

CONTRACT STANDING ORDERS

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NORFOLK POLICE AUTHORITY – CONTRACT STANDING ORDERS

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SECTION 1

SCOPE OF STANDING ORDERS

OVERVIEW

- 1.1 To conduct its business effectively, the Authority needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is to adopt and implement Contract Standing Orders. The Orders contained herein have been drawn up in such a way as to ensure that the financial matters of the Authority are conducted properly and in compliance with all necessary requirements.
- 1.2 These Contract Standing Orders have been developed so that they are supportive and consistent with the Police Authority's associated values and aims, and also consistent with its policy and practices in relation to local procurement, regional and national issues, diversity and equal opportunities statements, sustainability and environmental issues.

STATUS

- 1.3 Contract Standing Orders should not be seen in isolation, but rather as part of the overall regulatory framework of the Authority that includes the role of committees, codes of governance, codes of conduct for members and officers, schemes of delegation and financial regulations.
- 1.4 All members and staff have a general responsibility for taking reasonable action to provide for the security of assets under their control and for ensuring that the use of these resources is legal, properly authorised, and provides value for money.
- 1.5 The Chief Constable is responsible for ensuring that all staff, contractors and agents are aware of the existence and content of the Authority's Contract Standing Orders and that they are complied with.
- 1.6 Breaches of Contract Standing Orders of a serious nature may result in disciplinary proceedings, to be determined by the Chief Constable. Such cases shall be reported also to the Treasurer who shall determine, after consulting with the Chief Executive and Chief Constable, whether the matter shall be reported to the Police Authority.

REGULATIONS AND GUIDANCE

- 1.7 These regulations are the Contract Standing Orders to be made under Section 135 of the Local Government Act 1972 and all other powers enabling the Authority to place contracts.
- 1.8 These regulations cover and comply with the provisions of the Audit Commission Competitive Procurement 2001, Race Relations Amendment Act 2000, Section 16 Local Government Act 1999, Best Value Byatt Report 1999, Competition Act 1998, Section 2 of the European Communities Act 1992 and Public Supply Contract Procurement 1995.
- 1.9 The Police Authority has direct responsibility for contracts, and all contracts placed must be in the Authority's name.
- 1.10 These Contract Standing Orders cover contracting and procurement activities. This includes new contracts for works, supplies and services, the extension of existing

contracts and the renewal of contracts, but excludes contracts/leases for land and contracts for employment.

- 1.11 The Police Authority sets contract values above which competitive tendering will normally take place. In making this decision, the Police Authority shall take note of statutory requirements.
- 1.12 Provided that arrangements within the Constabulary satisfy the Police Authority and it is confident that its legal responsibilities can be fulfilled, the Chief Constable and his staff should manage the tendering and contracting process, except where the Police Authority has decided that it must be advised of particular contracts in advance of agreement because of their size or sensitivity. The management of this process should be conducted in accordance with these Contract Standing Orders as approved by the Police Authority.
- 1.13 Those individuals within the Constabulary with responsibility for determining, awarding and managing contracts shall comply with all relevant legislation, including EU Directives.
- 1.14 The Contract Standing Orders are supported by a comprehensive Procurement Manual and Associated Guidelines that will enable all those staff involved in the day to day low value procurement activity to act in full compliance with these Orders. All procurement requirements above the tender thresholds will be undertaken by the Corporate Procurement Unit. The manual and the guides are updated to stay at the forefront of Best Practice within procurement.
- 1.15 Where the procurement relates to the purchase and/or the sale of land and buildings, prior approval of the Police Authority must be obtained.
- 1.16 Any transactions which do not comply with these Contract Standing Orders must be the subject of prior approval from the Police Authority, or approved by the Chief Constable and Chief Executive and Treasurer and subsequently reported for endorsement to the Police Authority.

