

Constitution

(Section 7)

Contract Standing Orders

Date: May 2025, Version: 1.0



North
Tyneside
Council

Contents

.....	0
1. Introduction	4
2. Compliance and Conduct of Officers and Members	5
3. Waiving of Contract Standing Orders	6
4. Role of the Procurement Team	7
5. Pipeline, Planned Procurement Notice and Preliminary market engagement notice	7
6. Pre-Procurement Requirements	9
7. Pre-Contract Requirements	11
8. Contract Thresholds and Tendering Procedures (see also Contract Standing Order 9)	12
9. Contracts subject to UK Procurement Regulations (Central Digital Platform) .	15
10. Provider Selection Regime	16
11. Framework Agreements	17
12. Submission, Registration and Opening of Quotations (see also Contract Standing Order 8)	19
13. Submission, Registration and Opening of Tenders (see also Contract Standing Order 8)	19
14. Errors in Tenders	20
15. Tender Evaluation (see also Standing Order 16, 17 and 18)	20
16. Conflict of Interests (see sections 81, 82 and 83 of the Procurement Act 2023)	21
17. Acceptance of Tenders/Quotations	21
18. Exclusion and Debarment (Section 57-66 of the Procurement Act 2023)	22
19. Bonds, Guarantees and Insurance	23
20. Contract Modifications	23
21. Nominated Sub-Contractors or Suppliers	24
22. Written Contracts (see also Contract Standing Order 23)	25
23. Contents of Contracts	26
24. Retention of Documents	29
25. Joint Procurement	30
26. Procurement by Consultants/Agents	30
27. Bidder Concerns	30
Appendix 1 – Tendering Procedures	31

Appendix 2 – Procurement Process Flowchart.....	34
Appendix 3 – Threshold Bands Chart.....	35
Appendix 4 – Provider Selection Regime Toolkit	36

Version Control

The Contract Standing Orders (CSO) form part of the Constitution Version 29 as agreed by Annual Council on 15 May 2025.

Should there be any queries regarding the version of CSO which is in force at any particular time, please contact democraticsupport@northtyneside.gov.uk who will be pleased to confirm the most current version to be used.

Changes	Date	Version
Various changes agreed at Annual Council meeting on 15 May 2025 following annual review aligning this to Constitution Version 29 and the Procurement Act 2023.	May 2025	1.0

CONTRACT STANDING ORDERS

MADE BY NORTH TYNESIDE COUNCIL PURSUANT TO
SECTION 135 OF THE LOCAL GOVERNMENT ACT 1972

1. Introduction

- 1.1. The Authority is required by Section 135 Local Government Act 1972 to have Standing Orders in relation to its contracts. All contracts for goods, works and services must comply with them.
- 1.2. The purpose of these Standing Orders is to set clear rules for the procurement of goods, works and services for the Authority. This will ensure the openness, integrity, accountability and probity of the process. It also ensures value for money and gives confidence that the Authority is fulfilling its fiduciary and legal responsibilities.
- 1.3. Any dispute or difference as to the interpretation of these Standing Orders and/or any related Code of Practice shall be resolved by the Head of Law and Monitoring Officer. All such documents will be regularly reviewed.
- 1.4. The Head of Law and Monitoring Officer in consultation with the Director of Resources has delegated authority to review and propose any amendments to these Standing Orders.
- 1.5. Various figures in the Standing Orders are subject to review by the Authority annually, and can also be changed by Regulation. The current figures should always be checked. All figures and thresholds included in these Standing Orders include VAT.
- 1.6. The Chief Executive, Director of Resources, Head of Law and Monitoring Officer, and Head of Commercial Services may delegate to named officers within their service area any of the specific duties identified in these Contract Standing Orders. In these circumstances documentary evidence of the authorisation must be kept.
- 1.7. A reference to any statute, order, regulation or similar instrument shall be construed as a reference to that statute, order, regulation or instrument as from time to time amended, modified or re-enacted by any subsequent statute, order, regulation or instrument after the date of these Contract Standing Orders and include any by-laws, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions (together with any conditions attaching to any of the foregoing) made thereunder.

2. Compliance and Conduct of Officers and Members

2.1 Every contract made by or on behalf of the Authority must comply with:

- (a) All relevant statutory provisions, including but not limited to;
 - i. Procurement Act 2023
 - ii. Procurement Regulations 2024 and Guidance issued by the Cabinet Office
 - iii. The Health Care Services (Provider Selection Regime) Regulations 2023
 - iv. Public Contracts Regulations 2015 (where contracts were procured under these regulations)
 - v. The Public Services (Social Value) Act 2012
 - vi. English law
 - vii. Authority's Constitution
 - viii. Authority policies
 - ix. All relevant statutory provisions;

2.2 All Authority employees and organisations engaged to act in any capacity to manage or supervise a contract must comply with these Contract Standing Orders, Financial Regulations, the Officer Delegation Scheme and associated codes of practice, and the Directors of Service must ensure such compliance in the Service Areas for which he/she is responsible. Failure to comply with Contract Standing Orders, Financial Regulations, the Officer Delegation Scheme, or any associated code of practice may result in disciplinary action and legal proceedings against the officers or organisations concerned.

2.3 All Authority employees and organisations engaged on the Authority's behalf must ensure that any conflicts of interest are avoided. (See also the Code of Conduct for Employees)

- 2.4 Where it becomes apparent that there has been a failure to comply with these Standing Orders then the relevant Director of Service or Chief Executive is required to produce a report outlining the reasons for the non-compliance and the steps taken to prevent a reoccurrence. That report will be submitted to the Chief Executive and Head of Law and Monitoring Officer or the Director of Resource
- 2.5 Members, including the Elected Mayor must conform to the Members Code of Conduct. Officers must comply with the Code of Conduct for Employees
- 2.6 No member of the Authority, including the Elected Mayor, shall enter either orally or in writing into any contract on the Authority's behalf.
- 2.7 Any officer, member, agent of the Authority or contractor, whilst acting on the Authority's behalf in relation to any contractual matter shall ensure that the independence and integrity of the Authority's procedures are at all times maintained. Failure to observe such standards of conduct will be referred to the Chief Executive and Head of Law and Monitoring Officer.

3. Waiving of Contract Standing Orders

- 3.1 The waiving of Contract Standing Orders may only be authorised in the following circumstances:
 - (a) Where the total value of the works/services to be procured is less than £50,000 the relevant Director of Service shall submit a report to their Chief Executive or, in respect of the Chief Executive's Office, Head of Law and Monitoring Officer or Director of Resources in consultation with the Head of Commercial Services for agreement. In the absence of agreement, the matter may be referred to the Chief Executive for a decision;
 - (b) Where the total value of the works/services to be procured exceeds £50,000 the relevant Director of Service shall obtain the approval of the Head of Commercial Services and following this submit a report to the Head of Law and Monitoring Officer and the Director of Resources for agreement. In the absence of agreement, the matter may be referred to the Chief Executive for a decision; or

- (c) In circumstances where the funding for the procurement of the goods/services is from a third party and the procurement process is specified as a condition of the funding (in the absence of such conditions the Authority's Contract Standing Orders shall apply).

4. Role of the Procurement Team

4.1 The Procurement Team is central to procurement strategy. The role of the unit is to support and manage all procurement activities and processes within the Authority. The unit is responsible for:

- (a) Ensuring that the Authority complies with UK Legislation and Standing Orders;
- (b) Providing support to Service Areas as to content of the tender, tendering process, tendering timescales, length and type of contract, award criteria, performance monitoring and action; and
- (c) Providing direction, advice, and guidance to Service Areas on all procurement issues with the aim of ensuring continuous improvement in procurement practice across the Authority.

5. Pipeline, Planned Procurement Notice and Preliminary Market Engagement Notice

5.1 Pipeline

5.1.1 The Procurement team will publish a pipeline notice within 56 days of the relevant financial year. A pipeline notice is "a notice setting out specified information about any public contract with an estimated value of more than £2 million in respect of which the contracting authority intends to publish a tender notice or transparency notice during the reporting period". In other words, it is the collection of individual procurements that make up a contracting authority's procurement pipeline over the next reporting period. The 'reporting period' is 18 months, commencing on the first day of the financial year in which the notice is published.

