



Office of the  
Police and Crime  
Commissioner  
for Warwickshire



Warwickshire  
**POLICE**

# Joint Corporate Governance Framework 2024-2025

## Contract Regulations

<b>Report Author</b>	Polly Reed, PCC Chief Executive
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<b>Disclosable under Freedom of Information Act?</b>	Yes

# 1. Introduction

Contract Regulations apply to all types of contract including the awarding of orders and contracts for goods and services, employing outside consultants and disposing of assets (other than land) and spending grant income received from a third party. The Contract Regulations must be followed for all contracts with outside bodies regardless of how the expenditure is funded.

A contract is any agreement to provide or receive goods, works or services in exchange for payment. All contracts should be concluded in writing and employees should avoid giving verbal commitments to suppliers as this can constitute a contract. Procurement legislation covers contracts for services, works and supplies. This includes contracts for the provision of works (including design and execution of works), for the purchase, lease rental or hire of products (including installation) and for the provision of services generally, (subject to exemptions and relaxations for specific types of service activity that procurement can advise upon).

The terms and conditions to be applied to the contract provide clarity and protection to the parties, and the specification of the requirement should be clearly understood by both parties and documented. The form and complexity of the terms and conditions are likely to depend on the extent of cost, risk and complexity of the goods or services to be supplied.

The purpose of Contract Regulations is to promote good procurement practice, public accountability, deter corruption and provide protection for the PCC, force and their employees against allegations of impropriety. These Contract Regulations set out and explain the minimum requirements when contracting for goods, services and works. Prior to commencing a procurement /sale /contracting process employees should ensure that they have the authority to do so. Failure to do so may result in delay and/or the cancelling of procurement activity. Employees should check with Procurement if they are unsure of their authority.

All employees engaged in contracting and procurement activities, shall make every effort to ensure that the approach:

- Achieves value for money
- Is consistent with the highest standards of integrity
- Generates market competition through transparency, fairness and consistency
- Complies with legal requirements
- Supports and complies with the PCC's and force's corporate aims and policies; and
- Meets diversity and sustainability objectives and ensures equality of treatment

for the acquisition and delivery of:

- goods or materials.
- services and consultancy.

- building works.
- the supply of goods or services to third parties which provide an income.

Such efforts shall also continue throughout the lifetime of any contract to ensure that value for money is maintained in the quality and standard of all goods, services and works supplied. In the review of proposals to change or vary any feature of any contract during its lifetime that it complies with statutory requirements, that its affairs are prudently managed and properly controlled.

These contract regulations will be reviewed annually, noting the Procurement Act 2023 which will come into force in October 2024.

## 2. Key controls

No contract or project shall be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these Contract Regulations, or any statute and applicable laws. Competition will be required from potential providers to supply goods, services, and works.

Every contract concluded shall comply with:

- the Public Contracts Regulations (PCR) (as amended) and any laws of the United Kingdom including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Value for Money; and
- the Joint Code of Corporate Governance within the Corporate Governance Framework
- the requirements of any applicable codes of practice.

Exemptions from any of the provisions of these Contract Regulations may only be made in exceptional circumstances as set out in these Regulations. The PCC should be informed of exemptions made at the earliest opportunity, and the PCC Chief Finance Officer should routinely review the list of exemptions.

In addition to adhering to the above, any employee who is engaged in any activities or processes leading to the award of a contract or in its subsequent delivery shall:

- show no undue favour to or discriminate against any contractor or potential contractor
- carry out their work in accordance with the highest standards of propriety and proper practice (including respecting the confidentiality of commercial information)
- not breach the requirements of the gift and hospitality policy
- declare any links or personal interests that they may have with potential or existing suppliers and contractors and take no part in the selection or direct management of a supplier or contractor with which they are connected.

These Contract Regulations shall apply, irrespective of the source of funding for a contract. Non-compliance with these rules could result in a legal challenge and may also constitute a disciplinary offence.

