



To: Council

On: 22 June 2023

Report by: Director of Finance & Resources

Heading: Governance Arrangements

1. Summary

- 1.1 As a matter of good practise the Council's constitutional documents are kept under review.
- 1.2 This report seeks approval of revised Standing Orders relating to Contracts and Financial Regulations, as detailed in Appendices 1 and 2 to this report.
- 1.3 In addition, the Council's Scheme of Delegated Functions has been updated to reflect minor legislative changes and the revised chief officer management arrangements as agreed at the Council meeting held on 15 December 2022 and other service reviews which have been reported to members previously.
- 1.4 The SNP group has intimated that they wish to replace Councillor Campbell on the Finance, Resources and Customer Services Policy Board and the Petitions Board with Councillor Innes.
- 1.5 The Conservative group has intimated that that they wish Councillor Leishman to replace Councillor Gray on the Education & Children's Services Policy Board.

2. Recommendations

- 2.1 That the Council's revised Standing Orders Relating to Contracts, attached as Appendix 1 to this report be approved;
- 2.2 That the Council's revised Financial Regulations, attached as Appendix 2 to this report be approved;
- 2.3 That the Council notes the revised Scheme of Delegated Functions;
- 2.4 That Councillor Innes replace Councillor Campbell as a SNP group member on the Finance, Resources and Customer Services Policy Board and the Petitions Board; and
- 2.5 That Councillor Leishman replace Councillor Gray as a Conservative group member on the Education & Children's Services Policy Board.

3. Background

3.1 Standing Orders Relating to Contracts

- 3.1.1 The Council's Standing Orders Relating to Contacts have been updated to reflect recent developments in management structures, legislation, and procurement best practice. The key changes are:
 - A definition for Head of Corporate Governance has been added, which extends to include their nominee;
 - Standing Order 14.3, which relates to the use of the negotiated procedure without prior publication of a notice, will no longer apply to lower value works contracts (i.e. those with a value of less than the Board reporting threshold which is currently £213,477);
 - In Standing Order 18.1, the limit for quick quotes for works contracts has been increased to £500,000. This amended limit is in line with many other Councils. Further, where possible, a minimum of 75% of the suppliers invited to quote will be from the Renfrewshire area; and
 - The Schedule 4 Guidance on grants has been updated with the new criteria on subsidies which came into effect in January of this year.
- 3.1.2 In addition, it is intended that Schedule 3 of the Standing Orders will shortly be updated to provide enhanced guidance for the award of contracts with a value of less than £50,000.

3.2 Financial Regulations

3.2.1 A comprehensive and up to date set of Financial Regulations is a key element of corporate governance, as it provides a framework for good financial management. The last revision to the Council's Financial Regulations was approved by Council on 27 September 2018. Only minor changes have been made to improve the clarity of the Financial Regulations and these are set out below:

Section	Former Wording	Updated Wording
3.4 (5)	Each year Council will consider and approve a mid-year progress report on the prudential framework for capital finance.	Each year Council will consider and approve a mid-year progress report on the treasury management strategy.
3.4 (8) second last bullet point	All transfers between services/departments must be authorised by the respective service Director, and the Director of Finance and Resources for submission to the relevant policy board for approval.	All permanent transfers between services/departments must be authorised by the respective service Director, and the Director of Finance and Resources for submission to the relevant policy board for approval. This excludes the allocation of centrally held budgets, such as pay inflation, or support costs.
3.5 (3)	The board will consider and approve a mid-year review of the treasury management strategy.	The board will monitor on at least a quarterly basis the treasury prudential indicators.
3.5 (4)	The board will consider reports from the Director of Finance and Resources on the Council's treasury management activities.	<i>[clause removed to align with new reporting requirements in the CIPFA Prudential Code for Capital Finance in Local Authorities 2021]</i>
7.1	If you need more information or help understanding these regulations, please contact the Director of Finance and Resources, Head of Finance or the Chief Auditor.	If you need more information or help understanding these regulations, please contact the Director of Finance and Resources, Head of Finance and Procurement, or the Chief Auditor.

3.3 Scheme of Delegated Functions

- 3.3.1 The Director of Finance & Resources has delegated authority to amend the Council's Scheme of Delegated Functions to reflect changes in job titles, reorganisations of services and vacancies in posts and to change references to any piece of legislation or related guidance where the legislation is repealed and to insert references to new pieces of legislation or guidance where the new pieces of legislation or guidance largely re-enact the provisions of repealed legislation or guidance. Section 4 – statutory appointments of officers and Section 5 – powers delegated to officers – of the Council's Scheme of Delegated Functions have been updated, in terms of this delegation, to reflect minor legislative changes and the revised chief officer management arrangements as agreed at the Council meeting held on 15 December 2022 and other service reviews which have been reported to members previously. A [link](#) to the revised Scheme is attached.
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Implications of the Report

1. **Financial** – none
2. **HR & Organisational Development** - none
3. **Community Planning** – none
4. **Legal** – as described in the report
5. **Property/Assets** - none.
6. **Information Technology** – none
7. **Equality & Human Rights**
 - (a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** - none
9. **Procurement** – as detailed in the report
10. **Risk** – none
11. **Privacy Impact** – none
12. **Climate Risk** - none.
13. **Cosla Policy Position** – not applicable

List of Background Papers

(a) Background Papers - None

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Standing Orders Relating to Contracts
June 2023

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Renfrewshire Council

Standing Orders Relating to Contracts

1. Introduction

- 1.1 These standing orders are made under Section 81 of the Local Government (Scotland) Act, 1973 and shall apply to the making by the Council or on their behalf of all contracts. For the avoidance of doubt, the term “contract” includes any form of agreement, written or unwritten, to which the Council is a party which creates rights and responsibilities for any of the parties involved.
- 1.2 The standing orders are subject to any overriding requirements of:-
 - a) the Public Contracts (Scotland) Regulations 2015; the Concessions Contracts (Scotland) Regulations 2016; the Utilities Contracts (Scotland) Regulations 2016; all guidance made under and in terms of any of these Regulations; and all successor legislation or amendments to any of these Regulations (the “Procurement Regulations”);
 - b) the Procurement Reform (Scotland) Act 2014 and all regulations and guidance made under and in terms of that Act (the “Procurement Reform Rules”); and
 - c) the principles of fairness, equal treatment, non-discrimination, proportionality, and transparency (“the Principles of Procurement”).
- 1.3 All contracts let by or on behalf of the Council, regardless of whether any such contracts are otherwise exempt from the application of these standing orders, shall be subject to an obligation on the HOFAP to seek best value for the Council and to be able to demonstrate fairness, non-discrimination, equal treatment and transparency in the contract procedure chosen to all parties having an interest in that procedure.
- 1.4 No tenders shall be invited, nor any offer made or accepted, until a Contract Strategy Document, in the format approved by the HOFAP, which is currently as set out in Schedule 1, has been completed. This shall identify whether the requirements can best be met by using an existing contract or Framework Agreement, by a Collaborative Procurement, or by establishing a new contract.
- 1.5 Where there is no suitable existing contract or Framework Agreement, the HOFAP will endeavour to use a Collaborative Procurement provided it is in the best interests of the Council so to do. However, prior to using a

Collaborative Procurement, the HOFAP shall enter into a Collaboration Agreement, the terms of which shall be approved by the HOCG.

- 1.6 All contracts let by or on behalf of the Council are subject to the Council's Financial Regulations.

2. Interpretation

- 2.1 For the purposes of these standing orders the following words and expressions shall have the meanings given to them in this standing order:

- a) any reference to "a signature" or "signed" includes reference to a signature or other form of formal confirmation using electronic means, such as a digital signature, encryption or other formally recognised authority for identification purposes;
- b) "electronic means" means electronic equipment for the processing (including digital compression) and storage of data which is transmitted, conveyed and received by radio, by wire, by optical means or by other electromagnetic means;
- c) "written" or "in writing" means any expression consisting of words or figures which can be read, reproduced and subsequently communicated. It may include information which is transmitted and stored by electronic means.
- d) "the Bulletin" means the bulletin produced by the Director of Finance and Resources for each cycle of board meetings advising elected members and chief officers of the exercise of delegated powers by officers and other operational matters.
- e) "Collaboration Agreement" means the agreement which sets out the roles and responsibilities of all parties participating in a Collaborative Procurement.
- f) "Collaborative Procurement" means the procurement of goods, services or works by Renfrewshire Council in collaboration with one or more Contracting Authorities, as defined by the Procurement Regulations, with the aim of achieving value for money for the Council through sharing expertise and resources and/or by securing benefits from economies of scale through combined purchasing power.
- g) "Contract Documents" means the documents to be used in any tendering procedure and where different those intended to form part of any contract following on from a tendering procedure. It includes, but is not restricted to, the SPD, the invitation to tender for or to negotiate a contract, the proposed conditions of contract, the specifications or the descriptions of the goods, services or works required by the Council and any Bills of Quantities and includes any such documents or their

equivalents issued using electronic means.

- h) “Contract Strategy Document” means the document referred to in standing order 1.4 which sets out the procurement strategy for a contract and is agreed jointly between the HOFAP and the Director of the procuring department.
- i) “Council” means the Renfrewshire Council constituted under the Local Government etc. (Scotland) Act 1994.
- j) “the CPU” means the Council’s Corporate Procurement Unit.
- k) “Director of the procuring department” means the Director or Chief Officer of the service for which the contract is required and where the contract is required for more than one service, any one or more of the relevant Directors or Chief Officers.
- l) “SPD” means the Single Procurement Document.
- m) “the Procurement Regulations” is defined in standing order 1.2 a).
- n) “Finance, Resources and Customer Services Policy Board” means the Council’s Board of that name.
- o) “the Threshold” for the purpose of these standing orders refers to the threshold under Regulation 5.(1) (c) of the Public Contracts (Scotland) Regulations 2015 (the threshold for public supply and service contracts awarded by sub-central contracting authorities). The Threshold from 1 January 2022 is £213,477 (inclusive of VAT) is but will be recalculated every second year on 1 January of that year. The next change is due on 1 January 2024. Details of the full list of thresholds applying from 1 January 2022 are set out in Schedule 2.
- p) “Health or Social Care Services” means any of the services listed in the Schedule to the Procurement (Scotland) Regulations 2016.
- q) “the HOCG” means the Council’s Head of Corporate Governance or the HOCG’s nominee.
- r) “the HOFAP” means the Council’s Head of Finance and Procurement or the HOFAP’s nominee.
- s) “Regulated Contract” means a public contract (other than a public works contract) with an estimated value equal to or greater than £50,000; or a public works contract with an estimated value equal to or greater than £2,000,000 unless the public contract or public works contract is an excluded contract under the Procurement Reform Rules.
- t) “Regulated Procurement” means (i) any procedure carried out by the Council in relation to the award of a Regulated Contract including, in

particular, the seeking of offers in relation to the contract and the selection of suppliers; and (ii) the award of a Regulated Contract by the Council.

- u) "Social and Other Specific Services" means the services listed in Schedule 3 of the Public Contracts (Scotland) Regulations 2015.
- v) "Social Care" means the provision of care services or social work services as defined in sections 47 and 48 and schedules 12 and 13 of the Public Services Reform (Scotland) Act 2010 and the expression "Social Care Contract" shall mean a contract entered into for Social Care.
- w) "Sustainable Procurement Duty" means the duty of that name under the Procurement Reform Rules.

2.2 Any reference to a Director should be taken to include a reference to the Chief Executive and a Head of Service.

2.3 Any reference to a statute or other legislation shall include reference to any statute or legislation amending or replacing it.

2.4 Any reference to a contract shall include, where the context allows, reference to a sub-contract.

3. Suspension, Variation and Revocation of Standing Orders

3.1 These standing orders may be varied or revoked by the Council. Any variation to or revocation of the standing orders will be effective on the first working day after the conclusion of the Council meeting at which it was approved.

3.2 These standing orders or any part of them may be suspended by the Finance, Resources and Customer Services Policy Board in respect of any procurement exercise or contract on receiving a joint recommendation from the HOFAP and the HOCG that there are special circumstances justifying such suspension and that it is in the interests and within the powers of the Council to do so.

3.3 The Director of Finance and Resources shall have power to vary these standing orders but only in the following circumstances:-

- a) to reflect changes in job titles, reorganisations of departments and vacancies in posts; or
- b) to change references to legislation where the legislation is repealed or amended and to insert references to new legislation where the new legislation largely re-enacts the provisions of the repealed or amended legislation; or

- c) to change the financial values of the thresholds where referred to in these standing orders, to implement any changes in these thresholds.
- d) to amend the Contract Strategy Document set out in Schedule 1.
- e) to amend the diagram set out in Schedule 3 illustrating the procedure to be followed where the estimated value of the proposed contract is less than £50,000.

4. Financial Provisions

No tender shall be invited or offer made or accepted unless appropriate financial provisions have been made by the Council in terms of the Council's financial regulations or funding is being provided by a third party which has been approved by the Council.

5. Equalities and Prevention of Discrimination

- 5.1 Tenderers must be asked to produce their equal opportunities policies before they may be shortlisted or recommended for an award of contract.
- 5.2 Before entering into a contract, the HOFAP shall obtain from the contractor an assurance in writing that, to the best of the contractor's knowledge and belief, the contractor has complied with all statutory requirements under the Equality Act 2010 and all previous legislation, regulations and statutory guidance relating to equality matters.
- 5.3 All contracts entered into by the Council shall contain a condition obliging the contractor to comply with all duties arising from the Equality Act 2010.

6. Form of Contract

- 6.1 Except in circumstances where the HOFAP and HOCG agree otherwise, every contract shall be:-
 - a) in the name of Renfrewshire Council;
 - b) in writing;
 - c) signed by an officer authorised by the Council to sign contracts; and
 - d) subject to the Laws of Scotland.
- 6.2 The Contract Documents in respect of all contracts shall be prepared by the CPU. Use may also be made of Contract Documents prepared by the Scottish Government; the Crown Commercial Service, or any other agency

of the UK government; Scotland Excel; other Scottish Centres of Procurement Expertise; other local authorities; and other collaborative bodies where the Council is eligible to use these Contract Documents and is permitted by the relevant body to do so. It is the HOFAP's responsibility to ensure that the Council is eligible to use the Contract Documents and that these are suitable for the contract.