5.1.2 Pipeline notices must include:

- (a) the contracting authority information;
- (b) the title of the procurement;
- (c) the unique identifier for the procurement;

- (d) the contract subject-matter; and
- (e) the estimated date when the following will be published—
- (f) the tender notice for the public contract; or
- (g) the transparency notice for the public contract.

5.1.3 The contracts register is an electronic, searchable register of all Authority contracts and is maintained by the Procurement Team. The Assistant Chief Executive and all Directors of Service must provide the Procurement Team with the information required to maintain a complete Contracts Register. The purpose of the register is to:

- (a) Maintain a complete and accurate record of all Authority contracts;
- (b) Ensure compliance to contract. Service Areas, when sourcing none-catalogued goods and services, should search the register for contracted suppliers before initiating a request for the contracting of a supply opportunity; and
- (c) Ensure that the re-contracting of goods and services are initiated, in a timely manner, in accordance with UK legislation, Contract Standing Orders and associated codes of practice.

5.2 Planned Procurement Notice

5.2.1 A planned procurement notice advises the market of an upcoming procurement and can be published for each contract timescales for above threshold opportunities can be reduced by the use of a planned procurement notice.

5.3 Preliminary market engagement notice

5.3.1 A preliminary market engagement notice is mandatory where engagement is anticipated or has taken place. If a notice is not placed an explanation must be included in the tender notice as to why it hasn't been published.

5.3.2 Examples of preliminary market engagement may include:

- (a) Questionnaires – questionnaires can be used to obtain basic information from the market about the types of solutions available and whether there would be interest in bidding for the opportunity,

- (b) Supplier Day – supplier days offer the opportunity to present the requirements and the procurement procedure that is being considered to the market. It allows for real time feedback on current thinking, as well as discussions to explore the feasibility of alternative or innovative solutions,
- (c) Site Visits – undertaking supplier site visits offer the opportunity to see potential solutions in practice. Alternatively, suppliers may visit the contracting authority’s site so they can understand the requirements better through seeing what is currently in operation,
- (d) Product Demonstrations – These allow the market to demonstrate a potential specific solution that may meet the requirements and may help to develop specifications and assessment criteria,
- (e) Workshops – may be best used as a more collaborative approach, where the requirement or solution to the problem is not yet known, working with the market to identify potential solutions to help to define the requirements and the most appropriate procurement procedure,
- (f) Presentations – presentations allow suppliers to present their potential solutions to the requirements and may explore alternative solutions to be considered.

5.4 Collaborative/Joint pre-market engagement

5.4.1 Lead Officers should consider joint procurement. When participating in a joint procurement, only one Preliminary market engagement notice (PMEN) is needed from the Lead Authority, however, all participating Authorities should be named in the PMEN. If the procurement process is subsequently split, then all participating Authorities can rely on the previous PMEN and explain the changes in the Tender Notice.

6. Pre-Procurement Requirements

6.1 Before commencing any proposed procurement process, the Lead Officer must:

- (a) Consult the Head of Commercial Services on the method of procurement and notify the Director of Resources where that method involves a tendering process;

- (b) Consult the Head of Law and Monitoring Officer or any Director of Service who may be able to provide the works or services required to ascertain whether the Head of Law and Monitoring Officer or Director of Service wishes to provide the works or services, or wishes to assist with this provision;
 - (c) Before engaging with any external works or service provider, check their status against any existing approved framework agreement (see section 10). Deviation from an approved framework agreement must be sanctioned by the Director of Resources;
 - (d) Be satisfied that a specification that will form the basis of the contract has been prepared;
 - (e) Have prepared and documented an estimate of the anticipated cost of the contract, including where appropriate any maintenance costs and the costs of any options to extend the contract. This estimate must be used in determining the correct tendering procedure under Standing Order 8;
 - (f) Have clearly established the contract period in consultation with the Head of Commercial Services outlined in Standing Order 4(b);
 - (g) Ensure that all the evaluation criteria have been determined in advance; and
 - (h) Consult the Chief Information Officer where changes to or new IT systems/hardware or software are procured.
- 6.2 Before entering into a public contract with an estimated value of more than £5 million, the Lead Officer must set at least three key performance indicators (KPIs) in respect of the contract. The Lead Officer shall liaise with the Procurement Team to ensure that the KPIs are appropriate.
- 6.3 This does not apply if the Lead Officer considers that performance under the contract could not be appropriately assessed by KPIs. Guidance and approval must be sought from the Procurement Team and the Head of Law and Monitoring Officer.
- 6.4 Where any procurement exercise involves more than one service area, a lead officer will be appointed to ensure compliance with the Authority's Contract Standing Orders, Financial Regulations, and any relevant Codes of Practice.

- 6.5 The Head of Law and Monitoring Officer, and the relevant Director of Service must ensure that arrangements for the procurement of works/services are not artificially split either to remove them from control through these Contract Standing Orders or to reduce their value in terms of the thresholds referred to in Contract Standing Order 8.
- 6.6 The Lead Officer must value the contract, this must include any extension options and VAT. This must not be artificially split to reduce the contract value. Any similar contracts should be aggregated when approaching the market, and the contract value must reflect the total value of the contract.

7. Pre-Contract Requirements

- 7.1 Before entering into a contract with any prospective contractor, the Head of Law and Monitoring Officer or relevant Director of Service must:
- (a) Be satisfied about the technical capability of that contractor on the basis of the information provided by that contractor;
 - (b) Where an approved framework agreement exists for the supply of the works or services concerned, ensure that the contractor is included in the agreement;
 - (c) Ensure that these Contract Standing Orders and associated codes of practice have been complied with, and that the proposed contract represents value for money.
- 7.2 The Head of Law and Monitoring Officer and Directors of Service are under a duty to ensure that works/services purchased within their service area are reviewed in order that the scope for establishing medium to long- term contract arrangements is fully explored. This is essential to securing optimum value for money and economies of scale for the Authority. The Head of Commercial Services should also be consulted to identify any opportunities for establishing arrangements across service areas.
- 7.3 Lead officer to consult with Health and Safety and Insurance to ensure appropriate provision is in place and the Chief Information Officer where there are any IT requirements.

8. Contract Thresholds and Tendering Procedures (see also Contract Standing Order 9)

- 8.1 For contracts valued at up to £10,000, the Budget Manager, in consultation with the Director of Service concerned, may invite one quotation. However, more may be invited at the Director of Service's discretion. A standard template as determined by the Head of Commercial Services may be used for such quotations. Every effort must be made to obtain quotations in writing, or through the Authority's electronic contract management system, although it is appreciated that this may not be practical for some procurement at the lower end of this threshold. In all events, however, the Director of Service should proceed in a manner most appropriate to the efficient management of the service, having kept a record of the reason for doing so. Where there is an approved framework agreement in existence then that agreement must be used as the source of providing the names of contractors from whom quotations are sought. Details of Framework Agreements can be obtained from the Authority's Procurement Team. This will be subject to periodic checks as part of the internal audit process.
- 8.2 For contracts valued from £10,001 up to £50,000, the Budget Manager, in consultation with the Director of Service concerned, must engage with the Head of Commercial Services who will invite a minimum of three written quotations, in most circumstances, including one local supplier where appropriate; however this will be dependent on the market, the service or goods required and value for money. Where there are not three available suppliers due to the specialist nature of the requirements less than three quotations may be requested but this must be agreed in advance with the Head of Commercial Services. Quotations within this threshold must be returned to the Procurement Team and opened by a representative of the Head of Commercial Services in conjunction with a representative of the relevant Director of Service. A standard template as determined by the Head of Commercial Services must be used for such quotations.
- 8.3 The Director of Service may, depending on the nature and/or evaluated risk of the contract, wish to invite tenders rather than written quotations. An example could be due to the complexity of the service to be provided, or the Authority may feel that suppliers could provide a more innovative solution. In such instances the Director of Service must consult with the Head of Commercial Services on the most appropriate option.