## Responsibilities

<b>All Budget Holders/Commissioners</b>	<ul style="list-style-type: none"> <li>• To understand the contract procedures that relate to their level of delegation and that must be followed when negotiating and agreeing contracts and ordering works, goods and services.</li> <li>• To ensure that there are sufficient funds in the budget to cover the financial commitment being made.</li> </ul>
<b>PCC</b>	<ul style="list-style-type: none"> <li>• To establish an agreed set of Contract Regulations.</li> </ul>
<b>Chief Executive</b>	<ul style="list-style-type: none"> <li>• To receive a report in the event that the arrangements for agreeing or letting contracts have not met the requirements of these Regulations.</li> <li>• To approve the terms and conditions of all standard contracts.</li> <li>• To approve any contract where the PCC is referred to as the supplier.</li> <li>• To establish arrangements to publish a record of all contracts, and to publish contract documentation for those with a value of more than £10,000</li> </ul>
<b>PCC Chief Finance Officer</b>	<ul style="list-style-type: none"> <li>• To monitor contract outcomes and compliance with these Contract Regulations</li> <li>• To make sure that the PCC achieves value for money.</li> <li>• To make sure that all contracts are in line with Financial Regulations and Contract Regulations.</li> <li>• To consult the Chief Executive and provide guidance on any relevant financial matter relevant to the Financial Regulations and Contract Regulations.</li> <li>• To consult the Chief Executive and recommend action if arrangements for agreeing contracts have not met the requirements of the Financial Regulations and Contract Regulations.</li> </ul>
<b>Director of Finance and Chief Officers' Team</b>	<ul style="list-style-type: none"> <li>• To follow Financial and Contract Regulations and any codes of practice, guidance or instructions provided by the Chief Executive and the PCC Chief Finance Officer and relevant professional bodies.</li> <li>• To ensure that all officers and staff comply with Financial and Contract Regulations</li> <li>• To obtain appropriate legal, financial and other advice.</li> </ul>

	<ul style="list-style-type: none"> <li>• To comply with all applicable laws.</li> <li>• To be satisfied that agreed budgetary provision exists to cover the financial commitment being made.</li> <li>• To ensure that the Force has systems in place to avoid fraud and corruption and breach of Financial Regulations and Contract Regulations.</li> <li>• To provide any information required by the Chief Executive, PCC Chief Finance Officer or Director of Finance to ensure compliance with legal requirements.</li> <li>• To ensure that there is relevant approval for all contracts in line with the scheme of delegation.</li> </ul>
<p><b>Head of Contracts and Procurement</b></p>	<ul style="list-style-type: none"> <li>• To apply and monitor the use of these Contract Regulations and any codes of practice, guidance or instructions provided by the Chief Executive, and the PCC Chief Finance Officer to all contracts.</li> <li>• To be responsible for procurement standards and practice.</li> <li>• To produce and action the annual “procurement plan” including the planning of medium to long term purchase requirements.</li> <li>• To report any breach or potential breach of Financial Regulations and Contract Regulations in the first instance to the Director of Finance, the Chief Executive or the PCC Chief Finance Officer.</li> <li>• To make sure that all suppliers have in place sufficient insurance cover as appropriate in accordance with organisational risk and insurance guidance.</li> <li>• To be responsible for keeping a register of all contracts entered by the PCC and to make arrangements for its publication in accordance with legislation.</li> <li>• To seek legal, financial and other appropriate advice in good time to ensure that the Force complies with legal requirements.</li> <li>• To ensure that there is a procedure in place as agreed with the PCC Chief Finance Officer as to how best to check the financial standing of suppliers.</li> </ul>

<p><b>Staff with delegated financial management responsibility</b></p>	<ul style="list-style-type: none"> <li>• To comply at all times with Financial Regulations and Contract Regulations and codes of practice, guidance or instructions provided by the Director of Finance, Chief Executive, PCC Chief Finance Officer and Head of Contracts and Procurement.</li> <li>• Prior to the issue of any quotation request or invitation to tender, to prepare with the assistance of Head of Contracts and Procurement a detailed description or technical specification of the required works, goods, services, and/or materials. This should not stipulate a specific supplier / company.</li> <li>• Informing the Head of Contracts and Procurement of the nature and estimated value of the contracts which may be required by the department in the next financial year.</li> </ul>
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### 3. Power to sub-delegate

The Director of Finance may delegate their powers under these Contract Regulations to an authorised officer.

