



**Contract and  
Procurement  
Procedure Rules  
(CPPRs)**

# Table of contents

<b>1</b>	<b>Scope and Responsibilities</b>	<b>5</b>
1.1	Scope of Contract Procurement and Procedure Rules	5
1.2	Basic Principles	5
1.3	Joint Commissioning and Procurement	6
1.4	Responsibilities	7
1.5	Conflicts of Interest	10
<b>2</b>	<b>Procurement Routes and Pre-Procurement Considerations</b>	<b>12</b>
2.1	Calculating the Estimated Total Contract Value	12
2.2	Procurement Routes	13
2.3	Legal Thresholds	15
2.4	Pre-Procurement Considerations	15
<b>3</b>	<b>Governance and Exceptions to the Normal Tendering route</b>	<b>16</b>
3.1	Governance	16
3.2	Exceptions to the Normal Tendering Routes	16
3.3	Urgency	17
<b>4</b>	<b>Specific requirements for certain types of procurement</b>	<b>18</b>
4.1	Procuring with External Grant Monies	18
4.2	Procuring utilising a Framework Agreement	18
4.3	Procuring utilising a Dynamic Market	18
4.4	Appointment of Consultants	18
4.5	Concession Contracts	19
4.6	Subsidy Control	19
<b>5</b>	<b>Below threshold procurements</b>	<b>22</b>
5.1	Principles of Below Threshold Procurement	22
5.2	Requirements of the Procurement Act 2023	22
5.3	Advertising Contracts	22
5.4	Request for Quotations (RFQ) process	23
<b>6</b>	<b>Above threshold procurements</b>	<b>25</b>
6.1	Pre-market Engagement	25
6.2	Picking a procurement procedure	25
6.3	Invitation to Tender	25
6.4	Communication with markets during a tender process	25
6.5	Conditions of Participation	26
6.6	Standards and Award Criteria	26

6.7	Publishing the ITT .....	27
6.8	Evaluation .....	27
6.9	Clarification of bids by Evaluators.....	28
6.10	Assessment Summaries and Standstill.....	28
6.11	Due diligence.....	28
7	Light Touch Regime (LTR) and Provider Selection Regime.....	29
7.1	Light Touch Regime .....	29
7.2	Provider Selection Regime (PSR) .....	30
8	Other Considerations .....	32
8.1	Information Assurance and Data protection.....	32
8.2	Sustainable Commissioning .....	32
8.3	TUPE .....	32
9	Contract Formation and Management.....	34
9.1	Contract Formation.....	34
9.2	Sealing Contracts.....	34
9.3	Contract Publication.....	34
9.4	Document Retention.....	34
9.5	Bonds And Parent Company Guarantees.....	34
9.6	Prevention Of Corruption.....	35
10	Contract Management.....	36
10.1	Legislative requirements.....	36
10.2	Contracts Managed under the Public Contract Regulations 2015.....	36
10.3	Contract Management under Procurement Act 2023 .....	37
10.4	Additional Contract Management Requirements for contracts above £5million or for works contracts above the work threshold.....	38
10.5	Additional requirements for Key Contracts.....	38
10.6	Convertible Contracts.....	39
10.7	Poor Supplier Performance or Termination of Contracts .....	39
	Appendix 1 – Glossary.....	40

# Scope and Responsibilities

# 1 Scope and Responsibilities

## 1.1 Scope of Contract Procurement and Procedure Rules

- 1.1.1 These procedures inform of the mandatory minimum requirements for undertaking procurements and forming and managing contracts. They must be followed. A glossary of terms is provided in Appendix 1.
- 1.1.2 This document sits beneath the Council’s Contract Regulations and Financial Procedures. In the event of any inconsistencies between this document and the Contract Regulations and Financial Regulations, the latter take precedence.
- 1.1.3 These CPPRs do not contain procedures relating to making payment or undertaking purchasing activities such as raising purchase orders or using purchasing cards. These procedures are found within the Financial Regulations.
- 1.1.4 All values quoted within these CPPRs are inclusive of any Value Added Tax (VAT), where applicable.
- 1.1.5 As set out in the document, Officers should obtain advice from their Commercial resource, as soon as possible when a procurement is required. Some useful contacts:

Commercial Resource	Commercial Team Infrastructure <a href="mailto:CTInfrastructure@lincolnshire.gov.uk">CTInfrastructure@lincolnshire.gov.uk</a> Commercial Team People <a href="mailto:CommercialTeamPeopleServices@lincolnshire.gov.uk">CommercialTeamPeopleServices@lincolnshire.gov.uk</a> Children’s Services and Commissioning Team <a href="mailto:childrens_commissioning@lincolnshire.gov.uk">childrens_commissioning@lincolnshire.gov.uk</a>
Information Assurance	<a href="mailto:IA@lincolnshire.gov.uk">IA@lincolnshire.gov.uk</a>
Legal Services	<a href="mailto:legalservices@lincolnshire.gov.uk">legalservices@lincolnshire.gov.uk</a>

## 1.2 Basic Principles

- 1.2.1 A “contract” is any arrangement made by, or on behalf of, the Council, including arrangements for:
  - a) The supply of goods;
  - b) The execution of works;
  - c) The delivery of services;
  - d) The hire, rental, repair, maintenance or lease of goods or equipment.
- 1.2.2 For the purpose of these CPPRs, “contracts” do not include:

- a) Contracts of employment which make an individual a direct employee of the Council;
- b) Agreements regarding the acquisition, disposal or transfer of land (Financial Regulations apply to these);
- c) Documents dealing with the award and use of Grant Monies.

1.2.3 All contracting activity must:

- a) Comply with the Council's Contract Regulations, these CPPRs; the Council's Financial Regulations; applicable Grant fund spending regulations and relevant applicable legislation including the Public Contracts Regulations 2015 (PCR2015), Procurement Act 2023 (PA 2023) and Health Care Services (Provider Selection Regime) Regulations 2023.
- b) Have regard to statutory guidance released by the Cabinet Office and as required by PA 2023.
- c) Have regard to national procurement objectives (which may be updated from time to time but currently include):
  - i. Achieving best value for public money
  - ii. Acting and being seen to act with integrity
  - iii. Maximizing the public benefit
  - iv. Sharing information
  - v. Ensuring fairness, treating suppliers equally and not putting any supplier at an unfair advantage or disadvantage
  - vi. Having regard to inclusion of Small and Medium size Enterprises (SMEs) and removing barriers that they may face to tender for the Council's opportunities
- d) Be consistent with the Council's corporate plan and strategies.
- e) Be legitimate, lawful and within the budget and policy framework.

1.2.4 No use of the Exception Process nor use of the Provider Selection Regime (PSR) (see section 7.2 of these Rules) must be undertaken by Officers without obtaining prior advice on the applicability and use of such process(es) from the relevant Commercial Resource.

## **1.3 Joint Commissioning and Procurement**

1.3.1 Before any contract is entered into in collaboration with other public sector bodies, such as Health Authorities or other Local Authorities, advice should be obtained from the relevant Commercial Resource.

1.3.2 Where a new agreement is put in place to establish a working arrangement with another public body that goes beyond a single requirement; Commercial advice should

be obtained from your relevant Commercial Team prior to entering into any agreement.

1.3.3 When a requirement is jointly commissioned or procured with other public sector bodies the following procedures shall apply:

- a) Officers will consult their commercial team as soon as they are aware of such a requirement.
- b) The authorities involved will decide which of them is to act as the lead authority for the particular contract to be commissioned.
- c) The procedures of the lead authority shall be followed. Where a competitive process is undertaken no exception to these CPPRs is required.
- d) Paragraph 12.3 of Contract Regulations shall apply requiring approval at Councillor level of any joint procurement arrangements with other Local Authorities or public bodies including membership of Purchasing Consortia (other than ESPO) prior to commencement of any procurement.

1.3.4 Officers must seek advice from their Commercial Resource when considering undertaking the procurement of services or activities which may fall within the definition of 'healthcare' under the Health Care Services (Provider Selection Regime) Regulations 2023, as these may be subject to the Provider Selection Regime [see section 9].

1.3.5 Some contracts are exempt from CPR2015 and PA2023. This can be due to the nature of the relationship between the contracting parties for example where the arrangement is intended to achieve common goals in connection with the exercise of public functions and is solely in the public interest. Where an entity meets the criteria of a vertical or horizontal exemption there is no requirement to undertake procurement or contracting activities in accordance with these CPPRs. Advice must be sought from your Commercial Resources prior to entering into such Contract.

## 1.4 Responsibilities

1.4.1 The Assistant Director - Commercial has delegated responsibility for ensuring that procedures for procurement and contracting are sound and properly administered.

1.4.2 The Executive Director - Resources is responsible for ensuring all income and expenditure is lawful.

### 1.4.3 **Chief Officers (as defined in the Constitution)**

Chief Officers are responsible for:

- a) Ensuring all staff are aware of their responsibilities under these procedures and receive adequate training.
- b) Consulting with Executive Director - Resources and seeking approval on any matters that will materially affect the Council's finances.