- 8.4 For contracts with an estimated value of £50,000 and above a tendering procedure is required via the Procurement Team. All tenders must be invited and received through the Authority's electronic contract management system, unless the Head of Law and Monitoring Officer approves the use of an alternative method.
- 8.5 Details of these procedures are set out in Appendix 1. A process flowchart can be found at Appendix 2.
- 8.6 Appendix 3 shows threshold detail in table format.
- 8.7 In addition, the appropriate Lead Officer will make arrangements to notify the relevant Cabinet Member of all procurement with a value of between £50,000 and £500,000. Where a contract may exceed the relevant UK Procurement threshold, advice must be obtained from the Head of Commercial Services prior to any procurement activity taking place and an auditable process must be applied to ensure compliance (see also Contract Standing Order 9).
- 8.8 Where it is proposed to undertake a procurement exercise and the estimated total cost of the works/services to be procured will or is reasonably expected to exceed £500,000 in value, a report must be submitted to Cabinet. Bi-annually a report will be presented to Cabinet detailing the procurements over £500,000. The relevant Director will be responsible for agreeing the specification and award criteria.
- 8.9 Contract Standing Orders 8(1) and 8(2) above shall not apply in the case of:
- (a) Goods or materials purchased at auction sales;
 - (b) The extension of existing contracts where prices have remained unaltered or have varied only slightly and are otherwise clearly competitive provided that provision for extension has been included in the original contract. In such instances the Director of Service must maintain a record of all decisions taken and the reasons for those decisions (see also Contract Standing Order 20);
 - (c) Purchase of patented or proprietary goods or materials sold only at a fixed price;
 - (d) Goods or materials in respect of which effective competition is prevented by government control;

- (e) Registration with statutory regulators including Care Quality Commission (CQC);
- (f) Subscriptions to statutory bodies;
- (g) Professional subscriptions
- (h) Payments to GP's and Pharmacies;
- (i) Payments relating to S106 and the Town and Country Planning Act 1990.
- (j) Payments to Examination Boards;
- (k) Payments for Coroner Services;
- (l) Payments to the Driver and Vehicle Licensing Agency and/or Driver and Vehicle Standards Agency with regard to Authority owned or operated vehicles;
- (m) Mandatory works by statutory undertakers, where the statutory undertaker is the only body which can perform the works (e.g. Northumbria Water specifically for water and sewerage infrastructure works, Northern PowerGrid specifically for electricity infrastructure works, British Telecom – specifically for telecoms infrastructure works, Network Rail specifically for works affecting the railway infrastructure etc.);
- (n) Rent and property lease payments;
- (o) Contracts with the Integrated Care Board;
- (p) Grant funding awards;
- (q) Settlement agreements (including payment of legal fees);
- (r) Adoption agency fees;
- (s) a contract for the lending of money in any currency to the Authority and for the provision or carrying out of an investment service or activity, or of an ancillary service, in relation to a financial instrument by an investment firm or a qualifying credit institution;
- (t) delegation of functions to another local authority under section 101 of the Local Government Act 1972.

- 8.10 In any of the circumstances set out in Standing Order 8(8) above, a report should be written by the Head of Law and Monitoring Officer or Director of Service to the Head of Commercial Services where the value of the works and services is less than £50,000. Where the total value exceeds £50,000 a report should be submitted to the Head of Law and Monitoring Officer or Director of Service, Head of Commercial Services, Assistant Chief Executive and Director of Resources. This report should detail items procured, cost to the Authority, reason for urgency (if applicable) and supplier information.
- 8.11 This list is not exhaustive. Further exemptions may be approved by the Head of Law and Monitoring Officer and/or the Head of Commercial Services.

9. Contracts subject to UK Procurement Regulations (Central Digital Platform)

- 9.1 Where an estimated value of a contract exceeds the current UK Procurement Threshold then the contract shall be tendered in accordance with the UK Procurement Regulations. Advice should be sought from the Head of Commercial Services as to the need for compliance and as to the process to be followed. The requirements are complex, and it is essential that guidance be sought as the Authority can be heavily penalised for non-compliance with UK Procurement Legislation.
- 9.2 The Procurement Act 2023 introduced an online system known as the Central Digital Platform.
- 9.3 The central digital platform will enable:
- a) contracting authorities and suppliers to register and receive a unique identifier;
 - b) contracting authorities to publish notices and other information as required under the Act for covered and below-threshold procurements;
 - c) suppliers to submit and store certain core organisational information as required by the regulations to participate in a covered procurement. This information will only be available to those contracting authorities that a supplier chooses to share it with; it cannot be freely accessed.
 - d) anyone to view the notices and access related public procurement data.

- 9.4 Under the Act, procurement notices will be published by all contracting authorities in one place on the central digital platform.
- 9.5 Contracting authorities are required to obtain confirmation of registration and submission of core supplier information on the platform from suppliers who wish to participate in a specific procurement.
- 9.6 Contracting authorities are required to include a unique identifier when publishing notices to the central digital platform.

10. Provider Selection Regime

- 10.1 The Provider Selection Regime will apply specifically when the Authority procures health care services.
- 10.2 A 'health service' is defined in section 275(1) of the National Health Service Act 2006 as the health service, continued under section 1(1) of the 2006 Act. Section 1(1) refers to:
- 10.3 "Comprehensive health service designed to secure improvement in the physical and mental health of the people of England, and in the prevention, diagnosis and treatment of physical and mental illness."
- 10.4 When applying the PSR regime the Authority must act with a view to all of the following:
- securing the needs of the people who use the services;
 - improving the quality of the services; and
 - improving efficiency in the provision of the services.
- 10.5 The Head of Commercial Services in consultation with the Head of Law and Monitoring Officer shall determine which contracts are subject to the PSR regime.
- 10.6 The Head of Commercial Services in consultation with the Head of Law and Monitoring Officer shall determine the most appropriate award process for contracts which are subject to the PSR regime.
- 10.7 The Head of Law and Monitoring Officer shall keep records of all decisions made in relation to contract awards pursuant to the PSR regime.
- 10.8 Guidance and flow charts are set out in appendix 4 in relation to the PSR regime.

11. Framework Agreements

- 11.1 A framework agreement is an overarching agreement or arrangement between one or more contracting authorities (contracting authorities include local authorities, fire authorities, police authorities, government bodies etc.) and one or more contractors. The framework agreement sets out the terms and conditions for any subsequent specific call-offs (i.e. individual orders for supplies, services or works placed under that framework) made by the contracting authority during the term of that agreement or arrangement. The overarching framework agreement or arrangement itself may or may not create any binding obligations (such as any exclusivity obligations, or whether to buy or supply or not to buy or supply) on either or both parties.
- 11.2 Where a framework agreement has an estimated maximum contract value over its lifetime above the relevant UK threshold prevailing from time to time, the procurement and award of the framework agreement will be subject to UK procurement rules, and the duration of the framework must not exceed four years for a closed framework (unless there are exceptional circumstances) or 8 years for an open framework as outlined in Section 47 of the Procurement Act 2023.
- 11.3 Where a framework agreement has been identified by Procurement, the Directors of Service can authorise the use of these frameworks in consultation with the Head of Commercial Services.
- 11.4 The framework agreement should set out clear price structure and the call-off award criteria applicable to future call-offs. Where the pricing or terms of future call-offs are not precise or complete enough when the framework agreement is set up, a mini-tendering process should be held with those framework contractors who are capable of meeting the particular requirements of the relevant call-off (i.e. not necessarily every provider under the relevant framework), using the call-off contract award criteria previously set out when the framework was first set up.
- 11.5 Section 45 of the Procurement Act 2023 states:
- (1) A contracting authority may award a public contract in accordance with a framework.

- (2) A framework” is a contract between a contracting authority and one or more suppliers that provides for the future award of contracts by a contracting authority to the supplier or suppliers.
- (3) Unless subsection (4) applies, a framework may only provide for the future award of a public contract following a competitive selection process.
- (4) A framework may provide for the future award of a public contract without competition between suppliers.
 - (a) in circumstances where only one supplier is party to the framework, or
 - (b) if the framework sets out.
 - (i) the core terms of the public contract, and
 - (ii) an objective mechanism for supplier selection.
- (5) A framework must include the following information—
 - (a) a description of goods, services or works to be provided under contracts awarded in accordance with the framework;
 - (b) the price payable, or mechanism for determining the price payable, under such contracts;
 - (c) the estimated value of the framework;
 - (d) any selection process to be applied on the award of contracts;
 - (e) the term of the framework;

11.6 Sufficient time is to be allowed for the return of bids for the relevant call-off, taking into account the complexity of the call-off. The weighting of applicable award criteria (based on those set out in the framework) to be used in the mini- tendering can vary to reflect the requirements of the particular call off.