DEFINITIONS WITHIN THE CONTRACT STANDING ORDERS

- 1.17 The “Police Authority” or “Authority” when used as a generic term shall refer to:
 - Members
 - The Chief Executive and Treasurer of the Authority and staff under their direction
 - The Constabulary
- 1.18 The “Police Authority” or “Authority” when used as a body for approving policy decisions shall refer to Members.
- 1.19 The “Constabulary” shall refer to the Chief Constable, police officers, the special constabulary and police staff under his/her direction.
- 1.20 Within these Regulations, most of the references have been made to the responsibilities of the Chief Constable since most of the day to day financial management is vested with that post. However, where resources are under the control of the Chief Executive or Treasurer, the duties, rights and powers as detailed for the Chief Constable shall apply equally to the Chief Executive or Treasurer.

- 1.21 The terms “Chief Constable”, “Chief Executive” and “Treasurer” include any member of staff, contractors or agents to whom particular responsibilities may be delegated. However, the level of such delegated responsibility must be evidenced clearly, made to an appropriate level and the member of staff given sufficient authority, training and resources to undertake the duty in hand.
- 1.22 Actions which fall to the Chief Constable in Contract Standing Orders normally will be carried out by the Assistant Chief Officer (Resources) acting on behalf of the Chief Constable, unless directed otherwise.
- 1.23 RBO means Responsible Budget Officers of Norfolk Constabulary designated by the Chief Constable, or staff authorised to act on their behalf.
- 1.24 “Person” includes a partnership, body corporate or unincorporated association.

SECTION 2

APPLICATION AND EXCEPTIONS

APPLICATION

- 2.1 These contract standing orders shall apply to all contracts entered into by, or on behalf of, the Policy Authority with any person or body. They are to be applied in conjunction with the Code of Tendering Practice and Contract Awards Principles outlined within Norfolk Constabulary’s Procurement Manual and Associated Guidelines.

Framework Arrangements

- 2.2 The Authority may take advantage of framework agreements rather than conduct its own tender exercise. A Framework Agreement is where an alternative Force, the Office of Government Commerce (OGC) Buying Solutions or any other Government Agency, places a contract with one or more suppliers through competitive arrangement that other Forces are able to use. The only constraint is that the terms and conditions placed by the issuing organisation will apply to all additional contracts placed against the Framework.

Segregation of Duties

- 2.3 The duties relating to the contracting and procurement process are segregated between the following phases/transactions:
- Requisition and ordering of goods, works and services
 - Contracts
 - Receipt of goods, works and services
 - Payment Authorisation

No one individual can have the authority to control more than two stages in the segregation of duties process.

Agency and Partnership Arrangements

- 2.4 These Contract Standing Orders also apply:

- To contractors letting contracts on behalf of the Police Authority except where previously agreed
- When acting on behalf of or in partnership with other authorities or private sector partners except where previously agreed

2.5 Any exceptions to the above must be authorised by the Head of Procurement prior to agreement of the contract.

EXCEPTIONS FROM CONTRACT STANDING ORDERS

2.6 Exceptions from contract standing orders include contracts:

- For the lending or borrowing of money
- For the employment of an individual employee

Exceptions from the normal tender process must be approved in advance by the Corporate Procurement Unit and include contracts:

- For goods or material to be purchased at an auction.
- Regional/National Consortia e.g. Association of Chief Police Officers, Association of Police Procurement and Contract Professionals or association of which the Policy Authority is a member.
- Where compliance with Contract Standing Orders would have security implications, when the RBO should consult the Head of Procurement. The Head of Procurement must log and record any agreed security implications.
- For the procurement of goods and services where National and Regional Contracts and Framework Agreements placed by another police force or Framework Agreements let by the National Police Improvements Agency or the Office of Government Commerce are in place. (However, this should not prevent the use of mini tenders within the framework agreements where possible).
- For goods or materials which are available only as proprietary and patented articles from one contractor or supplier and for which no reasonably satisfactory alternative is available in the European Community.
- For works of art, museum specimens or historical documents
- For repairs to, or the supply of parts of existing proprietary or patented articles, including machinery or plant

2.7 Other exceptions to these Contract Standing Orders may only be made within the relevant law and by the Police Authority as follows:

- By the Police Authority by a direction given generally or in relation to contracts of a specified class
- By the Police Authority in relation to a specific contract, either in an emergency or for other special reasons
- By virtue of Government directions or other official provisions, provided that it is economically in the best interests of the Police Authority
- For the execution of work or for the supply of services or goods or materials certified by the Chief Constable and Chief Executive and Treasurer of the Police Authority as being required so urgently as to preclude the invitation of quotations or tenders. Where the contract exceeds £100,000 in estimated value, such certificate is to be retained on the appropriate file; such action is to be reported to the next meeting of the Police Authority