- c) Establishing the Scheme of Authorisation for their Commissioning Teams.
- d) Ensuring that contracts are not split into smaller parts in order to avoid the necessary procurement procedures.
- e) Monitoring the use of exceptions to these procedures as set out in this document.

#### 1.4.4 **Assistant Directors' Responsibilities**

Assistant Directors are responsible for:

- a) Ensuring all staff comply with transparency legislation by completing the Council's electronic Contract Register to record all contracts with an Estimated Total Contract Value of £5,000 and above, including any extensions and approved exceptions.
- b) Ensure that exceptions are sent to the Commercial Team to be kept in a register of exceptions. The use of exceptions will be monitored by Chief Officers.
- c) Ensure all staff work with their Commercial resource in line with these rules.
- d) Ensure that a contract is signed by the Council and Supplier prior to any work commencing on the contract and that Officers provide an electronic copy of the signed contract (where the contract is formed otherwise than by way of a purchase order) to the Commercial Resource.
- e) The appointment of Consultants is in accordance with these rules and all contracts relating the appointment of a consultant, regardless of their value is recorded on the Council's Contract Register.

#### 1.4.5 **Officer Responsibilities**

Officers are responsible for:

- a) Seeking advice from their Commercial Team in accordance with these rules at an early stage and particularly when a procurement need has been identified. Officers will need to comply with these rules.
- b) Complying with appropriate legislation including the PCR 2015, Procurement Act 2023; Health Care Services (Provider Selection Regime) Regulations 2023; the CPPRs; the Council's Contract Regulations and Financial Regulations.
- c) Seek advice from the Commercial Team to identify if a suitable corporate contract or Framework Agreement exists.
- d) The Officer must complete the Council's electronic Contract Register (to record all approved exceptions and contracts with an Estimated Total Contract Value of £5,000 and above including extensions).
- e) When appointing a Consultant the appropriate procedures in this document are followed.
- f) Seeking to protect the Council from the commercial and operational risks of TUPE by seeking advice from Commercial Resource if required.



- g) Using the Council's e-tendering portal for all Request for Quotations and Tendering processes.
- h) Comply with the procurement conflict of interest process.

#### 1.4.6 **Commercial Resource Responsibilities**

Commercial Resource is responsible for:

- a) Complying with appropriate legislation including the PCR 2015, Procurement Act 2023; Health Care Services (Provider Selection Regime) Regulations 2023; the CPPRs; the Council's Contract Regulations and Financial Regulations. The Commercial Resource must pay due regard to any relevant statutory guidance issued from time to time by the Cabinet Office.
- b) Check whether a suitable corporate contract or Framework Agreement (including EPSO, CCS) exists before undertaking any commissioning activity. Where such an agreement exists an assessment should be undertaken to determine it is the best route to market and demonstrates value for money, particularly in the case of frameworks that can be called off from without competition. The reason must be recorded within the Procurement Decision Log.
- c) Complying with all Notice and Transparency obligations.
- d) Supporting and advising Officers on procurement and commercial activity that are below threshold and actively managing the procurement process for above threshold contracts, particularly those that are to be procured under the competitive flexible procedure.
- e) Manage the Council's conflict of interest process.

#### 1.4.7 **Contract Manager Responsibilities**

Contract Managers are responsible for:

- a) Manage contracts so that a requirement is delivered in line with the contract terms.
- b) Following the correct legislation depending on when the contract was entered into as detailed in this document. The Officer must pay due regard to relevant statutory guidance issued from time to time by the Cabinet Office.
- c) Complying with all transparency requirements during the management of the contract including when modifying contracts.
- d) Keep under review the value of contracts that are modified where permitted by legislation and consider if they become a convertible contract or exceed £5 million in value.
- e) Seeking appropriate advice from commercial resource in the event of supplier poor performance.
- f) Monitor Supplier's performance against the requirements of the Contract including monitoring performance against Key Performance Indicators (KPIs) and reporting this performance where required.