- 6.3 Other than the specification of the contract requirements which shall be decided by the Director of the procuring department, any dispute between officers in the Council regarding the proper form or content of the Contract Documents or any part of them may be referred to the HOFAP, whose decision on the matter shall be final. Any disputes or queries regarding legal issues, including the extent to which the Principles of Procurement, the Procurement Regulations, the Procurement Reform Rules, and/or these standing orders apply to any contract shall be referred to the HOCG, whose decision on such issues shall be final.
- 6.4 All tender documents must clearly state that the Council is a body to whom the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004 apply. This is to ensure that contractors are aware that the Council may be required under the Act to release information to third parties that the contractor may wish to be treated as confidential.

7. Valuing the Contract

- 7.1 The values stated in the standing orders are the total estimated value of the contract concerned and not the estimated annual value of the contract. Where it is likely that a supply of goods or services will be required on a continuing basis over a number of years, for example with maintenance contracts, the HOFAP shall take into account the anticipated duration of the continuing supply when estimating the value of the contract for the purposes of these standing orders. If there is any doubt about the anticipated duration of the continuing supply, the HOFAP shall base the estimate of the value of the contract on a period of 48 months.
- 7.2 It is not permitted to deliberately divide any procurement exercise or disposal into two or more contracts if the intention in doing so is to avoid the application of any financial thresholds in these standing orders the Procurement Regulations, or the Procurement Reform Rules.
- 7.3 For the avoidance of doubt, the values stated are exclusive of any Value Added Tax that may be levied.

8. General Powers and Duties of the HOFAP

- 8.1 The HOFAP may transfer any power or duty under these standing orders to the Chief Executive, a Director or another Head of Service provided both

parties have agreed in writing to the transfer in advance. The HOFAP may also delegate, in writing, any power or duty under these standing orders to an appropriate officer nominated by the HOFAP.

- 8.2 The HOFAP in consultation with the HOCG may approve guidance notes on tendering procedures for any contract or type of contract let by or on behalf of the Council. Any such guidance notes once approved shall form part of these standing orders and shall be complied with from the date the guidance is issued.
- 8.3 When completing the Contract Strategy Document, referred to in standing order 1.4, the HOFAP shall ensure that duplication of tendering procedures and contracts for the same works, goods and services is avoided and shall check that there is no suitable existing contract for the works, goods or services to be acquired under the proposed contract.
- 8.4 Where a contract is subject to the Procurement Regulations, when completing the Contract Strategy Document referred to in standing order 1.4, the HOFAP shall ensure that consideration is given to whether the contract should be divided into lots. Where it is decided not to divide the contract into lots, the main reasons for that decision shall be indicated in the Contract Documents.
- 8.5 When completing the Contract Strategy Document, referred to in Standing Order 1.4, the HOFAP shall ensure that, in accordance with the Procurement Reform Rules and current Council policy, consideration is given to whether community benefit requirements should be included in the contract.

9. Exemptions and Special Arrangements

- 9.1 Subject to standing order 1, there shall be exempted from the provisions of these standing orders any contract where:-
 - a) The Council is satisfied that there are special circumstances justifying exempting the contract from standing orders or any part of them.
 - b) The total estimated value of the proposed contract is less than £50,000 but the contract shall be let in accordance with the Council's Guidance on "Contracts with a Value of Less Than £50,000", published under standing order 8.2. (A diagram illustrating the procedure to be followed where the estimated value of the proposed contract is less than £50,000 is set out in Schedule 3.)
 - c) In the opinion of the Director of the procuring department, or of the Chief Executive, action is urgently required to prevent danger to life, serious risk to health or damage to property. For the avoidance of doubt, where practicable, the Director or the Chief Executive shall consult with the HOFAP before taking any action under this standing

order and any relevant requirements of the Principles of Procurement, the Procurement Regulations, and the Procurement Reform Rules shall be complied with. In all circumstances where this exemption has been used, the HOFAP shall be notified as soon as reasonably practicable following which a report will be submitted to the Finance, Resources and Customer Services Policy Board at the first available subsequent meeting detailing both the circumstances justifying use of this exemption and the action taken.

- d) It is a contract of employment. However, this exemption does not apply to contracts with employment agencies for the supply of staff.
- e) The contract comprises the conditions under which an award of grant is made by the Council. However, any such conditions shall be subject to the Council's Guidance on Grants (as set out in Schedule 4) and any question as to the extent to which these standing orders apply shall be referred to the HOCG.
- f) The contract relates to any of the functions being exercised by the bodies listed below, in which case the standing orders relating to contracts for the body letting the contract shall apply:- The bodies for the purpose of this standing order are:-
 - i) the Renfrewshire Valuation Joint Board;
 - ii) the Glasgow and Clyde Valley Strategic Development Planning Authority; and
 - iii) Scotland Excel.
- g) The contract is entered into on behalf of the Council by Strathclyde Partnership for Transport acting in their capacity as agents of the Council to secure the provision of school transport. All such contracts will be subject to the procedures of Strathclyde Partnership For Transport although, subject to the agreement of the HOFAP, the Director of Children's Services shall approve the award of all such contracts on behalf of the Council and shall, as soon as reasonably practicable after the award of the contract, submit a report to the Finance, Resources and Customer Services Policy Board and the HOFAP naming the successful tenderer, explaining the evaluation process undertaken and detailing the value of the successful tender.
- h) The contract relates to the transfer, acquisition or disposal of an interest in heritable property including a licence to occupy or use heritable property.
 - i) Where the contract relates to the appointment of junior or senior counsel. However, any such contract must be let in accordance with any relevant requirements of the Procurement Reform Rules.
 - i) Subject to any financial or other limits contained in the Council's Scheme of Delegated Functions and/or Financial Regulations, where in

a Director's opinion it is essential that the contract is entered into for the settlement of any claim or litigation raised by or against the Council; such matter to be reported in the next Bulletin.

- j) The contract is being funded by money provided by the government or a public body (including funds from the National Lottery) and the award of that money to the Council is subject to such conditions that make it impractical for the Council to comply with these standing orders in letting the contract. However, in such circumstances, any relevant requirements of the Principles of Procurement, the Procurement Regulations, and the Procurement Reform Rules shall be complied with and the Director of the procuring department shall submit a report to the Finance, Resources and Customer Services Policy Board explaining the procedure used and why these standing orders could not be complied with. The report shall be submitted in advance of the contract award unless, in the opinion of the HOFAP, the time limit for acceptance or use of the funds makes this impractical. In these circumstances the report shall be submitted to the next meeting of the Finance, Resources and Customer Services Policy Board.
 - k) The contract is for the commissioning of theatrical, musical, dramatic or other artistic performances, subject to the prior approval of the HOFAP.
 - l) The contract is for the disposal by the Council of surplus or scrap materials and equipment previously used by the Council. However, advice and guidance on any such contracts shall be obtained from the HOFAP and the HOCG.
 - m) The contract is for Social Care and either:
 - (i) a supported person has selected his or her support pursuant to Option 2 and, so far as relating to that option, Option 4, of the Social Care (Self-directed Support) (Scotland) Act 2013; or
 - (ii) the nature of the care package being arranged for a person is unique and cannot be provided for under existing Council frameworks or contracts.
- 9.2 The exemptions under standing orders 9.1 m) (i) and (ii) are subject to any requirements applying under the Procurement Reform Rules and the Chief Officer of Renfrewshire Health and Social Care Partnership in relation to adult Social Care contracts, or the Director of Children's Services in relation to children's Social Care contracts, in consultation with the HOFAP, being satisfied that the contract terms and conditions are acceptable.
- 9.3 These standing orders apply to contracts for Social and other Specific Services and contracts for Health or Social Care Services unless varied by the special arrangements set out in Schedule 5.

10. Publicity for Tenders and Contracts

10.1 The Council is under a duty to ensure that contracts it intends to award are given a degree of advertising which is sufficient to enable open competition and to meet the requirements of the principles of equal treatment, non discrimination and transparency. Contracts that are subject to the Procurement Regulations must comply with the provisions relating to advertising of contracts in these Regulations. For all other contracts the Council must put in place procedures to meet its obligations with regard to advertising those contracts. Accordingly the following procedures shall apply:-

- a) The obligation to advertise tendering opportunities for contracts in terms of this standing order applies only to contracts for supplies or services with a value of £50,000 or more and to contracts for works with a value of £213,477 or more (inclusive of VAT).
- b) Contracts to which standing order 10.1 a) applies shall be advertised using the Public Contracts website.
- c) In addition to advertising on the website referred to in standing order 10.1 b), the HOFAP may choose to advertise the contract in any other way such as in trade journals or newspapers.
- d) The HOFAP shall ensure that the Council's website contains links to the Public Contracts website.

10.2 This standing order does not apply where an exemption under contract standing order 9 applies; or use can be made of the Negotiated Procedure without Prior Publication of a Notice under contract standing order 14 ; or the contract is for Social and Other Specific Services or for Health or Social Care Services and one to which Schedule 5 applies.

11. Procedures

11.1 Where the estimated value of any contract is likely to equal or exceed the thresholds for the application of the Procurement Regulations, the HOFAP, taking advice from the HOCG where appropriate, will determine whether the Procurement Regulations apply and ensure that the various requirements of the Procurement Regulations and Principles of Procurement are followed.

11.2 Where it is established that the Procurement Regulations apply to any contract, the HOFAP will be responsible for determining the appropriate procedure to be followed in terms of those Rules and shall ensure that the contract is advertised, tendered, evaluated and awarded in compliance with those Rules. The tendering procedures under the Rules are not set out in these standing orders. The procedures in standing orders 12 to 18 inclusive may only be used where the Council is not required to use the equivalent procedures in the Procurement Regulations.

- 11.3 Any contract that is not required to follow a procedure set out in the Procurement Regulations must be let in accordance with one of the procedures set out in these standing orders and must comply with any guidance issued by the HOFAP.
- 11.4 The procedure to be used, and the reasons for selecting that procedure, shall be recorded in the Contract Strategy Document.
- 11.5 The SPD shall be used in all procedures.

12. Restricted Procedure

- 12.1 In accordance with the agreed Contract Strategy Document, the HOFAP may approve the use of the restricted procedure which shall be conducted in accordance with this standing order.
- 12.2 Where the HOFAP approves the use of the restricted procedure, a notice shall be issued on the Public Contracts website. In addition the HOFAP may also publicise the contract more widely including placing the notice in one or more national newspapers circulating within Renfrewshire inviting contractors to apply to be selected to tender.
- 12.3 The notice must contain the same information as would be required under the Procurement Regulations.
- 12.4 All applicants responding to the notice issued in terms of standing order 12.2 shall be required to provide a completed SPD by the date and time stated in the notice. This date and time shall be determined by the HOFAP taking into account factors such as the complexity of the subject matter of the contract and the time needed to prepare the SPD.
- 12.5 At the same time as a notice is issued in terms of standing order 12.2, the HOFAP shall make the relevant Contract Documents available electronically.
- 12.6 No contractor may be invited to tender unless they have successfully complied with the technical and financial checks in standing order 25 and have met the criteria to be invited to tender set out in the notice and Contract Documents.
- 12.7 The HOFAP must select a sufficient number of applicants to be invited to tender to ensure genuine competition which must not in any event be fewer than five. Where fewer than five applicants express an interest, all those applicants meeting the minimum evaluation criteria, must be invited to tender.
- 12.8 The HOFAP shall send invitations to tender simultaneously to each applicant selected to tender for a contract and the invitation to tender shall

be accompanied by a link to the Contract Documents which shall have been made available under standing order 12.5.

- 12.9 The invitation to tender shall also include the final date and time for the receipt of tenders by the Council- and the criteria to be used in evaluating the tenders.

13. Open Procedure

- 13.1 In accordance with the agreed Contract Strategy Document, the HOFAP may approve the use of the open procedure which shall be conducted in accordance with this standing order.
- 13.2 Where the HOFAP approves the use of the open procedure, the HOFAP shall issue a notice on the Public Contracts website. In addition, the HOFAP may also publicise the contract more widely including placing a notice in one or more newspapers circulating within Renfrewshire.
- 13.3 The notice must contain the same information as would be required under the Procurement Regulations.
- 13.4 The date and time stated in the notice by which tenders must be received must be no sooner than 5 working days from the date the notice is published.
- 13.5 At the same time as a notice is issued in terms of standing order 13.2, the HOFAP shall make the relevant Contract Documents available electronically.

14. Negotiated Procedure without Prior Publication of a Notice

- 14.1 The negotiated procedure without prior publication of a notice is only available in very limited circumstances and shall only be used where it is identified as the appropriate procedure in the Contract Strategy Document.
- 14.2 The negotiated procedure without prior publication of a notice may only be used with the prior written approval of the HOFAP and the Contract Strategy Document shall include a full explanation as to why the HOFAP considered it to be appropriate to use that procedure.
- 14.3 Where the Procurement Regulations do not apply, the negotiated procedure without prior publication of a notice may only be used in the circumstances stated in the Procurement Reform Rules (Regulation 6 of the Procurement (Scotland) Regulations 2016).
- 14.4 Where the Procurement Regulations apply, the negotiated procedure without prior publication of a notice may only be used on any grounds specified in those Rules.