12. Submission, Registration and Opening of Quotations (see also Contract Standing Order 8)

- 12.1 A quotation is defined as a written priced offer provided to the Authority for the supply of goods, works and/or services.
- 12.2 For quotations up to the value of £10,000 the relevant Director of Service must make appropriate arrangements for their receipt and recording. Arrangements should include a specified period of time during which quotations will be received for the procurement of specific works/services.
- 12.3 Quotations received verbally must be confirmed in writing. If the quotation is under £10,000 it may be provided on the suppliers' paperwork and be subject to the suppliers' terms and conditions. In such cases, legal advice should be sought.
- 12.4 A record of quotations received and considered must be retained.
- 12.5 All quotations between £10,001 and £50,000 in value must be returned through the Authority's electronic contracts management system.

13. Submission, Registration and Opening of Tenders (see also Contract Standing Order 8)

- 13.1 A tender is defined as a supplier's written, priced offer (made in a form prescribed by the Authority) in response to a specific invitation for tendering by the Authority for the supply of goods, works and/or services as described in the specification prepared by the Authority. Other than in exceptional circumstances (as determined by the Head of Law and Monitoring Officer) the tender must be submitted in an electronic format via the Authority's electronic management system.
- 13.2 Invitations to tender shall state that no tender will be received unless it is:
 - (a) in an electronic tender time-box specifically set up for the purpose: and
 - (b) submitted by the time and date specified in the Invitation to Tender as being the last time and date for the receipt of tenders.
- 13.3 The Procurement Manager or nominated officer will open electronic tenders.

- 13.4 The Authority's electronic tendering system does not allow for Tenders to be received after the date and time indicated for the receipt of tenders.
- 13.5 Only the Procurement Manager or nominated officer can exclude a tender from the process if that tender does not comply either with these Contract Standing Orders or the tendering instructions.

14. Errors in Tenders

- 14.1 Where the Construction Industry Board Code of Practice applies then errors in tenders will be dealt with in accordance with that code. In all other cases errors in tenders shall be dealt with in one of the following two ways:
- (a) The tenderer shall be given details in writing of the error(s) found during the examination of the tender and shall be given the opportunity of confirming in writing without amendment or withdrawing a tender; or
 - (b) Amending the tender to correct genuine arithmetic errors provided that in this case, apart from these genuine arithmetic errors, no other adjustment, revision, or qualification is permitted.
- 14.2 Invitations to tender must state which method will be used for dealing with errors in tenders.

15. Tender Evaluation (see also Standing Order 16, 17 and 18)

- 15.1 Tenders that are subject to the Procurement Act 2023 will be evaluated in accordance with the relevant Regulations and the evaluation criteria will be clearly set out in any invitation to tender.
- 15.2 All other tenders, except those where lowest price is predetermined to be the appropriate criteria, will be evaluated on criteria predetermined in consultation with the Head of Commercial Services. Such criteria will include considerations of quality as well as price and will aim to secure a contract that is the most advantageous to the Authority.
- 15.3 The evaluation criteria must be suitably defined in any tender process, including any weighting to be applied. Such criteria must be strictly observed at all times by those involved in the tender evaluation.

- 15.4 For each contract that involves an evaluation process, the relevant Director of Service must form an evaluation team with responsibility for carrying out the evaluation process. Representatives of other service areas (where necessary) will be included in the evaluation team. The Procurement Team will moderate the evaluation meeting.
- 15.5 An assessment summary recording the outcome of the evaluation process must be completed and confirmed as a true record by all those involved in the evaluation and retained.

16. Conflict of Interests (see sections 81, 82 and 83 of the Procurement Act 2023)

- 16.1. Conflict of interest forms must be completed by all members of the evaluation team and any officer involved in the drafting of the tender documents. Where an officer declares a conflict of interest, they may be removed from the procurement process. The Procurement Team will prepare a conflict assessment to ensure that conflicts have been reviewed as necessary.
- 16.2. The Procurement Team shall exclude any supplier from a procurement where a conflict of interest puts the supplier at an unfair advantage and if steps cannot be taken to avoid that advantage.

17. Acceptance of Tenders/Quotations

- 17.1. Authority to accept tenders/quotations lies with the relevant Director of Service in accordance with the Authority's Officer Delegation Scheme and subject to compliance with the general provisions of these Contract Standing Orders and specifically where:
- (a) The tender to be accepted is the lowest in price where payment is to be made by the Authority and where price has been the predetermined criteria;
 - (b) The tender to be accepted is the highest where payment is to be received by the Authority and where price has been the predetermined criteria;
 - (c) The tender is identified as the most advantageous by virtue of the predetermined evaluation criteria; or
 - (d) The tender is identified as the most suitable tender according to any evaluation criteria required under relevant the Procurement Act 2023.

- 17.2. The provisions for the waiving of Contract Standing Orders to accept a tender/quotation that does not comply with this Standing Order are set out in Standing Order 3.
- 17.3. Subject to Contract Standing Order 15(2) above, if after evaluation the tender/quotation is within the relevant budget provision then:
- (a) In the case of a tender, the relevant Director of Service may authorise the acceptance of the tender on behalf of the Authority, such acceptance to be notified in writing to the successful tenderer; or
 - (b) In the case of a quotation up to the value of £50,000, the relevant budget holder may accept the quotation by issuing an Official Order.
 - (c) An electronic order, or purchasing card, may be used to accept a quotation, in accordance with the systems procedures and controls in place relating to their use.
 - (d) Notwithstanding the above, the Assistant Chief Executive/ relevant Director of Service where appropriate must, prior to the Authority entering into any contract, consult with the Director of Resources to establish the need to undertake any evaluation of the financial standing of the firm to whom it is proposed to award the contract. Where the contract value exceeds £250,000 the Director of Resources will carry out a detailed financial appraisal of the proposed contractor.

18. Exclusion and Debarment (Section 57–66 of the Procurement Act 2023)

- 18.1. Bidders invited to participate or those bidders that have submitted bids for tenders will be reviewed against the Debarment List prior to awarding the contract.
- 18.2. An individual assessment will be made on whether the bidder must be excluded on a mandatory basis or could be excluded on a discretionary basis.
- 18.3. All decisions made in relation to exclusion & debarment are to be taken by an officer in the Procurement Team. Any questions to be resolved by the Procurement Manager or Head of Service.

- 18.4. If the Authority decides to exclude a supplier from a procurement in accordance with the PA23, this will be notified to the supplier and may result in the supplier's name being included on the publicly available Debarment List.

19. Bonds, Guarantees and Insurance

- 19.1. For contracts above £100,000, the evaluation team shall consider whether a performance bond and/or a parent company guarantee (if applicable) shall be required from the preferred contractor.
- 19.2. The Service Area Lead, where appropriate in consultation with other relevant officers specialising in finance and insurance, shall consider the appropriate type (employer liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract.
- 19.3. Where a framework is established, preferred providers will be notified if due to their financial standing a bond is required, bonds will only be put in place when works are called off under the framework, the level of bond will be agreed due to the value of the goods/works and/or services and the financial standing of the tenderer.

20. Contract Modifications

- 20.1. Modifications relate to the content of the contract and are subject to the following:
- (a) All modifications must be in the form of written instructions to the contractor. The likely cost effect of each modification should be assessed prior to the issue of the instruction. In cases where this would cause serious disruption to the contract, or where immediate action is necessary to prevent danger or damage, the instruction may be issued without prior costing, but in such cases this costing must be completed within twenty working days of the instruction being issued.
 - (b) Wherever a modification to a contract is such that without it the contract cannot be properly completed in accordance with the original design, with a performance standard required by the original design, then it is an essential modification.
- 20.2. The relevant Director of Service may authorise variations on contracts up to 10% of the value of the contract for goods and services and 15% for works contracts. The relevant Director of Service may extend a contract up to 10% of the contract term. Should any variation or extension exceed this, the legal and procurement team must be

consulted to ensure the variation/extension is lawful. Any additional costs resulting from the variations should be set against accrued savings elsewhere in the contract or other funding for the essential variation must be identified. Where a variation is likely to cause the authorised amount of the contract to be exceeded, the relevant Director of Service shall seek the necessary approval set out in Financial Regulations prior to issuing the variation. Variations must also comply with the provisions of the Officer Delegation Scheme, Contract Standing Orders and Financial Regulations. The Procurement Team shall be responsible for placing the required notices in accordance with section 75/76 and 77, and schedule 8 of the Procurement Act 2023

21. Nominated Sub-Contractors or Suppliers

- 21.1. This Standing Order applies where a sub-contractor or a supplier is to be nominated by the Authority to a main contractor.
- 21.2. Nominated sub-contractors or suppliers are defined as those persons specified in a main contract for the discharge of any part of that contract.
- 21.3. Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is less than £10,000 the Budget Manager must invite a minimum of one written quotation. If oral quotations are received, they must be confirmed in writing.
- 21.4. Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is between £10,001 and £50,000 then quotations must be invited in accordance with Standing Order 8(2).
- 21.5. Where the estimated amount of the sub-contract or the estimated value of goods or materials to be supplied by a nominated supplier is £50,000 or more then tenders must be invited in accordance with Standing Order 8(4).
- 21.6. The terms of any invitation for nominated sub-contractor suppliers must require that, if selected, the firms would be willing to enter into:
 - (a) A contract with the main contractor on terms which indemnify the main contractor against the main contractor's own obligations under the main contract in relation to the work or goods and materials included in the sub-contract; and

- (b) An agreement to indemnify the Authority in such terms as may be prescribed.