- 2.8 These Contract Standing Orders do not apply to internal Police Authority business where one part of the Police Authority's staff provides a service to another.
- 2.9 Where, for any other sound reason, it is not possible to follow Contract Standing Orders then the Chief Constable shall recommend, and the Chief Executive may approve, any exception in advance or, if impractical, as soon as possible, and shall report any such variations to the Police Authority at its next meeting.
- 2.10 Details of all actions taken by and decisions made by the Chief Constable in regard to this section of the Contract Standing Orders shall be maintained by the Head of Procurement in such a form as to be readily available for inspection.

SECTION 3

PROCUREMENT PROCESS

BUDGET PROVISIONS AND PRE-ESTIMATES

- 3.1 The procurement process applies to the purchase of all goods and services. Subject to budget availability and the need to follow due process (see below), all aggregate purchases below £35,000 can be undertaken by the relevant RBO. All aggregate purchases of £35,000 or over must be referred in advance to the Corporate Procurement Unit to be undertaken by them or under their direction.
- 3.2 Before any procurement is undertaken there must be a substantiated estimate of cost and availability within the budget. For contracts subject to tender, the RBO shall complete and submit to the Corporate Procurement Unit a budget authorisation form for inclusion in the Tender / Contracts Plan. The estimated value for the purposes of these Contract Standing Orders shall be the total estimated value of the goods or services to be supplied over the period covered by the contract. Commitments against contracts that span in excess of one financial year should be certified by the appropriate RBO as being sustainable within the budget
- 3.3 The sub-division of contracts is not permissible. Where evidence that contracts delivering the same or associated articles have been sub-divided in order to avoid thresholds, significant punitive damages could be awarded against Norfolk Police Authority by the European Commission and the contracts could be made void. Moreover, such action by an RBO will be considered misconduct under the Constabulary's Disciplinary Procedures.

OBTAINING QUOTATIONS – PURCHASES BELOW £35,000 (NOT COVERED BY EXISTING CONTRACTS)

- 3.4 Quotations must be sought for all purchases with an estimated value of up to £35,000. Further detail on obtaining quotations is provided within the Financial Regulations which can be found on the Finance Department website.
- 3.5 Quotation schedules should be maintained on file as evidence that value for money has been achieved. These must contain a formal record of oral and written offers made and the identity of the persons who provided the quotations.

- 3.6 The RBO is authorised to approve the most economically advantageous offer, provided that where the quotation accepted is not the lowest, the circumstances shall be recorded on file.
- 3.7 Official orders can only be placed where appropriate budgetary provision is available and all necessary authorisations have been obtained.
- 3.8 **All** orders for goods or the provision of services must be properly authorised.
- 3.9 The advice of the Head of Procurement should be sought if any requirements are unclear.

TENDER PROCESS AND PROCEDURES – ALL PROCUREMENT OF £35,000 OR OVER

Tender Process

- 3.10 All procurement for works, goods and services where the estimated value over the length of the contract is £35,000 or over are subject to the Police Authority's tender procedure. The tender process will be undertaken by the Corporate Procurement Unit. The Corporate Procurement Unit will maintain Norfolk Police Authority's Contracts Register.
- 3.11 The EU Procurement Directive thresholds affect the procurement of works, supplies and services where the estimated value of the procurement exceeds the notified values, which are normally updated every two years. Additional guidance is available within the Corporate Procurement Unit when dealing with EU tenders.
- 3.12 Where the estimated value is £35,000 and over and below the EU threshold, the Corporate Procurement Unit will invite not less than five written tenders (if available) from Norfolk Police Authority's and/or Blue Light Approved Vendor Databases. The issuing of advertisements will not occur unless appropriate vendors cannot be obtained from within these databases.
- 3.13 Where the estimated value exceeds the EU threshold, the Corporate Procurement Unit will comply with all the relevant EU Procurement Legislation and consequent UK Regulations and place a notice in at least one appropriate trade or professional journal, if this is considered necessary to enhance competition. The choice of procedure to be adopted, i.e. open, restricted or negotiated will be determined by the Corporate Procurement Unit. The decision will be based on which procedure will yield best value to the Constabulary.