### 4. Purchasing Procedures and Thresholds

Where collaborative frameworks or centrally approved contracts for the supply of goods, services or works exist which comply with Section 2: Key Controls, these arrangements shall be used in preference to conducting a separate quotation or tender process. Such arrangements will be identified by the Head of Contracts and Procurement with the agreement of stakeholders. Supplier selection shall then be in accordance with the terms and conditions of the framework or contract.

Where collaborative agreements are with single suppliers, the Head of Contracts and Procurement shall take such steps as may be necessary to assure themselves that the agreement represents value for money prior to making recommendation on the use of the arrangement.

Where no existing approved contract or suitable collaborative arrangements exist for sourcing goods, works or services, the procedure to be followed shall be determined by reference to the estimated value of the purchase as set out below. Unless specified otherwise the value of the contract is the estimated whole life cost.

The estimated value of a procurement is the total amount payable, net of VAT, including any form of option and any renewals of the contracts as explicitly set out in the procurement documents.

The estimated value of the contract should be calculated in accordance with the most appropriate of the following:

- a. fixed term contracts - the total price expected to be paid during the whole of the contract period, including possible extensions.
- b. if the purchase involves a series of separate transactions for the same type of item or services, the 'total value' is the expected aggregate value of all of those transactions.
- c. for feasibility studies, it is the value of the scheme or contracts which may ultimately be awarded as a result.

An officer or member of staff must not select a method of calculating the value in order to avoid the requirements of these Contract Regulations or procurement legislation and a procurement must not be subdivided with the intention of preventing it from falling within Contract Regulations or procurement legislation. The subdivision of contracts into smaller contracts or lots is only permitted where justified by objective reasons.

Where a procurement will result in contracts being let in "lots" or as a series of separate contracts that are similar or connected, advice must be taken from procurement and legal services. The general rule is that the value in such cases is the total estimated value of all the related lots or contracts.

Before a procurement is commenced and/or a contract is awarded, all contracts and activity must be appropriately authorised in accordance with the Joint PCC and Force Scheme of Delegation and Joint Corporate Governance framework and in line with the table below.

<b>Threshold and Type</b>	<b>Value</b>	<b>Quotation/Tender Process</b>	<b>Lead</b>
Low value Transactions	Up to £5k	Use approved supplier. If no approved supplier, place order with supplier best able to provide value for money. Record of reasons for selection need to be retained. New supplier set up subject to Contracts and Procurement Team approval.	Devolved to Business Area
Mid Value Transactions	£5,001 to £25,000	At least 3 electronic quotations. Must demonstrate value for money and the aggregated spend cannot exceed £25k. Record of reasons for selection need to be retained.  Consider sourcing through available frameworks or by written quotation via Contracts and Procurement Team.	Devolved to Business Area or via Contracts and Procurement Team

High Value Transactions	Above £25,000 and below the current applicable PCR Threshold	Follow further competition or tender process via Contracts and Procurement Team.	Contracts and Procurement Team
Over PCR Threshold	Over the current applicable PCR threshold	Follow further competition or tender process via Contracts and Procurement Team	Contracts and Procurement Team

Quotations must be in writing by electronic means. Quotations may be conducted on a devolved basis, however the Contracts and Procurement Team should be consulted prior to inviting suppliers to quote so that appropriate guidance concerning available frameworks, the quote process and supplier assurance can be provided.

## 5. Award Criteria

All contracts must be let through a competitive process unless an exemption has been granted or the arrangement is permitted by these Regulations. The level of competition and the process required is determined by Procurement Legislation and these Contract Regulations.

