

Part 4.4 - Contract Standing Orders

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Contract Standing Orders

Contracts for Goods, Services and Works

1. Introduction

- 1.1 Contract Standing Orders (CSOs) are the rules that must be used when commissioning, procuring and contract managing Works, service and/or goods (Supplies) contracts.
- 1.2 Council officers and members must comply with these CSOs in all instances when commissioning and procuring works, services and goods (supplies) on behalf of the Council and failure to comply may result in disciplinary action being taken against the officer concerned. Officers have a duty to report any breaches of these CSOs to the director responsible for the procurement.
- 1.3 These CSOs form part of the Council's Constitution and provide the framework that governs the Council's procurement of contracts for works, services and goods. Following these CSOs helps the Council to demonstrate.
 - 1.3.1 Good Internal governance
 - 1.3.2 Propriety and the proper spending of public money
 - 1.3.3 Value for money and effective use of resources is being achieved
 - 1.3.4 The delivery of high-quality Works, Services, Goods
 - 1.3.5 Compliance with relevant Laws
 - 1.3.6 Controls to deter fraud, bribery and corruption
- 1.4 Every Contract for Works, Services and Goods made by the Council must conform to all relevant legislation. UK public procurement legislation and policy require that Contracts are awarded fairly, in an open and transparent manner and without discrimination on grounds of nationality and that all potential bidders are treated equally. A Bidder or supplier harmed, or who may suffer harm, as a result of the Council failing to comply with public procurement legislation will have a right to take action against the Council in the High Court. Remedies available include:
 - 1.4.1 Automatic Suspension
 - 1.4.2 Interim remedies
 - 1.4.3 Pre-contractual remedies

- 1.4.4 Post-contractual remedies
- 1.5 Detailed information and guidance on the procurement process and Contract management is available from the Procurement Service and should be used in conjunction with these CSOs.
- 1.6 All Figures in these CSOs are **exclusive** of VAT unless stated otherwise.
- 1.7 The Council recognises the value and role of small and medium sized enterprises (SMEs), locally based suppliers and the voluntary, community and social enterprise (VCSE) sector, and will strive to ensure that procurement procedures are accessible, fair and proportionate to the size and complexity of the Works, Services and Goods being procured.

2. Scope

- 2.1 The CSOs apply:
 - 2.1.1 Whenever the Council intends to commission or procure (or provide other payments in kind) contracts for Works, Services or Goods
 - 2.1.2 To expenditure from either capital or revenue sources
 - 2.1.3 To Work and Services concession Contracts
 - 2.1.4 To Goods for re-sale
 - 2.1.5 To both officers and members
 - 2.1.6 Where the Council acts as the lead partner in a multi-authority procurement
 - 2.1.7 Where any third party, for example another local authority, is authorised to procure Works, Services and/or Goods on behalf of the Council
 - 2.1.8 To the commissioning or procurement of temporary agency workers.
- 2.2 These CSOs **do not** apply:
 - 2.2.1 To Contracts of employment unless recruited through an Agency (See HR for advice)
 - 2.2.2 To acquisitions and disposals of land or buildings unless related to a Contract for Works, Services or Goods (see Financial Regulations)
 - 2.2.3 To financial Services in connection with the issue, purchase, sale or transfer of securities or other financial instruments, in particular transactions by the Council to raise money or capital
 - 2.2.4 To service level agreements made between departments within the Council

- 2.2.5 In the case of civil contingencies
- 2.2.6 In the case of individual investments which are not deemed as the purchase of Goods or Services for the purposes of these CSOs
- 2.2.7 Where the Council is acting as an agent on behalf of other commissioning authorities, for example the NHS, and is only procuring Contracts on their behalf
- 2.2.8 Where the Council instructs counsel or any external legal advisors to represent or act on its behalf
- 2.2.9 To out of county social care placements
- 2.2.10 To resources deployed for unforeseen emergency care packages or accommodation costs aimed at supporting appropriate action to protect individuals from abuse, neglect or homelessness
- 2.2.11 To social care packages that are, or are considered to be at the time of placement, funded by the ICB as part of continuing health care;
- 2.2.12 Primary Care Contracts, including those awarded to pharmacies, GP surgeries
- 2.2.13 Contracts to engage artists, shows, attractions, events or other entertainment media to provide entertainment or facilities
- 2.2.14 Grant Payments: however, there is separate guidance on the definition and use of Grant funding here [Grants Guidance 2025.pdf](#).
- 2.3 However, in all instances listed in 2.2, all relevant legislation rule, and guidance must still be complied with together with other relevant parts of the Council's Constitution.
- 2.4 The following entities have their own rules and are not bound by these CSOs except when they participate in joint purchasing with the Council
 - 2.4.1 All schools withing the district of North Somerset
 - 2.4.2 Companies in which the Council has an interest **except for** Local Housing Development Vehicles and Local Authority Controlled Companies.

