



WARWICKSHIRE POLICE AUTHORITY

CONTRACT STANDING ORDERS

March 2008

INTRODUCTION.....	3
1 BASIC PRINCIPLES	3
2 DEFINITIONS	4
3 SCOPE.....	5
4 KEY ROLES AND RESPONSIBILITIES	7
5 BASIC RULES.....	10
6 PROCUREMENT BASICS	12
7 CATEGORY I - CONTRACTS (eProcurement Catalogues).....	15
8 CATEGORY II – NON EU CONTRACTS	17
9 CATEGORY III – EU CONTRACTS	22
10 CONTRACTS WHERE THE AUTHORITY IS THE SUPPLIER	24
11 FUNDING/PARTNERSHIP AGREEMENTS.....	24
12 APPOINTING EXPERTS AND CONSULTANTS	24
13 SPECIFICATIONS	27
APPENDIX 1- AUTHORISED PERSONS	29

INTRODUCTION

If you are proposing to spend any money from a Force budget on any works, goods or services, you must comply at all times with Contract Standing Orders.

1 Basic Principles

1.1 These Contract Standing Orders (CSOs) apply to all contracts with external organisations or people. A contract is any agreement to provide goods, work or services in exchange for payment. This includes:

- Placing orders;
- All contracts for buying, selling, leasing and licensing property by formal tender;
- Loan or leasing or financing arrangements for equipment;
- Employing outside experts or consultants under contracts for services;
- Online subscriptions or licences
- Contracts where Warwickshire Police Authority are the supplier.
- Contracts or Memoranda of Understanding where funding is provided for procurement of goods or services through grant, sponsorship, funding agreement or partnership arrangements.

1.2 When initiating or dealing with any contract, all staff must comply with these CSOs.

1.3 Any officer having any interest whatsoever that could be considered to influence their judgement in contracting matters, must declare such interest to the Monitoring Officer and the Contracts and Purchasing Department in writing. The Monitoring Officer and the Contracts and Purchasing Department will then determine what role, if any, the officer can take in the process.

1.4 Where these CSOs refer to a function to be carried out by the Contracts and Purchasing Department, or the Contracts and Purchasing Manager of the Force, another appropriately authorised person may fulfil this function provided that the agreement of the Monitoring Officer is sought to any substitution in role which would otherwise amount to a breach of these CSOs.

2 Definitions

- 2.1 The Authority means the Warwickshire Police Authority.
- 2.2 Budget means Revenue Budgets, Capital Budgets and other approved spending programme.
- 2.3 C&PD means Contracts & Purchasing Department
- 2.4 C&PM means Contracts & Purchasing Manager or their nominated representative.
- 2.5 CCM means Cost Centre Manager.
- 2.6 eProcurement Catalogue means the catalogue(s) containing all the goods, services or works set up on the eProcurement System under contracts already awarded.
- 2.7 Force means the Warwickshire Police Service and/or any person(s) acting in accordance with authority delegated by the Chief Constable.
- 2.8 Framework Agreement means any national, regional, local or other collaborative procurement agreement or contract that allows the purchase of works, goods and services where the purchaser is not obliged to place any orders ("call off " orders) but can do so as and when it wishes under the agreed terms and conditions. Each individual "call off" order becomes a separate contract in its own right.
- 2.9 Legal Adviser means a Legal Adviser to the Chief Constable and/or the Police Authority as appropriate.
- 2.10 Monitoring Officer means any person appointed as the Authority's Monitoring Officer, or his or her nominated representative.
- 2.11 The Police means both the Authority and the Force together.
- 2.12 Procurement Process means the planning and management of the procurement process up to the award of a contract.
- 2.13 Request for Quotation and/or Invitation to Tender (ITT) means the formal approach whereby the Authority invites potential suppliers to bid for a contract.
- 2.14 Supplier means any person or organisation providing the goods, work or services.
- 2.15 Tender and/or Quotation means the suppliers offer in response to any Invitation to Tender or Request for Quotation for goods, services or works.

3 Scope

- 3.1 Any codes of practice or guidance provided by the Monitoring Officer, Treasurer, Association of Chief Police Officers (ACPO), The Treasury/Cabinet Office, Office of Government Commerce (OGC), Office of the Deputy Prime Minister, Home Office, Ministry of Justice or other public body and any best practice provided by a recognised professional body and agreed with the Police Authority shall form part of CSOs.
- 3.2 The only person who can enter into a contract, which legally binds the Authority, is the Monitoring Officer or their authorised representative or another Authorised Person. (see Appendix 1 for list of Authorised Persons and Limit of Authority). The C&PD shall keep a record of all contracts.
- 3.3. The different types of contracts are as follows. All contracts must comply with relevant domestic and EU laws.

Category	Description	Relevant part of CSOs
Category I eProcurement Catalogues (contracts that have been awarded)	Any contract set up in the eProcurement System that has been awarded under Category II, or III, procedures, which authorised officers can raise purchase orders against.	Section 7
Category II Procedure to award non EU Contracts	The procedure to follow when inviting Tenders or Quotations for any contract to which The Public Contracts Regulations 2006 or EU Directives do not apply.	Section 8
Category III Procedure to award EU Contracts	All contracts covered by the Public Contracts Regulations 2006 or EU Directives which exceed the relevant estimated contract value thresholds	Section 9
Supply Contracts Procedure to award contracts	A contract where the Authority is the supplier	Section 10

In every case, due regard must be given to the complexity of the contract or level of risk involved. The C&PM may decide to place a contract within a higher category if they consider that the complexity or risk involved make a different category more appropriate. In all cases, categorisation is matter for the C&PM and the Legal Adviser or Monitoring Officer and their decision in any case is final.