This section sets out in more detail the requirements to be met and steps to be followed when dealing with a specific contract. Before beginning a procurement, employees must:

- a. Assess the need for the expenditure.
- b. Define the objectives of the purchase.
- c. Calculate the total value.
- d. Ensure the appropriate approval is in place to start the process including adherence to the requirements of the Joint Corporate Governance Framework.
- e. Ensure that a procurement plan is in place.
- f. Ensure that the budget is available and approved to cover the whole-life financial commitment being made (including any internal and external charges or fees).
- g. Ensure sufficient legal, procurement, finance, risk management and technical support is available throughout the entire procurement process.
- h. Ensure sufficient resources will be available (i.e. people with sufficient skills and capacity) to manage the contract once it has been let.



- i. Ensure the PCC and Force requirements for data security and information governance (including but not limited to Data Protection Legislation) are met.
- j. Consider, when commissioning services, whether these could improve the economic, social, and environmental wellbeing of the area (social value).

For contracts above the £25,000 or PCR Threshold:

- a. Engage with the Contracts and Procurement Team before any activity is undertaken to ensure compliance with procurement legislation.
- b. Consider any lessons learnt report from previous relevant tender processes.
- c. Produce a business case for approval by the appropriate board, prior to the procurement process commencing.
- d. Submit a fully completed procurement initiation form to the Contracts and Procurement Team, who will share with the PCC where a PCC decision is required.
- e. Carry out an options appraisal in conjunction with procurement to decide the best way to achieve the purchasing objectives, including internal or external sourcing, partnering, and collaborative procurement arrangements with other PCCs / Forces or other public sector bodies.
- f. Consult users where appropriate about the proposed procurement, contract standards, performance, and user satisfaction monitoring.
- g. Consult the market where appropriate and permitted by legislation in accordance with these Contract Regulations and the advice of Contracts and Procurement Team.
- h. Assess the risks and how to manage them.
- i. Identify the approved form of contract to be used or the terms and conditions that are to apply to the proposed contract, where the standards terms and conditions are not suitable.

## 6. Issuing and Assessing Tenders

All invitations to tender or quotation must:

- Specify the goods, service or works that are required, together with the terms and conditions of contract that will apply; and
- State that the Contracting Authority is not bound to accept any quotation or tender.

Adequate resources must be identified to manage the procurement and any contracts awarded.

There must be a procurement plan for all contracts where the value exceeds the thresholds set by Procurement Legislation. All references to value within Regulations are to value excluding any Value Added Tax applicable to the contract levied by government.

Additional rules will apply to any procurement subject to funding by EU or central government bodies. Where grant funding of any kind is used to fund a procurement advice must be taken from Legal to ensure compliance of the proposed activity.

If during the course of a procurement an issue arises upon which these Regulations are silent the matter shall be reported to the PCC or their nominated representative for determination.

All tenders shall be issued by the Contracting Authority and shall be issued with the same information at the same time and subject to the same conditions and consist of instructions to tenderers regarding submission information, terms and conditions and specification with a pricing schedule. Any supplementary information must be given on the same basis.

All invitations to tender shall include:

- Clear instructions on how and where tenders are to be submitted, together with the date and time by which they are to be received.
- A specification that describes the PCC's and / or Force's requirements in sufficient detail to enable the submission of competitive offers.
- A description of the award procedure.
- Full details about how the bids will be assessed, including any weighting and sub criteria that apply and any "pass mark" for any stage of the procurement.
- Information on the PCC's and / or Force's policies as appropriate, e.g: Equalities, Complaints and Sustainability.

All invitations to tender shall state that any tender received after the date and time stipulated in the invitation to tender may be rejected and not considered.

All invitations to tender shall include requirements for tenderers to:

- Declare that the tender content, price or any other figure or particulars concerning the tender have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose e.g. legal, financial advice etc); and
- Complete fully and sign a form of tender and certificates relating to canvassing and non-collusion.
- Submit tenders to the PCC on the basis that they are compiled at the tenderer's expense.

Tenderers must be given an adequate period in which to prepare and submit a tender, consistent with the complexity of the contract. Procurement legislation lays down specific time periods and processes that must be followed for procurements above the published thresholds at the time the procurement commences.

The arithmetic in compliant tenders must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm their tender.