Specific guidance on how the CSOs are applied to Contracts relating to Health and Social Care (including Public Health) can be found in the related guidance document here [Health & Social Care Contracts Guidance 2025.pdf](#)

3. Responsibilities

- 3.1 Overall responsibility for these CSOs rests with the Section 151 Officer. Further information and advice on these CSOs can be obtained from the Procurement Service.
- 3.2 Anyone undertaking commissioning and procurement activity on behalf of the Council (but especially in the context of purchasing Works, Services or Goods above prescribed values, (known as Public Procurement Financial thresholds) must comply with all relevant laws and regulations.
- 3.3 The Public Procurement Financial thresholds are reviewed every two years in order to comply with the UK's obligations. The most up to date list of thresholds can be found at the following links:

[Procurement Policy Note 11/23 – New Thresholds \(HTML\) - GOV.UK](#)

[Procurement Policy Note – update to legal and policy requirements to publish procurement information on Contracts Finder \(HTML\) - GOV.UK](#)

- 3.4 Directors are responsible for ensuring that.
 - 3.4.1 Officers follow these CSOs
 - 3.4.2 Any agent, consultant or Contractual partner acting on behalf of the Council to commission and procure Works, Services or Goods, or any of them involved in the management of Contracts for the Council, comply with these CSOs
 - 3.4.3 The central Contracts Register, held by the Procurement Service, is updated on each occasion a Contract is let, varied or terminated by the Council which has a total Contract value of £5,000 excluding VAT and above, or is for a duration of three years or longer
 - 3.4.4 Original Contract documents, including the Tender documents of the successful Bidder, are safely kept by the Projects and Property Team in the central deeds store.
- 3.5 Prevention of Bribery or Corruption

Officers must comply with the Council's Code of Conduct and must not invite or accept gifts or rewards for the award of, or in respect of, the performance of any Contract. It will be for the officer to prove that anything received was not received corruptly. High standards of behaviour are obligatory. Corrupt behaviour will result in disciplinary action being taken against the officer concerned. Offering, promising or giving of a bribe (active bribery) and the requesting, agreeing to receive or accepting of a bribe (passive bribery) is a criminal offence under the Bribery Act 2010 and council employees should take all necessary steps to protect themselves and the Council against committing acts of bribery.

3.6 Declaration or interest

Prior to and during any procurement activity, officers that will be involved in the development of the specification, assessment and/or decision, will be required to complete a Conflict of Interest form, specifically for the procurement activity. This is to ensure that all procurements are undertaken fairly and any disclosable interests are known to the Council.

A central register of senior managers and members declarations of interests is stored by Corporate Services.

4. Definitions of terms used in these CSOs

- 4.1 **Award Criteria:** the assessment criteria and methodology used to weight, select and award a Contract to a successful Bidder.
- 4.2 **Bid:** an offer made by each Bidder, with a view to being awarded the Contract, to provide Works, Services or Goods to the Council for a particular amount of money on specified terms, normally in the form of a Tender or quotation.
- 4.3 **Bidder:** a person, business, company or other organisation who responds to the Council's invitation to bid as part of the Tender / procurement process.
- 4.4 **Buying:** commissioning and procuring Works, Services or Goods from an external supplier or Contractor.
- 4.5 **Call-off contract:** Contract made under a Framework to a framework supplier following the holding of a mini-competition or direct award (if allowable). Although the Framework sets out the overarching terms and conditions, each individual "call-off" Contract or order constitutes its own separate Contract under the Framework.
- 4.6 **Code of conduct:** the Council's codes regulating the conduct of officers and members.

- 4.7 **Combined Commissioning and Procurement Plan:** all of the requirements of a separate Commissioning Plan and Procurement Plan in one combined document, see 4.10 and 4.53 for clarity on content. When a Combined Commissioning and Procurement Plan is required is set out in 6.3.
- 4.8 **Commissioning:** the process used to plan, procure, evaluate, deliver and monitor the provision of Works, Services and Goods to allow the Council to meet its requirements in the most economical, effective and efficient way.
- 4.9 **Commissioning Intentions report:** an annual report covering the anticipated commissioning requirements for a Directorate or Service Area that will take place during that year. The grouping of several commissions is the preferred method of seeking approval rather than individual commissioning plans.
- 4.10 **Commissioning Plan:** a document which sets out, before the procurement process commences, the Works, Services or Goods to be purchased together with the expected outcomes, using the standard template. The standard template is available from the Procurement Service. This could be a specific plan for each requirement or an annual commissioning intentions plan covering all commissioning requirements over a period. When a Commissioning Plan is required is set out in 6.3.
- 4.11 **Competitive Flexible Procedure:** a compliant procedure used under the Procurement Act 2023 that provides the council with the opportunity and flexibility to design and undertake a bespoke multi-stage procurement process.
- 4.12 **Concession Contract:** is a contract for the supply, for pecuniary interest, of works or services where at least part of the consideration for that supply is a right for the supplier to exploit the works or services that are the subject of the contract and where, under the contract, the supplier is exposed to a real operating risk.
- 4.13 **Conflict of Interest (Col):** the council is subject to scrutiny and challenge when conducting any procurement activity and managing its contracts. It is important to the integrity of the council that those involved in these activities have no conflicts of interest (perceived or actual), and that any interests that are declared, are considered and managed carefully. There are also requirements under the Procurement Act 2023 to carry out Col assessments at various stages of the procurement process.
- 4.14 **Constitution:** a document approved by the Council which:
- 4.14.1 Allocates powers and responsibility within the Council and between the Council and others
 - 4.14.2 Delegates authority to act to the Cabinet, committees, Cabinet members and officers, and