- 14.5 For the purposes of these standing orders the negotiated procedure without prior publication of a notice means the direct negotiations with a single contractor without competition or further competition with a view to awarding the contract to that contractor or extending an existing contract.
- 14.6 Where the negotiated procedure without prior publication of a notice has been used and the estimated value of the proposed contract is £50,000 or more but does not exceed the Threshold the contract shall be awarded on behalf of the Council by the CPU on the prior approval of the HOFAP.
- 14.7 Where the negotiated procedure without prior publication of a notice has been used and the estimated value of the proposed contract exceeds the Threshold, the contract shall be awarded on behalf of the Council by the HOCG on the prior authority of the Finance, Resources and Customer Services Policy Board.
- 14.8 In all cases where the negotiated procedure without prior publication of a notice is used, a full written record of all contacts, discussions and communications with prospective contractors shall be kept by the HOFAP.
- 14.9 A minimum of two Council officers, at least one of whom must be from the CPU and of at least Senior Procurement Specialist grade, must be present at all times during any discussions with prospective contractors.
- 14.10 The HOFAP must ensure that records of all discussions with prospective contractors are signed as such by all participants.
- 14.11 The Principles of Procurement will be observed at all times during the negotiations.

15 Competitive Procedure with Negotiation

- 15.1 The HOFAP may choose to use the competitive procedure with negotiation where, in the HOFAP's view, the restricted and open procedures in these standing orders are not appropriate for a contract.
- 15.2 The competitive procedure with negotiation may only be used on one of the following grounds:
- (a) Where the needs of the Council cannot be met without adaptation of readily available solutions;
 - (b) Where the contract includes design or innovative solutions;
 - (c) Where the requirement is complex in nature, in its legal and financial make-up or because of its risks;

- (d) Where the technical specifications cannot be established with sufficient precision; or
 - (e) Where unacceptable or irregular tenders have been received following a restricted or open procedure.
- 15.3 The HOFAP shall ensure that the justification for use of the competitive procedure with negotiation is recorded in the Contract Strategy Document.
- 15.4 Where the HOFAP elects to use the competitive procedure with negotiation, the rules for such a procedure set out in the Procurement Regulations shall be followed. However, where the Procurement Regulations would not otherwise apply to the contract, the HOFAP shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.
- 15.5 In all cases where the competitive procedure with negotiation is used, a full written record of all contacts, discussions and communications with tenderers shall be kept by the HOFAP.
- 15.6 A minimum of two Council officers, at least one of whom must be from the CPU and of at least Senior Procurement Specialist grade, must be present at all times during any discussions with tenderers.
- 15.7 The HOFAP must ensure that records of all discussions with tenderers are signed as such by all participants.
- 15.8 The Principles of Procurement will be observed at all times during the negotiations.

16. Competitive Dialogue Procedure

- 16.1 The HOFAP may choose to use the competitive dialogue procedure where, in the HOFAP's view, the restricted and open procedures in these standing orders are not appropriate for a contract.
- 16.2 The competitive dialogue procedure may only be used on one of the grounds set out in standing order 15.2.
- 16.3 The HOFAP shall ensure that the justification for use of the competitive dialogue is recorded in the Contract Strategy Document.
- 16.4 Where the HOFAP elects to use the competitive dialogue procedure the rules for such a procedure set out in the Procurement Regulations shall be followed. However, where the Procurement Regulations would not otherwise apply to the contract, the HOFAP shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.

- 16.5 In all cases where the competitive dialogue procedure is used, a full written record of all contacts, discussions and communications with tenderers shall be kept by the HOFAP.
- 16.6 A minimum of two Council officers, at least one of whom must be from the CPU and of at least Senior Procurement Officer grade, must be present at all times during any discussions with tenderers.
- 16.7 The HOFAP must ensure that records of all discussions with tenderers are kept and these must be signed as such by all participants.
- 16.8 The Principles of Procurement will be observed at all times during the competitive dialogue.

17 Innovation Partnerships

- 17.1 The HOFAP may choose to use the innovation partnership procedure where, in the HOFAP's view, there is a need for innovative works, products or service which cannot be met by solutions already available on the market.
- 17.2 The aim of the innovation partnership will be the development of the required innovative works, products, or services and the subsequent purchase of the resulting works, supplies, or services.
- 17.3 The estimated value of the works, supplies or services must not be disproportionate in relation to the investment required for their development.
- 17.4 Where the HOFAP elects to use the innovation partnership procedure, the rules for such a procedure set out in the Procurement Regulations shall be followed. However, where the Procurement Regulations would not otherwise apply to the contract, the HOFAP shall determine the timescales that are to apply to the procedure taking into account factors such as the complexity of the subject matter of the contract.

18 Quick Quotes

- 18.1 Where a contract is for works, and the estimated value is below £500,000, the HOFAP may elect to use the quick quote procedure.
- 18.2 The procedures to be followed shall be the same as those set out in paragraph 3 of Schedule 3 to these standing orders, notwithstanding that the value of the contract will be greater than £50,000.

19 Extensions to Existing Contracts

- 19.1 Where the HOFAP considers that an existing contract should be extended and the option to extend is given to the Council in terms of the contract, the

HOFAP may authorise the exercise of that option on behalf of the Council provided that the value stated in the report under which approval to award the contract was granted was the estimated total value of the entire contract including any period of extension.

- 19.2 Where the contract does not make provision for the extension of the contract, the HOFAP shall not extend that contract. However, a new contract may be entered into if the use of the negotiated procedure without prior publication of a notice can be justified in terms of these standing orders in which case the procedure set out in standing order 14 shall be followed.
- 19.3 For the purposes of standing orders 19.1 and 19.2, an extension of a contract includes the option to increase the amount of supplies, services or works acquired under the contract as well as the option to increase the duration of the contract.
- 19.4 Where in terms of standing order 19.1 and 19.2, the contract does not make provision for the extension of the contract and the initial contract was not let in accordance with the Procurement Regulations, the total value of the contract including the value of any extension shall not exceed the Threshold.

20. Indicative Total Values of Contracts

- 20.1 Where a contract has been advertised in accordance with the Procurement Regulations and it becomes apparent to the Director of the procuring department that the indicative total value of the contract as previously reported to the appropriate Board or the Finance, Resources and Customer Services Policy Board is likely to be exceeded, the Director shall consult with the HOFAP for advice on what action requires to be taken. The HOFAP shall determine, in particular, whether there are any implications under standing orders 19 or 34.
- 20.2 Where a contract has not been advertised under the Procurement Regulations and the increase in the value of the contract is such that the Threshold is likely to be exceeded, no further orders shall be made under the contract until the Director has obtained advice from the HOFAP on what action requires to be taken.
- 20.3 In all cases the HOFAP will determine what procedures require to be followed in terms of standing order 34 and, where the value of the contract exceeds the Threshold and the estimated net cumulative additional cost is more than the greater of £100,000 or 25% of the approved contract value, the Director shall ensure that a report on the matter is submitted to the next meeting of the Finance, Resources and Customer Services Policy Board.
- 20.4 The HOFAP shall ensure that a condition is inserted in any such contract to the effect that the indicative total value of the contract cannot be exceeded without the approval of the Finance, Resources and Customer Services

Policy Board or the Director of the procuring service department where the contract has been awarded in terms of standing order 27.3.

21. E-Procurement

- 21.1 This standing order shall apply to any tendering procedure (including for the avoidance of doubt a mini-competition under a framework arrangement) or contract entered into using electronic means.
- 21.2 Unless in exceptional circumstances the HOFAP has agreed otherwise, all procurement exercises or negotiated procedures shall be conducted by electronic means (“e-procurement”), using a system approved by the Council;
- 21.3 The HOFAP must consider whether it is appropriate to impose any specific requirements regarding verification and authentication of the tender submission and the signature of the person making that submission. Any such requirements must be stated in the Contract Documents.
- 21.4 No tender submitted using electronic means will be considered unless it is received in the format requested and prior to the deadline for the receipt of tenders as stated in the Contract Documents and is submitted via the Council approved electronic tender system.
- 21.5 The HOFAP shall ensure that each tender is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders.
- 21.6 The HOFAP shall ensure that insofar as is reasonably practicable the system used does not allow the identity of the contractor submitting the tender to be revealed prior to the tender being opened after the deadline for the receipt of tenders.
- 21.7 The HOFAP shall ensure that for each procurement exercise the system used shall keep and, if required, produce a record showing the time and date of receipt of all tenders received.
- 21.8 The system used must not allow any tenders sent to the wrong address to be received.
- 21.9 Late tenders must be clearly identified as such by the system and shall be recorded as rejected on the system with the tenderer being notified to this effect.
- 21.10 Any questions as to whether a tender is late shall be determined by the HOFAP in consultation with the HOCG.

- 21.11 The HOFAP shall extend the deadline for submission of tenders:
- i) where additional relevant information, although requested by a potential tenderer in good time, is not supplied at least six days before the deadline; or
 - ii) where significant changes are made to the Contract Documents.
- 21.12 The HOFAP may also elect to extend the deadline for submission of tenders where it is considered appropriate to do so.
- 21.13 Where the deadline for submission of tenders is extended by the HOFAP in terms of standing orders 21.11 or 21.12 above, the HOFAP shall notify all potential tenderers of the extension and any tenderers who have already submitted tenders shall be given the opportunity to re-submit their tenders.
- 21.14 This standing order shall also apply to the receipt and custody of tenders for sub-contracts let using electronic means to be performed by nominated sub-contractors.

22 Opening of Tenders

- 22.1 All tenders for a procurement exercise shall be opened immediately one after the other during one session.
- 22.2 A minimum of two officers, one of whom to be an officer of the CPU, shall be present when tenders are opened. The officers present shall complete and sign the record prepared by the HOFAP to show who opened the tenders and who witnessed the process.
- 22.3 The Convenor and Depute Convener of the Finance and Resources Policy Board shall be invited by the HOFAP to each tendering opening session where the estimated value of the contract exceeds the Threshold.
- 22.4 The HOFAP shall keep a record showing the particulars of each tender received; the date and time these tenders were opened; and who was present when these tenders were opened.

23 Electronic Auctions

- 23.1 For the purpose of these standing orders, the expression “electronic auction” means:- A repetitive process involving an electronic device for the presentation of new prices, revised downwards, and/or new values concerning certain elements of tenders, which occurs after an initial full evaluation of the tenders, enabling them to be ranked using automatic evaluation methods.

- 23.2 The HOFAP may authorise the carrying out of an electronic auction where satisfied that it is in the interests of the Council to do so and that the electronic auction is in accordance with the Procurement Regulations.
- 23.3 The HOFAP may only authorise the carrying out of an electronic auction where he/she is satisfied that the likely benefit of an electronic auction will outweigh the costs of undertaking the electronic auction.
- 23.4 An electronic auction may only be carried out where the possibility of the use of an electronic auction has been stated in the approved Contract Strategy Document and subsequent Contract Documents issued to contractors and, where the Procurement Regulations apply, in the contract notice.
- 23.5 For the avoidance of doubt, an electronic auction may be used where previous stages of a tendering procedure have not been undertaken using electronic means.
- 23.6 Before the HOFAP may proceed with an electronic auction, a full initial evaluation of the tenders shall have been made in accordance with the award criteria. All tenderers who have submitted admissible tenders shall be invited simultaneously by electronic means to submit new prices and/or new values.
- 23.7 Throughout each phase of an electronic auction the HOFAP shall instantaneously communicate to all tenderers involved at least sufficient information to enable them to ascertain their relative rankings at any moment. The HOFAP may also, at any time, announce the number of participants in that electronic auction. In no case, however, may the HOFAP disclose the identities of the tenderers during any phase of an electronic auction.
- 23.8 Prior to the commencement of any electronic auction, the HOFAP shall intimate to all tenderers involved the date and time fixed for the carrying out of the electronic auction and the proposed duration of the electronic auction together with any proposals for the extension of the duration of the electronic auction.
- 23.9 Any electronic auction will be subject to such additional procedural requirements as the HOFAP considers necessary.

24. Submission of In-house Tenders

Where the Council has invited one of its own in-house services to tender, the other contractors who have been invited to tender shall be advised of this fact as soon as reasonably practicable after it becomes known. In such circumstances, all necessary steps shall be taken to ensure that the principles of fairness, equal treatment, non discrimination and transparency are adhered to.

25. Technical and Financial Checks

- 25.1 No tenderer may be awarded a contract for the supply of goods, materials or services or the execution of works unless following a review of the proposed contractor, the HOFAP is satisfied:-
- (a) in conjunction with the Director of the procuring department as to the technical capability of the proposed contractor; and
 - (b) in conjunction with the Director of Finance and Resources as to the financial standing of the proposed contractor.
- 25.2 The financial standing of proposed contractors shall be assessed using the most up to date Financial Appraisal Guidelines approved by the Director of Finance and Resources.
- 25.3 It shall not be necessary to review the financial standing of proposed contractors where:-
- (a) the HOFAP has ascertained that the estimated aggregate value of the contract and all other current contracts between the Council and the proposed contractor is £100,000 or below; or
 - (b) it has been reviewed in the preceding 12 months from the date of invitation to tender.
- 25.4 Assessment of a tenderer's technical capacity shall include a determination by the HOFAP as to whether:
- (a) the tenderer meets the selection criteria; and
 - (b) any exclusion grounds under the Procurement Reform Rules, or where appropriate the Procurement Regulations, apply to the tenderer.
- 25.5 The assessment under standing order 25.4 shall be based initially on the SPD submitted by the tenderer but, at any moment during the procedure, the HOFAP may require the tenderer to submit all or any of the supporting documents where the HOFAP considers this is necessary to ensure the proper conduct of the procedure.
- 25.6 Where a procedure requires a shortlist of participants to be prepared, before a participant may be included on the shortlist the HOFAP shall:-
- (a) verify that the participant whom he/she intends to shortlist meets all relevant criteria; and
 - (b) require the participant to submit such means of proof and supporting documents that the HOFAP considers to be necessary.

- 25.7 Before preparing any report to seek approval to award a contract, except a contract which is a direct award under a framework, the HOFAP shall:-
- (a) verify that the participant who is the proposed contractor meets all relevant criteria; and
 - (b) require the participant who is the proposed contractor to submit such means of proof and supporting documents that the HOFAP considers to be necessary.
- 25.8 Where the HOFAP is unable to verify that a participant meets all relevant criteria, or where a participant fails to submit such means of proof and supporting documents as required by the HOFAP in terms of this standing order 25, the participant shall be excluded from the procedure.
- 25.9 The HOFAP shall keep a record showing the results of each check of the technical capacity and financial standing of proposed contractors.