3.4 Valuing contracts

3.4.1 If the contract is to last for more than a year (including extension periods), the total value is:

- The yearly value of the contract; multiplied by

- The period of the contract and any extension periods. Where this is considered indefinite, the contract value shall be calculated as being 48 months.

3.4.2 For example, a contract for three years with a yearly value of £30,000 has a total value of £90,000. A contract for three years with a yearly value of £30,000 and power to extend for a further two years has a total value of £150,000.

4 Key Roles and Responsibilities

	Roles and Responsibilities
All Officers	<p>To understand the procedures that must be followed when negotiating and agreeing contracts and ordering works, goods and services.</p> <p>To make sure that when competing for a formal in-house bid, staff do not take part in the decisions relating to the process, or assess the bids or award of the contract.</p> <p>To declare in writing to the C&PM and the Monitoring Officer any interest that could influence their judgement in contracting matters, and where appropriate, to record it in the Register of Interests. An interest may include that of a partner, relative or close friend. The Monitoring Officer and the Contracts and Purchasing Manager will then determine what role, if any, the officer can take in the process. When in doubt, declare an interest.</p> <p>To ensure that the officer involved has the power to deal with the particular contract.</p> <p>To ensure that there are sufficient funds enough in the budget to cover the financial commitment being made.</p>
The Authority	<p>To establish an agreed set of CSOs;</p> <p>Monitor contract outcomes and compliance with these CSOs</p> <p>Approve the terms of standard contracts</p>
Legal Adviser	<p>To provide advice and guidance on legal matters to members and officers as appropriate.</p> <p>If requested, to assist the C&PD in preparing and sending the required Prior Information Notices to the European Union Official Journal</p>
Monitoring Officer	<p>Sign contracts on behalf of the Authority.</p> <p>Report any breach of CSOs or unlawful or potentially unlawful decisions.</p> <p>To determine all CSO exemption requests</p> <p>To provide codes of practice, guidance and instructions on any matters which are relevant to contracting arrangements.</p> <p>To carry out audits with the Treasurer to the Authority and the Director of Resources to assess compliance with CSOs.</p> <p>To work with the Treasurer to the Authority and the Director of Resources to produce a formal report each year outlining compliance or otherwise, with CSOs.</p> <p>To consult the Treasurer to the Authority and to instigate appropriate action where Force arrangements for agreeing or letting contracts have not met the requirements</p>

	Roles and Responsibilities
	<p>of these CSOs.</p> <p>To approve all contracts where the Authority is the supplier.</p>
The Treasurer	<p>To make sure that the Authority achieves best value.</p> <p>To make sure that all contracts are in line with Financial Standing Orders.</p> <p>To carry out audits with the Monitoring Officer and the Director of Resources to assess compliance with CSOs.</p> <p>To work with the Monitoring Officer and the Director of Resources to produce an annual report on compliance with CSOs.</p> <p>To consult the Monitoring Officer and provide guidance on any relevant financial matter.</p> <p>To consult the Monitoring Officer and recommend action if Force arrangements for agreeing contracts have not met the requirements of these CSOs.</p> <p>If requested to assist the C&PD in preparing and sending the required Prior Information Notices to the European Union Official Journal</p>
Chief Constable & Chief Officers	<p>To ensure that all officers comply with CSOs and to have in place a range of measures to deal with any non compliance.</p> <p>To follow CSOs and any codes of practice, guidance or instructions provided by the Monitoring Officer and the Treasurer to the Authority.</p> <p>To obtain appropriate legal, financial and other advice in good time.</p> <p>To comply with all relevant domestic and EU laws.</p> <p>To follow Force Financial Standing Orders.</p> <p>To be satisfied that agreed budgetary provision exists to cover the financial commitment being made.</p> <p>To ensure that the Force has systems in place to avoid fraud and corruption and breach of CSOs.</p> <p>To provide any information required by the Monitoring Officer or the Treasurer to ensure compliance with legal requirements and CSO procedures.</p> <p>To ensure that there is Police Authority approval for all contracts where appropriate.</p>
C&PM	<p>To apply these CSOs and any codes of practice, guidance or instructions provided by the Monitoring Officer and the Treasurer to the Authority to all contracts.</p> <p>To be responsible for procurement standards and practice,</p> <p>To maintain an up to date list of all officers responsible for dealing with tenders and contracts. This list must identify the extent of each officer's authority.</p> <p>To agree and support the annual "procurement plan".</p> <p>To ensure that all annual and medium to long term purchase requirements are</p>

	Roles and Responsibilities
	<p>planned appropriately.</p> <p>To be responsible for selecting the appropriate procurement route.</p> <p>To co-ordinate and plan all the Authority's procurements</p> <p>To report any breach or potential breach of CSOs to the Monitoring Officer and Treasurer.</p> <p>To be responsible for keeping a register of all contracts entered into by the Authority.</p> <p>To seek legal, financial and other appropriate advice in good time to ensure that the Force complies with CSOs and other legal requirements.</p> <p>To agree a procedure with the Treasurer and the Authority as to how best to check the financial standing of suppliers.</p> <p>To inform the Director of Resources, Monitoring Officer and Treasurer of the estimated value of the contracts which will be required by each department in the next financial year.</p> <p>To complete and issue any required Prior Information Notices to the European Union Official Journal</p>
CCMs	<p>To provide details of all estimated requirements for goods services or works in the coming financial year to the Director of Resources by 30th September in the preceding year.</p> <p>To comply at all times with CSOs and codes of practice, guidance or instructions provided by the Monitoring Officer, Treasurer and C&PM.</p> <p>Prior to the issue of any quotation request or invitation to tender, to prepare with the assistance of C&PD a detailed description or technical specification of the required works, goods, services, and/or materials.</p> <p>Informing the C&PD of the estimated value of the contracts which may be required by the department in the next financial year</p>