21.7. The relevant Director of Service must nominate to the main contractor the organisation whose tender or quotation in his/her opinion is the most advantageous, provided that, where the tender is other than the lowest received, the Head of Law and Monitoring Officer/Director of Service must submit a report for the agreement of the Head of Law and Monitoring Officer and the Director of Resources. In the absence of agreement, the matter may be referred to the Chief Executive for decision.

22. Written Contracts (see also Contract Standing Order 23)

22.1. A purchase order is required for all purchases under £10,000.

22.2. All contracts between £10,001 and £50,000 shall be in writing and signed by the relevant Director of Service to whom authority is given by the delegation scheme to enter into such contracts.

22.3. Every contract with a value between £50,001 and £100,000 shall be in writing and signed by the Head of Law and Monitoring Officer or their authorised representatives.

22.4. All contracts valued in excess of £100,000 will be under seal or signed as a deed.

22.5. Every contract for the acquisition or disposal of an interest in land is to be in writing and signed by the Head of Law and Monitoring Officer.

22.6. Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Law and Monitoring Officer, Head of Commercial Services and the relevant Director of Service.

22.7. Any extension to a contract shall be agreed in writing by the Chief Executive, Head of Law and Monitoring Officer or Directors of Service

23. Contents of Contracts

23.1. All contracts shall contain terms and conditions that shall be approved by the Head of Law and Monitoring Officer in consultation with the Head of Commercial Services. All contracts exceeding £50,000 in value will be in a form to be approved by the Head of Law and Monitoring Officer.

23.2. The relevant Director of Service must ensure that:

(a) Every contract must set out:

23.2.a.1. The work, goods, services, materials, matters or things to be carried out or supplied;

23.2.a.2. The price to be paid and, or the amounts in frequency or the method of calculation of contract payments with a statement of discounts or other deductions;

23.2.a.3. The time(s) within which the contract is to be performed; and

23.2.a.4. Such other matters referred to in this Standing Order or as may be agreed between the parties.

(b) Cancellation: Every contract must state that if the organisation fails to comply with its contractual obligations in whole or in part, the Authority may:

i) Cancel all or part of the contract;

ii) Complete the contract;

iii) Recover from the organisation any additional costs in completing the contract;

iv) Take other legal action against the organisation.

(c) Liquidated Damages: Unless the Head of Law and Monitoring Officer and the relevant Director of Service consider it to be unnecessary or impractical, every contract must provide that:

i) Liquidated damages must be paid by the contractor if it fails to comply with the terms of the contract;

- ii) Where under any contract; one or more sums of money are to be received by the Authority, the contractor responsible for the payment of such sum or sums must pay interest at the rate stated in the contract from the date when payment is due until the date when payment is received;

- iii) Statutory Obligations:

23.2.c.3.1. Each contract must provide that, in the performance of the contract, a contractor must not act incompatibly with the rights contained within the European Convention on Human Rights as enacted by the Human Rights Act 1998 or within the meaning and scope of any law, enactment, order or regulation relating to discrimination in accordance with the Equality Act 2010.

23.2.c.3.2. The contractor must provide any information reasonably requested relating to the performance of the contract to ensure that the Authority meets its statutory obligations under the Equality Act 2010 and in relation to the Transfer of Undertakings (Protection of Employment) Regulations 2006; and in relation to Best Value or such other information required by the Authority as is required to ensure compliance with its statutory obligations.

- iv) In the performance of the contract, the contractor must comply with the requirement of the Health and Safety at Work etc Act 1974 (and any amendments) and of any other relevant Acts, Regulations, Orders or Rules of Law pertaining to health and safety.

- v) Sub-Contract Obligations:

- a. The contractor must not sub-contract the works or any part of the works, without the prior written consent of the relevant Director of Service who will take advice from the Head of Law and Monitoring Officer where appropriate.
- b. Without prejudice and subject to any other condition of the contract, no sub-letting by the contractor will relieve the contractor of its liability to the Authority for the proper performance of the contract.

- c. The contractor is responsible to the Authority for the proper performance and observance by all sub-contractors of all the contractors' obligations under the contract as references in the contract to "the contractor" were references to the sub-contractors. Failure or neglect by a sub-contractor is deemed to be failure or neglect by the contractor.
- vi) Assignment: The contractor is prohibited from transferring or assigning directly or indirectly to any person or persons whatsoever any part of its contract, without the prior written consent of the relevant Director of Service, following consultation with the Head of Law and Monitoring Officer, and the Director of Resources.
- vii) Standards: All goods, materials, services, or work must comply with any appropriate European Union Specification (or equivalent) or Code of Practice or British Standards Specification or British Standard Code of Practice or European Union equivalents in force at the date of tender/quotation.
- viii) Bribery and Corruption: The Authority is entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor or its employees or agents (with or without its knowledge):
 - (i) does anything improper to influence the Authority to give the contractor any contract;
 - (ii) commits an offence under the Prevention of The Bribery Act 2010 or under Section 117(2) of the Local Government Act 1972.
- ix) Deductions from amounts due: Contracts shall provide that whenever under the contract any sum of money is recoverable from or payable by the contractor, this sum may be deducted from any sum due or which at any time may become due to the contractor under this or any other contract with the Authority. Exercise by the Authority of its rights under this clause is without prejudice to any other rights or remedies available to the Authority under the contract.
- x) Insurances: The contractor must be required to provide evidence of adequate insurance as reasonably required, relevant and proportionate to the contract subject matter.

- xi) Non-fetter of power and discretion: The Contract shall provide that nothing contained in the Contract shall fetter prejudice, restrict, interfere with or otherwise affect any of the statutory or any other discretionary rights, powers, obligations and/or duties for the time being vested in the Authority of the Borough of North Tyneside ("the Authority") howsoever as a local authority or the performance by the Authority of any such obligations or duties or the means by which the Authority shall in its absolute discretion exercise its rights or powers or fulfil or discharge any such obligations or duties.

23.3. Any standard terms and conditions of contracts submitted by contractors shall not be accepted without advice from the Head of Law and Monitoring Officer. Proposed payment arrangements under a contract must be discussed with and agreed by the Director of Resources in advance of any contract being entered into.

23.4. No term or condition of any contract, whether submitted by contractors or otherwise, shall be agreed which requires or purports to require non-disclosure by the Authority of any information contained within or arising from the contract, or the performance of the contract, without the prior agreement of the Data Protection Officer.

24. Retention of Documents

24.1. Other than in the case of circumstances set out below, all documents relating to contracts that have been subject to a procurement exercise must be retained for a minimum of 6 years from the expiry of the contract. Such documents include all those relating to the pre-tender stage, validation of tenders, evaluation process and contract award and monitoring.

24.2. Documents relating to any contracts under seal or signed as a deed must be retained for a minimum of 12 years.

24.3. Documents relating to building contracts must be retained for 15 years following the completion of works.

25. Joint Procurement

- 25.1. Any joint procurement arrangements with other local authorities or public bodies, including membership or use of purchasing consortia, will be undertaken in accordance with the principles set out in these Contract Standing Orders and/or the Contract Standing Orders of the lead authority or lead public body.