- 4.14.3 Regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.
- 4.15 **Contract:** a formal and legally binding agreement entered into voluntarily by two or more parties including all documents to which reference may properly be made in order to ascertain the rights and obligations of all the parties involved to supply Works, Services or Goods to the Council in return for a payment.
- 4.16 **Contract Change Notice:** sets out a contracting authority's intention to substantially modify a contract. It must be published before the modification can take effect
- 4.17 **Contractor:** A party that has agreed to supply Works, Services and / or Goods to the Council under a Contract.
- 4.18 **Contract Award Report:** a report prepared by the Contract manager and the Procurement Service which makes a recommendation to the relevant decision-making body (refer to the table at paragraph 6.3) to award the Contract to the successful Bidder.
- 4.19 **Contract Management:** the proactive process to be used by the Council to manage Contract delivery to ensure that the Contractor is fully complying with its Contractual obligations, Procurement legislation and allows the Council to manage Contractor performance and Contract compliance and minimises risk to the Council of Contractor default.
- 4.20 **Contract Manager:** a named officer who is responsible for ensuring that the Council achieves its objectives, as set out in the Contract. This might not be the officer's job title – they might act in the role of Contract manager for only part of the time.
- 4.21 **Tender Notice:** a mandatory Notice (ref UK4) published on the Government's Find a Tender website advertising a procurement opportunity.
- 4.22 **Contract Payment Notice:** a mandatory Notice (ref UK8) used by contracting authorities to report quarterly on details of individual payments exceeding £30,000 under a public contract.
- 4.23 **Contract Performance Notice:** a mandatory Notice (ref UK9), used to report supplier performance against KPIs (where the total value of the contract is over £5m (Whole Life Contract Value) and to report poor supplier performance and breach of contract (applicable to most contracts).
- 4.24 **Contracts Register:** a list of all the Contracts let by the Council that are over £5,000 in whole-life value or for a period of three years or longer. The register is kept and maintained by the Procurement Service and is published on the council website.

- 4.25 **Contract Termination Notice:** a mandatory Notice (ref UK11), for over threshold contracts (see 3.3 for threshold levels), when a contract has been terminated either when it has expired or early termination.
- 4.26 **Contract variation:** an agreement to vary the terms of a Contract. All parties to the Contract must agree to the variation and any variation must be within the original scope of, and made in compliance with, the Contract. Officers must consider whether the Contract is being varied, or whether the variation is so substantial that the original Contract is extinguished and a new one is being entered into.
- 4.27 **Corporate Governance:** the action or manner of governing, managing and overseeing the way that the Council operates.
- 4.28 **Corporate Requirements:** where the requirement for Goods and Services is used by the whole authority rather than individual directorates, for example stationery and agency staff.
- 4.29 **Direct Award:** the ability to award a Contract directly to a chosen supplier, when the value is below £25,000 excluding VAT,
or following the approval of an exception as outlined at 5.3.
or under a Framework where Direct award is allowable.
- 4.30 **Disaggregated:** in the context of procurement, to disaggregate is to break down the requirement into smaller chunks to avoid the required governance which is not permitted.
- 4.31 **Disclosable Interest:** a financial interest or asset that could create a conflict in the performance of the duties of a member or officer.
- 4.32 **Dynamic Purchasing System (DPS):** an procedure under the PCR 2015, which is an electronic system similar to an electronic Framework. A DPS provides a list of Contractors from which the Council can conduct an e-competition for Tenders. Contractors can apply to join the DPS at any time.
- 4.33 **Dynamic Market (DM):** an electronic system similar to an electronic framework where suppliers who pass a selection criteria will be able to join the DM at any point, although Tender Notices will still be required for each contract under it. They can only be used for above threshold call-offs.
- 4.34 **Exceptions:** limited circumstances in which compliance with these CSOs is waived in accordance with paragraph 5 below.
- 4.35 **FTS:** Find a Tender Service - Find a Tender Service replaced the EU's Tenders Electronic Daily (TED) and OJEU for Contracts in the UK that exceed the Public Procurement thresholds.

4.36 Framework / Open Framework: an agreement made between one or more public bodies and one or more Contractors. A Framework sets out the terms for making specific purchases ('calls-offs') under the framework. The terms will include the nature of the Works, Services or Goods to be supplied, the unit price, the standards for service delivery and the terms on which future purchases will be made. Purchases may be made.

4.36.1 By order without re-opening competition. For example, offering an order to the Contractor with the lowest price: Or

4.36.2 Following a mini competition

The Framework will set out which purchase route is to be used and the procedure to be followed for making specific purchases. A Framework does not commit the buying organisation(s) (otherwise known as commissioner(s)) to make any purchases and framework suppliers can choose whether or not to accept the order or take part in a mini-competition, unless the Framework otherwise provides.