26. Checking of Tenders & Post Tender Negotiations

- 26.1 The HOFAP shall arrange for all tenders to be checked by suitably experienced and/or qualified staff, taking account of the subject matter of the tender and shall, if required by standing order 27.4, prepare and submit a written report in respect of all the tenders received in a form that complies with Schedule 6 to the Finance, Resources and Customer Services Policy Board and containing a specific recommendation as to the acceptance of the successful tender or tenders and the reasons therefor.
- 26.2 Where the HOFAP considers that a tender may be abnormally low, the procedures in the Procurement Regulations and, where applicable, the procedures prescribed by the HOFAP shall be followed.
- 26.3 Once the evaluation of tenders has been completed, with the prior written agreement of the Director of the procuring department, the HOFAP may instruct members of CPU staff to enter into post tender negotiations. Post tender negotiations shall only be used in circumstances where the HOFAP has identified a tenderer who has submitted the best price or the most economically advantageous tender to the Council for a contract or part of a contract and is satisfied that there is scope for improvement in the offer received and that such negotiations will be in the best interests of securing value for money or improved terms and conditions for the Council. Post tender negotiations may only be used with that tenderer so identified. The post tender negotiations shall not be used to put other tenderers at a disadvantage or to distort competition.
- 26.4 Where it is considered possible that post tender negotiations might apply, a clear indication will be given to prospective contractors in the instructions to tenderers that post tender negotiations might be considered.

- 26.5 Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, the HOFAP may instruct members of the CPU staff to contact a tenderer in respect of any contract in cases where such contact may be necessary to validate or clarify the terms of the tender or to effect any necessary adjustments but for no other purpose.
- 26.6 Notwithstanding the other terms of this standing order 26, where examination of the tenders reveals obvious errors or discrepancies which would affect the tender figures, these errors will be dealt with in the following manner:-
- (a) Any obvious arithmetical errors will be rectified by the appropriate officer checking the tenders and the amount of tender shall be held to be the amount of the documents so rectified and the tenderer informed in writing of the corrected amount.
 - (b) Where there is an obvious and genuine error in rates occurring, the tenderer will be given the opportunity of either confirming that they agree to their tender being considered with the error remaining or withdrawing their tender. This procedure must be undertaken in writing. Should the tenderer decide to withdraw their tender, it will not be considered for acceptance. The tenderer must not be given the opportunity to submit an amended tender.
- 26.7 A full written record shall be kept by the HOFAP of all contracts where post tender negotiations have been used and the written record will be retained with the original tender. The written record will include the justification for authorising post tender negotiations, the nature of the negotiations undertaken, the outcome of such negotiations and shall detail any additional terms agreed by the Council.

27. Acceptance and Giving Reasons for Decisions

- 27.1 Where the Council wishes to award a contract following a procurement exercise involving more than one tenderer, the Council shall award the contract to the tenderer that has submitted the most economically advantageous tender based on an evaluation by the HOFAP of the criteria set out in the Contract Documents.
- 27.2 The HOFAP shall in relation to any contract awarded following the evaluation of criteria set out in the Contract Documents, keep a written record showing the assessment of each valid tender against those criteria. The written record shall demonstrate why the successful tender was evaluated as being the most economically advantageous.
- 27.3 In the case of contracts where the value is £50,000 or more but does not exceed the Threshold, the CPU staff who conducted the tendering procedure shall submit a report incorporating the details set out in Schedule

6, to the HOFAP and the Director of the procuring department for approval. If the HOFAP and the Director of the procuring department approve the report and accept its recommendations, the HOFAP shall accept the successful tenders on behalf of the Council.

- 27.4 In respect of contracts where the estimated value exceeds the EU Threshold, the successful tenders shall be accepted on behalf of the Council by the HOCG on the prior authority of the Finance, Resources and Customer Services Policy Board.
- 27.5 The HOFAP may terminate any procedure at any time up to the award of the contract where instructed to do so by the Director of the procuring department or in any other circumstances where the HOFAP believes that justification exists for that course of action. Where a procedure is terminated, all tenderers shall be informed by the HOFAP of the decision in writing as soon as reasonably practicable.
- 27.6 In accordance with the Procurement Reform Rules, where a participant is excluded from a procedure at any stage before submitting a tender, the HOFAP shall notify the participant in writing and provide reasons as soon as reasonably practicable.
- 27.7 All tenderers shall be informed in writing of the success or otherwise of their tender as soon as is reasonably practicable after the approval of the successful tender and shall be provided with reasons in accordance with the applicable EU Procurement Rules or Procurement Reform Rules. Except in the case of letters issued to successful tenderers by the HOCG in terms of standing order 27.4, the HOFAP shall be responsible for writing to tenderers.
- 27.8 Except in the case of letters issued to successful tenderers by the HOCG in terms of standing order 27.4, where e-procurement has been used, the communication with tenderers in terms of standing order 27.7 above will be undertaken using the Council's e-procurement system.
- 27.9 Where authority has been granted by the Finance, Resources and Customer Services Policy Board under standing order 27.4 for the acceptance of the successful tenders, the decision will be subject to the Council's call-in procedures as follows:-
- (a) the Finance, Resources and Customer Services Policy Board's decision shall be delivered in writing to the members of the Council's leadership board within two working days following the meeting of the Finance, Resources and Customer Services Policy Board, and, subject to standing order 27.9 (b) below, the decision shall not be implemented, and, accordingly no communications under standing order 27.7 shall be issued, until the expiry of a further five working days.
- (b) Until the expiry of the call-in period referred to in standing order 27.9 (a) above, members of the leadership board shall be entitled to submit a notice

to require that the decision of the Finance, Resources and Customer Services Policy Board be not implemented. Such a notice shall be in writing and shall specify the reason why the decision should not be implemented, either in terms of the correctness of the decision or because of the importance or impact of the decision on the Council. If the notice is signed by a majority of the members of the leadership board, and delivered to the HOCG prior to the expiry of the period of five working days referred to in standing order 27.8 (a) above, the decision which has been subject to the notice, together with the relevant reports, shall be submitted to the next meeting of the leadership board for consideration. The leadership board, shall be entitled to either (a) confirm the decision, in which case it will be implemented, or (b) refer the matter to the next meeting of the Council for determination, or (c) remit the matter to the Finance, Resources and Customer Services Policy Board for further consideration.

- 27.10 Where the Procurement Regulations apply and authority has been granted by the Finance, Resources and Customer Services Policy Board under standing order 27.4 for the acceptance of the successful tenders, no tender shall be accepted until the date when the mandatory standstill period in terms of those Rules has expired and the HOFAP and the HOCG are satisfied that no valid challenge has been received to the contract award decision.

The mandatory standstill period is a period of at least 10 calendar days between the date of dispatch of the letters issued in accordance with the Procurement Regulations under standing order 27.7 and the date when it is proposed to enter into the contract.

- 27.11 Where, during the mandatory standstill period referred to in standing order 27.10 a valid challenge is made to the contract award decision, the HOFAP, in consultation with the HOCG, shall prepare a report for the next meeting of the Finance, Resources and Customer Services Policy Board setting out the nature of the challenge made and an explanation as to why the challenge is valid. The report shall also make a recommendation regarding the award of the contract or if the contract cannot be awarded, what further procedure, if any, is required.
- 27.12 All tender reports to the Finance, Resources and Customer Services Policy Board shall contain a confirmation from the HOFAP that these contract standing orders have been properly observed and shall comply with the tender report format in Schedule 6.
- 27.13 This standing order shall also apply to any contracts initiated by a call-off from a framework agreement. However, where, and to the extent that, the HOFAP considers it appropriate, prior approval for such contracts may be requested at the same time that the establishment of, or participation in, the framework agreement is being recommended to the Finance, Resources and Customer Services Policy Board.

28. Nomination of Sub-Contractor

Where a contract provides for the nomination of a sub-contractor, the appointment of a nominated sub-contractor shall comply with these standing orders.

29. Framework Agreements

29.1 Where the HOFAP wishes to establish a Framework Agreement ("Framework") to provide for agreement on the terms for future contracts for the purchase by the Council of goods, services and works, the following requirements shall be complied with:-

- (a) Where the Procurement Regulations apply, the HOFAP shall establish the Framework in accordance with those Rules.
- (b) In all other circumstances:-
 - i. The suppliers to be invited to tender will be selected from those who have responded to a notice.
 - ii. The notice shall be published in accordance with standing order 10.
 - iii. The notice shall mention:-
 - A) that the Council wishes to establish a Framework;
 - B) a description of the goods, service or works which are to be purchased under the Framework;
 - C) a period being not less than 10 days from the date of publication of the Notice, within which prospective participants may apply to be sent the tender documents; and
 - D) a closing date for expressions of interest to be submitted to the Council.
 - iv. at least five suppliers shall be invited to tender. If fewer than five tenderers apply to participate in the Framework, all of those tenderers meeting the selection criteria shall be invited to participate.
- (c) Where a Framework is to be established, the Contract Documents must contain the procedures to be used for the award of contracts under the Framework.
- (d) The establishment of the Framework shall comply with standing order 27.

- 29.2 Where a Framework has been established in accordance with standing order 29.1 the HOFAP may award a contract under the Framework without being required to seek further competition amongst the contractors on the Framework. However, the contract must be awarded in accordance with the terms and procedures for award of contracts laid down in the Framework and in compliance with standing order 27.
- 29.3 Where a Framework has been established but it does not lay down all of the terms of a proposed contract including, for example, where a new item can legitimately be added to the Framework, the HOFAP shall hold a mini competition procedure under the Framework in accordance with standing order 29.4 below.
- 29.4 Any mini-competition procedure in terms of standing order 29.3 shall be conducted in accordance with the procedures laid down in the Framework and the following:-
- a) every contractor on the Framework capable of performing the contract shall be issued with an invitation to take part in the mini competition. All invitations shall be issued at the same time;
 - b) the invitations shall specify the closing date and time for submission of tenders under the mini competition procedure. The time limit fixed for the return of tenders shall take into account factors such as the complexity of the subject matter of the contract and the time needed to prepare a tender, but, in any event, shall be not less than 4 working days from the date the invitations are issued;
 - c) each tender shall be kept confidential until the expiry of the time limit for the receipt of tenders;
 - d) any award of contract shall be made to the contractor or contractors who submitted the best tender or tenders on the basis of the award criteria specified in the Contract Documents based on the Framework documents; and
 - e) any award of contract following a mini competition procedure shall comply with standing order 27.
- 29.5 The HOFAP may elect to enter into contracts (whether through a call-off or by the acceptance of a tender following a mini-competition) under an existing Framework that has been properly constituted by the Scottish Government; the Crown Commercial Service, or any other agency of the UK government; Scotland Excel; other Scottish Centres of Procurement Expertise; other local authorities; and other collaborative bodies where the Council is eligible to use these Frameworks and is permitted by the relevant body to do so.. Any such contracts must be entered into in accordance with the conditions applicable to the relevant Framework and in compliance with standing order 27.

- 29.6 Where a Regulated Contract is awarded following a call-off or mini-competition under a Framework, the HOFAP shall publish an award notice on the Public Contracts website.
- 29.7 Where, in order to participate in an existing Framework of the type described in standing order 29.5 above, the Council is required to enter into a participation agreement or other similar agreement regulating the use of the Framework by the Council, the HOFAP shall have the authority to enter into the agreement on behalf of the Council, subject to the prior agreement of the HOCG.
- 29.8 Standing order 29.7 shall not apply where any fees or charges are payable by the Council to enable participation in an existing Framework of the type described in standing order 29.5 above. In such circumstances, prior approval of the Finance, Resources and Customer Services Policy Board is required before any participation agreement, or other similar agreement, may be entered into.
- 29.9 In all cases where a participation agreement, or other similar agreement, has been entered into, this shall be reported by the HOFAP to the Bulletin as soon as practicable.

30 Dynamic Purchasing Systems

- 30.1 The HOFAP may elect to establish and use a Dynamic Purchasing System ("DPS") if satisfied that:
- (a) it is in the interests of the Council to do so;
 - (b) the DPS will only be used for commonly used purchases the characteristics of which, as generally available on the open market, meet the Council's requirements; and
 - (c) the costs of the DPS will not outweigh the likely benefits of using the DPS.
- 30.2 Any DPS established under this standing order shall be operated as a completely electronic process and, throughout its period of validity, shall be open for the admission of any suppliers who meet the selection criteria set by the HOFAP.
- 30.3 Where the HOFAP elects to establish and use a DPS, the rules for such a procedure set out in the Procurement Regulations shall be followed.

31 Concessions

- 31.1 Where the Council intends to grant a services concession contract or a works concession contract (“concession”), the HOFAP shall be responsible for determining a best estimate of the financial value of the concession which shall be in accordance with the Procurement Regulations, if applicable.
- 31.2 Based on the best estimate of the financial value of the concession, the HOFAP shall determine the procedures that require to be followed in terms of these standing orders and, where applicable, the Procurement Regulations.

32. Design Contests

- 32.1 Where the HOFAP considers it appropriate to do so a design contest may be held, which shall be a competitive procedure whereby plans and designs are invited under predetermined rules in terms of which the successful entry selected is awarded a contract.
- 32.2 Where a design contest is to be held, a notice shall be placed on the Public Contracts Scotland portal by the HOFAP in terms of standing order 10.1 (b) and in addition, may be placed in one or more national newspapers circulating in the Renfrewshire area and also in such Trade Journals as the HOFAP may consider necessary. The notice shall state:-
- (a) that a design contest is being held;
 - (b) a description of the project;
 - (c) the place where a prospective competitor may obtain a copy of the rules; and
 - (d) the date not less than 14 days from the date of the publication of the notice by which the prospective competitor must intimate, in writing, their interest in being involved in the contest.
- 32.3 After the expiry of the period specified in the notice, invitations to tender shall be sent to at least three persons selected by the Director. If fewer than three persons have applied and are considered suitable by the HOFAP, then invitations to tender shall be sent to all suitable persons.
- Where only one suitable applicant has applied the Director shall decide either to abandon the contest or to negotiate with the sole suitable applicant for the award of the contract using the Negotiated Procedure without Prior Publication of a Notice in standing order 14.
- 32.4 The prior approval of the Finance, Resources and Customer Services Policy Board is required before a design contest in terms of this standing order is commenced.