Completed tenders shall be submitted by the date and time and in the manner stated in the instruction for invitation to tender (electronic being the preferred method, via the e-procurement system) and shall comply with the public sector requirement around being anonymous prior to opening of the document.

All tenders shall be opened at one time, which shall be as soon as practicable after the time appointed for their opening in the invitation to tender. Where examination of tenders reveals clerical errors or discrepancies which would affect the tender figure(s) in an otherwise successful tender, the tenderer should be afforded an opportunity of confirming, withdrawing or correcting their offer (the correction of genuine errors is permitted for tenders which are compliant in all other aspects). This should be documented by the Contracts and Procurement Team, including the reason(s) for referral back to the tenderer.

Assessment criteria may be made on appropriate technical, qualitative and financial grounds which are relevant to the contract concerned. These should be agreed before the Tender is issued in consultation with an appropriate stakeholder group, which should generally include financial and technical/practitioner representation and be agreed with the Head of Contracts and Procurement.

Evaluations of the Tender submissions are to be carried out by the stakeholder group or their representatives based on the agreed criteria which shall be applied to all tenders, fairly, transparently and consistently.

Those members of staff involved in the evaluation process should:

- a. Have due regard to the policy on gifts, loans and hospitality.
- b. Declare any links or personal interests that they may have with potential or existing suppliers and contractors on the conflict of interest form.

## **7. Clarification procedure and Post-Tender Clarifications**

It is permitted to provide clarification to potential or actual tenderers about an invitation to tender. This can be done in writing or via a meeting. However, discussions with tenderers after submission of a tender and before the award of a contract with a view to obtaining adjustments in price, delivery, or content (i.e. post tender negotiations) must be the exception rather than the rule. In particular, such clarifications must not be conducted without the agreement of the Head of Contracts and Procurement.

If post tender clarifications appear necessary after a single stage tender or after the second stage of a two-stage tender, then you should take legal advice on whether negotiations are permissible. Normally such clarifications should be undertaken with all those who have met the selection criteria in the original process. During clarification, the requirements set out in the original procedure should not be substantially altered and no material change should be made to the risk profile of the contract.

## 8. Evaluation, Award of Contract and Debriefing Tenderers

Apart from the debriefing required or permitted by these Regulations, the confidentiality of quotations, tenders and the identity of tenderers must be preserved at all times and information about one tenderer's response must not be given to another during the evaluation process.

Quotations and tenders must be evaluated in accordance with the published award criteria. During this process, authorised officers shall ensure that submitted tender prices are compared with any pre-tender estimates and that any significant differences are examined and resolved satisfactorily.

For high value transactions authorised officers must advise all tenderers in writing of their award decisions. For contracts that are subject to Public Contract Regulations or other UK applicable procurement legislation this must be in the form of intention to award letters (award notification letters) that are issued simultaneously to all tenderers advising them of the intention to award the contract to the successful tenderer and providing them with a 'standstill period' of at least 10 days in which to challenge the decision before the contract award is confirmed.

For contracts that are subject to advertising and publication requirements within Procurement Legislation, the PCC's 'intention to award notification letter' standard template must be used, which includes the following debriefing information:

- How the award criteria were applied
- The name of the successful tenderer(s)
- The score of the tenderer, together with the score of the successful tenderer
- Details of the reason for the decision, including the characteristics and relative advantages of the successful tender; and
- Confirmation of the date before which the PCC will not enter into the contract (i.e. the date after the end of the 'standstill period').

If a decision is challenged by an unsuccessful tenderer, after the issue of an intention to award notification letter, then the procurement lead shall immediately inform the Head of Contracts and Procurement and seek the advice on next steps. No contract may be awarded until the Head of Contracts and Procurement is satisfied that the matter has been resolved.

The procurement lead shall ensure that the contract formalities are completed following the award of the contract.