5 Basic Rules

- 5.1 All contracts will be signed and/or sealed “on behalf of the Police Authority”
- 5.2 All contracts must be properly approved before they are signed. Approval can be in the form of:
- an Authority resolution or Authority Committee decision; or
 - the **delegated powers of the** Monitoring Officer
- 5.3 In every case:
- All contracts must meet the requirements of these CSOs.
 - The officer involved must have the authority to deal with the particular contract.
 - There must be sufficient funds in the budget to cover the financial commitment being made.
 - Where appropriate there will be a corresponding Contract Management regime set in place;
 - No work, goods, materials or services included within a contract shall be commenced or supplied until the contract has been executed unless otherwise authorised by the C&PM. The contract will then be implemented.
 - Any attempt to split, break down, divide or **disaggregate** a contract in order to avoid the more complex requirements of a higher category will be deemed a **serious breach of CSOs**.
 - All purchasing transactions will be in writing and carried out using national, regional or local forms of contract where appropriate.
- 5.4 Contract documents, tenders or other information relating to them must be kept confidential and not disclosed to anyone who has an interest in the contract (other than those parties who have been invited to tender). Tenderers or contractors must not be given any information about the bids or the financial or business affairs of any other tenderer or contractor unless required to by law or authorised by the C&PM.
- 5.5 **OFFICERS AND CCMS MUST NOT AGREE ANY CONTRACT TERMS OR CONDITIONS WITHOUT THE PERMISSION OF THE C&PM.**
- 5.6 The C&PD must keep proper written records in relation to all contracts of:
- the different stages of the procurement process
 - the award of the contract;
 - any information provided to tenderers or contractors; and
 - any decisions made, together with the reasons for those decisions.

This helps to provide any reports to auditors or central government and to meet any legal challenge.

- 5.7 The C&PM must keep a record of all contracts (the Register of Contracts) entered into by the Authority.
- 5.8 CCMs must obtain the C&PM agreement prior to engaging with any supplier in any procurement process other than when using eProcurement.
- 5.9 The C&PM must also provide a report every 6 months to the Finance and Audit Panel of the Police Authority detailing all consultants' contracts, which are in force at that time.
- 5.10 As part of the budget setting process and because procurements need to be planned and supported with adequate resources CCMs shall provide written notice of the nature and the value of all requirements for goods, services, works the sale of any product (that includes services) or shared or partnering arrangement in the next financial year to the Director of Resources by 30th September in the preceding year. No other purchases will be permitted unless agreed by the Authority.
- 5.11 Compliance with Contract Standing Orders (CSOs)
- 5.11.1 **ANY BREACH OF THESE CSOs WILL BE TREATED SERIOUSLY. OFFICERS SHOULD BE AWARE IF THEY PLACE AN ORDER WITH AN SUPPLIER NOT AUTHORISED BY THE C&PD, OR ACT OUTSIDE THESE CSOs, THEY MAY BE HELD LIABLE FOR ANY COSTS INCURRED AS A CONSEQUENCE OF THEIR ACTIONS AND MAY BE SUBJECT TO DISCIPLINARY ACTION.**
- 5.11.2 Every contract shall comply with these CSOs unless the Authority or Monitoring Officer has given specific or general dispensation to depart therefrom. This is known as the "Exemption Procedure".
- 5.11.3 Any significant failure to comply with the requirements of these CSOs shall be:
- **reported to the Chief Constable, Treasurer, Director of Resources and the Monitoring Officer;**
 - **reported to the Police Authority.**

For information and advice on these Warwickshire Police Contract Standing Orders, contact the Contracts & Purchasing Manager

6 Procurement Basics

6.1. The C&PD will, as a minimum, use the following procedures when inviting Tenders/Quotations and obtaining prices:

6.1.1 The C&PD will first consider whether there is an established national or regional contract or Framework or other contractual arrangement, which could be used. These should be used unless there is a more appropriate or cost effective alternative.

6.1.2 If the total estimated contract value is under Public Contracts Regulations 2006 threshold, C&PD will ask for at least three written quotations from potential suppliers or issue a formal Invitation to Tender if appropriate.

6.2 The C&PD shall record the following details as part of the Register of Contracts:

6.2.1 The names of all contractors who were invited to bid.

6.2.2 The categories of work for which the contractors are approved.

6.2.3 The estimated total value of the contract;

6.2.4 The details of the maximum value of all work the contractor has with the Authority, which can be outstanding at any one time.

6.2.5 Any other qualification or restriction.

6.3 The C&PD will ensure that there is open and transparent and non-discriminatory selection of contractors.

6.4 The C&PM may, in consultation with the Chief Constable and the Monitoring Officer, suspend or terminate contracts with any suppliers where it appears to them that it is not in the Authority's interest for that supplier to continue to provide goods, work or services to the Authority. The C&PM will report any such suspension or termination (with full reasons) to the next convenient meeting of the Finance and Audit Panel. Contractors who have been suspended or had contracts terminated shall not be employed by a main contractor to carry out work as a sub-contractor on any Police contract except following the lifting of any such suspension.

