

4.3 - Contract Standing Orders

Style Definition: TOC 1: Indent: Left: 0 cm, Hanging: 1 cm, Tab stops: Not at 1.25 cm + 15.25 cm

1. Interpretation/Glossary of Terms
2. Status of, and Compliance with, Standing Orders
3. Approval to Spend
4. Contract Value and Aggregation
5. Framework Agreements and Suitability of Contractors
6. Publication of Notices
7. Purchasing Procedures for Contracts of a Value Less Than the UK Threshold
8. Tendering Procedures for Contracts of a Value equal to or greater than the relevant UK Threshold but Less Than relevant Other UK Thresholds
9. Tendering Procedures for Contracts above Thresholds and Modifications of Contracts
10. Receipt and Opening of Tenders
11. Evaluation of Tenders and Award of Contract
12. Waiver of Contract Standing Orders

1. Interpretation/Glossary of Terms

1.1. In these Contract Standing Orders, the following terms have the following meanings:

“Advance Works Order” means an Advance Works Order issued under [CSO 10.1111-11](#).

‘Authorised Officer’ is an Officer who has the authority to give such approval under the Authority’s Scheme of Delegation and/or Financial Regulations.

“Contract” means

- (i) any agreement for the supply of Goods, Services, or the execution of Works to or for the Fire Authority including the use of consultants;
- (ii) any Framework Agreement; or
- (iii) any agreement where no payment is made by the Fire Authority but which is of financial value to the Contractor
- (iv) but does not include (without exception)
- (v) an employment Contract: or
- (vi) a Grant Agreement

“Contract Lead Officer” means a Hampshire and Isle of Wight Fire and Rescue officer nominated to deal with Contracts.

“Contractor” means the party or potential party to a Contract.

“Contracts Finder” means a web-based portal provided for the purposes of the UK Regulations by or on behalf of the Cabinet Office.

“Authority” means Hampshire and Isle of Wight Fire and Rescue Authority.

“CSO”/ “CSOs” means Contract Standing Order/ Contract Standing Orders

“Evaluation Report” means a report on the evaluation of tenders prepared under [CSO 1044 \(Evaluation of Tender and Award of Contract\)42](#).

“Evaluation Report” means a report on the evaluation of tenders prepared under [CSO 1044 \(Evaluation of Tender and Award of Contract\)42](#)

“Framework Agreement” means an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors as defined in [CSO 5.1](#).

“Grant Agreement” means an agreement giving financial assistance to an individual or organisation with no supply of Goods or Services, or execution of Works, in return.

“Thresholds” means the Thresholds for public advertisement of Goods, Works and Services Contracts as provided for in the UK Regulations and advised by the Government.

“UK e-Notification Service” is defined in the UK Regulations.

“UK Regulations” means the Public Contracts Regulations 2015 as amended from time to time.

“Works” “Supplies” & “Services” are as defined in the UK Regulations.

2. Status of, and Compliance with, Standing Orders

- 2.1. By law, Hampshire and Isle of Wight Fire and Rescue Authority (“the Authority”) is required to make standing orders with respect to Contracts for the supply of goods or materials or for the execution of Works which provide for securing competition and regulation of the manner in which tenders are invited.
- 2.2. The Authority is a contracting authority for the purposes of the UK Regulations and is thereby legally bound to comply with certain practices and procedures in the award of Contracts.
- 2.3. The Authority has therefore adopted these Contract Standing Orders (CSOs), setting out the administrative procedures that must be followed in relation to the procurement and award of a Contract. CSOs provide a framework to:
 - Ensure the Authority uses its resources efficiently in making purchasing decisions to obtain best value in public services.
 - Comply with the laws that govern the spending of public money, and
 - Provide a means of safeguarding the reputation of the Authority and its staff from any implication of dishonesty or corruption.
- 2.4. The Chief Financial Officer and the Monitoring Officer are the joint custodians of these CSOs and are responsible for keeping them under review. This includes giving advice on their implementation and interpretation.
- 2.5. Every Contract made by the Authority or on its behalf (irrespective of the source of funding) shall comply with the UK Regulations ,and all other

applicable domestic legal requirements, CSOs and Financial Regulations. In the event that there is any conflict or inconsistency between the provisions of CSOs and any legal requirement, the legal requirement shall apply.