4.37 Goods (supplies): the term used where the principal reason for the procurement is to purchase, lease, rent or hire-purchase, with or without an option to buy, actual products.

4.38 Grant: An amount of money awarded to an organisation by the Council for which there is no expectation of receiving a specific benefit in return. The Grant can be awarded for a service or part of a service, but the recipient is under no obligation to provide specific Services. Further guidance on the use of Grants can be found in the separate guidance here [Grants Guidance 2025.pdf](#).

4.39 Lead partner: one of the parties to a joint commissioning arrangement who, on behalf of the other parties within the joint commissioning group, agrees to take the lead in the procurement process and (where applicable) responsibility for managing a Contract on behalf of the other parties within the group.

4.40 Light Touch Contracts: the statutory procedure set out in the Procurement Act 2023, section 9, which applies to those Services identified within Schedule 1 of the Procurement Regulations 2024, (and any other subsequent legislation) and includes health, social and related Services, as well as other Services.

4.41 Local Authority Controlled Company (LACC): an organisation controlled by the Council that can be awarded Contracts directly by the Council without the Council having to follow the public procurement regime, provided the following 3 conditions are met

4.41.1 The Council exercises over the LACC a control which is similar to that which it exercises over its own departments.

- 4.41.2 More than 80% of the activities of the LACC are carried out in the performance of tasks entrusted to it by the Council or by other organisations similarly controlled by the Council and
- 4.41.3 There is no direct private capital participation in the LACC with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, which do not exert a decisive influence on the LACC.

If you are considering the creation of a LACC, you must seek the advice of the S151 officer and the Assistant Director Legal and Governance.

- 4.42 **Mini or Further Competition:** a mini or further competition is a process carried out to place a call-off Contract under a Framework where the best value supplier has not been specified. It allows you to further refine your requirement whilst retaining the benefits offered under the framework.
- 4.43 **Most Advantageous Tender (MAT):** satisfies both the contracting authority's requirements and is the best Tender in respect of the Award Criteria.
- 4.44 **Open Procedure:** a complaint procedure used under the Procurement Act 2023 that consists of a single stage.
- 4.45 **Payment Compliance Notice:** a mandatory notice (ref UK17), that sets out the contracting authority's performance against 30-day invoice payment terms, reported twice annually.
- 4.46 **PCR 2015:** the Public Contracts Regulations 2015, the primary legislation governing procurement and Contracting for the public sector in the UK which has been superseded by the Procurement Act 2023. It is still valid for contracts procured under PCR 2015 e.g. call-offs from Frameworks procured prior to February 2025.
- 4.47 **Period:** a timeframe as defined by the officer.
- 4.48 **Pipeline Notice:** a mandatory Notice (ref UK1), that is required under the procurement legislation, and consists of a 18-month forward-look at planned procurements of over £2m (Whole Life Contract Value). It must be published on the Government's FTS within 56 days of the start of each financial year.
- 4.49 **Portal:** a secure (hosted) web-based electronic tendering system which the Council uses to conduct its procurement processes.
- 4.50 **Pre-Procurement Engagement Form (PPEF):** Mandatory form that commissioners must complete prior to starting a procurement that is over £5,000 in value.
- 4.51 **Procurement:** the process of obtaining works, services and goods (supplies).

- 4.52 **Procurement Act 2023:** the primary legislation governing public sector procurement and relevant regulations to be made under the Act. This legislation supersedes the Public Contract Regulations 2015.
- 4.53 **Procurement Plan:** a plan which sets out the procurement strategy. When a Procurement Plan is required is set out in 6.3.
- 4.54 **Provider Selection Regime (PSR) 2024:** The PSR is a set of rules for procuring health care Services in England by organisations termed relevant authorities. Relevant authorities are:
- 4.47.1 NHS England
 - 4.47.2 Integrated care boards (ICBs)
 - 4.47.3 NHS trusts and NHS foundation trusts
 - 4.47.4 Local authorities and combined authorities
- 4.55 **RFQ (Request for Quote):** a request to multiple suppliers (minimum of 3), using North Somerset Council standard templates, inviting them to submit a written quotation against a defined set of requirements.
- 4.56 **Seal:** The Council's seal is kept by, and is under the control of, the Assistant Director (Governance & Monitoring Officer).
- 4.57 **Services:** the principal reason for the procurement is considered to be neither Goods/supplies or Works.
- 4.58 **Service outcome:** a measure of the Contract objectives in terms of service delivery.
- 4.59 **Social Value:** Social value is defined through the Public Services (Social Value) Act 2012 which came into force in January 2013 and requires all public sector organisations, and their suppliers, to look beyond the financial cost of a contract and consider how the services they commission and procure might improve the economic, social and environmental well-being of an area.
- 4.60 **Sub-contractor:** an individual, business or other organisation who is hired by the main Contractor to deliver part of the Contract, and who is paid by the main Contractor.
- 4.61 **Supplier:** any person, business, company, public entity or other organisation which offers on the market the delivery of Works, Services and / or Goods to the market.
- 4.62 **Suspension:** the suspension or waiver of compliance with CSOs.
- 4.63 **Tender:** the written document submitted by a Bidder as part of its Tender process in which the Bidder offers to provide Goods, Services and/or Works for the bid price to the Council.