Storing Documents

6.5 Confidentiality is an important consideration when storing contracts and other information relating to tenders and contracts. The following rules will apply:

- All contracts must be stored (including Purchase Orders, relevant correspondence and other records) for at least six years after the contract comes to an end. Contracts executed as a deed or under seal must be stored securely and not disposed of until at least 12 years following expiry. The storage of Contracts and documents relating to any contract exercise should be recorded and reviewed at least every 6 years.
- Documents relating to unsuccessful or late tenders must be kept for at least two years from the date the successful contract is let providing the contract file contains a summary of the award and participating unsuccessful tenderers.

- Documentation related to the “register of interests” made by officers should be retained for twelve months after the award of contract has been made.

6.6 No documents can be disposed of without the Monitoring Officer’s consent if:

- the documents relate to a particular contract or tendering process; and
- there is a possibility of legal action in relation to that contract or tendering process.

6.7 The register of tenders should be retained for a period of three years after the date of the last entry.

Insurance

6.8 Subject to 6.9, the C&PD must ensure that the supplier arranges and maintains the following minimum insurances.

In all cases

6.8.1 Public liability – insurance at least £5million. Public liability insurance of over £5million should be considered when: -

- (i) The activity could be regarded as hazardous with a high potential for an incident occurring (eg. involving work of a structural nature or involving the application of heat) and
- (II) The situation involves high potential exposure to injury or serious property damage (eg. high value buildings/contents).

If necessary:

6.8.2 Product liability insurance – at least £2 million

6.8.3 Professional indemnity cover- at least £2 million. Professional indemnity insurance only applies if the policy is in force when the claim is made. The provision of insurance cover by the supplier should therefore extend for 12 years beyond the contract period as a condition of contract.

6.8.4 Employer’s liability insurance - at least £5 million

6.8.5 Motor policy for physical injuries – unlimited

6.8.6 Motor policy for property damage – at least £5 million

6.9 The recommended levels may be varied following the assessment of risk and appropriate written advice and agreement from the Insurance and Risk Manager, Legal Adviser and C&PM

6.10 Where a contract is expected to exceed a value of £100,000 the C&PM in consultation with the Legal Adviser and the Treasurer shall consider whether security for due performance of the contract shall be required and, if so, the nature and amount of the security required shall be

stated in the ITT. It is good commercial practice for a contracting authority to obtain some form of security for performance from a contractor particularly where the consequences of non-performance or poor performance by the contractor would be very detrimental to the contracting authority. Security for performance may take the form of a performance bond, staged payment against delivery milestones, or a parent company guarantee where the contractor is a small subsidiary company. These measures are particularly important on construction contracts and service contracts of a high value or risk.

6.11 C&PD shall verify that:

- The insurance policies are in force and provide the required level of insurance cover for the contract and /or work being undertaken
- The insurance policies do not contain any terms or conditions which would restrict the level of indemnity cover or exclude any activity related to the contract

Contents of Contracts

6.12 All contracts must contain appropriate, terms and conditions. The C&PM shall seek advice from the Legal Adviser as to the appropriate form of contract or other agreement and as to what terms and conditions are appropriate in any particular circumstances.

7. Category I – Contracts (already awarded and available on eProcurement Catalogues)

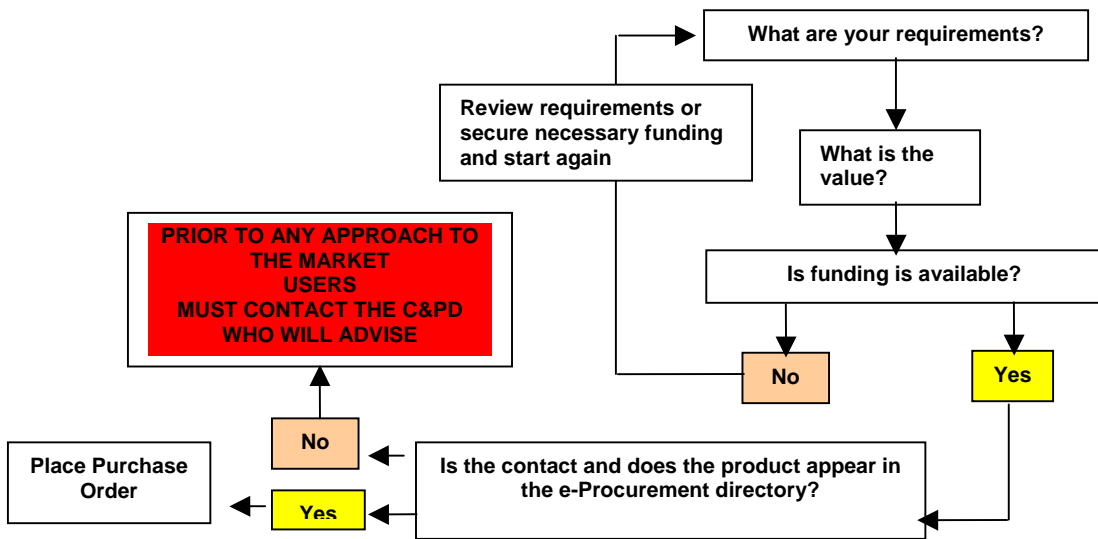
- 7.1 The purpose of Category I Contracts is to provide a simple route to purchasing works, materials, goods and services effectively and efficiently.
- 7.2 Best value must be obtained and due regard given to the need for competition, efficiency and economy.
- 7.3 Where possible, officers must use an existing contract to purchase works, materials, goods and services. In most cases this will be by use of the e-Procurement System.
- 7.4 Orders can be placed through the e-Procurement system for any product in the catalogue provided expenditure is within budget and User Authorisation limit and is equal to or less than budget estimates.
- 7.5 Instructions and guidance on how to raise purchase orders on the e-Procurement System are detailed in –the e-Procurement Guide which is available from the C&PD.
- 7.6 Some national and regional contracts (for example, OGC, ACPO and ESPO contracts) may be included as Category I contracts.
- 7.7. If a product is not available in the e-Procurement System officers **MUST** contact the C&PM. In these circumstances, all officers **MUST** discuss their requirements with the C&PM, who will;
- recommend the appropriate procurement route,
 - where appropriate, delegate the authority to pursue quotations or tenders to the most suitably qualified officer.