26. Procurement by Consultants/Agents

- 26.1. Any consultants/agents used by the Authority shall be appointed in accordance with these Contract Standing Orders. Where the Authority uses consultants/agents to act on its behalf in relation to any procurement, then the relevant Director of Service shall ensure that the consultants/agents carry out any procurement in accordance with these Contract Standing Orders. No consultant/agent shall make any decision on whether to award a contract or to whom a contract should be awarded. The relevant Director of Service shall ensure that the consultant's/agent's performance is monitored.

27. Bidder Concerns

- 27.1. Where a bidder raises concerns with the procurement process, the Head of Commercial Services, Head of Law and Monitoring Officer or the Director of Resources shall review the process undertaken. This review shall be limited to confirming that a fair, open and transparent process was followed.

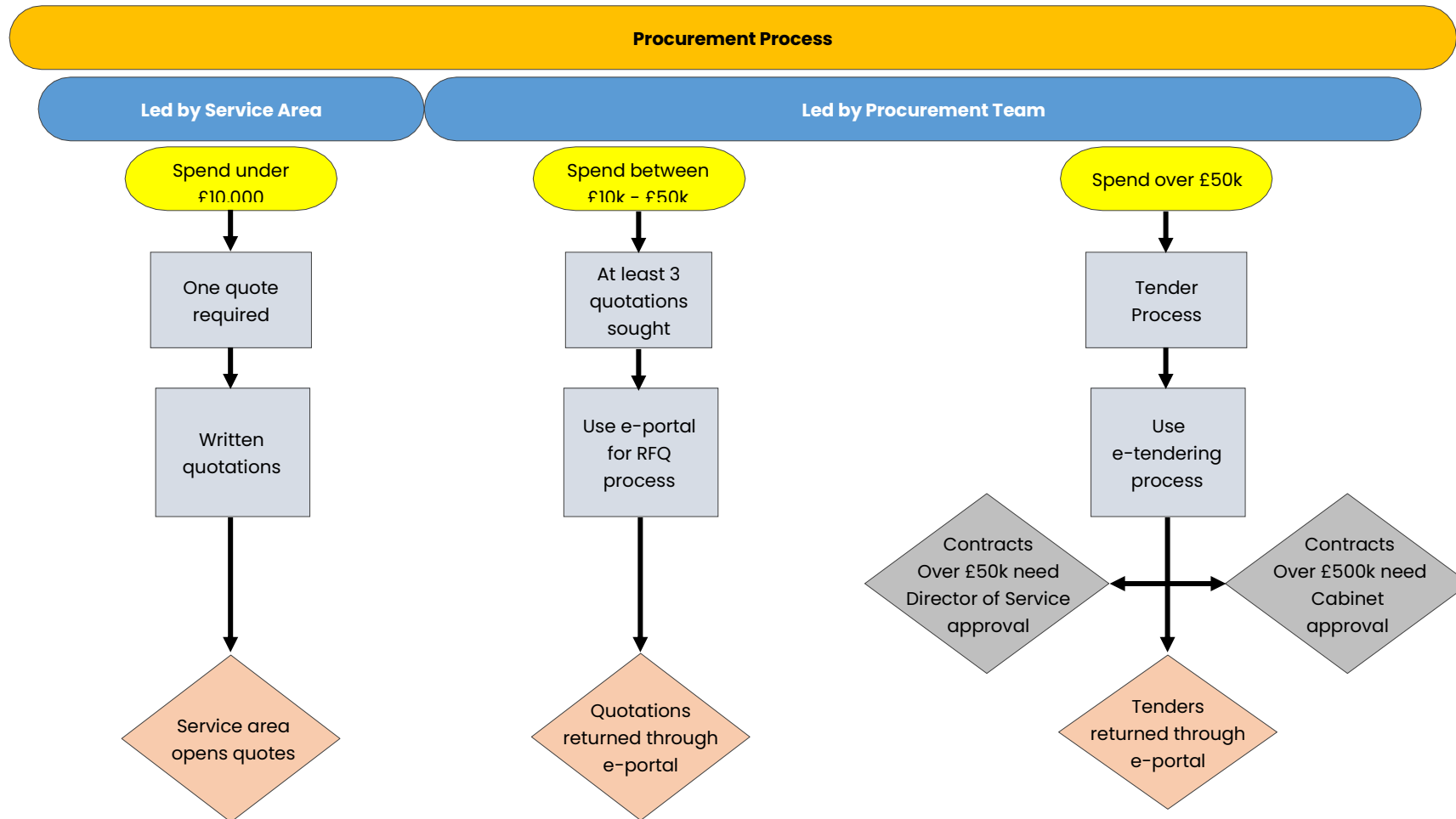
Appendix 1 – Tendering Procedures

1. Tendering Procedures under Contract Standing Order 8
 - 1.1 The procedures set out in this Appendix apply to contracts with an estimated value of £50,000 or over or if the Head of Law and Monitoring Officer considers that a call off under an established framework arrangement as described in Standing Order 10 is inappropriate.
 - 1.2 There are three main procurement procedures to award a public contract, 'Open Procedure', 'Competitive Flexible Procedure', 'Direct Award' and 'Dynamic Markets'.
2. The Open Procedure:
 - 2.1 Under this procedure, all interested economic operators who meet the conditions of participation may tender. This procedure has been referred to as "one stage" tendering in that the assessment of tenderers, their conditions of participation for the contract, and the assessment of the bids they submitted take place at the same time.
 - 2.2 Public Notice must be given on the Authority's website and electronic tendering system and may, where appropriate, be published in one or more newspapers or journals circulating among organisations who undertake such contracts. Public Notice must be given in the Central Digital Platform, if the estimated contract value exceeds the prevailing UK threshold for supplies, services or works as the case may be.
 - 2.3 All organisations expressing an interest are invited to tender.
3. Competitive Flexible Procedure:
 - 3.1 In contrast to an open procedure, a competitive flexible procedure will be multi-staged and therefore contracting authorities can (under section 20(4)(a) of the Procurement Act 2023) limit the number of suppliers participating in a procurement or progressing to the next stage. The process of limiting the number of suppliers (following submission of a request to participate) by assessing conditions of participation and/or any other objective criteria set out in the tender notice or associated tender documents is referred to as the 'participation stage'.

- 32 The competitive flexible procedure allows the contracting authority the freedom to design its own procedure. The contracting authority may choose to incorporate numerous processes into the procedure, such as negotiation, dialogue, or a demonstration stage. 'Dialogue' refers to a discussion between the contracting authority and suppliers about any aspect of the procurement. 'Negotiation' is the discussion between the contracting authority and a supplier with a view to improving the content of tenders.
- 33 The tender notice must set out how the competitive flexible procedure is to be carried out. For example, if the intention is to limit the number of suppliers generally or in respect of particular tendering rounds or other selection processes, the criteria by which those suppliers will be chosen must be in the tender notice or, if the procedure is to include negotiation, that must be stated. Associated tender documents may be provided to supplement the tender notice, which will give more detail regarding the procurement.
4. Direct Award:
- 4.1 Direct award is when a public contract is awarded without a competitive tendering procedure and the public contract is placed directly with the supplier of the contracting authority's choosing.
- 4.2 Under the Procurement Act 2023 (Act), a transparency notice must be published before a contract is directly awarded. The function of the transparency notice is to inform stakeholders that a contracting authority intends to directly award a contract and ensure that there is transparency relating to this decision. It provides an opportunity for interested parties to consider the justification for direct award.
- 4.3 There are limited circumstances in which a contracting authority is permitted to award a public contract to a supplier without first running a competitive tendering procedure. These are provided for in section 41 of the Procurement Act 2023 and referred to as 'direct award justifications'. Schedule 5 of the Procurement Act 2023 sets out the direct award justifications. They are as follows:
- (a) Prototypes and development;
 - (b) Single suppliers;
 - (c) Additional or repeat goods, services or works;
 - (d) Commodities;
 - (e) Advantageous terms on insolvency;

- (f) Urgency;
 - (g) User choice contracts;
5. Dynamic Markets (DMs)
- 5.1 DMs have been introduced under the Procurement Act 2023. A DM functions as a standalone qualification tool, which creates a pre-qualified pool of suppliers, that meet the specified conditions for membership for that particular DM (or part of it).
 - 5.2 The Authority is permitted to award an Above Threshold contract by reference to suppliers' participation in an appropriate DM when using the competitive flexible procedure. By doing so, the Authority limits participation in the procurement procedure to members of that specific DM. As a DM is only relevant when awarding a contract using a competitive flexible procedure, the contract must be awarded by way of competitive tender. A DM can only be used for the award of an Above Threshold contract.
 - 5.3 The Procurement Team must be consulted prior to setting up a DM or seeking to procure a contract by reference to a DM.
6. Dynamic Purchasing Systems (DPS)
- 6.1 DPSs were introduced by the Public Contracts Regulations 2015 (PCR2015). Any DPS established under the PCR2015 must come to an end as set out when they were established, or by 23 February 2029 whichever is earlier.
 - 6.2 From the Commencement Date of the Procurement Act 2023, a new DPS cannot be formed but current contracts awarded under existing DPSs will continue until their expiry. The Procurement Team must be consulted prior to using a DPS.