Tendering Procedures

Select List

- 3.14 Whenever practicable, only suppliers that have been approved by the Corporate Procurement Unit, that is to say via the use of the Authority's Pre Qualification Questionnaire process or those on the Blue Light Database, will be invited to tender. The Corporate Procurement Unit shall maintain a database of all approved vendors. The appraisal, approval and maintenance of the database will be maintained by the Corporate Procurement Unit in line with best practice, as indicated in the Constabulary's Procurement Manual and Guidelines. Any supplier on the approved lists for more than 3 years must be re-appraised.

Open Tendering

- 3.15 Where known vendors are limited, the process known as the Open Procedure is to be used. This procedure will open up the market and make visible all vendors willing to undertake business with the Authority, including the local supply market. This sourcing should be used at least 30 days (time permitting) before the last date programmed for the issues of invitations to tender, giving public notice via local newspapers or professional journals of Norfolk Police Authority's tender requirements. Suppliers selected for tender submission that do not appear on the database or are not a qualified supplier must complete a Pre Qualification Questionnaire.

Restricted and Negotiated Tendering (for use with the EU Directives procedures)

- 3.16 For tenders called under the EU Directives, the use of Restricted or Negotiated procedures are available and particularly where speed of response is paramount. Under these processes, the Authority can undertake post tender negotiation (PTN) on aspects of tenders that are not clear. The Corporate Procurement Unit will determine which procedure will be used based on the potential market availability and best value attainment.

DETERMINING EVALUATION CRITERIA

- 3.17 Before any tender is issued, the RBO shall consult with the Corporate Procurement Unit in order to agree and record the criteria to be used for the evaluation of the tender. In line with value for money principles, if a chosen evaluation is defined as "most economically advantageous" the Corporate Procurement Unit will then decide and record the criteria (in descending order of significance) upon which the Contract will be let.
- 3.18 The evaluation criteria must be either:
- The lowest price (where the Police Authority is to pay the supplier), or
 - The highest price (where the supplier is to pay the Police Authority, i.e. disposal/sale of equipment), or
 - The most economically advantageous tender as defined in the EU Regulations.
- 3.19 The Head of Procurement shall notify all companies invited to tender which evaluation criteria are being used in the case of the contract in question and a hard copy of the contract award criteria (weighted) must be retained on the Contract File for audit purposes.

INVITATION TO TENDER

- 3.20 Every invitation to tender shall specify the latest day, hour, the place appointed and the method to be used for the receipt of tenders.

VALIDITY OF TENDERS

- 3.21 For hard copy submissions, a tender shall not be valid unless it has been delivered to the place appointed by the Corporate Procurement Unit no later than the appointed day and hour in a plain sealed envelope, parcel or packaging bearing the word "Tender", followed by

the subject to which it relates. The tender shall not be valid if the envelope, parcel or packaging bears any name or mark indicating the sender, regardless of the identity of the person causing the name or mark in question to be visible. (Note that this applies to couriers delivering on behalf of tenderers).

- 3.22 Alternatively, tenders may be submitted electronically if advised by the Corporate Procurement Unit as part of the Invitation to Tender. The system used will be either the Blue Light system or the Buying Solutions system, to ensure built in controls that prevent access by the Constabulary to tenders before the appointed opening time, thus ensuring anonymity.
- 3.23 Any request by a supplier for an extension of the Tender closing date will not normally be acceptable. However, in exceptional cases an extension of time can be authorised by the Corporate Procurement Unit. In such cases the extension will apply to each of the potential suppliers.
- 3.24 Any tenders received after the closing date will not be accepted unless circumstances cannot be attributed to a supplier, such as mail disputes etc. Acceptance will be determined by the Corporate Procurement Unit.