- 2.6. The UK Regulation-based principles, including non-discrimination, equal treatment, transparency, and proportionality, apply generally in the award of public Contracts – including those of a value below the Thresholds. Care must be taken at all times to ensure that nothing is done which is discriminatory, improper or which distorts competition.
- 2.7. These CSOs are supplemented by the procurement Best Practice Guide published and maintained by Hampshire County Council. In the event that there is any conflict or inconsistency between the provisions of the Procurement Best Practice Guide and the CSOs, then CSOs shall apply.
- 2.8. These CSOs supplement the Employee Code of Conduct and a failure to comply will normally be regarded as a disciplinary offence. Where a person who is not a Hampshire and Isle of Wight Fire and Rescue Service employee is contracted to a position where they are authorised to carry out purchasing functions, it is a condition of their Contract that they comply with CSOs.
- 2.9. These CSOs shall always be interpreted and applied in a way that supports the achievement of the Authority's identified business objectives, within relevant legal frameworks.
- 2.10. Any Contracts procured and awarded by way of collaboration with other public bodies where a competitive process has been followed that complies with the equivalent of these CSOs of the leading organisation (but does not necessarily comply with these CSOs) will be deemed to comply with these CSOs and no waiver in accordance with CSO 1112 (Waiver of Contract Standing Orders) will be required.

Commented [AJC1]: Updated to read non-discrimination

3. Approval to Spend/Procure

- 3.1. The procurement of a Contract (not including a Framework Agreement) is subject to the approval of the relevant decision maker who has the authority to give approval for the relevant expenditure under the Authority's Financial Regulations and/or the Scheme of Delegation. The giving of approval is subject to the expenditure involved having been included in approved estimates and sufficient budgetary provision having been made in the Authority's capital programme or revenue budget.
- 3.2. In estimating the value of the Contract, the principles of CSO 4 (Contract Value and Aggregation) shall be applied.

- 3.3. In all cases, the Authorised Officer shall designate a Contract Lead Officer for the Contract. It shall be the responsibility of the Contract Lead Officer to ensure that the processes followed in relation to the procurement and award of the Contract are compliant with these CSOs.

4. Contract Value and Aggregation

- 4.1. The estimated value of a Contract shall be the total value of the Contract net of VAT. This is the total consideration estimated to be payable over the full term of the Contract by the Authority to the Contractor which shall include any option to extend the term under the Contract. Where the Contract is one where no payment is made by the Authority (e.g. a concession) a best estimate of the financial value to the Contractor shall be ascertained.
- 4.2. Where the Contract period is indefinite or uncertain, the estimated value shall be calculated on the basis that the Contract will be for a period of four years.
- 4.3. The estimated value of a Framework Agreement is the total value of all the Contracts which could be entered into by the Authority and other contracting authorities, further to that Framework Agreement.
- 4.4. Purchases of the same or similar Goods or Services must be aggregated wherever practicable. Contracts must not be artificially separated so as to circumvent the application of any part of CSOs or the UK Regulations.
- 4.5. Contracts which are each of a value below the relevant Threshold may nevertheless be subject to full UK Regulations tendering requirements, where they constitute a series of related or repeat purchases. Advice should be sought where this is the case, in order that the relevant procurement route can be adopted.

5. Framework Agreements and Suitability of Contractors

- 5.1. A Framework Agreement is an agreement between one or more contracting authorities (bodies governed by public law) and one or more Contractors, the purpose of which is to establish the terms governing Contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. Framework Agreements may be established by the Authority, or by other public bodies, or public sector buying consortia, as arrangements through which the Authority, along with other public bodies, may make specific purchases.

- 5.2. Where appropriate a Framework Agreement that has been approved as suitable by the Chief Fire Officer in consultation with the Monitoring Officer should be used for the making of the proposed purchase. A suitable Framework Agreement shall be appropriate for the specific requirement and procured in compliance with the UK Regulations, and the terms and conditions applicable shall meet the minimum requirements of the Authority.
- 5.3. Provisions contained in the UK Regulations which govern Framework Agreements must be complied with when concluding a Framework Agreement or awarding a Contract based on a Framework Agreement.
- 5.4. In all cases where a Contract is awarded under these CSOs, a Contractor can only be appointed who, as a minimum:

- a) meets the Authorities insurance requirements for the Contract (in respect of public liability, product, professional indemnity and/or employer's liability as appropriate, based on an assessment of risk for the Contract)
~~is registered for tax and holds a valid certificate (where appropriate) can confirm a business contact address and telephone number~~
- b) is registered for tax and holds a valid certificate (where appropriate) has an acceptable level of public liability, product, professional indemnity and/or employer's liability as appropriate, based on an assessment of risk for the Contract)

6. Publication of Notices

- 6.1. In all cases where, by virtue of these CSOs or by UK Regulations, a public notice is required, it shall be placed on the corporate tendering opportunities portal on Contracts Finder.
- 6.2. Where the estimated total value of a proposed Contract is above the UK Threshold £100,000 or above, the notice shall additionally be placed in at least one relevant local publication and/or journal circulating among Contractors who undertake Contracts of that nature. However, this is not required where the relevant Authorised Officer is satisfied that to do so would not be value for money.
- 6.3. Where the value of the Contract is £25,000 or greater the information regarding the Contract award is required to be placed on Contracts Finder.
- 6.4. Where the value of the Contract exceeds the relevant EU Threshold, the Contract notice and Contract award notice shall also be placed in the UK e-Notification Service in accordance with the UK Regulations.

7. Purchasing Procedures for Contracts of a Value Less Than the UK Threshold

- 7.1. Where the estimated value of the Contract, calculated in accordance with CSO 4 (Contract Value and Aggregation), is less than the relevant UK Threshold and there is a suitable Framework Agreement approved by the Chief Fire Officer and Monitoring Officer under CSO 5.2, that Framework Agreement shall be used.
- 7.2. Where no suitable Framework Agreement is available, and the estimated value of the Contract, calculated in accordance with CSO 4 (Contract Value and Aggregation), is less than £10,000, then one written quotation should be obtained. These CSOs do not limit the number of quotations and more should be obtained where appropriate.
- 7.3. Where no suitable Framework Agreement is available, and the estimated value of the Contract calculated in accordance with CSO 4 (Contract Value and Aggregation), is £10,000 or greater and less than the UK Threshold for Goods and Services then three written quotations should be obtained against the same written request for quotation in accordance with the procedure set out in the Procurement Best Practice Guide. These CSOs do not limit the number of quotations and more should be obtained, or a full tendering exercise should be undertaken if appropriate.
- 7.4. In the selection of the Contractor, the Contract Lead Officer shall bear in mind the need to seek best value for money and be able to demonstrate that they have achieved this.
- 7.5. The Contract shall be evidenced in writing, by submission of an order in accordance with the Framework Agreement or, where a Framework Agreement is not used, by the placing of an order on the basis that the price in the written quotation received shall apply.

8. Tendering Procedures for Contracts of a Value of £100,000 equal to or greater than the relevant UK Threshold for Goods and Services or greater but Less Than relevant Other UK Thresholds

- 8.1. Where the estimated value of the Contract, calculated in accordance with CSO 4, is £100,000 equal to or greater then the relevant UK Threshold for Goods and Services, but less than the relevant Threshold (in the case of Works or Concessions, for example), and there is a suitable Framework

Agreement approved by the Chief Fire Officer and Monitoring Officer under CSO 5.2, that Framework Agreement shall be used.

8.2. Where no suitable Framework Agreement is available, tenders shall be invited using a procedure comparable/similar to the Open procedure under the UK Regulations.

~~8.3. Where the estimated value of the contract is £100,000 or greater but less than £1 million approval of the Monitoring Officer shall be sought to the use of the negotiated procedure without prior publication, competitive dialogue procedure or innovation partnership procedure.~~

8.4.8.3. The procedure requires the publication of a notice in accordance with CSO ~~667~~ (Publication of Notices). The public notice shall specify (i) a time period within which interested parties may express an interest in tendering and (ii) the method by which such interest shall be expressed. At the end of this period, an invitation to tender shall be sent to all parties who have expressed an interest, specifying a reasonable period for tenders to be returned.