The **C&PD will maintain the e-Procurement system** and the list of products available within the electronic ordering system.

The Process

- 7.8 Identify and provide description of the need (for guidance on how to produce a Specification, see section 15). If appropriate, consult and agree with the Specialist Department a full description /specification for the requirement and decide who will be responsible for any contract management.
- 7.9 Select from the e-Procurement Catalogues the product required and estimate the price.
- 7.10 Ensure the CCM confirms that funds are available.
- 7.11 C&PD must have agreed the programme, timescales and delivery dates and contacts with the team that are involved in specifying and receiving the requirement.
- 7.12 Enter the product details of your requirement into the e-Procurement System.
- 7.13 The Purchase Order will then be sent to the selected eProcurement Catalogue Supplier.

- 7.14 Once successful delivery has been achieved a receipt should be recorded onto the system or sent to the HQ Finance Dept to enable payment to be made.
- 7.15 Officers must obtain Best value and consider the need for competition, efficiency and savings at all times.



8. Category II – Non EU Contracts (not on eProcurement and under Public Contract Regulations 2006 Thresholds)

Where a contract is not already on eProcurement and the estimated total value of a contract is under the Public Contracts Regulations 2006 threshold then the contract will be a Category II contract. In all cases, officers must contact the C&PD who will usually manage the procurement unless other arrangements are agreed.

8.1 The Process

8.1.1 A description of the goods or services or works required **MUST** be provided before prices are obtained by C&PD (a specification). This will allow the Authority to obtain best value and compare prices of equivalent products properly. The level of detail in the description will depend on the value, complexity and technical specification for the type of goods or services the Authority is buying.

8.1.2 The C&PM must

8.1.3 ensure that (where appropriate) any Force Project/Programme Management Board, the Chief Executive Treasurer, Legal Adviser or Monitoring Officer is apprised of the project,

8.1.4 consult with the user and advise as to the specification and the appropriate form of contract and tender/quotation and relevant person who will be responsible for contract management, and

8.1.5 establish a programme and timescale for the procurement process. The C&PM will allocate the project a tender file reference.

8.1.6 The C&PD will use national, regional, local, framework or other contractual arrangements (where appropriate) and will obtain Quotations/Tenders from at least three suppliers (if available). The way the C&PD do this will depend on the value and type of goods or services the Authority is buying (see section 8.2).

8.1.7 The C&PD will be responsible for contract management of the timescales and procurement route and may delegate to other responsible Directorates and Departments in appropriate circumstances.

8.2 Inviting tenders and written quotations

8.2.1 The C&PM shall have discretion to invite potential suppliers to provide formal tenders or written quotations (as appropriate). C&PD will prepare and agree the invitation to tender documents. If appropriate the C&PD will send the potential suppliers the agreed invitation to tender together with the contract documents and a tender form. C&PD will also include instructions on when and how the potential suppliers must return their tenders. The form upon which tenders must be submitted is the Police Authority's Official Request to Tender.

8.2.2 The C&PD must decide in consultation with users and record the criteria and scoring mechanism (if appropriate) used to assess the tenders before the invitations are sent out. Assessment criteria:

- must not prevent fair competition;
- must not illegally discriminate between tenderers; and
- must meet any relevant UK and EU laws.

The assessment criteria may include:

- price;
- technical standard;
- health and safety requirements,
- experience, past performance and skills;
- practical considerations;
- financial proposals;
- Financial solvency of the tenderer
- contract management;
- compliance with race, disability, employment equality obligations;
- quality management proposals; and
- delivery proposals.

8.2.3 Every notice of invitation to tender shall set out the closing time and date for receipt of tenders, the method by which tenders can be received and by whom.

8.2.4 During the period allowed for preparing tenders, C&PD must record all the communications with tenderers. If a tenderer raises a query during this period, C&PD must pass it on to all tenders together with the Police's reply.

8.2.5 Tenders must be returned by closing time and date and the method prescribed in the invitation to tender (ITT)

8.2.6 The C&PM shall have the discretion to accept electronic tenders or use e auctions (where appropriate) and may accept or reject tenders that are received after the deadline following appropriate advice from the Legal Adviser or Monitoring Officer. This only applies if:

- Tenders have not been opened (other than electronic tenders); and there is evidence that the tenderer has complied with the prescribed method for return of the tender (or would have complied but for some unforeseen event beyond the reasonable control of the tenderer)
- The C&PM must be satisfied with the reason. If the CP&M decides to accept a late tender, it will be treated in the same way as all other tenders. The C&PM must record full details of the decision to accept the late tender on file. If the C&PM decides to reject the late tender, they should leave the tender on file, unopened, (other than electronic tenders) for two years.