## 1.5 Conflicts of Interest

- a) The Council must act with integrity when it undertakes any procurement activity, and a conflict-of-interest process needs to be followed. This section needs to be read alongside the Members and Officers Codes of Conduct, and any other relevant Council Protocols and procedures as set out in the Council's Constitution relating to the management of fraud, bribery, corruption, bias, conduct in public life and any other internal business or organisational rules.
- b) A conflict of interest arises in a procurement context where there is a conflict between the interests of a person acting in relation to a procurement and those of the procurement itself. Conflicts of Interest relate to 'actual' conflicts or a 'potential' Conflict of Interest which may turn into an actual conflict if certain circumstances occur. A 'perceived' Conflict of Interest may also arise where it may be wrongly understood that there is a conflict.
- c) Commercial resource will advise on the process and specific steps required to mitigate and manage Conflicts of Interest, particularly if there is a conflict, or a potential conflict relating to a commercial matter. Steps will include but not limited to completing declarations of interest, checks of pre-existing declarations and any central registers held within the Council.
- d) Officers and the Commercial Resource will need to identify and keep under review actual and potential conflicts of interest. A formal conflict assessment will need to be prepared and this will need to be published with transparency notices and updated as necessary during the life of the procurement. The conflict assessment statement will also address any perceived conflicts of interest.
- e) Any conflict of interests identified within a procurement will be dealt with on a case-by-case basis. Officers and the Commercial Resource will take every step to mitigate the conflict of interest and these mitigations will be published in the conflict assessment statement.
- f) Suppliers are to be excluded from a procurement whereby a conflict of interest puts the supplier at an unfair advantage and if steps cannot be taken to avoid the advantage or the supplier refuses to take any necessary steps to remove the conflict.
- g) For below threshold procurements, the principles around Conflicts of Interest still apply however the formal publication of conflict assessment statements are not required. Officers should seek advice from the Commercial Resource where required.

# Selecting the correct procurement route

Including above and below threshold contracts and exceptions to the normal tendering route.

## 2 Procurement Routes and Pre-Procurement Considerations

### 2.1 Calculating the Estimated Total Contract Value

- 2.1.1 Before undertaking a procurement exercise or contract modification Officers must calculate the Total Contract Value. The Total Contract Value includes VAT. Officers shall follow Council guidance on how to do this and seek advice from their Commercial Resource where required.
- 2.1.2 Total contract value must be the maximum value payable under the whole contract lifecycle including implementation and exit arrangements. It must also take into account any potential variables including:
- a) Options to supply additional goods/services/works
  - b) Options to extend or renew the contract
  - c) Price rises provided for in the contract
  - d) The value of any goods, services or works provided by the Council under the contract other than payment
- 2.1.3 Officers shall not separate a requirement into smaller contracts unless there is good reason for doing so and not for the purpose of avoiding a required procurement route. Where a requirement is separated into several contracts the rationale for this should be provided in the Procurement decision log.
- 2.1.4 Where possible Officers should look to combine requirements with other directorates and service areas within their directorates to avoid duplication of contracts and to increase the commercial attractiveness of opportunities.
- 2.1.5 Where it is not possible to calculate a contract value the Contract must be treated as above threshold and Officers must seek advice from their Commercial Resource before proceeding.

## 2.2 Procurement Routes

Officers should consider whether to utilise existing frameworks or existing Council corporate contracts where these are available and demonstrate value for money.

Contract Type	Contract Value		Process	Award Procedure based on	Contract Publication	Documentation
	From	To				
All	£0	£10,000	Quotation	One quotation sought – direct approach to single supplier	Not required	Employee to record details Local supplier to be used where appropriate (or reason for not using recorded)
All	£10,001	£30,000	Request for Quotations	At least three written quotations sought based on a simplified RFQ document with appropriate T&Cs  At least one local supplier to be invited	Not required	Local supplier to be used where appropriate (or reason for not using recorded)
All	£30,001	PA Services Threshold 2023	Request for Quotation	At least four written quotations sought based on an RFQ document with appropriate T&Cs  At least two local suppliers to be invited	Where the Council chooses to advertise, must be placed on Find a Tender Service.	Must be based on a written specification with appropriate terms and conditions
Supplies and Services	Above Services Threshold		Formal tender	Full tender process	Find a Tender Service, Pro-Contract  Specialist publication, if appropriate, after advertised on Find a Tender Service	As required by the PA 2023 and detailed in the CPPRs

Contract Type	Contract Value		Process	Award Procedure based on	Contract Publication	Documentation
	From	To				
Works	Services Threshold	Works Threshold	Request for Quotation	At least five tenders sought based on a full ITT document with appropriate T&Cs  At least two local suppliers to be invited	Where Procurement Principles require advertising tenders will be sought by open competitive tendering via public advertisement (Contracts Finder and Pro-Contract), or a framework let in accordance with legal requirements.	Must be based on a written specification with appropriate terms and conditions
Works	Above Works threshold		Formal Tender	Full tender process	Find a Tender Service, Pro-Contract, and Contracts Finder  Specialist publication if appropriate	As required by the PA 2023 and detailed in the CPPRs

## 2.3 Legal Thresholds

2.3.1 The Thresholds that are prescribed by the Public Contracts Regulations 2015 are:

Type	Threshold
Supplies/ Services	£214,904
Works	£5,372,609
Light Touch Regime	£663,540

2.3.2 The PA2023 Schedule 1 Thresholds issued on or after the 28 October 2024 will apply to procurements issued on or after this date and these CPPRs will be updated accordingly.