Appendix 2 – Procurement Process Flowchart



This flowchart represents a summary of Authority Standing Orders with respect to Contracts. The diagram is designed to assist officers in understanding the contract process but is not a comprehensive model. If in doubt reference should be made to full Contract Standing Orders – or advice sought from the Procurement Team.

Appendix 3 – Threshold Bands Chart

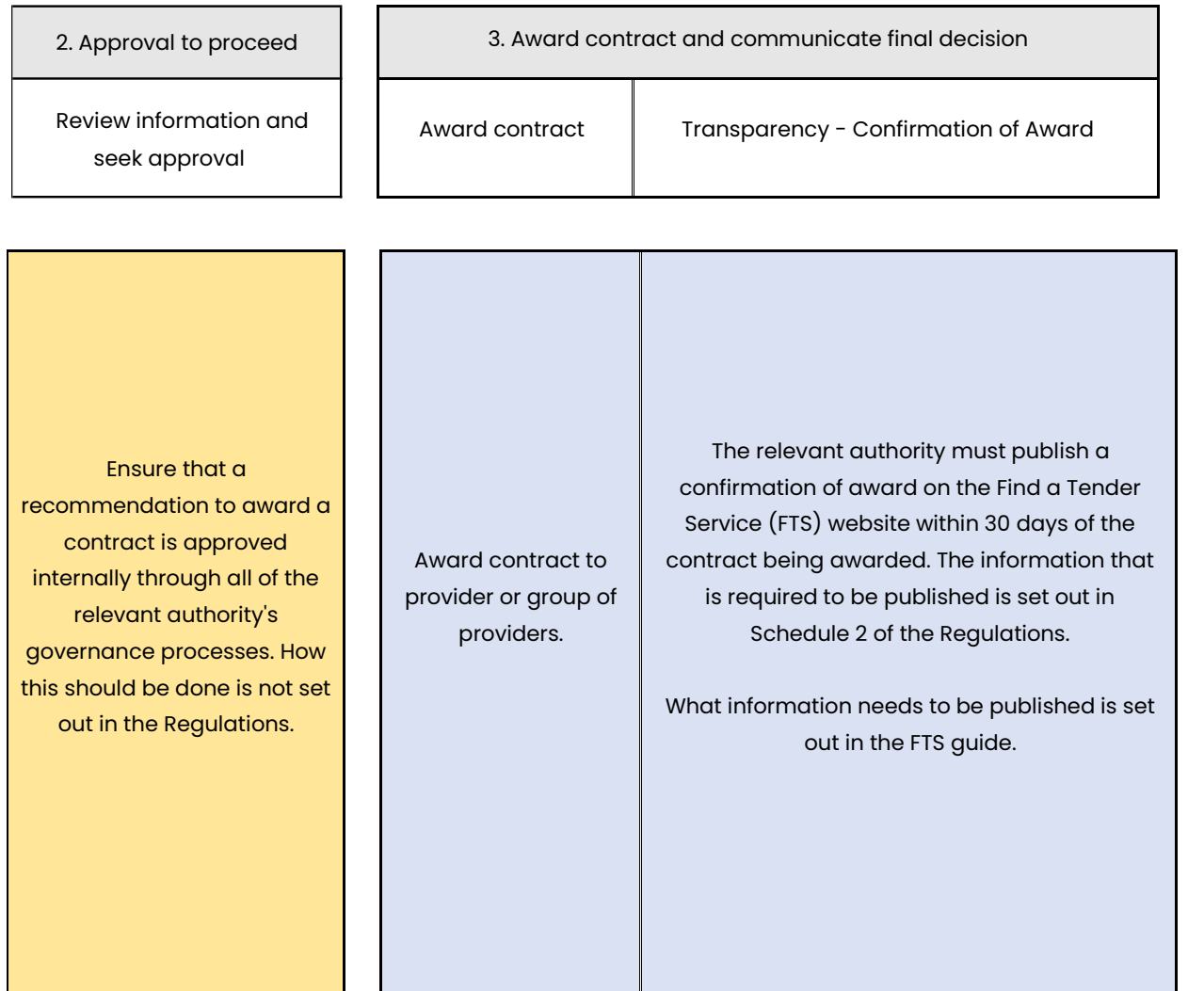
Banding Threshold	Number of tenders / quotations to be sought	Minimum number of quotations to be returned	Records required	Method of invitation	Responsible
Up to £10,000	1	1	Written record if possible	Verbal or written quotation	Head of Law and Monitoring Officer or Director of Service
£10,000 to £50,000	At least 3 where possible including 1 local where appropriate. Unless agreed in advance by Procurement Team	1	Written Record	Use of E Tendering System	Procurement Team
Over £50,000	Tender exercise		Written Record	E Tendering System	Procurement Team

Where there are existing Authority framework contracts mini competitions can be undertaken by the Service Areas via the e- tendering portal, following instruction and relevant training from the Procurement Team.

Appendix 4 – Provider Selection Regime Toolkit

<div> <div>PROVIDER SELECTION REGIME TOOLKIT</div> <div>Direct Award Process A – PROCESS MAP</div> </div>				
Circumstance description	1. Planning phase			
Direct award process A	Conflict of interest management established	Scope	Is this provider selection process appropriate?	Make a decision and keep records
<p>Direct award process A</p> <p>There is an existing provider for the services and that provider is the only capable provider.</p>	<p>Ensure conflicts of interests (Col) are managed in line with Regulation 21 and with the RA's wider Col policy.</p>	<p>Ensure that the service being arranged is in scope of the PSR i.e. that the services are health care services or can be procured under the PSR as a mixed procurement as set out in Regulation 3.</p>	<p>This process must be used when the type of service means that the services are capable of being provided only by the existing provider due to the nature of those services.</p> <p>Questions to consider:</p> <ul style="list-style-type: none"> • Is there an existing provider or group of providers? • Does the nature of the service mean that there is no realistic alternative to the current provider or group of providers? <p>Direct award process A must not be used:</p> <ul style="list-style-type: none"> • to award a (new) contract for a newly established service • to conclude a framework agreement or to award a contract based on a framework agreement. 	<p>Relevant authorities must make and keep clear records detailing their decision-making process and rationale for direct award process A, as set out in the Regulations.</p> <p>The information that should be recorded is outlined in Tab 3.</p>

Direct Award Process A – PROCESS MAP



Direct Award Process B – PROCESS MAP

Circumstance description	1. Planning phase			
Direct award process B	Conflict of interest management established	Scope	Is this provider selection process appropriate?	Make a decision and keep records
<p>Direct award process B</p> <p>Where patients have a choice of providers and the number of providers is not restricted by the relevant authority.</p>	<p>Ensure conflicts of interests (Col) are managed in line with Regulation 21 and with the RA's wider Col policy.</p>	<p>Ensure that the service being arranged is in scope of the PSR i.e. that the services are health care services or can be procured under the PSR as a mixed procurement as set out in Regulation 3.</p>	<p>This process must be used when patients have a choice of providers and the number of providers is not restricted by the relevant authority.</p> <p>Questions to consider:</p> <ul style="list-style-type: none"> • Do patients have a choice of providers that is not restricted by the relevant authority (i.e. no provider selection is taking place)? • Are there arrangements in place to enable providers to express an interest in providing the services? • Does the provider meet all requirements in relation to the provision of the health care services to patients? <p>Direct award process B cannot be used:</p> <ul style="list-style-type: none"> • to conclude a framework agreement or to award a contract based on a framework agreement • to establish a pool of providers where there is a limited number of providers available <p>Relevant authorities must consider the exclusions in Regulation 20 and apply as appropriate.</p>	<p>Relevant authorities must make and keep clear records detailing their decision-making process and rationale for direct award process B, as set out in the Regulations.</p> <p>An example of how to record evidence, and what information to record, is outlined in Tab 3</p>