8.3 Opening tenders

8.3.1 The C&PM will open the tenders at the time and date set down in the Invitation to Tender. In exceptional circumstances, if a delay becomes necessary, and the C&PM agrees, the tenders may be opened at a later time. The C&PM shall have discretion (following appropriate advice from the Legal Adviser or Monitoring Officer) to extend the deadline for returning tenders or delay the time for opening them to allow for circumstances beyond the reasonable control of the Authority. In such circumstances each tenderer shall be notified of the delay and the revised time and date for receipt/opening of the tenders

8.3.2. Tenders shall be opened in the presence of an appropriate officer or representative of the user department and the C&PM. For the purpose of retaining integrity during the opening and recording of bid details at least two members of staff must be present throughout the exercise. The C&PM or his representative shall at the time the tenders are opened record:

- the subject matter of the tender;
- the name of each person by or on whose behalf the tender was submitted;
- the date and time of receipt of each tender recorded on the envelope;
- the date and time of opening the tenders;
- the names of all persons present at the opening of the tenders;
- the tender figure (if practicable).

8.3.3. The C&PM **MUST** make sure that the procedures for opening tenders are followed and that the correct records and documents are completed. Subject to 8.2.6 above, all tenders must be opened at the same session and one at a time. The officers and the C&PM or his representative must sign the record of tender. Once the tenders have been opened, the C&PD will store them in a safe place

8.4 Assessing the tenders

8.4.1 Before assessing the tenders, C&PD will check that each part of them meets the requirements of the goods or service description. They will check the accuracy of the figures in each tender as far as possible. If they find minor mistakes, which do not affect the overall price or the goods or service description, C&PD may contact the tenderer and ask them to confirm the correct figures in writing. C&PD will keep a record of all mistakes and attach it to the tender documents together with any corrections they have agreed with the tenderer.

8.4.2 The assessment will be carried out using the criteria chosen in accordance with 8.2.2. Once the assessment has been completed, the C&PD will produce a report showing:

- the result of the assessment of each tender;
- a comparison of assessment results; and
- a recommendation as to who the contract should be awarded.

8.4.3 The results of the assessment will be strictly confidential and so must not be passed on to anyone else unless required to do so by the law.

8.5 Accepting and rejecting tenders

8.5.1 On successful completion of the assessment process, the C&PM and/or project team will prepare a recommendation for the award of contract that will be authorised by the authorised officer responsible for the contract, the Project Board, or Monitoring Officer or where appropriate the Authority

8.5.2. The Authority will accept the tender, which meets all the assessment criteria and provides best

value. Dependant on what selection criteria have been specified in the ITT, selection will be based either on the lowest price tender or most economically advantageous tender.

- 8.5.3 The C&PD will write and tell the successful tenderer of the decision as soon as possible after they have received all necessary approvals. The C&PD will let unsuccessful tenderers know their decision after they have told the successful tenderer. If unsuccessful tenderers ask why their tender was not successful, the C&PD, in consultation with the user, may tell them in general terms about the areas of their tender which scored poorly in the assessment. Officers must not give tenderers details of the other tenders unless required to do so by law.
- 8.5.4 Warwickshire Police Authority contract terms **MUST** always be included as part of the Invitation to Tender. The Invitation to Tender and the notice of acceptance of a tender **MUST** confirm that only the Police Authority's General Conditions of Purchase will apply to the contract and that they will take precedence over any terms and conditions of sale or supply received from suppliers. C&PD should therefore ensure that, where appropriate, the purchase orders are in every case referenced to a copy of the Police Authority's Conditions of Purchase before they are sent to the supplier.
- 8.5.5 The Monitoring Officer or other Authorised Signatories will then sign both copies of the contract duly endorsed by the successful Contractor(s) who will be sent an original for the ongoing progress and contract management and for their records.
- 8.5.6 The Authority may be under a duty to disclose information as regards the name of the successful tenderer and details of their bid under The Freedom of Information Act 2000 and the Invitation to Tender should highlight this fact to potential tenderers who should be instructed to mark as "confidential" any parts of their bid which are commercially confidential which they do not wish disclosed. The Tenderers should be informed that the Authority cannot guarantee, that such information will not be subject to disclosure.
- 8.6 Recording of Tenders
- 8.6.1 The C&PM shall maintain a permanent register or file to record all tenders dispatched and returned. All entries in the register or file should be verified and initialed by a second officer.
- 8.6.2 The register(s) should contain the following information: -
- A brief description of the supplies, services, works etc for which tenders are being sought.
 - The names of the suppliers from whom written quotations are being sought, the date of despatch and closing date for return. Where fewer than three quotations have been requested, the reasons should also be recorded in the register.
 - When tenders are received, the date received and amount of the tender should be recorded in the register.
 - After the closing date, where a firm has not returned a tender this fact should be entered in the register and supplies/technical officer informed accordingly. The officer maintaining the record should certify the record sheet to this effect.
 - Where a lower offer is not accepted a brief explanatory note should be entered in register

8.7 **Circumstances Where Competitive Tendering is not an Appropriate Procedure**

8.7.1 In the following circumstances the C&PM and Monitoring Officer may authorise officers to depart from the requirements of competitive tendering under these CSOs.

8.7.2 Exemptions from using the tendering process will only be permitted where there are clear, justifiable circumstances and there is no danger of breach of legal obligations to the Authority. Permission must be sought from the Monitoring Officer in advance through the process of an "Exemption Report". An exemption report form is available from C&PD and it is to be completed on every occasion an exemption is required.

8.7.3 Examples of circumstances which may justify an exemption report, are:

A.) Urgency in support of genuine operational need or for urgent repairs to buildings plant or equipment – ONLY REAL EMERGENCIES WILL BE ACCEPTABLE,

B.) Where the goods or services or the works to be executed are obtainable only from one contractor, or where there are fewer than 3 suppliers in the market place or where the goods or materials or equipment are required to be uniquely compatible with existing goods materials or equipment

C.) Where the goods or materials are to be purchased or sold at auction, public fair or market.