2.3.3 These Thresholds are updated by the Government every two years.

2.3.4 If the Total Contract Value is above these thresholds then the Above Threshold process as outlined in this document must be followed. Failure to do so will result in a breach of the Procurement Act 2023.

## 2.4 Pre-Procurement Considerations

2.4.1 Before undertaking a procurement the officer shall:

- Consider all other means of satisfying the need (including recycling and re-use where appropriate);
- Take advice as necessary from the Council's Commercial I Resource;
- Consider whether there is a Dynamic Market or Framework Agreement already in place that should be used;
- Engage with the market (see guidance within this document).

### 3 Governance and Exceptions to the Normal Tendering route

#### 3.1 Governance

- 3.1.1 Prior to undertaking any procurement activity the Officer must ensure that all the necessary governance processes have been followed and approvals obtained. More detail can be found in the Councils’ Contract Regulations.
- 3.1.2 Officers must seek advice from their commercial resource to determine the correct governance route but it may include pre-approvals from Pre-Scrutiny, Informal Executive, Commercial Board or Audit Committee and therefore plenty of time should be allowed for this.

#### 3.2 Exceptions to the Normal Tendering Routes

- 3.2.1 Exceptions are provided for in exceptional circumstances where a Chief Officer believes that a normal tendering procedure cannot be followed.
- 3.2.2 If the Procurement Thresholds are exceeded then an exception may not be legal. There are only limited circumstances where it is permitted to award a contract to a supplier without first running a competitive tendering procedure. Any exception must be discussed with Commercial Resource before any decision being made.
- 3.2.3 In these exceptional circumstances the authority must be obtained prior to contract award, from the following:

Contract Value		Who approves	Process
From	To		
£10,000	£75,000	Chief Officer	Written Report and Statement of Non- Key Decision by Officer
£75,000	£249,000	Chief Officer in consultation with executive Councillor	Written Report and Statement of Non-Key Decision by Officer
£250,000	Light Touch Threshold (€663,540)	Executive Councillor <b>NB where above €500k will also be taken as a Key Decision</b>	Written Report and Executive Decision Notice
Light Touch Threshold (€633,540)	N/A	The Executive as a Key Decision	Written Report and Executive Decision Notice



Note: The Light Touch Threshold value shown is the current value, but this is as varied from time to time.

- 3.2.4 All exceptions and their reasons for them must be recorded on the Council's electronic Contract Register.
- 3.2.5 Advice to be sought from the Commercial Resource prior to submission of any Report for the purpose of an Exception to the normal tendering route. Officers are to send a copy of any exception report to the Commercial Team to be kept on the Register of Exceptions.

### **3.3 Urgency**

- 3.3.1 In the event of an unforeseeable urgent or emergency situation, exceptions to the normal tendering routes may be permitted under the Procurement Act 2023. These cannot be situations that are attributable to the actions of the Council. If an Officer considers an urgent requirement has arisen then you must consult your Commercial Resource prior to awarding a contract.
- 3.3.2 In the event that there is an urgent situation it is still necessary to follow the Council's usual governance process and an Exception to the Normal Tendering Route must be obtained where the Thresholds are met.
- 3.3.3 Officers must put in place a contract that includes a commercially acceptable set of terms and conditions and a specification.

## **4 Specific requirements for certain types of procurement**

### **4.1 Procuring with External Grant Monies**

4.1.1 If a Contract is being procured that is being funded either entirely or in part by External Grant Monies then the Officer must ensure that they are operating in accordance with the conditions of those grant monies when undertaking any procurement or contracting activities. Officers should seek support from their Commercial resource in this regard.

### **4.2 Procuring utilising a Framework Agreement**

4.2.1 The Council encourages the use of Framework Agreements where they offer Value for Money. Officers should follow guidance when selecting and using a Framework Agreement.