## 9. Acceptance of Tenders

The following procedures shall be applied for the acceptance of a quotation or tender:

- Where not subject to predefined framework terms, the preference is for all contracts to be placed on the PCC's standard terms, however for low value transactions supplier's Terms and Conditions may be accepted, following advice from the Head of Contracts and Procurement, who will seek legal advice as required.
- No agreements relating to renting or leasing of premises or licences to occupy (even at nil cost) may be accepted without reference to and approval by the PCC.
- No agreements containing leases or the transfer of ownership in intellectual property rights may be accepted without reference to Head of Contracts and Procurement.
- No agreements relating to IT equipment or software may be accepted without reference to the Head of Digital Services.
- No agreements relating to vehicles may be accepted without reference to Head of Enabling Services and capital programme approval by the PCC, noting that he is unable to get involved in operational decisions.
- No agreements relating to temporary or agency staff may be accepted without reference to Head of Enabling Services.

Acceptance shall be made in writing. Where the lowest or the most economically advantageous quotation or tender, which meets the specification and the quality and technical standards required, is acceptable, then agreement to accept the tender is permitted subject to compliance with the following conditions:

- Acceptance shall then be despatched via electronic means.
- Awards shall be made in accordance with Public Contracts Regulations and with reference to appropriate guidance on good practice.

In any other case acceptance shall be as set out under Section 16: Exceptional Circumstances.

## 10. Preparing Contracts

Other than where collaborative arrangements have pre-determined the form and content of the contract, the following guiding principles will be applied. In order for the PCC to comply with best practice and legislation, successful Contractors shall be required to provide details, where appropriate, of:

- their Company's compliance with Corporate and Social Responsibilities e.g. Social Value, Environmental Policy and Modern Slavery
- their Business Continuity Plan (as applicable)
- how they will comply with the Force Information Security Policy
- how they will comply with vetting requirements (as applicable)

All Contractors' staff deployed on force premises shall be required to be vetted and to comply with appropriate PCC and Force policies.

Every contract, irrespective of value, shall clearly specify:

- the work, materials, matters or things to be supplied or carried out.
- the price to be paid, with a statement of discounts or other deductions and when.
- the time or times within which the contract is to be performed.
- appropriate performance indicators.
- liquidated damages (where relevant).
- termination provisions.

Formal contracts for the provision of goods and /or services and the execution of work shall provide for appropriate remedy to be provided by the contractor in case the terms of the contract are not duly performed. The PCC may also require sufficient security (e.g. parent company bond) for the due performance of any such contract.

Contract terms will protect the interests of the PCC and Force to the maximum extent possible. Legal advice should be sought as appropriate.

The following clause (or suitable equivalent wording approved by Legal) must be included in every contract:

"The PCC may terminate this contract and recover all its loss if the Contractor, its employees, or anyone acting on the Contractor's behalf do any of the following things:

- a. Offers, gives, or agrees to give to anyone any inducement or reward in respect of this or any other PCC contract (even if the Contractor does not know what has been done); or
- b. Commits an offence under the Bribery Act 2010 or s117(2) of the Local Government Act 1972; or
- c. Commits any fraud in connection with this or any other PCC contract whether alone or in conjunction with Contractors or employees. Any clause limiting the Contractor's liability shall not apply to this clause".

## 11. Framework Agreements

The term of a framework agreement must not exceed four years without the written consent of the PCC. Such consent will only be given where there is a legally permissible justification for a framework in excess of four years. Contracts based on framework agreements may be awarded by either:

- Applying the terms laid down in the framework agreement (where such terms are sufficiently precise to cover the particular call-off and permit it this may be done without reopening competition); or
- Where the terms laid down in the framework agreement are not precise enough (or do not permit direct awards) by holding a mini competition in accordance with the terms of the particular framework or in accordance with the following procedure where the framework terms are unclear:

- Inviting the organisations within the framework agreement who are capable of delivering the contract to submit written tenders.
- Fixing a time limit which is sufficiently long to allow tenders for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract.
- Awarding each contract to the tenderer who has submitted the best tender on the basis of the award criteria set out in the framework agreement.
- Observing a standstill period before finalising the award where applicable

## 12. Record Keeping

The authorised officer shall ensure that the following records in relation to successful tenders and awarded contracts are kept in the contract management system for at least 7 years following the end of the contract if the contract is signed and 15 years if the contract is under seal:

- A copy of the executed contract
- Any relevant correspondence or documents which may have a bearing on how the contract is interpreted
- A record of any exemptions exercised and the reasons for them
- A copy of the tender documents and responses received (including award criteria and evaluation criteria)
- A copy of the Contract Signature Form
- Confirmation of authority to award
- Procurement documentation confirming tender and award as required to be published in line with any relevant procurement legislation from time to time in force

The Head of Contracts and Procurement shall ensure that unsuccessful tenders and quotes are kept in the contract management system for a period of at least two years from the commencement of the contract to which they relate.

Contracts should be stored electronically by the Contracts and Procurement Team. Deeds will be retained in hard copy and held by Legal Services. Originals of signed contracts or deeds should be returned to Legal for secure storage. Certified copies of contracts or deeds can be provided to the relevant service areas once executed.

All contracts will be published, alongside the contractual documentation in respect of contracts over £10,000. These will be stored on the BLC intend website and linked to the PCC website.

## 13. Publication of Contracts

The record of all awarded contracts must be published. Publication will be undertaken by the Contracts and Procurement Team. The award of contracts above

the relevant published procurement threshold applicable at the time of the commencement of procurement must be published as required by procurement legislation.

## 14. Contract Management

All contracts must be managed in accordance with the PCC's contract management framework. Guidance is issued to all business owners, at contract award stage, to remind them of the expectations and to reinforce the training provided. As a minimum and subject to any additional requirements within the contract management framework for all contracts:

- An up to date risk register should be maintained throughout the procurement process and during the life of the contract;
- For identified risks, appropriate actions should be put in place to manage them.

There should be regular monitoring and reports during the contract period on:

- performance
- compliance with programme, specification terms and conditions
- estimated final cost compared to budgets
- any value for money requirements; and
- user satisfaction and risk management.

Any contract which is subject to significant and/or continuing performance failures under the contract shall be reported to Chief Officers and the PCC, along with the steps being taken to remedy the failure.

## 15. Contracts - Compliance with Standards

Where a British or other International Standard is current at the date of the tender, every contract should require that, as the case may be, all goods and materials used or supplied and all services shall be in accordance with that standard. Where an existing collaborative arrangement is considered to be an appropriate vehicle then the principles of this condition should be considered.

The criterion for award of a contract shall be the "most economically advantageous". This must be further defined by reference to sub-criteria which may refer only to relevant considerations. These may include price, service, quality of goods, running costs, technical merit, previous experience, delivery date, cost effectiveness, quality, relevant environmental considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance, social value and any other relevant matters.

Any shortlisting exercise must be carried out in accordance with the published terms of tender and have regard to the financial and technical standards relevant to the contract and the published selection and award criteria.



## 16. Exceptional Circumstances

The requirement for a competitive approach to tenders and quotations may be set aside where exceptional circumstances exist. An exemption is only applicable from our own contract regulations, and thus up to a ceiling of the current PCR value, with all procurement legislation continuing to apply. The number of exemptions should be minimised as far as possible, and should only occur in the following circumstances:

1. Extreme Urgency or Emergency: may include urgent maintenance or repair, health and safety reasons or operational emergency.
2. Sole Supplier - Proprietary article or service and Type-approved products: where there is only one source of supply (e.g., support & maintenance of software); or where only certain equipment is approved for use by UK police forces.
3. Contract Variation / Extension: where there is a need to extend or change arrangements (beyond permitted extensions) in order to align service provision or supply chain arrangements prior to a tender exercise.
4. Absence of quotes / tenders: Only one quote / tender received in response to an invitation to quote / tender.

An individual who believes that they have a case must provide evidence supporting their conclusion to the Head of Contracts and Procurement in the first instance, for consideration by the Director of Finance or the PCC Chief Finance Officer as appropriate. No agreements or orders may be signed until approval for the exemption has been given. Any sensitive or contentious exemptions must be brought to the attention of the PCC Chief Finance Officer, who will also be provided with information to review all exemptions on a regular basis. Even where exceptional circumstances apply, every effort should be made to identify value for money by means of limited quotation or through benchmarking against existing arrangements.