8.5.8.4. In all cases, every invitation to tender shall include the following:

- A statement that the tendering process will be conducted within the Authority's corporate electronic tendering system;
- Full instructions on how to submit their tender to this system;
- Advice that tenders, once received in the system, will be anonymous until the time specified for their opening;
- Advice as to the deadline for submission of tenders to this system

~~8.6. In exceptional circumstances, and with the prior approval of an Authorised Officer, an invitation to tender may be sent to tenderers in hard copy paper form, rather than through the electronic tendering system.~~

8.7.8.5. The Invitation to Tender shall state the evaluation criteria, including sub-criteria and sub-criteria (where used), weightings and scoring criteria that will be applied in the award of the Contract. These criteria must be capable of objective assessment, include price and any other relevant factors, and be weighted by relative importance. The Invitation to Tender shall also include the terms and conditions that will apply to the Contract.

The Contract shall be evidenced in writing by the completion of a formal written Contract, the terms of which have been approved by the Monitoring Officer or other person authorised by him for this purpose.

9.—Use of the Negotiated, Competitive Dialogue or Innovation Partnership Procedures and Contract ModificationsTendering Procedures for Contracts above Thresholds

9.1. ~~The UK Regulations set a financial Threshold beyond which prescribed tendering procedures must be followed. The Thresholds are reviewed every two years.~~

9.2. ~~Where the estimated value of the Contract is in excess of the relevant Threshold, the procedures set out in the UK Regulations must be followed. In most cases, the Open procedure, Restricted procedure or Competitive procedure with Negotiation will be used, but in certain specialist cases, the Negotiated procedure without Prior Publication, Competitive Dialogue procedure or Innovation Partnership procedure shall apply. Advice on which procedure is appropriate to the specific case should be sought from the Monitoring Officer.~~

9.3.8.6. ~~Where the estimated value of the Contract is equal to or greater than the relevant UK Threshold for Goods and Services£100,000 or greater but less than £1 million, approval of the Chief Fire Officer, in consultation with the Monitoring Officer- and Chairman shall be sought for the use of the Negotiated Procedure without Prior Publication, Competitive Dialogue procedure or Innovation Partnership procedure.~~

9.4.8.7. ~~9.4.~~ If the Chief Fire Officer determines that the contract relates to a strategic or policy decision, then Where the estimated value of the Contract is £1 million or greater approval of the Authority shall be sought for the use of the Negotiated Procedure without Prior Publication, Competitive Dialogue procedure, or the Innovation Partnership procedure.

9.5.8.8. ~~Any proposed modifications to existing Contracts which have not been provided for in the initial procurement documents in clear, precise and unequivocal review clauses shall be approved by the Chief Fire Officer, in consultation with the Monitoring Officer and Chairman. If the Chief Fire Officer determines that the contract relates to a strategic or policy decision, then the approval of the Authority shall be sought, where the value of the modification is less than £1 million and by the Authority where the value of the modification is £1 million or greater prior to agreement of such modification.~~

10.9. Receipt and Opening of Tenders

40.1.9.1. Subject to CSO 9.240.2 – 9.340.3, all tenders shall be opened at the same time, by an officer appropriately trained to open tenders on the electronic tendering system as soon as reasonably practicable on or after the date for return of tenders. People under Contract to the Authority, but not permanent employees of the Authority shall not open tenders unless approved by an Authorised Officer or the Monitoring Officer.

40.2.9.2. For a Contract of a value equal to or greater than the relevant UK Threshold for Goods and Services of £100,000 or greater, the officer opening tenders shall be certified as having completed the required training and the officer's name shall appear on a list held by the Monitoring Officer and authorised for that purpose.

40.3.9.3. The officer opening tenders shall record, in respect of each tender opened, the name of the tenderer and, where applicable, the total value.

44.10. Evaluation of Tenders and Award of Contract

44.1.10.1. The Contract Lead Officer (who should normally be an employee of the Authority) shall ensure that the tenders received are evaluated in accordance with the evaluation criteria that have been adopted for the Contract and stated in the invitation to tender. These criteria must be capable of objective assessment, include price and other relevant factors, and be weighted by relative importance.

44.2.10.2. The Contract Lead Officer shall produce a written report evaluating each tender received against the evaluation criteria. The report shall identify the tenderer who has submitted the most economically advantageous tender i.e. the tender that achieves the highest score in the evaluation and recommend the award of the Contract to that tenderer. This report shall be submitted to the person authorised to award the Contract under CSO 10.411.4.