9 Category III – EU Contracts

9.1 If the estimated total value over the whole life of the contract for supplying goods, works or services is worth more than the thresholds set out in The Public Contracts Regulations 2006 and/or, EC Directives the procedures for managing the procurement process and for letting the contract shall be as set out in UK Regulations. There are special rules for valuing contracts to see whether they have reached the limits (see below). Where a contract value exceeds these limits the contract will be a Category III contract. In all cases officers must contact C&PD who will usually manage the procurement unless other arrangements are agreed.

9.1.1 If the contract covers a mixture of goods and services, whichever part has the greatest value will decide whether the contract is treated as a goods or services contract under the regulations. The same principle applies to any mixed contract.

9.2 Valuing contracts under Public Contracts Regulations 2006/ European Directives

9.2.1 The value limits apply to individual contracts and groups of contracts with similar characteristics, which are to be agreed in the same year. Contracts with similar characteristics have to be added together to see whether the value limits (“thresholds”) have reached. This is to prevent organisations packaging similar contracts into small units to avoid the Regulations. If, for example, different departments are buying computers in the same financial year, all those purchases must be added together to assess whether they are likely to reach the value limit.

9.2.2 Individual contract values are calculated as follows:

- If the contract is part of a series or is renewable, its value will be:
- the value given in the previous financial year (over a 12-month period); or
- the estimated values to be given over the next 12 months from the date the goods, work or services are first provided.
- If the contract is for a fixed term of less than four years, the value will be the total value of the contract.
- If the contract has no end date or is for a fixed term of more than four years, the value will be the monthly value of the contract multiplied by 48.

9.2.3 **If more than one of the above applies, the Authority must use the method, which gives the highest value.**

9.2.4 Once a value is worked out for each contract, it must be added to the value of other contracts with similar characteristics. If the value of a contract or group of contracts with similar characteristics is greater than the value limit, the Authority must follow the requirements of the European Procurement Rules.

9.3 Prior information notices

9.3.1 Under the European Procurement Rules all of the Authority’s tendering activities should receive maximum publicity. The Authority should publish a prior information notice (PIN) in the

Official Journal of the Economic Union each financial year to show the goods, work or services the Authority intend to invite offers for which are over the EU limits. These values are also set out at 10.1.

- 9.3.2 This notice alerts suppliers of the opportunities for contracts in the coming financial year. The PIN should cover contracts of a similar nature and the values are worked out in the same way as set out in 10.2.2 above.
- 9.3.3 The Authority needs to be aware well in advance of all contracts CCMs expect to agree during the financial year and their estimated value so that the C&PD can put the correct information on the PIN.
- 9.3.4. Each CCM is responsible for telling the C&PD the estimated value of the contracts, which will be required by the department in the next financial year.
- 9.3.5 The C&PD then assess the information from all the departments to see whether a PIN is required for any categories of contracts. The C&PD is responsible for sending out all necessary PINs to the Official Journal of the European Union.

9.4 Procurement Process

- 9.4.1 All the requirements for Category II contracts will apply to these contracts. Please therefore read sections 6 and 8 for details of the procurement process. In addition, the Public Contracts Regulations 2006 and EU Directives, details of which are available from the C&PD, place further obligations upon the Authority. The C&PD shall consult with the Legal Adviser for guidance as to how to carry out the procurement process.
- 9.4.2 The tender procedure shall involve the advertisement of such tenders within the Official Journal of the European Union (OJEU). Tenders may also be invited from an approved list of selected tenderers providing that such list has already been tendered in accordance with the EU rules.

10. Contracts Where The Authority is the Supplier

- 10.1 CSOs also apply when the Police Force and the Authority are supplying goods, work, materials or services. Procedures will depend on the requirements of the purchaser. However CSOs generally will apply with the following differences.
- 10.2 Details of all contracts must be recorded in the Police Authority Register of contracts.
- 10.3 Warwickshire Police Authority Model conditions should be used wherever possible. Where the Authority is to contract on terms specified by the purchaser, the Legal Adviser must approve terms and conditions before the contract is completed.
- 10.4 C&PD must ensure before the contract is completed that;
- The risks are identified and fully evaluated and **there must be enough insurance to cover any liability the Police Authority may have under the proposed contract.**
 - The Monitoring Officer is satisfied that the Authority has the power to enter into the contract.
 - The Director of Resources and Treasurer are satisfied that the Police Authority's bid is financially practical. A business case for the project must be drawn up by the relevant Department, which will then be assessed by the Director of Resources and Treasurer.
 - In the case of all contracts details must be entered in the contract register maintained by the C&PM.
 - All contract details must be properly documented.

11. Funding Agreements, & Partnership Agreements

Advice should be sought from the Legal Adviser and/or Monitoring Officer prior to entering into any Funding or Partnership Agreement

12. Appointing Experts and Consultants, including External Tainers & Secondees

Introduction

- 13.1 **ALL PROPOSED APPOINTMENTS OF THE ABOVE MUST BE DEALT WITH BY C&PD. ALL APPROPRIATE TERMS OF REFERENCE OR SCOPE OF WORK MUST BE DRAWN UP PRIOR TO THE ISSUE OF ANY CONSULTANCY SERVICES AGREEMENT WHICH MUST BE SIGNED BY THE CONSULTANT PRIOR TO APPOINTMENT AND COMMENCEMENT OF THE SERVICES.**

For Guidance:

- 13.2 There is often confusion about the status of people the Authority 'employ' as experts or consultants and whether they are under a 'contract for services' (as an independent contractor), or a 'contract of service' (as our employee).
- 13.2 It is often thought that costs for National Insurance and pension contributions can be avoided by hiring people as self-employed consultants. This is not necessarily the case as the terms and conditions of our contract with them will govern their employment status.