- 4.64 **VCSE:** Voluntary Community and Social Enterprise, the voluntary or non-profit sector of the economy.
- 4.65 **Value for Money:** the optimum combination of whole life costs and quality (or fitness for purpose) of the Goods, Works or Services to meet the Council's requirement.
- 4.66 **Whole Life Contract Value:** the cost of the Contract over its full duration, exclusive of VAT, including the value of any extension periods e.g. if the contract is 3 years initial term with the possibility of three 1 year extensions, and each year is £100,000 contract value, then the total would be for 6 years i.e. £600,000.
- 4.67 **Works:** the principal reason for the procurement is to carry out one of the following:
- 4.67.1 the execution, or the design and execution, of Works related to one of the activities listed in Schedule 3 of the Procurement Regulations 2024. In principle, construction, civil engineering and property maintenance. For a complete list, contact the Procurement Service

5. Suspension of & Exceptions to Contract Standing Orders

- 5.1 **Suspension** - Only full council has the power to suspend or waive any requirements within these CSOs.
- 5.2 **Exceptions** – are only allowable below the relevant Public Procurement Thresholds. If one of the exceptions listed in CSO 5.3 apply then the relevant decision maker in consultation with the Head of Procurement (or delegated to a Procurement Manager for contract values between £25,000 and £159,999) must approve exceptions to these CSOs (to the extent that they are lawfully able to do so). The officer must
- 5.2.1 Complete, for the relevant decision maker's approval, a decision notice (using the Exception Guidance) detailing the exception(s) intended to be used and the reasons for the request. The relevant decision maker is listed in the 'Contract Award approval' column in the table at paragraph 6.3. The reasons available are listed in paragraph 5.3 below.
- 5.2.2 Ensure that the Supplier completes the Contract Opportunity in full ensuring due diligence has taken place prior to Contract award.
- 5.2.3 Notify the Procurement Service of the exception (if granted) by completing the Contract Register Form (available on the intranet).

5.3 Exceptions for below Public Procurement thresholds: valid reasons

The following are considered acceptable reasons for seeking an exception:

- 5.3.1 The contract involves the production of a prototype or other novel goods or services for testing the suitability or researching the viability of producing or supplying the goods or services at scale and developing them for the purpose of for the other research, experiment, study or development (Prototypes and development)
- 5.3.2 The goods, services or works can only be supplied by a particular supplier i.e. where competition is absent for technical reasons or due to the supplier having intellectual property or other exclusive rights and only a particular supplier can supply the goods, services or works and there is no reasonable alternative. It can also be used where the contract is for the creation or acquisition of a unique work of art or artistic performance (Single Suppliers)
- 5.3.3 The contract concerns good purchased on the commodity market (Commodities).
- 5.3.4 Awarding a contract to a particular supplier will ensure particularly advantageous terms due to the supplier undergoing insolvency proceedings (advantageous terms on insolvency).
- 5.3.5 The requirement for goods, services or works is strictly necessary for reasons of extreme urgency and cannot be procured in accordance with the CSOs and has been brought about by circumstances unforeseeable by and unattributable to the contracting authority (Urgency).
- 5.3.6 Direct award can also be used for additional or repeat goods, services or works from the same supplier where the original contract was awarded in accordance with the CSOs. The timeframe in which the original contract must have been agreed must be no more than 5 years AND the intention to rely on a direct award for subsequent procurements must have been set out in the associated tender documents or quotation process. (Additional or repeat goods, services or works).
- 5.3.7 Direct award to protect human, animal or plant life or health, or to protect public order and safety. (Protect life, health, public order or safety).
- 5.3.8 The Council would otherwise be exposed to immediate and significant financial, legal or reputational risk, the Procurement Service must be approached in this instance. The risk should be significant and must have been added to the relevant Board's Risk Register.

- 5.3.9 Where the opportunity has been advertised using an RFQ or Tender and you invited at least three suppliers but less bids than the minimum required have been received, or where you are able to demonstrate that there are fewer than three suppliers available to quote you are not required to obtain an exception to these CSOs.
- 5.3.10 The Council has the benefit of a Local Authority Controlled Company (LACC) under Schedule 2 – Exempted Contracts of the Procurement Act 2023.

An exception must *not* be Granted where this would mean the Council would be in breach of any laws.