Direct Award Process B – PROCESS MAP

2. Approval to proceed	3. Award contract and communicate final decision	
Review information and seek approval	Award contract	Transparency – Confirmation of Award
<p>Ensure that a recommendation to award a contract is approved internally through all of the relevant authority's governance processes. How this should be done is not set out in the Regulations.</p>	<p>Award contract to provider or group of providers.</p>	<p>The relevant authority must publish a confirmation of award on the Find a Tender Service (FTS) website within 30 days of the contract being awarded. The information that is required to be published is set out in Schedule 2 of the Regulations.</p>

Direct Award Process C – PROCESS MAP

Circumstance description	1. Planning phase		
Direct award process C	Conflict of interest management established	Scope	Is this provider selection process appropriate?
<p>Direct award process C</p> <p>The existing provider is satisfying the existing contract and likely to satisfy the new contract, and the proposed contracting arrangements are not changing considerably from the existing contract.</p>	<p>Ensure conflicts of interests (Col) are managed in line with Regulation 21 and with the RA's wider Col policy.</p>	<p>Ensure that the services being arranged are in scope of the PSR i.e. that the services are health care services or can be arranged under the PSR as part of a mixed procurement as set out in Regulation 3.</p>	<p>Direct award process C may be used when:</p> <ul style="list-style-type: none"> • the relevant authority is not required to use direct award processes A or B • the term of an existing contract is due to expire and the relevant authority is proposing a new contract to replace that existing contract at the end of its term • the proposed contracting arrangements are not changing considerably from the existing contract • the relevant authority is of the view that the existing provider is satisfying the existing contract to a sufficient standard, according to the detail outlined in the contract, and also taking into account the key criteria and applying the basic selection criteria • the relevant authority is of the view that the existing provider will likely satisfy the proposed contract to a sufficient standard taking into account the key criteria and applying the basic selection criteria <p>direct award process C cannot be used:</p> <ul style="list-style-type: none"> • to conclude a framework agreement or to award a contract based on a framework agreement

Direct Award Process C – PROCESS MAP

1. Planning phase (continued)		2. Establish the existing is doing and can continue to do a good job	
Establish that the proposed contracting arrangements are not changing considerably		Decide on the relative importance of each of the key criteria for the service	Existing provider assessment of performance against the key criteria
<p>The threshold for considerable change is met (and therefore direct award process C cannot be followed) if:</p> <p>a) it renders the proposed contracting arrangements materially different in character to the existing contract when that existing contract was entered into</p> <p>or:</p> <p>b) it meets all the following:</p> <ul style="list-style-type: none"> the change, (to the proposed contracting arrangements as compared with the existing contract), is attributable to a decision made by the relevant authority the lifetime value of the proposed new contract is at least £500,000 higher (i.e., equal to or exceeding £500,000) than the lifetime value of the existing contract when it was entered into the lifetime value of the proposed new contract is at least 25% higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into. 	<p>The considerable change threshold is not met (and direct award process C can be followed) where either:</p> <ul style="list-style-type: none"> The material difference in character from the existing contract applies solely as a result of a change in the identity of the provider due to succession into the position of provider following corporate changes (e.g., takeover, merger) and the value elements of the considerable change threshold are not met. <p>OR</p> <ul style="list-style-type: none"> The proposed contracting arrangements are not materially different in character to the existing contract when that existing contract was entered into, and the following three points all apply: the changes in the relevant health care services to which the proposed contracting arrangements relate (compared with the existing contract) are attributable to a decision of the relevant authority; however, that decision had to be made due to external factors beyond the control of the relevant authority or the provider, such as changes in patient or service user volume or changes in prices in accordance with a formula provided for in the contract document the lifetime value of the proposed contracting arrangement is £500,000 or higher than the lifetime value of the existing contract when it was entered into the lifetime value of the proposed new contract is 25% or higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into). 	<p>The relevant authority must decide on the relative importance of each of the key criteria based on what they are seeking to achieve from the service. All key criteria must be considered.</p> <p>This can be done, for example, through:</p> <ul style="list-style-type: none"> prioritising criteria balancing criteria weighting criteria <p>Example of how to record evidence for the service are in Tab 3.</p>	<p>The relevant authority must be of the view that the existing provider is satisfying the existing contract to a sufficient standard. They may do this by assessing the performance of the provider against any key performance indicators and by taking into account the key criteria and applying the basic selection criteria.</p> <p>The relevant authority must also be of the view that the existing provider will likely satisfy the proposed contract to a sufficient standard taking into account the key criteria and applying the basic selection criteria.</p> <p>Relevant authorities must document how the provider has been assessed against the key criteria.</p> <p>An example of how to record evidence for the provider assessment are in Tab 3.</p>

Direct Award Process C – PROCESS MAP

3. Make a decision, keep records, and seek approval to proceed		4. Notify the market		
Make recommendation to award to incumbent provider	Review information and seek approval	Transparency – Intention to Award Notice	Observe the standstill period and review decisions	Review by the PSR review panel
Based on the assessment and the evidence collected, the relevant authority must confirm that a contract can be awarded under direct award process C.	Ensure that a recommendation to award a contract is approved internally through all of the relevant authority's governance processes. How this should be done is not set out in the Regulations.	<p>The relevant authority must publish an intention to award notice on the Find a Tender Service (FTS) website. The information that is required to be published is set out in Schedule 3 of the Regulations.</p> <p>Publication of the intention to award a contract notice triggers the start of the standstill period, which must be observed by the relevant authority (see next step).</p> <p>Relevant authorities can use the FTS guide to help them fill in the correct forms on FTS.</p> <p>Example of how to record Decision Making evidence is in Tab 4.</p>	<p>The standstill period begins on the day after the notice of intention to award or conclude is published. A written representation can be made before midnight at the end of the eighth working day after the day the standstill period begins.</p> <p>If no representations are received before midnight at the end of the eighth working day after the day the standstill period begins, then the standstill period can come to an end and the relevant authority can proceed to award the contract.</p> <p>If a representation is received before midnight at the end of the eighth working day after the day the standstill period begins, the standstill period continues until the relevant authority has completed a review of their initial decision, communicated their findings and further decision to the provider, and concluded it is ready to award the contract or that it wishes to return to an earlier step in the process, or abandon the process.</p> <ul style="list-style-type: none"> If a representation is received, the relevant authority must communicate the decision described in the step above promptly, in writing, with reasons, and in any event they must give five working days' notice before the end of the standstill period, to: <ul style="list-style-type: none"> the provider that made the representation, the provider to which the relevant authority intended at the beginning of the standstill period to award the contract, or all providers with which the relevant authority intended at the beginning of the standstill period to conclude the framework agreement. <p>Detailed information about how to deal with representations can be found in the statutory guidance.</p>	<p>Where:</p> <ul style="list-style-type: none"> the relevant authority decided to continue with the award of the contract to the selected provider communicated this decision to the provider that raised representations the provider remained unsatisfied about the response given by a relevant authority to their representations <p>then that provider may seek the involvement of the Independent Patient Choice and Procurement Panel (the panel).</p> <p>If the provider submits a request for advice from the panel, the relevant authority will be notified, and the relevant authority should (unless in exceptional circumstances):</p> <ul style="list-style-type: none"> keep the standstill period open for the duration of the panel's review make a further decision once it has considered the independent expert advice of the panel. <p>The relevant authority may choose to proceed with the contract award to their selected provider, return to an earlier step in the process, or abandon the process</p> <p>Detailed information about how to deal with representations can be found in the statutory.</p>

Direct Award Process C – PROCESS MAP

5. Award contract and communicate final decision	
Award contract	Transparency – Confirmation of Award Notice

<p>Award contract to provider or group of providers (if this was the decision following the standstill period).</p>	<p>The relevant authority must publish a confirmation of award on the Find a Tender Service (FTS) website within 30 days of the contract being awarded. The information that is required to be published is set out in Schedule 4 of the Regulations.</p> <p>What information needs to be published is also set out in Tab 4.</p>
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