RECEIPT AND OPENING OF TENDERS

- 3.25 On receipt of hard copy submissions, envelopes containing tenders shall be date and time stamped by the Corporate Procurement Unit and then remain in their custody until opened, once opened envelopes may be destroyed. Tenders shall be opened in the presence of not less than two officers of the Constabulary who shall both initial each tender as appropriate. Tenders shall not be opened prior to the advertised closing date. Particulars of all tenders opened shall be entered upon the Tender Received Schedule which shall be signed by the officers present at the opening. If price cannot be included because of the complexity of company bids, this will be noted on the schedule.
- 3.26 All tenders received including any invalid tenders, opened or unopened, shall be retained by the Corporate Procurement Unit in accordance with the corporate policies for the retention of documents.
- 3.27 Use of electronic tendering procedures provides a clear audit trail for tender submissions and, as such, there shall be no need to prepare a Tender Received Schedule for this method of procurement.

ERRORS OR DISCREPANCIES IN TENDERS

- 3.28 Where examination of tenders reveals errors or discrepancies which would affect the tender figures in an otherwise successful tender, the tenderer is to be given details of such errors and discrepancies and afforded an opportunity of confirming or withdrawing their offer.
- 3.29 Where the tender is for measured work calculated on Bills of Quantity with rates and the arithmetical calculations are erroneous, the tenderer may confirm either the rate (or rates) or the total for that particular item, whichever is the most advantageous to the Police Authority, or the tenderer may withdraw the offer.
- 3.30 Any exception to this procedure may be authorised only by the Chief Constable after consultation with the Chief Executive of the Police Authority.

ACCEPTANCE OF TENDERS

- 3.31 The Corporate Procurement Unit may, in consultation with the RBO, accept a valid tender in accordance with the evaluation criteria and subject to budget provision being available, as follows:
- The lowest tender, if price was the only award criterion, provided that the tender is not more than 10 per cent above the estimated value.
 - The highest tender, in the case of sales made by the Authority, provided that the tender is not less than 10 per cent below the estimated value
 - The most economically advantageous tender, if that is the award criterion, and if one tender clearly meets that criterion more closely than any other.
- 3.32 The Police Authority does not bind itself to accept the lowest tender or any other tender.
- 3.33 The Corporate Procurement Unit must be satisfied that the successful tenderer has the technical, professional, and financial capacity to fully undertake the contract.
- 3.34 The Corporate Procurement Unit may not reject an abnormally low tender without first giving the appropriate supplier the opportunity to explain his tendered price.
- 3.35 Acceptance of a tender must be in writing and must allow for a period of 10 days ("Alcatel" judgement) before a formal commitment by the Corporate Procurement Unit is made. In some cases acceptance may be in the form of an official purchase order. However, in all cases, this must be preceded by a formal Contract Award document.
- 3.36 The file copy of the record shall be endorsed to indicate the tender has been accepted.
- 3.37 When, and only when, the successful supplier has confirmed acceptance of a contract that has been awarded under the European Directives, the Corporate Procurement Unit shall debrief all unsuccessful tenderers. This debrief must be in writing and contain the scoring achieved against each of the weighted elements of the award criteria.

Bonds and Guarantees

- 3.38 The Head of Procurement will seek appropriate legal advice on all Contracts over £35,000 where a bond or parent company guarantee may be required.

POST TENDER NEGOTIATIONS (PTN)

- 3.39 The Head of Procurement or a nominated officer within the Corporate Procurement Unit will be involved in all stages of the PTN. In the case of restricted tenders, negotiations must take place with the suppliers on the same basis. In the case of negotiated tenders, negotiations can take place with a specific supplier on a one to one basis.
- 3.40 The Head of Procurement or a nominated officer within the Corporate Procurement Unit may, following the closing date for receipt of tenders but before acceptance of any tender, carry out Post Tender Negotiations to attempt to secure an improvement in the contract price or other conditions in one or more of the following circumstances:
- Where the lowest tender submitted exceeds the estimated value of the contract

- Where the price of the lowest tender submitted does not represent the best value for money that can reasonably be obtained from the Contract
- Where tenders have been invited only on the basis of unit prices or a schedule of rates and the lowest in aggregate is not the lowest on all items
- Where the lowest submitted tender contains conditions, trading terms, specification, performance, guarantees or service delivery less favourable than in other tenders or than stipulated for, and this defect may be overcome by post tender negotiations