As part of the process for approving an exemption, a full evaluation report outlining how the contract delivers value for money and all contract terms and assurances must be completed and retained by the Head of Contracts and Procurement.

## 17. Appointment of Consultants

A consultant is someone engaged for a specific length of time to work (or provide a service) to a defined project brief with clear outcomes to be delivered, and who brings specialist skills or knowledge to the role. A consultant is not an employee, a fixed term employee, a locum, an agency, or a temporary worker or someone engaged to provide general day to day activities within a service. Contracts for consultancy services are subject to the same competition requirements as any other type of contract and must be procured in accordance with these regulations.

The engagement of a consultant shall follow the agreement of a brief that adequately describes the scope of the services to be provided, the total cost to be paid and any stage payment arrangements. The engagement shall also be subject to completion of a contract.

Self-employed consultants must not fall within the off- payroll working rules i.e. IR35. The Contracts and Procurement Team will ensure that all tax and legal advice regarding the terms of any consultancy appointment is taken in advance of the procurement activity and actioned. The team will maintain records of consultancy appointments in accordance with these Regulations and enter details on the contract management system as for any other contract.

Consultants shall be required to provide evidence of and maintain professional indemnity insurance policies to the satisfaction of the PCC's insurance team for the periods specified in the respective agreement.

## **18. Contract Variations**

The Head of Contracts and Procurement must be consulted if a contract variation or novation is being considered. Where a variation means that the value of a contract would exceed the threshold set in procurement legislation, or where there is any material change to the contract, the contract must be treated as a new procurement under the Contract Regulations. Current procurement legislation must be followed to understand any thresholds for modifications of contracts.

The Head of Contracts and Procurement will review each request for a variation and consult with the Director of Finance or PCC Chief Finance Officer where appropriate, and where a variation will exceed agreed threshold limits. The Head of Contracts and Procurement will maintain a record of contract variations for each contract, as well as holding a copy of the variations on file.

## **19. Contract Termination**

Where an issue with a contract is identified the contract management process should identify and seek to rectify the issue. Where the matter is not resolved the issue should be escalated to the Contracts and Procurement team who will provide advice on the next steps. Contracts and Procurement advice should be sought where a supplier default results in the need for early termination.

Consideration shall be given to notice periods and the consequences of early termination where applied. Where termination costs are significant, a business case will be required to support early termination, and should include what steps and processes will be put in place to maintain essential service provision. Approval for early termination costs to be incurred will be in line with the delegated approval limits and should be agreed by the PCC prior to any agreement taking place, where possible.

A full written report should be made to the PCC, the Chief Executive and the PCC Chief Finance Officer detailing any contract subject to early termination and the reasons why for their consideration and approval. The report should be provided to the PCC prior to the contract termination wherever possible, or as soon after the termination, if this is not practicable, and procurement legislation requirements should also be taken into account.

## 20. Contracts to provide services to others

The organisation provides services to other bodies outside of its normal obligations, for which charges are made e.g. training. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is not ultra vires.

The agreement of the PCC will be required to all tender submissions which may be publicly or politically sensitive. Otherwise, the submission of tenders for the supply of goods and/or services should be approved as follows:

- For tenders up to £250,000 by the Chief Constable with support from the Director of Finance
- Between £250,000 and £1,000,000 by the Chief Constable in consultation with the Director of Finance and the PCC Chief Finance Officer
- Over £1,000,000 the prior approval of the PCC is required.

### Responsibilities

<b>Chief Constable</b>	<ul style="list-style-type: none"><li>• To ensure that proposals for assistance are costed, that no contract is subsidised and that, where possible, payment is received in advance of the delivery of the service so that the organisation is not put at risk from any liabilities such as bad debts.</li><li>• To ensure that appropriate insurance arrangements are in place.</li><li>• To ensure that all contracts are properly documented.</li><li>• To ensure that such contracts do not impact adversely on our services.</li></ul>
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