where the procurement procedure to be followed by the Police Authorities and Forces is the subject of express legislation.
- (b) Low value purchases made by an Authority authorised Purchasing Card that are subject to guidelines issued on the use of Purchasing Cards.
- (c) Goods, Services or Works procured in an emergency because of a need to respond to events that were beyond the control of the Police Authorities and Forces (e.g. natural disasters such as flooding or fires) where the supply is urgently required and loss, damage, injury or serious operational problems could result from delay due to the advertising procedure.
- (d) Any contract entered into by the Police Authority under Exception (c) above must not be for a term of more than 6 months.
- (e) Contracts for the acquisition and disposal of land or property that are covered by Financial Regulations and other procedures approved by the Authority.
- (f) Contracts for employment for staff, except where an agency is used to supply the staff.
- (g) Works orders with utility infrastructure providers, e.g. Gas Mains.
- (h) Where there is no effective competition for the supply as prices are fixed under statutory authority.
- (i) Call off or orders placed against Approved Contracts or Framework Contracts where the procedures defined in the contract for call off are followed.
- (j) Any contract which has had an exemption agreed in accordance with order 1.5.
- (k) The disposal of Police Authority's and Forces Assets that are covered by the Financial Regulations and other procedures approved by the Authority.

**C - Financial Thresholds**

<b>Threshold and Type</b>	<b>Value</b>	<b>Relevant section</b>	<b>Quotation/Tender Process</b>	<b>Responsible for procurement</b>		<b>Authorised Officer</b>
<b>1. Low Value Transactions</b> Goods, Services and Works	Up to £14,000	2.2	A written or electronic quotation. Demonstration of value for money	Devolved		Devolved budget holder or nominated Officer
<b>2. Intermediate Value Transactions</b> Goods, Services and Works	£14001 - £40,000	2.4	A risk based procurement options analysis to be undertaken to determine the most appropriate procurement route	Procurement Department		Senior Contracts Officer
<b>3. High Value Transactions</b> Goods, Services and Works contracts	Above £40,001 and below EU Threshold	2.5	Follow tender process outlined in section 3	Procurement Department		Contracts and Procurement Manager, Head of Procurement or Director of Finance and Resources
<b>4. Over EU Threshold</b> Goods, Services and Works contracts	Over EU Threshold	2.6	Follow tender process outlined in section 3.	Procurement Department		Chief Executive