Employment status

- 13.3 Employment status is not a matter of choice. You cannot simply decide to treat working arrangements as employment or self-employment. It depends on the work to be done.
- 13.4 If someone is taken on under a 'contract of service' they are an employee and must be paid through Payroll.
- 13.5 If someone is taken on under a 'contract for services' they are self-employed and paid through Order and Payments.
- 13.6 Sometimes it is a little more difficult. The table at 13.10 gives detailed guidance. If someone's employment status is unclear, a ruling for tax purposes can be obtained from the local Tax Office.
- 13.7 What should the Authority do to treat experts and consultants correctly?
- Ensure everyone who takes on or pays people knows the rules and that there are routines to monitor the situation (it is not an employee responsibility to pay tax and national insurance and therefore Warwickshire Police Authority has to ensure contractors provide an indemnity to cover any outstanding payments).
 - Tell people the tax arrangements before you hire them.
 - Work done must not be paid out of petty cash.

ALL TERMS AND CONDITIONS MUST BE AGREED IN WRITING PRIOR TO THE COMMENCEMENT OF THE CONSULTANCY SERVICES.

- 13.8 When consideration is being given to hiring someone under a 'contract for service' it is important to:
- Make sure they have a properly set-up business which provides the services required;
 - follow the Financial Standing Orders and CSOs for quotations and for work to be done;
 - make sure a proper contract or written arrangement is in place prior to commencement (for purposes of ensuring IPR rests with Warwickshire Police Authority if required) which sets out details of the work, performance and payment; and
 - check that **none** of the common signs of employment in the table apply.

If you are in any doubt, contact the C&PM.

13.9 Common mistakes

- *“Anyone who receives a one-off payment for wages tips and so on must report it to the Inland Revenue.”*

This is not so. As employer or payer, the Authority has to deal with the payments properly and pay tax and National Insurance on them. The Authority cannot rely on the individual giving the information to the Inland Revenue.

- *“Mr Smith is self-employed but works for us so the Authority can pay in cash without tax or National Insurance being taken off.”*

How the Authority treat this depends on the work done. If the work done is not one of the services Mr Smith normally provides in their self-employed business, treat him as an employee under PAYE. Mr Smith can get RD 950 from the Contribution Agency and an NT Code from the Tax Office. But the Authority must still pay their National Insurance and the Authority must pay him through Payroll.

- *“Mrs Jones used to be our employee and the Authority has re-engaged her as a consultant so the Authority can pay her without tax or National Insurance being taken off.”*

Unless Mrs Jones has properly set up a business as a consultant providing the services you need, you must treat her as an employee and pay her through Payroll. You may also need to review her pension payment.

What to look out for

Common signs of employment	Common signs of self-employment
The worker supplies only his labour and uses someone else's facilities.	The worker supplies labour, equipment and materials for the job.
The worker does not risk his own money and there is no possibility he will suffer financial loss.	The worker quotes a fixed price for the job and will pay extra costs himself if the quote is too low.
The worker has no business organisation and has to personally do the job.	The worker has the right to hire other people to do the job. Those people answer to the worker and are paid by the worker through his business accounts.
The worker is paid by the hour, day, week and so on, in the same way as other employees.	The worker is paid a fixed amount for the job however long it takes. But he is free to negotiate his own rate.
An employer has the right to control what the worker has to do, and when where and how it is	Within an overall deadline the worker has the right to decide how and when the work will be

to be done.	done.
The worker is hired under contract of service.	The worker is hired under a contract for service.
The worker works only for employers. (It may be one or more employers under PAYE arrangements.)	The worker provides similar services to many organisations. He manages his own business, advertises his services, and pays his own costs for insurance and overheads. He sends business accounts to the Inland Revenue each year.

13. Specifications

13.1 Introduction

13.1.1 Specification, or 'description of the requirement', is an essential part of procurement and the purpose of this brief note is to familiarise colleagues with basic information on:

- when and where there may be a need to write a specification
- how to write a specification
- how to apply this guidance when we have recognised the need.
- A specification is required to communicate what it is we need to buy from a potential supplier.

13.1.2 There are generally two basic types of specification (although there will be occasions when a combination of both is used): -

13.2 Functional:

The specification concentrates on what the product is and what it does, not necessarily how it is put together. The specification will include:

- what level of safety and quality are needed;
- characteristics e.g. what it looks like, basic dimensions;
- what it does or what it will need to do or provide.

13.3 Detailed:

13.3.1 The specification is a clear description with a description of how the solution will be accomplished.

13.3.2 The specification may include details of:

- Design
- Manufacturing process and Installation
- Packaging
- Delivery and Distribution.

13.4 Procedure

13.4.1 When writing a specification you must state: -

- what it is you need,
- what the product will do
- the circumstances that it will operate in.

13.4.2 You must also ask, “who has the greater knowledge and experience”? If it’s the supplier then you should produce a 'functional specification'. If it is the Force then you should produce a detailed specification.

13.4.3 Specifications must not contain trade names. European standards should be used where these are available, otherwise International or British Standards.

**APPENDIX 1
AUTHORITY TO SIGN CONTRACTS**

AUTHORISED PERSON

LIMIT OF AUTHORITY