- 5.4 No exception can be relied on until the relevant decision maker has authorised the exception.
- 5.5 Where an exception is granted, the exception report will replace the requirement for a Contract Award report.
- 5.6 All Contracts, including the award of a Contract to which an exception has been applied, must demonstrate compliance with:
 - 5.6.1 All applicable legislation and guidance (including equality of treatment, transparency; non-discrimination; proportionality and mutual recognition):
 - 5.6.2 Due diligence must be evidenced in terms of ensuring the supplier meets the council's minimum requirements:
 - 5.6.3 The principles of procurement best practice and value for money:
 - 5.6.4 The requirement to identify and secure appropriate funding:
 - 5.6.5 Appropriate and robust risk management and Contract management arrangements.
- 5.7 **Exceptions – Contracts Equal to or Above the Public Procurement Thresholds**
 - 5.7.1 The application of procurement legislation cannot be exempted, except in very specific circumstances. If you require clarification you should consult with the Procurement Service.
 - 5.7.2 The Provider Selection Regime (PSR) allows for the compliant direct award of Contracts under specific circumstances. Please contact the Procurement Service if you believe your requirement falls under the PSR (this will apply to Services that include healthcare only).

6. Approvals level and thresholds

- 6.1 The value of the Contract is the whole life Contract value. It is not the annual Contract value e.g. if the contract is 3 years initial term with the possibility of three 1 year extensions, and each year is £100,000 contract value, then the total would be for 6 years i.e. £600,000.
- 6.2 Contracts must not be disaggregated to avoid Public Procurement thresholds, or any thresholds specified within these CSOs.
- 6.3 The table below sets out the approvals and thresholds that must be used in conjunction with the separate guidance [Contract Award Approvals process 2025.pdf](#)
- 6.4 Where the procurement is led by another Local Authority / public body, the same approval levels and thresholds apply, as per section 6. However, the content within any Decision relating specifically to the procurement, only needs to include the key information, and to reflect that another organisation is responsible for the procurement.
- 6.5 The Director of each Directorate is responsible for producing an annual Commissioning Intentions Report to go to the relevant approver (according to the total value of the goods, services or works which that Directorate plans to procure over the next year). This report supports the council's requirement under the procurement legislation, to produce an annual Pipeline Notice

Estimated Whole Life Contract Value (Ex VAT)	Permitted Sourcing Options	Mandatory Pre-Procurement Engagement Form	Use Portal	Commissioning Plan approval	Procurement Plan approval	Contract Award approval	Record on Contract Register
Less than or equal to £25,000	Quotations not required; Direct award permissible	Yes £5,000 to £25,000	No	N/A	N/A	Director or delegated Officer	>£5,000
£25,001 to £159,999	Request for Quotation (min. 3* suppliers)	Yes	Optional	N/A	N/A	Director or delegated Officer	Yes
£160,000 to £499,999	FTS Tender (Goods/Services)	Yes	Yes	Combined Commissioning and Procurement Plan, approved by Director advised by Head of Procurement		Director advised by the Head of Procurement or Procurement Manager	Yes
	Request for Quotation (Works)	Yes					Yes
£500,000 to £999,999	FTS Tender (Goods/Services)	Yes	Yes	Cabinet Member	Director advised by Head of Procurement	Director advised by the Head of Procurement	Yes
	Request for Quotation (Works)	Yes					
£1,000,000 to £9,999,999	FTS Tender	Yes	Yes	Cabinet	Director advised by Head of Procurement	Director advised by the s.151 Officer and Head of Procurement	Yes
>£10,000,000	FTS Tender	Yes	Yes	Full Council	Director advised by Head of Procurement	Director advised by the s.151 Officer and Head of Procurement	Yes

*Note: If there are fewer suppliers in the market place capable of supplying the Works, Services or Good to be procured then the number of bidders which should be invited to Tender and relevant exception has been approved, you are only required to invite those suppliers capable of supplying the Works, Services or Goods.

7. Key Decisions

- 7.1 Key decisions are those taken by the relevant authority (Director, Cabinet Member, Cabinet or full Council) according to value, which are likely to.
 - 7.1.1 Result in the Local Authority incurring expenditure which is or the making of savings which are significant having regard to the Local Authority's budget for the service or function to which the decision relates or [values over £500,000 excluding VAT are considered to be significant];
 - 7.1.2 To be significant in terms of its effect on communities living or working in a area comprising two or more wards in the area of the Local Authority.
- 7.2 In terms of the threshold approval process, it is considered that a Procurement Plan is an internal document and not a key decision as it not asking for approval of expenditure and therefore is not published on the Council's website.
- 7.3 Contract Award Reports are not key decisions unless the whole life value of the Contract to be awarded is more than 10% of the original value or there has been a material change to the scope previously approved at the Commissioning Plan stage. The subsequent Contract Award report will require further approval in accordance with the threshold table, contract award approval column, and may require a key decision to be published.

8. Signing of Contracts

- 8.1 Contracts below the relevant Public Procurement threshold and for a duration up to three years may be signed by two authorised officers, either the relevant Director or the Assistant Director or such other officer(s) as the Director has formally authorised (using their delegated powers) to sign Contracts.
- 8.2 Contracts equal to or exceeding the relevant Public Procurement threshold or for a duration of more than three years may be sealed by the Council, as determined by the Assistant Director (Governance & Monitoring Officer).

9. Contract Mechanisms

- 9.1 Below Public Procurement threshold

It is possible to direct award to a supplier under or equal to £25,000. A minimum of three quotes must be sought between £25,001 and £159,999.