- 32.5 For the purposes of these standing orders a design contest means a competition in which the Council:-
- (a) invites the entry of plans and designs;
 - (b) establishes rules for the competition under which the plans or designs will be judged by a jury;
 - (c) may award prizes; and
 - (d) is enabled to acquire the use or ownership of plans or designs selected by the jury.

33. Specification of Standards

Where there is a recognised British, European or International Standard applicable to any contract which is current at the date of tender, the Contract Documents shall require that the goods, materials or services to be used or supplied and all workmanship shall at least meet the requirement of that standard.

34. Assignment, Sub-Contracting, Termination and Modification

- 34.1 In every contract, there shall be a provision whereby the contractor shall be prohibited from transferring or assigning to any person or persons whatever, any portion of the contract without the prior written consent of the Council. The HOFAP, in consultation with the HOCG and the Director of the procuring department shall have the power to consent on behalf of the Council to the assignment of a contract.
- 34.2 The sub-contracting of any part of a contract except to the extent permitted in writing by the HOFAP, in consultation with the HOCG shall be prohibited.
- 34.3 The HOFAP may exercise any power on behalf of the Council to terminate any contract or part of a contract or to terminate the Council's participation in a Framework Agreement or to agree to vary or amend the terms of any contract but only following consultation with the Director of the procuring department and the HOCG and subject to them all being satisfied that it is reasonable and in the interests of the Council to exercise that power.
- 34.4 Where it is proposed to modify a contract or framework, the HOFAP, taking advice from the HOCG where appropriate, shall determine whether the proposed modification would require a new procurement procedure. For the avoidance of doubt, modification includes any changes to the scope; terms and conditions; value; or parties to the contract or framework.

34.5 Where the HOFAP determines that a modification would not require a new procurement procedure, the procedures under standing order 20 shall be followed.

35. Liquidated and Ascertained Damages

Where the Director of the procuring department and the HOFAP deem it to be appropriate following consideration of the risks involved, the HOFAP shall ensure that the contract provides for liquidated and ascertained damages. The amount to be specified in each such contract shall be determined by the HOFAP and the Director concerned.

36. Prevention of Collusion and Corrupt or Illegal Practices

In every written contract a clause shall be inserted to secure that the Council shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or the contractor's representative (whether with or without the knowledge of the contractor), shall have practised collusion in tendering for the contract or any other contract with the Council or shall have employed any corrupt or illegal practices either in the obtaining or performance of the contract or any other contract with the Council.

37. Health and Safety

No contract to which these standing orders apply will be accepted unless the contractor satisfies the Council that the contractor is operating health and safety policies which conform to current government legislation.

38. Schedule of Rates Contracts

In every works contract which is a schedule of rates contract, following discussion with the CPU and prior to invitations to tender being issued, the Director of the procuring department shall fix an indicative total value for the contract. The relevant indicative total value shall be set out in any report to the Finance, Resources and Customer Services Policy Board.

39. Sustainable Procurement

39.1 The Council is committed to sustainable procurement and the HOFAP shall be responsible for ensuring that the Council fulfils its Sustainable Procurement Duty.

39.2 The HOFAP shall , ensure that the Sustainable Procurement Duty is considered in the development of every Contract Strategy Document for a

Regulated Procurement, taking into account how the Regulated Procurement can

- a) improve the economic, social and environmental wellbeing of the Renfrewshire area;
- b) facilitate the involvement of small and medium enterprises, third sector bodies and supported businesses in the Regulated Procurement; and
- c) promote innovation.

39.3 Where improvements in terms of standing order 39.2 a) have been identified in a Contract Strategy Document, the HOFAP shall ensure that the Regulated Procurement is carried out with a view to securing such improvements.

40. Consultants

40.1 It shall be a condition of the engagement of the services of any consultant that:-

- a) they shall comply with these contract standing orders as though they were officers of the Council.
- b) that at any time during the performance of the contract the consultant shall, on a request by the Director of the procuring department, produce all records maintained by them in relation to the contract and on completion of the contract transmit all such records to the appropriate Director, if so required.

40.2 All contracts for consultancy services must set out clear output targets for performance by the consultant under the contract.

40.3 In relation to all contracts for consultancy services, the original Contract Documents shall, after checking, be lodged with the HOFAP.

41. Records and Registers

41.1 The HOFAP shall maintain a contracts register in accordance with the Procurement Reform Rules

41.2 Where these standing orders require that records or registers are kept, the approval of the HOCG shall be obtained prior to making arrangements for the disposal of any such records or registers.

41.3 The contracts register kept in accordance with standing order 41.1 is to be regarded as a permanent record of the Council and is not to be destroyed or disposed of.

42. Procurement Strategy and Annual Report

- 42.1 In accordance with the Procurement Reform Rules, the HOFAP shall prepare and publish a procurement strategy setting out how the Council intends to carry out Regulated Procurements in the next financial year.
- 42.2 Where the Council's procurement strategy for the current financial year requires to be reviewed, the HOFAP shall make such revisions as are considered appropriate and publish the revised strategy.
- 42 .3 The HOFAP shall prepare and publish an annual procurement report on the Council's Regulated Procurement activities in relation any financial year as soon as reasonably practicable after the end of that financial year.

Schedule 1

CONTRACT STRATEGY TEMPLATE WITH GUIDANCE

CONTRACT NAME:

CONTRACT REF: RC-CPU-

Period:

Value:

Executive Summary

Consideration should be given to the following when completing the executive summary:

Brief synopsis of what is detailed in the report (no new information should be detailed here)

Key Findings,

Benchmarking and opportunities, options considered,

Recommendations and key actions,

Benefits, Justification and projected savings,

Key risks and resource implications.

CPU Lead Contact Details: Insert details

Strategy Approval		
<u>Endorsed by SCCM</u>	<u>Signed by Head of Service/Director of Service</u>	<u>Signed by Head of Finance and Procurement</u>
Date:	Date:	Date:

Zone A – Development

Description of requirement	
Associated Outcomes	•
• Council Objective this supports	•
• Status of requirement	
• Service requesting procurement exercise	
• Financials	Allocated budget (cost centres/account codes), other funding considerations Budget: Account Code: Cost Centre:
• Project Plan	•
• Strategic Planning & Policy Lead/Input	•
• Influencing factors	<ul style="list-style-type: none"> • <u>PESTLEE Analysis</u> Political Social Demographic Technological Legal Environmental • Ethical
• Spend Analysis	Not applicable as this is a new requirement covering one-off spend.
Opportunities	<u>Collaboration</u>

	<p><u>Outsourcing</u></p> <p><u>Insourcing</u></p>
<ul style="list-style-type: none"> • Supply Market Status, Analysis and Risks • 	
<ul style="list-style-type: none"> • Sustainability/CB Considerations • 	

Zone B – Tender

Type of Contract									
Procurement Regulations applicable to this exercise	Council Standing Orders Relating to Contracts and applicable Regulations								
Options Appraisal	Procurement Process to be adopted and why? (Benefits/Risks and Comparisons to others)								
Length of Proposed Contract Period	Length of Proposed Contract Period and any potential extension options								
Stakeholders	<ul style="list-style-type: none"> • (name and job title) • (name and job title) • (name and job title) 								
Evaluation Panel	<ul style="list-style-type: none"> • (name and job title) • (name and job title) • (name and job title) 								
SPD Considerations	<p>Standard Statements that are deemed applicable. Insert table below.</p> <table border="1"> <tr> <td>1. Instructions</td> <td rowspan="7">Standard questions which do not require alteration</td> </tr> <tr> <td>2. Part I. Information concerning the procurement procedure and the public body</td> </tr> <tr> <td>3. Part II. Information concerning the bidder.</td> </tr> <tr> <td>A: Information about the bidder.</td> </tr> <tr> <td>B: Information about representatives of the bidder</td> </tr> <tr> <td>C: Information about reliance on the capacities of other entities</td> </tr> <tr> <td>D: Information concerning subcontractors on whose capacity the bidder does not rely</td> </tr> </table>	1. Instructions	Standard questions which do not require alteration	2. Part I. Information concerning the procurement procedure and the public body	3. Part II. Information concerning the bidder.	A: Information about the bidder.	B: Information about representatives of the bidder	C: Information about reliance on the capacities of other entities	D: Information concerning subcontractors on whose capacity the bidder does not rely
1. Instructions	Standard questions which do not require alteration								
2. Part I. Information concerning the procurement procedure and the public body									
3. Part II. Information concerning the bidder.									
A: Information about the bidder.									
B: Information about representatives of the bidder									
C: Information about reliance on the capacities of other entities									
D: Information concerning subcontractors on whose capacity the bidder does not rely									

	4. Part III. Exclusion criteria:	
	A: Grounds relating to criminal convictions.	
	B: Grounds relating to the payment of taxes or social security contributions.	
	C: Blacklisting.	
	D: Grounds relating to insolvency, conflicts of interests or professional misconduct.	
	5. Part IV. Selection criteria	
	A: Suitability.	Note any professional or trade registers or memberships that are required?
	B: Economic and financial standing.	Turnover? Ratios? Insurance? Any other elements relevant?
	C: Technical and professional ability.	References? Technical bodies? SCM systems? Qualifications? Plant/tools? Samples? Certificates?
	D: Quality assurance schemes and environmental management standards.	Quality Management Procedures? H&S?
E: Global indication for all selection criteria.	NOT USED	
6. Part V. Reduction of the number of qualified candidates.	NOT USED	
7. Part VI. Concluding Statements	Standard questions which do not require alteration	
Scoring Methodology (%)	Price/Quality %. Questions? Show breakdown for CB & FWP where applicable.	
Community Benefit Approach	<ul style="list-style-type: none"> Mandatory, Evaluated or Voluntary. If CB Outcome Menu used. Note any engagement with CB Forum 	
H&S Level	<ul style="list-style-type: none"> Note which level of health and safety questionnaire that H&S have advised to use. 	
Insurance Level	<ul style="list-style-type: none"> Note the Insurance levels you have been advised to use from the Risk Manager 	
Information Governance	<ul style="list-style-type: none"> Note your Data Protection considerations and conclusion. Contact Mark Conroy for further assistance. 	
Cyber Security Considerations	<ul style="list-style-type: none"> Note any cyber security considerations relevant to this contract. 	
Planned Savings	<ul style="list-style-type: none"> Detail any planned savings 	
P2P Considerations	<ul style="list-style-type: none"> Note payment system and catalogue considerations. 	
Risks	<ul style="list-style-type: none"> Refer to risk register in appendix section. 	

Zone C – Contract

CSM	Considerations: lead CSM and segmentation analysis and outcome. https://www.procurementjourney.scot/route-3/route-3-contract-supplier-management-planning-governance
Planned KPI's/SLA's	Insert any planned KPI's or SLA's
Communication Implementation Plan	General overview of communication plan.
Exit Strategy	Refer to appendix.

Appendices

1. Project Plan	<ul style="list-style-type: none">This details the full project plan for the renewal of the Contract.
2. Implementation Plan	<ul style="list-style-type: none">This details the planned activity for the implementation of this Contract.
3. Risk Register	<ul style="list-style-type: none">This holds the identified risks that have been identified and that require management during the lifecycle of this procurement exercise and framework/contract life.
4. Exit Strategy	<ul style="list-style-type: none">This details the planned exit strategy for when this framework/contract comes to an end on expiry (or sooner if required).

APPENDIX 1 – PROJECT PLAN

Key Milestone	Planned Start Date	Anticipated Completion Date
Project Start / Risk Register (<i>Appendix B</i>)		
Market Analysis/Scope		
Contract Strategy Completion Date		
Specification Deadline		
Stakeholder Consultation (<i>e.g Insurance, H&S Levels and Legal</i>)		
Advertisement & Tender Issue Date		
Tender Return Date		
Evaluation & Clarification Completion Date		
CAR/PSC Papers due for Approval by Stakeholders		
PSC Date (if applicable)		
Contract Award Letter and Notice Published		
Implementation Plan		
Contract Start Date		
Supplier on Site Date (if applicable)		
Contract Completion Date		

APPENDIX 3 – RISK REGISTER

Contract -

Risk Register

Award letter dated : :
Commencement Date :

Duration :



Key

Probability/Impact

- Very Low 1
- Low 2
- Potential 3
- Likely 4
- High 5

P - Probability

I - Impact

E - Effect

STATUS

Open

Closed

R ef	Dat e Rai sed	Risk	OWN ER	P	I	E	Mitigating Actions	P	I	E	Status
1											
2											
3											

CONTRACT DETAILS

Contract Title	
-----------------------	--

APPENDIX 4 – EXIT STRATEGY	
Tender Document No	
CPU Lead Officer	
Date Created	
BRIEF DESCRIPTION OF THE NEED FOR EXIT PLAN	
ITEMS TO BE HANDED OVER	

Key activities and milestone completion dates	
Contract start date	
Optional Extensions	
Contract duration review(s)	
Contract exit strategy implementation meeting with supplier	
Contract review meeting with internal stakeholders	
Contract review meeting with supplier	
Other key dates, for example data hand over, staff transfer, IPR	
Contract handover to Council / new supplier commencement	
Contract end date	

Schedule 2

Thresholds under the Procurement Regulations applicable to the Council from 1 January 2022 (all figures are inclusive of VAT)

Public Contracts

SUPPLIES	£213,477
SERVICES	£213,477
DESIGN	£213,477
WORKS	£5,336,937
SOCIAL AND OTHER SPECIFIC SERVICES	£663,540

Concession Contracts £5,336,937

Utilities Contracts

SUPPLIES	£426,955
SERVICES	£426,955
DESIGN	£426,955
WORKS	£5,336,937

Thresholds will next be reviewed– 1 January 2024

Schedule 3



Renfrewshire Council

**GUIDANCE NOTE
MINIMUM PROCEDURE FOR PLACING ALL CONTRACTS WITH A VALUE OF
LESS THAN £50,000**

Table of Contents

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3. Quick Quote (£25,000 - £49,999.99 ex VAT)	49
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Appendix A	Error! Bookmark not defined.
Appendix A-1	Error! Bookmark not defined.
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1. Introduction

- 1.1. This guidance note details the Council's procedures for placing contracts with a total estimated value of less than £50,000, exclusive of VAT but only where no contract exists. Note that the use of existing contracts is mandatory.
- 1.2. Where the Council has a Framework Agreement already in place covering the subject matter of the contract, the contract must be awarded in terms of that Framework Agreement; consult with CPU.
- 1.3. This defines the minimum requirement for any such procurement exercise. However, the HOFAP may decide to follow the Council's Standing Orders relating to Contracts for any contract, regardless of its value.
- 1.4. Expressions used in this Guidance shall have the same meaning as that given to them in the Council's Standing Orders Relating to Contracts, unless this guidance provides a different meaning.