3.41 In the case of contracts with an estimated value exceeding the relevant EU Directive Threshold, the Head of Procurement or a nominated officer may, following the closing date for receipt of tenders but before acceptance of any tender, carry out Post Tender Negotiations in order to:

- Ensure that the tender is constructed correctly
- Ensure that the tenderer has fully understood the specification
- Seek clarification from tenderers of quality and performance indicators

3.42 Post Tender Negotiations may not be entered into if it would:

- Distort competition
- Change the tendered specification
- Change the contract award criteria

3.43 During face to face negotiations with a tenderer, there shall always be present at least two officers of the Constabulary.

3.44 A note of negotiations will be made by one of the officers present, recording those present at the time and location of the negotiations, detail of the discussion and any agreement reached. The note shall be signed by all officers present and will be kept with a file copy of the record.

3.45 At no time shall a tenderer be informed of the detail of any other tender submitted or as to whether or not the tender they submitted was the lowest, subject to that allowed to be disclosed under the Freedom of Information Act.

3.46 Acceptance of tenders following Post Tender Negotiations shall be in accordance with the earlier section on Acceptance of Tenders.

3.47 The Head of Procurement will maintain a record of all Post Tender Negotiations in which will be recorded the date of the tender, the date of any Post Tender Negotiations, the names of tenderers involved in negotiations, the original price, the revised price, the names of the officers involved and details of the contract awarded.

SECTION 4

CONTRACTS

FORM OF CONTRACT

4.1 Every contract awarded by tender (over £35,000) shall:

- Be in writing and in the form of a signed "Agreement" by both parties

- Specify the goods, materials or services to be supplied, the price to be paid and shall contain a statement as to the amount of any discount or other deductions, the period within which the contract is to be performed and such other conditions and terms as may be agreed between the parties.
- Contain a clause requiring that all goods and materials used or supplied and all the workmanship shall be at least of the standard required by any appropriate British or equivalent EC or International Standards Specification or Code of Practice current at the date of tender.
- Contain a clause empowering the Police Authority to cancel the contract and to recover from the contractor the amount of any resulting loss if the contractor or any other person employed by him or acting on his behalf, whether or not to his knowledge, shall have offered or given or agreed to give to any person, any gift or consideration of any kind as an inducement or reward for taking or for not taking any action in relation to any contract with the Police Authority, shall have committed any offence under the Prevention of Corruption Act 1889 to 1916, or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

- 4.2 All contracts involving sub-contractors shall be the responsibility of the main contractor and treated in accordance with the Terms and Conditions of Contract.
- 4.3 Contracts between £35,000 and the EU threshold shall be formulated by the Corporate Procurement Unit and shall be signed by either the Director of Financial Services and Accountancy or Head of Procurement, following written confirmation from the RBO.
- 4.4 Every contract above the EU threshold shall be signed by the Assistant Chief Officer (Resources) or the Chief Constable of Norfolk Constabulary or the Chief Executive of the Norfolk Police Authority.
- 4.5 Every contract should make reference to and contain the Terms and Conditions of Contract for the Purchase of Goods or for the Supply of Services issued by the Corporate Procurement Unit. In cases where the Supplier's Terms and Conditions are applied they must first be verified by the Corporate Procurement Unit before acceptance is made.
- 4.6 Those contracts for the purchase/lease of property or land will be signed by the Chief Executive to the Police Authority under "seal".
- 4.7 Every contract shall, in appropriate cases, provide for the payment of liquidated damages by the contractor where the contractor fails to complete the Contract, or any part of the Contract, within the times specified.
- 4.8 The Terms and Conditions relating to service contracts should contain reference to Transfer of Undertakings for Protected Employers (TUPE), details of which should be clarified with the HR Department.
- 4.9 Although a Memorandum of Understanding has less onerous terms and conditions than a formal contract and are limited in number, for example Key Holding Services, they still need to be discussed with the Head of Procurement for any adverse risks to the Authority before they are signed.
- 4.10 Once a contract is complete all the relevant contracting activities undertaken during the process of placing a Contract shall be retained in a hard copy file for audit purposes, including the evaluation criteria used.