- 9.2 Above the Public Procurement thresholds, the Procurement Act 2023 must be complied with; please seek guidance from the Procurement Service. The following contracting mechanisms may be used:

- Establishment of a Framework and call-offs under it.
- Establishment of an Open Framework and call-offs under it.
- Open Procedure
- Competitive Flexible Procedure
- Dynamic Market and call-offs under it

Further information on Framework and Dynamic Markets can be found in the guidance document here - [Framework & Dynamic Market guidance 2025.pdf](#)

Provider Selection Regime

9.3 There is no minimum threshold for contracts that fall under the Provider Selection Regime (PSR). Contracts may be subject to direct award or competitive processes following a thorough decision-making process. Further information can be found in the [Health & Social Care Contracts Guidance 2025.pdf](#) and from the Procurement Service.

10. Light Touch and Healthcare Services Contracts

10.1 Section 9 (light touch contracts) of the Procurement Act defines a “light touch contract” and provides for regulations to specify which services (referred to in the regulations as “light touch services”) can be procured under a light touch contract.

10.2 Light Touch applies to those Services identified within Schedule 1 to the Procurement Regulations 2024 (the Regulations) and include health, social and related Services, as well as other Services. Healthcare Services contracts are covered by The Healthcare Services (Provider Selection Regime) Regulations 2023 (PSR). The (PSR) came into effect on 1 January 2024 and applies to the procurement of Healthcare Services in England by relevant authorities.

Relevant authorities are:

- 10.2.1 NHS England
- 10.2.2 Integrated care boards (ICBs)
- 10.2.3 NHS Trusts and NHS foundation trusts
- 10.2.4 Local Authorities and combined authorities

The PSR does not apply to the procurement of Goods or non-health care Services (unless as part of a mixed procurement), irrespective of whether these are procured by relevant authorities.

For further information on Health and Social Care related Services considered

“Light Touch” or “PSR” and the differing procurement rules to be followed, please Contact the Procurement Service or refer to separate guidance here [Health & Social Care Contracts Guidance 2025.pdf](#)

11. Social Values

11.1 The overall approach to delivering Social Value through the Council’s suppliers is to agree proportionate and relevant Social Value outcomes with bidders during the procurement that are aligned to the Corporate Plan ambitions. The Social Value approach used in tenders/RFQs will differ depending on the value of your procurement.

19.3.1 For procurements below £159,999 excluding VAT - you should consider Social Value as forming part of your award criteria where appropriate and proportionate to do so, but inclusion is not mandatory. A weighting of up to 10% may be applied. The assessment will be quantitative only.

19.3.2 For short term Contracts (less than 6 months) and one-off projects/purchases in excess of £160,000 – Social Value must be included as part of your award criteria. A weighting of up to 10% must be applied. The assessment will be quantitative only.

19.3.3 For long term Contracts (more than 6 months), with a value equal to or greater than £160,000 excluding VAT, a quantitative and qualitative assessment must be undertaken. Please contact the Procurement Service for advice.

11.2 The approach to achieving Social Value through the Council’s procurements should be agreed as part of the development of either the Combined Commissioning and Procurement Plan or the Procurement Plan.

12. Advertising and Receiving Quotations/Tenders

12.1 The Council uses a portal to advertise and run both requests for quotes (RFQs) and Tenders.

12.2 Procurement with an estimated total Contract value below £160,000 excluding VAT, may be undertaken via email or operated through the Portal, depending on the knowledge and experience of the commissioner in the use of the Portal.

12.3 All procurements with an estimated total Contract value of £160,000 and above must be operated through the Portal in conjunction with the Procurement Service.

- 12.4 Whatever the value, where the Council advertises Contracts openly using the Portal the opportunity must also be advertised on the government's Find a Tender website if the opportunity will exceed £25,000 excluding VAT in value. The process of advertising procurement opportunities via the Portal does not negate the requirement to advertise relevant opportunities in Find a Tender service (FTS).

13. Assessment of Bidder Submissions

- 13.1 The assessment of Bidder submissions are subject to Freedom of Information requests. Written records of the evaluation committee's scores and feedback must be filed electronically.
- 13.2 All bidders must be treated fairly and equally.
- 13.3 Care should be taken to assess the bid using the Most Advantageous Tender (MAT) rather than simply the unit price.
- 13.4 Guidance on the assessment of quotations is given in the Quotation Instructions for Commissioners.
- 13.5 Where the opportunity is £500,000 and above excluding VAT, or where there is a perceived risk through the term or nature of the Contract regardless of Contract value, an assessment of the bidders' financial standing should be undertaken to the satisfaction of the relevant Director.
- 13.6 The Council is not obliged to accept any Tender.

14. Awarding the Contract

- 14.1 For all procurements with an estimated Contract value below £160,000 excluding VAT you must follow the guidance in the Quotation Instructions for Commissioners.
- 14.2 For all procurements with an estimated Contract value of £160,000 and above, please refer to the Procurement Service for advice.