2. Contracts between £0 and £24,999.99 (ex VAT)

- 2.1. The following procedures are to be adhered to, subject to the commodity and value of the procurement exercise being undertaken.
- 2.2. Values are not to be deliberately disaggregated to avoid the rules and to bring the expenditure under the thresholds. CPU will carry out random checks.
- 2.3. The HOFAP and/or Director is to seek Best Value for the Council and where applicable, must be able to clearly demonstrate transparency, non discrimination and equal treatment within the chosen tender process and in the award of a contract.
- 2.4. The corporate Purchasing Card (PCard) is to be used as the preferred payment mechanism for all spend under £2000.

Supplies/Services/Works (excluding professional consultancy)

Title	Threshold	Procedure
Best Value	£0 - £1,999.99 (ex VAT)	Low value tenders can be undertaken at council officers' discretion. A written quotation is not required provided that Best Value principles are observed.
RFQ	£2,000 - £24,999.99 (ex VAT)	Request for Quote (RFQ) carried out by council officers 1. 3 written quotations (including email) from competent suppliers; 2. Where only one supplier exists, see paragraph 4.2 below; 3. Where contracts are considered high risk and/or

		legally complex, consult with CPU; 4. Suppliers to be given at least seven working days to respond; 5. RFQ response to include details of the supplier and the price quoted; 6. Written quotations to be retained for a minimum period of 12 months.
--	--	---

Professional Consultancy

Title	Threshold	Procedure
See separate "Guidance for the use of Consultants" on Renfo.		

See "procurement process flowchart" at [Appendix A](#).

3. Quick Quote (£25,000 - £49,999.99 ex VAT for Goods and Services; £25,000 - £500,000 ex VAT for Works)

- 3.1 Quick quotes are to be carried out by CPU.
- 3.2 The appropriate client/service department is to complete a "Quotation Request" at [Appendix B](#) and forward to the relevant CPU Strategic and Commercial Category Manager for action.
- 3.3 CPU shall invite a minimum of four (4) suppliers to quote, (of which a minimum of 75% should be local suppliers from the Renfrewshire area) where possible, using the "Quick Quote" facility on the Public Contracts Scotland (PCS) web portal (www.publiccontractsscotland.gov.uk), and utilising the guidance provided in the Procurement Journey as best practice.
- 3.4 Suppliers shall be selected from those registered for that category on the PCS web portal and the selection shall not be restricted to existing suppliers.
- 3.5 Where there are fewer than four (4) suppliers registered, CPU shall carry out a proportionate level of research to encourage new suppliers to register on PCS. Failing that, all qualifying suppliers will be invited to submit quotations. In the event that there is only one qualifying supplier, CPU shall use the negotiated procedure in terms of [paragraph 4](#) below.
- 3.6 A written specification shall be prepared by the appropriate client/service department, which must contain sufficient detail to enable the supplier to determine what is expected in terms of performance of the contract and to enable the Council to monitor the quality of that performance.
- 3.7 As a minimum the specification will incorporate:-
 - 3.7.1 a clear description of what the supplier will be expected to provide under the contract;
 - 3.7.2 information about how the Council will pay for what is to be provided under the contract;

- 3.7.3 details of the level of service to be provided under the contract, including, but not restricted to, timescales for delivery or performance and any performance measures set by the Council;
 - 3.7.4 the evaluation criteria to be used for the award of the contract;
 - 3.7.5 the terms and conditions applicable to the contract;
 - 3.7.6 the appropriate level of insurance.
- 3.8 The timescale permitted for the return of quotations must be sufficient to allow all of those invited the same opportunity to respond.
- 3.9 Once the evaluation process has been completed, CPU shall obtain sign off where appropriate, from the Director, or authorised representative, using the “Contract Authorisation report” at [Appendix C](#), before issuing award letters to suppliers.
- 3.10 Any contract shall be awarded to the supplier/s who has submitted the Most Economically Advantageous Tender (MEAT), taking into account the price offered and the supplier’s response to any quality or other criteria set by the Council.
- 3.11 CPU shall be responsible for writing to the supplier(s) to inform them of the outcome of the quotation.
- 3.12 The contract award is to be published on www.publiccontractsscotland.gov.uk

4. Negotiated Procedure

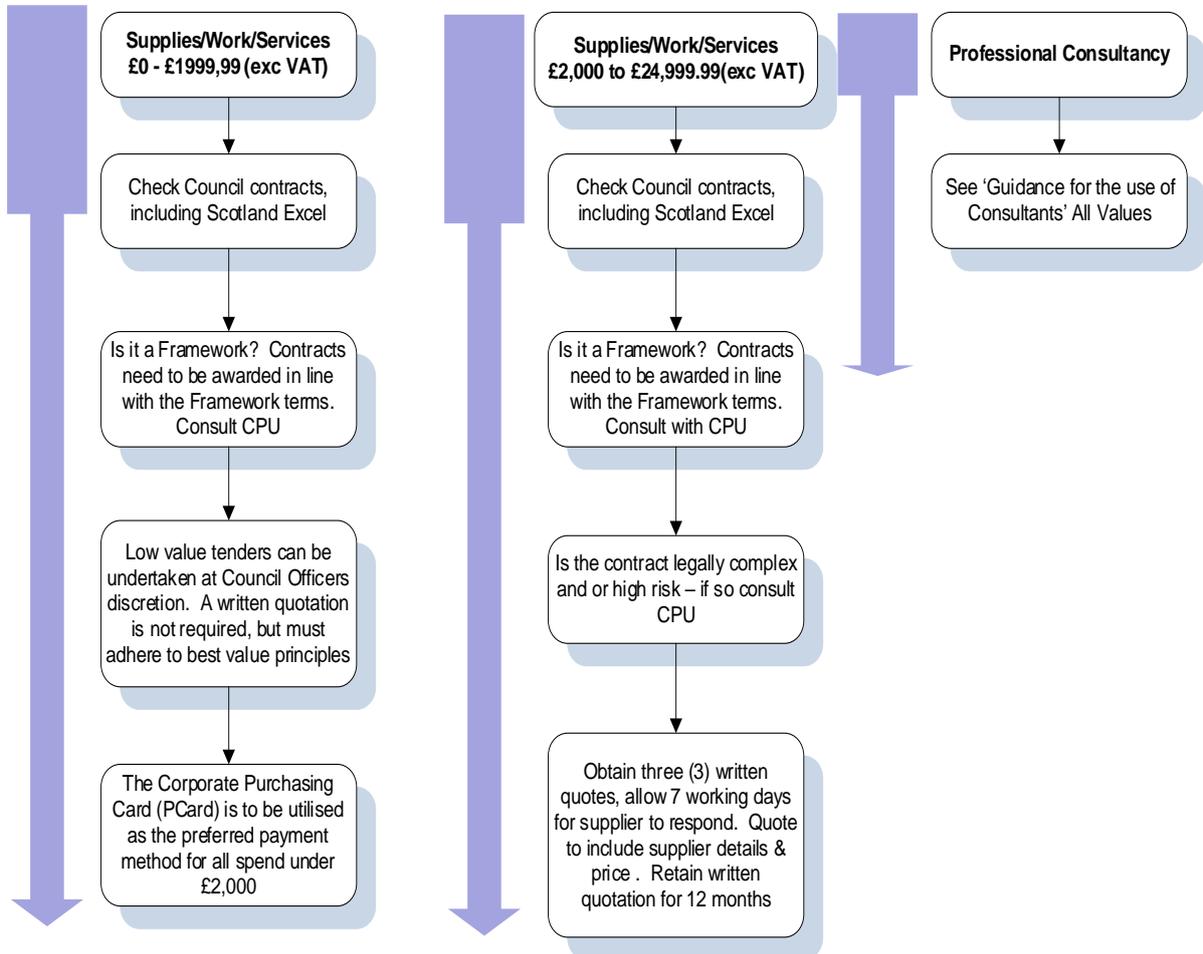
- 4.1 The HOFAP may use the negotiated procedure, but only where the following limited grounds apply:-
- 4.1.1 where as a result of the invitation of competitive tenders, no valid offer or only one valid offer complying with specification has been received; provided always that no significant changes are made to the tender documents that were previously issued; or
 - 4.1.2 where the HOFAP is satisfied that the requirement of the contract is unique or, after research, only one suitable source of supply can be identified; or
 - 4.1.3 where the HOFAP is satisfied that for reasons of technical complexity or compatibility or for reasons connected to the protection of exclusive rights, subsequent deliveries of equipment or goods or the provision of services require to be purchased from the original supplier; or
 - 4.1.4 where in the case of a supply contract, the goods to be purchased or hired are to be manufactured purely for the purpose of research, experiment, study or development, but not when the goods are to be purchased or hired to establish their commercial viability or to recover their research and development costs; or

- 4.1.5 when (but only if strictly necessary) for reasons of extreme urgency brought about by events unforeseeable by and not attributable to the Council, it is not possible to comply with the procedures in paragraphs 2 and 3; or
 - 4.1.6 where in the case of a services or a supply contract, in the opinion of the HOFAP it is in the interests of the Council to take advantage of particularly advantageous bargain available for a very short period of time at a price considerably lower than normal market prices; or
 - 4.1.7 where pending the letting of a contract (“the main contract”) it is necessary to award a short term contract to cover the period up to the commencement of the main contract. However, the short term contract shall be for a period of no more than six months and shall not exceed £50,000 for the duration of the full contract.
- 4.2 For contracts having a value of less than £25,000 (see [paragraph 2.4](#) above), the Director is free to use the negotiated procedure where to do so is in the interests of the Council and represents Best Value.
- 4.3 In all cases where negotiated procedures have been used in terms of this paragraph 4, a full written record of all contacts, discussions and communications with prospective suppliers shall be kept by CPU or the Director, together with a full explanation as to why it was considered it to be appropriate to use the negotiated procedure.

5. Extension to Existing Contracts

- 5.1 Where the Director considers that an existing contract should be extended and the option to extend is given to the Council in terms of the contract, the HOFAP may authorise the exercise of that option on behalf of the Council. For the avoidance of doubt, where the contract does not make provision for the extension of the contract, the HOFAP shall not extend that contract unless the use of the negotiated procedure can be justified in terms of this Guidance and the procedure in [paragraph 4](#) of this Guidance and, where appropriate, standing order 12 of the Council’s Contract Standing Orders have been followed.
- 5.2 For the purposes of paragraph 5.1 of the Council’s Contract Standing Orders an extension of a contract includes the option to increase the amount of supplies, services or works acquired under the contract as well as the option to increase the duration of the contact.

Renfrewshire Council Procurement Process To be carried out by Service/Client Department



Appendix B

Quotation Request Form Spend below £49,999.99

SECTION ONE:

1.1 DEPARTMENT DETAILS	
Contract Name	

Requesting department			
Requesting contact	Print Name: Signature:		
Date created		Latest date for commencement of contract	
Estimated value of requirement		Budget amount	
For I.T purchases only	Departments must discuss I.T. requirements with I.T. department to ensure compatibility with current I.T. systems		
1.2 AUTHORISATION			
Department authorised signature (Grade N or above)	Print Name: Signature:		
CPU authorised signature (Grade K or above)	Print Name: Signature:		

SECTION TWO:

2.1 CURRENT SITUATION			
New requirement / Based on existing contract Circle as appropriate. New Requirement			
If based on an existing contract N/A			
Purchase order number			
Historical spend	Annual Spend: Total Spend:		
Period of the original contract		Name of current contractor	

SECTION THREE:

1 REQUIREMENT

Please provide a full specification, including quantity, description, delivery required and delivery address along with any special requirements/conditions relating to this quotation exercise.

Please provide a proposal for the evaluation criteria.

3.2 KNOWN CONTRACTORS

Please provide details of known contractors that should be encouraged to register on Public Contracts Scotland. Details should also be provided of known local (within the Renfrewshire area) contractors.

Please note that CPU shall invite a minimum of four (4) suppliers to quote, (of which 75% should be local suppliers from the Renfrewshire area) where possible.

A different group of potential suppliers should be selected where possible if the requirement is a recurring or similar.

Reasons should be stated below if local suppliers are not appropriate or available and/or why different potential suppliers have not been selected.

SECTION FOUR:

4.1 CONTRACT MANAGEMENT

Once the tender/quotation exercise has been completed the client department must manage the contract which shall include raising of orders and co-ordinating the payment of invoices.

Nominated client department
contract manager

Nominated client
department contact
details

Phone:
Email:

Contract Authorisation Report

To: **Enter Name of Director**
Director of Enter Name of Dept

On: **Date**

Joint Report
by
Chief Executive Services and (Enter Dept)

Subject: Enter tender description

1. Summary

1.1 *Should include: An outline of the purpose of the contract, state the reasons for tender, links to any National programmes, "A Commodity Strategy was approved by on .../.../.... " State if Supplies, Works or Services. Programme Reference should also be included where appropriate.*

2. Recommendations

2.1 State: The Supplier(s) you wish to award the contract/framework to, Contract number, contract name, contract value and start and end date. Include extension timeframe of contract if applicable.