44.3.10.3. No Contract may be awarded unless the expenditure involved has been included in approved estimates and sufficient budgetary provision made in the Authority's capital or revenue accounts in accordance with CSO 3.1. The Evaluation Report shall confirm how this requirement is met.

44.4.10.4. An Authorised Officer is authorised to award and sign any Contract entered into on the Authority's behalf, where it relates to their Area of Responsibility, and where the value of the Contract is less than £100,000. The Contract may be awarded and signed by an Officer who is authorised to do so on behalf of the Authorised Officer, as documented in the Chief Fire Officer's Scheme of Financial Delegation. All other Contracts shall be

awarded by the Chief Fire Officer in consultation with the Monitoring Officer. They should then be signed by the Monitoring Officer or a Senior Officer nominated by the Monitoring Officer.

~~41.5.10.5.~~ Where the value of a Contract is above the relevant Thresholds, the Contract shall be awarded in accordance with the UK Regulations and in particular the requirements relating to a “standstill” period prior to the Contract being entered into.

~~41.6.10.6.~~ All Contracts, including an arrangement subject to a purchase order, must be made in writing under English Law, and must clearly and carefully specify the Supplies, Services, or Works to be provided, the agreed programme for delivery and the price and terms for payment together with all other terms and conditions.

~~10.7.~~ Where purchases of a value less than ~~relevant UK Threshold~~ £100,000 are made for which standard terms and conditions have been approved by the Monitoring Officer those standard terms should be used.

~~41.7.10.8.~~ Where a Contract is estimated at a value ~~equal to or greater than the relevant UK Threshold for Goods and Services~~ £100,000 ~~or above~~ or is of an unusual or complex nature, the Monitoring Officer shall be consulted to produce a suitable set of conditions of Contract or to advise on existing conditions for use under a Framework Agreement.

~~41.8.10.9.~~ Every Contract must also include certain clauses, in a form approved by the Monitoring Officer, to protect the Authority from fraud and to ensure that Contractors understand their responsibilities when they are acting on the Authority’s behalf as well as clauses required to comply with the UK Regulations.

~~41.9.10.10.~~ The Authorised Officer shall allocate to an Officer the responsibility for the ongoing management of the Contract.

~~41.10.10.11.~~ In exceptional circumstances, where a Contract has been awarded under CSO ~~10.411.4~~, but it is considered necessary in the best interests of the Authority to initiate the provision of Goods or Services under that Contract prior to the Contract being signed, the issue of an Advance Works Order by the Monitoring Officer may be requested. Issue will be subject to confirmation that a decision to award the Contract has been made in accordance with CSOs, the necessary funding for the Contract having been approved, and the value of the Advance Works Order not exceeding the relevant UK Threshold.

12.11. Waiver of Contract Standing Orders

12.1.11.1. Any of the requirements of these CSOs may be waived in an individual case, by the person authorised as follows:

Where the estimated value of the Contract is less than <u>the relevant UK Threshold for Goods and Services</u> £100,000	The Authorised Officer within whose Area of Responsibility the Contract falls
Where the estimated value of the Contract is <u>£100,000 equal to or greater than the relevant UK Threshold for Goods and Services</u> or greater but less than <u>£1m</u>	The <u>Chief Fire Officer Authorised Officer or other officer authorised by the Chief Fire Officer within whose Area of Responsibility the Contract falls</u> in consultation with the Monitoring Officer <u>and Chairman</u>
Where the <u>contract relates to a strategic or policy decision</u> estimated value of the Contract is <u>£1m or greater</u>	The Authority

12.2.11.2. A request for the issue of a waiver must be made in writing to the person authorised under CSO 11.1112.113.1 with full reasons as to why the waiver is required, and evidence that the issue of a waiver will not prevent best value from being obtained. The decision in response to the request must also be in writing. No action shall be taken to enter into the Contract until such request has been submitted and the decision made.

12.3.11.3. The Authority is subject to legal requirements to ensure fair competition for Contracts of a value exceeding the Thresholds, and subject to obligations under the UK Regulations to ensure that all Contracts (regardless of value) are awarded having regard to the need to avoid any action that is discriminatory, improper or which distorts competition.

12.4.11.4. It is understood that waiver may be utilised where it can be demonstrated that the ability to act quickly to engage a single supplier would make economic sense and fit with service requirements, in circumstances where there is no more effective way to secure the capacity.