SUPERVISION OF CONTRACTS BY THIRD PARTIES

- 4.11 It shall be a condition of any contract between the Norfolk Police Authority and any person not employed by the Authority who is required to supervise a contract on behalf of the Authority that in relation to that contract, that person shall comply with the requirements of these Contract Standing Orders.
- 4.12 Such person shall:
- At any time during the carrying out of the contract produce on request all records maintained by him in relation to the contract
 - On completion of the contract, transmit all records to the Authority.

PAYMENTS, AUTHORISATION AND MONITORING

- 4.13 The prior approval of the Director of Financial Services and Accountancy must be obtained before any payment is agreed by either direct debit or banker's standing order. In general all contract payments will be made by BACS.
- 4.14 Payment will be made in accordance with the prices stated on the Purchase Order, contract or variation. Any deviation/increase from these prices must be agreed and approved in writing by the RBO in collaboration with the Head of Procurement before payment is made.
- 4.15 All internal information required by the Chief Executive of the Police Authority in order to monitor compliance with these Contract Standing Orders shall be maintained by the Chief Constable.

CONTRACT MANAGEMENT, VARIATIONS & EXTENSIONS

- 4.16 The specific management of the Contract will be the responsibility of the nominated owner from the appropriate department and must be carried out throughout the life of the contract so that the contracted performance levels are maintained and that continuous improvements are encouraged. Any recurring non-performance must be reported immediately to the Head of Procurement for escalation action in an endeavour to re-establish the contracted performance levels or to claim liquidated damages.
- 4.17 The nominated owner for contract management will submit regular reports to the Head of Procurement in accordance with any agreed schedule. The report will detail the contractor's performance including response times, continuous improvements and compliance.

Extensions

- 4.18 If the Authority requires any further work to be undertaken when a contract is due to end or where an option to extend is in the contract, an extension to the contract may be negotiated with the existing contractor. In all cases the services of the Corporate Procurement Unit must be used as there may be legislative criteria that may restrict such extensions, particularly if the Contract was let under EU legislation which restricts the use of contract extensions to one only. Any additional extensions outside of original contract terms should be supported by a report that must stand up to scrutiny should it be

challenged by any supplier who took part in the original tender. **Wherever practicable a contract should not be extended more than once.**

Note: Any extension that would bring the total value over the EU thresholds must be re-tendered under EU rules unless extreme circumstances arise, as advised by the Corporate Procurement Unit.

Variations

- 4.19 Agreed contract terms sometimes need to be varied after work has started. This may be because additional work is required by the Authority or the contractor requests changes to the contract terms. If this results in any change to the contract price, or significant changes to the specification, or changes to terms, a formal Contract Variation Form must be agreed and signed by the two parties before work begins.
- 4.20 The RBO must submit his justification for this variation to the Corporate Procurement Unit prior to authorising the Contract Variation Form and this justification should be retained on file. Variations should only be agreed where budget provision is available. If the variation affects the total value of the contract in such a way that the EU Directives are exceeded the Head of Procurement will submit a report to the Authority explaining the reason for the variation. This may result in having to retender, subject to the estimated change in value of the Contract.

PECUNIARY INTERESTS OF OFFICERS/MEMBERS

- 4.21 If it comes to the knowledge of any Member/Officer of the Authority or Constabulary that a contract in which he has any pecuniary interest, whether directly or indirectly (not being a contract to which he himself is a party) has been or is proposed to be entered into by the Police Authority, he shall as soon as is practicable, inform the Chief Constable and the Chief Executive of the Police Authority in writing. The Chief Executive shall record the particulars in a book to be kept by him for that purpose which shall be open during office hours for the inspection of any member of the Police Authority.

SECTION 5

REPORTING ARRANGEMENTS

- 5.1 The Head of Procurement will prepare an annual report to the Police Authority which will incorporate:
- Details of all contracts awarded during the year where the value exceeds £35,000
 - Details of Post Tender Negotiations that have been carried out during the year
 - Details of contracts where the lowest bidder has not been accepted
- 5.2 The Head of Procurement will supply detailed bi-annual statistics on all contracts placed under the EU Directives procedures to the HM Treasury and other statutory information as may from time to time be required.