3. Background

3.1 Summary: What Process was used eg Quick Quote, where the contract was advertised. If Crown Commercial Services was used, what process was followed thereafter. Were Mini tenders used? Was it an E-auction? Where the restricted process has been used, the report should provide details of the selection process i.e. numbers of expressions of interest, how many ITPs were returned and how many ITTs were issued. Also, state the number of companies to whom ITTs were issued but who failed to submit a bid.

3.2 PCS Compliance: Confirm any above GPA Threshold legislative routes that were followed, what the GPA threshold for the Goods, Works or Services being purchased is and the timescales involved. Are Schedule 3, Social Care services a factor?

3.3 Standing Order Compliance: state the specific clauses that are being acting upon.

3.4 Tender Information: Give details on the evaluation. This should include the number of bids received, the number of compliant / non compliant bids (if non compliant – state why). Use the table below to detail the scoring (Add further rows where more than price and quality were assessed), financial position of winning tenderer and pricing for all bids. Where the lowest bid

was not accepted state why. When declaring pricing information in the table below please remember that commercially sensitive information such as labour rates should not be disclosed.

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
Price					
Quality					
Delivery					
Total					

- 3.5 Financial: Give detail on the original budget and state the savings against the budget or existing unit cost/benchmark.
- 3.6 Programme reference, where appropriate. e.g. Is the tender part of a Capital programme that has required prior board approval?
- 3.7 Commercial Specifics: Give detail on any bonding arrangements. e.g. Bonds, parent company guarantees, retentions, Insurances.
- 3.8 Where applicable: Statutory approvals obtained. e.g. has appropriate Planning permission been obtained. Are there any other permissions that should be considered?
- 3.9 Where applicable: Council ownership or equivalent of site or buildings.
- 3.10 Where applicable: Conclusions, discussion where necessary. If community benefits will not be delivered state why these were not sought/achieved.

Enter appendix/reference text here – if none, then delete this sentence

***To be signed for all spend between £50,000 to GPA Threshold**

This report has been authorised by:

Director or Head of Service

Enter Name

and

Category Manager

Enter Name

Signed:

***To be signed for all spend between £25,000 to £50,000**

This report has been authorised by:

Authorised Signatory *(Note: an authorised signatory is an individual who has the delegated authority to approve the spend from the respective service department and is listed on the RC authorised signatory database)*

and

Category Manager
Enter Name

Sign:

****Delete box as appropriate***

(Author: enter details - an appropriate name and telephone number/e-mail address should be included so that the officer specified will be able to be contacted in relation to the report and to receive a copy of the action note following the meeting).

Schedule 4

Guidance on Grants

What is a grant?

A “grant” is a donation paid by the Council to an organisation to be used for a specified purpose which the Council wishes to support to help meet the Council’s strategic objectives and benefit the community.

In effect, a grant is a gift of financial assistance from the Council with conditions attached. The attached conditions must be either grant conditions approved by the Council or grant conditions required to be included by an organisation providing funding for the purpose of the grant. Whereas these conditions impose limits and instructions on how the grant may be used, they do not set out the precise details of any services to be provided nor do they prescribe how the specified purpose will be achieved. Grants are different from loans in that there is no expectation that any part of the grant will be repaid provided the conditions of grant are complied with. If the conditions are breached, the Council’s only remedy is to demand that the grant be repaid.

What procedures require to be followed when a grant is being provided?

The Council has approved grant conditions and procedures for grants. No grant shall be paid unless these procedures are followed and a binding agreement is in place setting out conditions that apply to the grant. Any questions regarding these procedures and terms and conditions must be referred to legal services.

Do the Procurement Regulations apply to grants?

There are some circumstances in which a grant might be viewed as a public services contract for the purposes of the Procurement Regulations. The Procurement Regulations set out the detailed procedural rules that apply to the purchase of works, services and supplies by the Council. Under the rules, a “public services contract” is defined as “a contract, in writing, for consideration (whatever the nature of the consideration) under which a contracting authority engages a person to provide

services". Therefore, these rules do not apply to straightforward grants. However, distinguishing between contracts, to which the rules would apply, and grants, to which they do not, is often difficult, for example, where the Council directs what, or how, services are to be provided or derives any benefit from them. Where there is any doubt, advice must be obtained from legal services.

What about Subsidies?

Even where the Procurement Regulations do not apply, the rules on subsidies are an important consideration. These are a complex set of rules which prohibit subsidies being paid by public bodies, such as the Council, which could confer any unfair advantage on an organisation or distort competition. An example would be where the council gives a sum of money to only one of a number of local organisations who provide a service to the community, without there being any competition for that funding. The other organisations could claim that there has been an unfair subsidy paid to the organisation that was given the grant because they too could have provided the service if they had been given the opportunity.

There are some limited exceptions and financial limits below which funding is not considered to be a subsidy but, broadly, for a grant to be classed as a subsidy, the following criteria require to be met:-

- It is given by a public authority. This can be at any level – central, devolved, regional or local government or a public body;
- It makes a contribution (this could be a financial or an in kind contribution) to an enterprise, conferring an economic advantage that is not available on market terms. Examples of a contribution are grants, loans at below market rate, or a loan guarantee at below market rate or allowing a company to use publicly owned office space rent free. An enterprise is anyone who puts goods or services on a market. An enterprise could be a government department or a charity if they are acting commercially;
- is specific, i.e. it benefits one or more enterprises over one or more other enterprises with respect to the production of goods or services, and
 - It has, or is capable of having, an effect on competition or investment within the UK, or on trade or investment between the UK and another country or territory. The latter can be trade with any World Trade Organisation member or, more specifically, between the UK and a country with whom it has a Free Trade Agreement. For example, if the subsidy is going towards a good or a service which is traded between the UK and the EU this could affect trade

between the EU and the UK. (Please note that you are not being asked whether the subsidy could harm trade but merely whether there could be some sort of effect.)

A breach of the subsidy rules could have serious consequences for the Council. Therefore, any concerns about whether a grant could be considered a subsidy must be referred to legal services.

Is a competitive process needed where neither the Procurement Regulations nor the rules on Subsidies apply?

In some circumstances, such as where only limited funding is available or if applicants for grant funding have similar purposes, a competitive application process may be appropriate to determine how funding should be allocated whether or not the Procurement Regulations or the rules on subsidies apply.

As it is a public body, the Council has certain duties when dealing with grants. It must act in a fair, transparent and consistent manner and all potential grant recipients must be treated equally.

Schedule 5

Special Arrangements for Contracts for Social and Other Specific Services and for Health or Social Care Services

Unless varied by the special arrangements set out in this Schedule 5, the foregoing standing orders apply to contracts for Social and Other Specific Services and contracts for Health or Social Care Services. The special arrangements are as follows:

A. Procedures for the Award of Contracts for Social and Other Specific Services

A.1 Where a contract is for Social and Other Specific Services and the estimated value of the contract is equal to or greater than the threshold for Social and Other Specific Services, the HOFAP shall follow the relevant procedures for such services set out in the Procurement Regulations and the Procurement Reform Rules.

B. Procedures for the Award of Contracts for Health or Social Care Services

B.1 Where a contract is for Health or Social Care Services and the estimated value of the contract is less than the threshold for Social and Other Specific Services, instead of using the procedures set out in the foregoing standing orders, the HOFAP may elect to follow the procedures set out in the Procurement Reform Rules. In such circumstances, the HOFAP in conjunction with the Chief Officer of Renfrewshire Health and Social Care Partnership in relation to contracts for services for adults, or the HOFAP in conjunction with the Director of Children's Services in relation to contracts for services for children, may decide, that offers shall not be sought for example where:

- (a) it can be demonstrated that the contract is of no interest to service providers in other EU member states; and/or
- (b) the total sum to be paid under the contract is so low that service providers located in other EU member states would not be interested in bidding for the contract; and/or
- (c) the service is of such a specialised nature that no cross-border market of suitable service providers exists; and/or
- (d) advertising the contract would result in the loss of a linked service; and/or

(e) the services required by a service user can best be provided by the service user's existing service provider.

B.2 Where a decision is taken under paragraph B.1 above that offers shall not be sought, the HOFAP and the Chief Officer of Renfrewshire Health and Social Care Partnership in relation to contracts for services for adults or the HOFAP and the Director of Children's Services in relation to contracts for services for children Social Care contracts shall agree if and how the contract shall be advertised.

B.3 Where a decision is taken under paragraph B.2 above not to advertise the contract, the Negotiated Procedure without Prior Publication of a Notice set out in standing order 14 shall be followed.

C. Guidance from the Scottish Government

C.1 Subject to standing order 9.3, contracts for Health or Social Care Services shall be procured in accordance with the Scottish Government's Guidance on the Procurement Reform (Scotland) Act 2014 and Guidance on the Procurement of Care and Support Services 2016 (Best-Practice) issued under Scottish Procurement Policy Note SPPN 7/2016(as such may be amended or replaced).

C.2 In the event of any conflict between these standing orders and the Guidance referred to in paragraph C.1 above, the Guidance shall prevail.

C.3 Any legal issues arising from the Guidance referred to in paragraph C.1 above shall be referred to the HOCG in accordance with standing order 6.3.

D. SCSWIS and other Mandatory Registration

D.1 All Contractors providing Health or Social Care services to the Council must be registered with Social Care and Social Work Improvement Scotland (SCSWIS) (commonly known as the Care Inspectorate) and/or any other regulatory bodies relevant to the service provided.

E. Review of Decisions

E.1 Any decision taken under paragraph B.1 or B.2 shall be reviewed at regular intervals by the HOFAP and the Chief Officer of Renfrewshire Health and Social Care Partnership in relation to adult Social Care contracts or the HOFAP and the Director of Children's Services in relation to children's Social Care contracts.

Schedule 6

Note: Officers must download and use the current approved version of the Board Report from Renfo

Report to: **Finance, Resources and Customer Services Policy Board**

On: **Select date here.**

By: **Enter name and title here.**

Concerning: **Enter description here.**

I. List of Background Papers

(1) **Background Paper 1 or delete row if not used**

The foregoing background papers will be retained within Enter department name for inspection by the public for the prescribed period of four years.

The contact officer within the department is **Enter contact name and title.**

II. Consultation Checklist

Implications	None	Minor	Significant	Officer Consulted
Financial	✓			
IT	✓			
Legal			✓	Must Consult Legal
HR and Organisational Development	✓			
Property	✓			
Health and Safety	✓			
Equal Opportunities	✓			
Procurement			✓	Must Consult CPU
Risk	✓			
Other Departments	✓			
Community/Council Plan	✓			

The appropriate officers within the relevant departments have been consulted and have approved the contents of the report for their own interest.

III. The following Community Planning Partners have been consulted in the preparation of this report.

Partner Organisation	Officer Consulted

IV. The following forums have been/are to be* consulted on the contents of this report:
disability, ethnic minorities, carers, elderly, youth, tenants *

V. An equality impact assessment has been carried out/is not required* in terms of the Council's scheme.

VI. This report has been authorised for inclusion in the agenda of the above meeting by:

Enter name of Director or Head of Service and **Enter name of Convenor (Convener)**

Signed

* delete as appropriate

Renfrewshire Council

To: Finance, Resources and Customer Services Policy Board

On: Enter date of Sub Committee meeting

Joint Report
by
Enter submitted by names (CPU & Dept)

Contract Authorisation Report

1. Summary

- 1.1 Should include: An outline of the purpose of the contract, state the reasons for tender, links to any National programmes, "A Commodity Strategy was approved by on ..././...." State if Supplies Works or Services. Programme Reference should also be included where appropriate.

2. Recommendations

- 2.1 State: The Supplier(s) you wish to award the contract/ framework to, Contract number, contract name, contract value and start and end date. Include extension timeframe of contract if applicable.

3. Background

- 3.1 Summary : What Process was used (Open, Restricted, Negotiated.), where the contract was advertised. If a framework was used, if so what process was followed thereafter. Were Mini tenders used? Was it an E-auction? Where the restricted process has been used, the report should provide details of the selection process i.e. numbers of expressions of interest, how many PQQs were returned and how many ITTs were issued. Also, state the number of companies to whom ITTs were issued but who failed to submit a bid.
- 3.2 EU Compliance : Confirm any EU legislative routes that were followed, what the EU threshold for the Goods Works or Services being purchased and the timescales involved. Are Part B services a factor?
- 3.3 Standing Order Compliance: state the specific clauses that are being acted upon.
- 3.4 Tender Information: Give details on the evaluation. This should include the number of bids received, the number of compliant / non compliant bids (if non-compliant – state why). Use the table below to detail the scoring (Add further rows where more than price and quality were assessed), Financial position of winning tenderer and pricing for all bids. Where the lowest bid

was not accepted state why. When declaring pricing information in the table below please remember that commercially sensitive information such as labour rates should not be disclosed.

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
Price					
Quality					
Total					

- 3.5 Financial: Give detail on original budget and state the savings against the budget or existing unit cost/benchmark.
- 3.6 Programme reference, where appropriate. e.g. Is the tender part of a Capital programme that has required prior board approval?
- 3.7 Commercial Specifics: Give detail on any bonding arrangements. e.g. Bonds, parent company guarantees, retentions, Insurances.
- 3.8 Where applicable: Statutory approvals obtained. e.g. has appropriate Planning permission been obtained. Are there any other permissions that should be considered?
- 3.9 Where applicable: Council ownership or equivalent of site or buildings.
- 3.10 Where applicable: Conclusions discussion where necessary If community benefits will not be delivered state why these were not sought/achieved.