15. Contracts

- 15.1 All contracts must have written terms & conditions in place. This may be the council's Purchase Order Terms and Conditions for contracts under £25,000, the standard council Terms and Conditions for contracts between £25,000 and £159,999, or an appropriate form of contract relevant to the subject matter of the contract eg NEC4, JCT etc. For contracts over £160,000, please seek advice from the Procurement Service.

16. Contract Management

- 16.1 Directors shall ensure that there is a named Contract Manager for each new Contract. For each Contract with an expected value above £160,000 excluding VAT, the Contract Manager will work jointly with the Procurement Service during the procurement process.
- 16.2 As part of the procurement process the Contract Manager and Procurement Service will agree the contract management measures that are appropriate for the Contract. This will include, but not be limited to, performance measurement/management, review meetings, risk management, governance and escalation. The approach to Contract management shall be proportionate, with management activity linked to Contract risk and value. For all procurements with a value in excess of £160,000, following the Contract award, a Contract Management Plan will be developed by the Contract Manager with guidance from the lead Procurement Officer.
- 16.3 Contracts Managers should consider on-going monitoring of Contractors' financial standing by signing up to the Audit service.
- 16.4 Contract Managers are responsible for compliance with the procurement legislation, this includes but is not limited to:
- Publishing a copy of the contract (which may have commercially sensitive information redacted) where the whole life value of the contract is over 5M).
 - Publishing a Contract performance notice annually (where the whole life value of the contract is over 5m).
- 16.5 There is a legal requirement under the Procurement Act 2023 for the council to publish Contract payment notices for payments over £30,000 to individual suppliers for over threshold contracts.
- 16.6 There is a legal requirement under the Procurement Act 2023 for the council to publish Payment Compliance notices every 6 months to demonstrate that the council is meeting its obligations to pay suppliers within 30 days of receiving an undisputed invoice on payments over £30,000.
- Publishing a Contract Termination Notice for over threshold contracts, when a contract has been terminated either when it has expired or early termination.

16.7 Directors shall ensure that Contracts which are of strategic importance (in terms of the Services offered and/or the Contract value and/or the risk of service failure and/or the reputational risk to the Council) shall be referred to the Council's corporate leadership team (CLT). Significant Contracts which are under-performing shall also be referred to CLT.

17. Contracts Variation other than extending the term of the Contract

- 17.1 Instructions to vary a Contract shall be made in writing and before the variation is approved by the relevant Director; and referred to Legal Services for advice where the Contract is subject to the procurement legislation. A Contract Change Notice may need to be published in some circumstances, please refer to the Procurement Service.
- 17.2 Where a Contract (excluding Capital projects with a compensation event/change control mechanism) with a whole-life Contract value above the Public Procurement thresholds is proposed to be increased by a value of 10% or more, an immediate report with the advice of the Procurement Service shall be made to the Section 151 Officer who shall decide what further action is necessary
- 17.3 Where a variation occurs during the life of the Contract that cannot be met from within existing budgetary provision, an immediate report shall be made to the Section 151 officer who shall decide what further action is necessary.
- 17.4 Where any claim for payment exceeds the original Contract sum by 25% excluding VAT or more, the matter must be referred to the Procurement Service before any settlement is made.
- 17.5 Capital projects with a compensation event/change control mechanism allowed for within the Contract, for example NEC4 Contracts, may manage Contract variations within the project structure/governance, subject to an appropriate delegated authority decision and monitoring at Capital Programme Planning and Delivery Board (CPPDB).
- 17.6 Following permission to vary a Contract, Contract Managers must inform the Procurement Service of the variation and must provide a signed Decision to allow the Procurement Service to update the Council's Contract Register.
- 17.7 Officers are required to complete the Contracts Register – Amendment Form (available on the intranet) for all variations and extensions to Contracts.

18. Extending the term of the Contract

- 18.1 If the original Contract includes an option to extend the initial term and the authority to enter into the Contract was given for the whole life Contract value, the relevant Director may authorise the extension period via a Director's Decision subject to evidence of satisfactory performance of the Contract.
- 18.2 Where an extension meets the criteria of 19.1, there is no requirement to book onto the forward plan or publish the decision.
- 18.3 If the original Contract does not include an option to extend the initial term or the authority to enter into the Contract was not given for the extension period.
- 18.3.1 The maximum extension period allowed is 50% of the initial term or a maximum of 12 months, whichever is lesser: and
- 18.3.2 Authority to extend the initial term must be obtained before the Contract is extended. The value of the extension period will determine who can authorise the extension based on the value in the table at paragraph 6.3 above.
- 18.4 Following permission to extend a Contract, Contract managers must inform the Procurement Service of the extension and must provide a signed Decision to allow the Procurement Service to update the Council's Contract Register.
- 18.5 Where the whole life value of the Contract equals or exceeds the relevant Public Procurement threshold the procurement legislation must be fully complied with. Where this applies you must seek advice from the Procurement Service.
- 18.6 Officers are required to complete the Contracts Register – Amendment Form (available on the intranet) for all variations and extensions to Contracts.

19. Disposal of Assets

- 19.1 For information on the disposal of land, property and any other assets please see Guidance Document - [Disposal of Assets other than Land or Property 2025.pdf](#).