Implications of this report

1. **Financial Implications**
– Savings and details of the Financial Appraisal on the winning bidder
2. **HR and Organisational Development**
– e.g. TUPE
3. **Community Plan/Council Plan Implications**
Enter any detail concerning SME bids at this stage. e.g. partnering arrangements with SMEs and winning bidder. Also detail any positive outcome from community benefit clauses included in the tender.
 - Wealthier and Fairer Smarter - Enter description
 - Healthier - Enter description

Safer and Stronger - Enter description

Greener - Enter description

Developing our Organisation - Enter description

4. Legal Implications

– This should be covered in the Background section in detail but in particular the risk of challenge should be covered here.

5. Property Implications

– Enter description

6. Corporate services Implications

– If the tender relates to a purchase that will impact IT strategy. i.e. Software purchases that require hosting and server space

7. Equal Opportunities Implications

(Please select the statement applicable to the recommendations contained within this board report and delete remaining statements)

(a) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because for example it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website. (Report author to arrange this).

(b) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. Some negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. Mitigating actions are detailed in section XXX of this report. A full copy of the Equality Impact Assessment undertaken is available from the report author. Following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored. (Report author to arrange this).

The results of the assessment will be published on the Council's website

- (c) The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. Some negative impacts on equality groups or potential for infringement of individuals' human rights have been identified and not all can be fully mitigated. Despite the potential for adverse impact it is believed that it is reasonable and proportionate to take the action recommended in the report and a full explanation for this decision is contained within section XXXX of this report.

In addition mitigating actions that have been identified are detailed in section YYY of this report. A full copy of the Equality Impact Assessment undertaken is available from the report author. Following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored.

The results of the assessment will be published on the Council's website. (Report author to arrange this).

8. Health and Safety Implications

– Enter description

9. Procurement Implications

– Enter description

10. Risk Implications

– Enter description

- 11. Privacy Impact** – enter details – reference *should be made to the corporate Privacy Impact Assessments (PIAs) procedure that PIAs should be conducted, by all Services, in circumstances where policies and decisions have implications for the use of personal and/or sensitive personal information held by the Council. Advice is available from the Principal Information Officer*

List of background papers

- (a) Background Paper 1 (delete row if not used or add further rows if required or state 'none')

The foregoing background papers will be retained within (*Enter service name*) for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is (*enter contact name, title, telephone number, and e-mail address*)

The inclusion of background papers is based on a legislative requirement. Background papers are those which the officer responsible for the report considers

contain information upon which the report was based and which that officer has relied upon to a material extent in preparing the report.

The only things which are exempted are published works and documents which contain exempt information or confidential information. The officer responsible for the report must prepare a list of background papers. That list and a copy of all the documents on the list then requires to be kept open for inspection by the public for a period of four years from the date of the meeting.

Enter reference text here (author: Enter name / phone number of author here.)

Appendix 1

- delete page / section if not required



Renfrewshire
Council

Renfrewshire Council

Financial Regulations

June 2023

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1 What the Regulations Cover

- 1.1 Under section 95 of the Local Government (Scotland) Act 1973, all local authorities in Scotland must have adequate systems and controls in place to make sure that their finances are handled properly. They must also appoint an appropriate officer with the full responsibility for monitoring how they do so.
- 1.2 These Financial Regulations set out the responsibilities of the Director of Finance and Resources, who has been appointed as the 'proper officer', for the purposes of section 95 of the 1973 Act, along with the responsibilities of the Chief Executive, directors and other authorised people.
- 1.3 These Financial Regulations will be administered through those delegations set out in the Council's scheme of delegation.
- 1.4 These regulations also set out the responsibilities of the Council, Policy Boards and the Audit, Risk and Scrutiny Board for the Council's financial affairs.
- 1.5 Directors will make sure that all relevant employees are aware of these regulations and that they follow them at all times. Where any part of the Council's budget is managed through a partnership body, the relevant partnership lead will ensure that all relevant persons are aware of and follow these regulations.
- 1.6 All actions that affect the Council's finances should only be carried out by properly authorised persons. Directors will make sure that there is a proper system in place for authorising transactions. Directors will follow the processes approved by the Director of Finance and Resources for setting and recording financial delegations to authorised persons.
- 1.7 Directors and other authorised persons will make sure that the Council only commits to expenditure (spending) that it is legally able to commit to. Where this is not clear, the authorised person will consult the Head of Corporate Governance before committing to any expenditure. Also, the legality of expenditure relating to new service developments, contributions to other organisations and responses to new emergency situations will be confirmed before the Council commits to any related expenditure.
- 1.8 If you believe that anyone has broken, or may break, these regulations, you must report this immediately to the Director of Finance and Resources, (or, if more appropriate, to the Chief Executive or the Head of Corporate Governance), who will decide on what action to take.
- 1.9 Directors and other authorised persons will make sure that all spending within capital and revenue estimates meets relevant accounting rules. They will contact the Director of Finance and Resources if they need assistance to decide what is capital and what is revenue or regarding the relevant accounting standards.
- 1.10 The regulations will be interpreted and put into practice in a way which takes account of the obligations in the Council's Standing Orders Relating to Contracts.

2 Corporate Governance

- 2.1 Corporate governance is about the structures and processes for decision-making, accountability, controls and behaviour throughout the Council. The basic principles of corporate governance are as follows.

Openness Anyone with an interest in our affairs should have confidence in the decision-making and management processes and the individuals involved in them. This confidence is gained through openness in our affairs and by providing full, accurate and clear information which leads to effective and timely action and scrutiny.

Integrity There should be honesty, selflessness, objectivity and high standards of conduct in how we manage the Council's funds and affairs. Integrity depends on the effectiveness of the control framework and on the personal standards and professionalism of members and employees.

Accountability There needs to be a clear understanding by everyone involved in the Council's affairs of their roles and responsibilities. There should also be a process which provides appropriate independent examination of the decisions and actions of those involved in the Council's affairs, including how Council funds and performance are managed.

- 2.2 These Financial Regulations, supported by Financial Codes, practice notes and other guidance, are an essential part of the corporate governance of the Council.

3 Council and Board Responsibilities

- 3.1 The Council and its policy boards will continuously work to secure best value, in how the Council uses its resources.
- 3.2 The Finance, Resources and Customer Services Policy Board will be responsible for monitoring the Council's overall financial and budgetary arrangements. However, other policy boards have responsibilities relating to financial and budgetary management for service areas within the remits of those policy boards.
- 3.3 The Director of Finance and Resources (in consultation with the Chief Executive and other directors, as appropriate) will advise the Leadership Board and all policy boards on the financial implications of the boards' activities.

3.4 Council

- 1 Council will consider and approve all capital plans and estimates. No capital expenditure can be authorised unless:
 - it has been provided for in approved capital estimates; or
 - it is within the officer's delegated authority.
- 2 Council will consider and approve all revenue plans and estimates. No revenue expenditure can be authorised unless:
 - it has been provided for in approved revenue estimates; or
 - it is within the delegated authority of the officer to act in an emergency.
- 3 Each year Council will consider and set the council tax and council house rent levels.
- 4 Each year Council will consider and approve the prudential framework for capital finance for the forthcoming three-year period, and the treasury management strategy statement for the next financial year. The prudential framework for capital finance, and the treasury management strategy statement, require the Council to set prudential and treasury management indicators for the following three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The treasury management strategy statement will incorporate each year an annual investment strategy, which will include a list of "permitted investments" for approval by the Council.
- 5 Each year Council will consider and approve a mid-year progress report on the treasury management strategy.
- 6 Each year Council will consider and approve, for the financial year just ended, a treasury management annual report.
- 7 The Director of Finance and Resources will provide each member of the Council with a copy of the Revenue Estimates together with statements of their effect on the council's finances, council tax and council house rent levels at least five working days before the meeting of the Council at which these matters will be considered.
- 8 Council will consider and approve the framework for transferring money from one budget to another. The framework will be as follows:
 - the transfer must not alter a Council policy without the prior approval of the relevant policy board (e.g. to reinstate an item deleted by the Council during budget considerations).
 - the transfer must be in line with any approved policy for the delegated

management of resources, including schools.

- Each Director shall nominate appropriate individuals with authority to authorise allowable transfers.
 - Directors and their nominated individuals may transfer sums between the subjective budget headings within a service division to enable budget management throughout the financial year (temporary transfers).
 - Permanent transfers between subjective budget headings within a service division must be approved by the service Director in consultation with the Director of Finance and Resources.
 - Transfers between objective budget headings (service divisions within a department), up to a maximum of £100,000, can only be done by Service Directors, in consultation with the Director of Finance and Resources.
 - Transfers between divisions of the same service/department in excess of £100,000 must be authorised by the service Director, and the Director of Finance and Resources for submission to the relevant policy board for approval.
 - All permanent transfers between services/departments must be authorised by the respective service Director, and the Director of Finance and Resources for submission to the relevant policy board for approval. This excludes the allocation of centrally held budgets, such as pay inflation, or support costs.
 - Transfers between budget lines up to a maximum of £100,000 in budgets allocated to approved Council projects, must be authorised by the Chair of the relevant Project Board following consultation with the members of that Board and the Director of Finance and Resources. All such transfers in excess of £100,000 shall require the prior approval of the relevant policy Board.
- 9 Council will consider and approve requests for extra (supplementary) estimates where the request has not already been considered by the relevant boards.
- 10 Council will consider and approve any alterations to the Financial Regulations.

3.5 Finance, Resources and Customer Services Policy Board

- 1 The board will monitor the overall financial performance of the Council's services and in relation to the approved capital and revenue budgets.
- 2 The board will have oversight and monitor the financial performance of all Council services.
- 3 The board will monitor on at least a quarterly basis the treasury prudential indicators.
- 4 The board will consider and approve the arrangements for authorising all loan, leasing and investment documents if the Director of Finance and Resources (or

delegated officers) are not authorised to do so.

- 5 The board will approve the management and investment policies (through the Investment Review Board) for common good funds (the funds which are held for the benefit of the local community) and will receive reports from the Investment Review Board on the performance of common good investments.
- 6 The board will approve expenditure from common good funds and will make sure that payments are made in line with Council policies and conditions.
- 7 The Director of Finance and Resources will report to the board with details of any significant changes in the Council's tax affairs.
- 8 The board will consider and approve the Council's insurance arrangements.
- 9 The board will approve and oversee matters relating to allowances for members, in line with national guidance.
- 10 The board will monitor how the Council manages its debts. It will also consider reports from the Director of Finance and Resources on the Council's performance with regards to collecting debt and will agree any amounts over £10,000 to be written off (cancelled).
- 11 The board will approve and oversee the Council's procurement arrangements.
- 12 The board will consider contract variances and explanations where the estimated net cumulative additional cost is more than £100,000 or 25% of the approved contract sum (whichever is greater).

3.6 Audit, Risk and Scrutiny Board

- 1 To act as the Council's Audit Committee.
- 2 The board will consider reports by our external auditors, including reports on the audited annual accounts and put recommendations forward to the Council.
- 3 The board will approve the internal audit charter and the annual internal audit plans prepared by the Chief Auditor. The board will also consider reports from the Chief Auditor on the internal audit activity, and will monitor the progress of the plan, including considering the Chief Auditor's annual report.
- 4 The board will consider the annual governance statement for inclusion in the annual accounts.
- 5 The board will approve the risk management policy and strategy, approve corporate, strategic, and service and 'business as usual' risks and ensure the effectiveness of the risk management arrangements through consideration of the

annual risk management report.

3.7 Other Relevant Board

- 1 The board will consider budget monitoring reports from the Director of Finance and Resources, in consultation with the relevant director. The reports will include explanations for any significant variances (differences) from budget targets and will approve any actions needed to bring the financial performance within approved limits.
- 2 The board will consider reports from the relevant Director where the Council has committed itself to essential expenditure but:
 - there is no money set aside in the budget for it; and
 - there is no money elsewhere within the service to pay for it.

It will also agree any actions needed to bring the financial performance within approved limits.
- 3 The board will consider requests for transferring revenue and capital budget resources more than £100,000.
- 4 The board will consider requests for extra (supplementary) estimates to the approved capital and revenue plans.
- 5 The board will make sure that all financial matters within the Standing Orders Relating to Contracts for the services within its area of responsibility are followed.
- 6 The board will consider reports from the relevant Director for writing off stock adjustments of more than £5,000.
- 7 The board will approve reports from the relevant Director to amend charges for goods and services within its area of responsibility.
- 8 The board will approve grant applications being made by the Council within its area of responsibility.
- 9 The board will monitor the arrangements for paying grants, contributions or subscriptions for services within its area of responsibility and will make sure these are made in line with the Council's policies and conditions.
- 10 The board will monitor the arrangements for the provision of soft loans (that is, loans with preferential interest rates) or financial guarantees to related parties.

4 The Framework for Financial Administration

- 4.1 The Financial Regulations set out the responsibilities of members and senior officers within the context of our political management framework. The Financial Regulations

may only be amended by Council.

- 4.2 The Director of Finance and Resources (as the 'proper officer' for handling our financial affairs) will monitor how the Financial Regulations work within the Council and will provide directors with a written framework which governs our financial affairs. The framework will be made up of the following.

Financial Codes These codes will cover all relevant aspects of financial administration. The Director of Finance and Resources will have the delegated authority (in consultation with the Chief Executive and the Head of Corporate Governance) to alter the Financial Codes, except for any matters which are covered by the Financial Regulations where approval as set out in 4.1 will be needed.

Practice Notes These practice notes will provide employees with detailed guidance and advice on specific procedures that they must follow. Any practice notes issued will need the approval of the Director of Finance and Resources or other authorised person.

- 4.3 All Financial Codes and practice notes issued in terms of these Financial Regulations have the same status and authority as if they were part of these Financial Regulations.

5 Reviewing the Financial Regulations

- 5.1 Council may change or withdraw these Financial Regulations. If so, this will come into force from the first working day after the end of the Council meeting at which the change or withdrawal was approved, unless another future date is approved.

6 Legal Advice

- 6.1 The Head of Corporate Governance will provide legal advice regarding these Financial Regulations when needed.

7 More Information

- 7.1 If you need more information or help understanding these regulations, please contact the Director of Finance and Resources, Head of Finance and Procurement, or the Chief Auditor.