4.2.2 When selecting a Framework to use in an above threshold procurement the Officer shall ensure that the Council is permitted to use the Framework by checking that the Council is named in the Tendering Notice (or Contract Notice if the Framework was established before 28<sup>th</sup> October 2024) and that the Framework provider is a Contracting Authority. Officers should seek advice from the relevant Commercial Resource for support with this.

4.2.3 Contracts awarded under a Framework Agreement must always be awarded in accordance with the rules set out within the Framework Agreement Documentation. This can be with or without competition. It is the Officer's responsibility to seek advice from the Commercial Team who will check the Framework Agreement Documentation, and this may need to be requested from the Framework provider.

### **4.3 Procuring utilising a Dynamic Market**

4.3.1 Dynamic Markets can be established by the Council or Officers can use existing dynamic markets. As Dynamic Markets utilise the Competitive Flexible Procedure the relevant Commercial Resource must be consulted before a Dynamic Market is created or used.

4.3.2 Dynamic Markets can only be used for above threshold contracts.

### **4.4 Appointment of Consultants**

4.4.1 The following procedure applies when it is necessary to appoint a Consultant to provide services to the Council.

- 4.4.2 The Officer must obtain approval to use a Consultant using the Council's decision making processes.
- 4.4.3 Consultants should only be used whereby they will be providing advice to fill a knowledge gap by either identifying options and recommendations or advice to implement solutions and therefore will be time limited.
- 4.4.4 If the request is approved the Officer must then comply with the procedural requirements based upon the Estimated Total Contract Value.
- 4.4.5 Payment for the Consultancy Service should be based on the satisfactory completion of defined outputs along with clear terms and conditions.
- 4.4.6 Advice should be obtained from the relevant Commercial Resource prior to entering into a contract with a Consultant.
- 4.4.7 All Consultancy contracts must be added to the Council's Contracts Register regardless of the value.
- 4.4.8 For **Interim** and **Agency** appointments the Officer must follow the process detailed here: [Resourcing Guidance for Managers \(sharepoint.com\)](#)
- 4.4.9 The Officer must not engage with any agency to secure CVs, without prior engagement with the Commercial Resource, and without a full understanding of the agency's terms and conditions.

NOTE: Some agencies require you to accept their terms and conditions prior to receipt of CVs. These terms and conditions may include clauses regarding 'introductory fees' which may be payable even if no appointment is made through that particular agency. These fees are often substantial and pose significant financial risk to the Council.

## 4.5 Concession Contracts

- 4.5.1 A concessions contract is an agreement between the Council and a Supplier where the Supplier is given the right to exploit works or services provided for their own gain. This may still be the case even if the Council contribute some income.
- 4.5.2 If you consider that a contract may be a concession contract, then an Officer must seek advice from their Commercial Resource.

## 4.6 Subsidy Control

- 4.6.1 A subsidy (previously known as State Aid) is any advantage granted by a public authority through state resources on a selective basis to any organisations that could potentially distort competition. The definition of subsidy is very broad because "an advantage" can take many forms. It is anything which an organisation engaged in economic activity could not get on the open market.
- 4.6.2 Subsidy Control rules can (amongst other things) apply to

- a) Grants
- b) loans
- c) guarantees
- d) tax breaks
- e) the use or sale of state assets for free or less than market rate

4.6.3 Officers must seek advice from their Commercial Resource who will seek advice from the Legal Resource before continuing with a procurement where there is considered to be any potential subsidy.

# Below Threshold Procurements

# 5 Below threshold procurements

## 5.1 Principles of Below Threshold Procurement

- 5.1.1 Below threshold procurements are not subject to the all the requirements of the PA 2023. The specific legal requirements relating to below threshold procurements are listed in 5.2 below.
- 5.1.2 Even though below threshold procurements are not subject to full legislative requirements they must still follow the Council's processes as outlined in this section.

## 5.2 Requirements of the Procurement Act 2023

- 5.2.1 Officers must complete an appraisal of the market to decide the most appropriate Suppliers to issue a Request for Quotation to.
- 5.2.2 Officers must not include an assessment of bidders stage for the purpose of reducing the numbers of candidates (i.e. short listing). The only exception to this are works contracts that are above the supplies and services threshold but below the works threshold which can include a shortlisting stage.
- 5.2.3 Officers may assess a Supplier's legal status, financial capacity or technical ability for performing the contract but this must be relevant and proportionate to the Subject Matter of the Contract.
- 5.2.4 Officers shall be mindful of the barriers that Small and Medium size Enterprises (SMEs) may face when responding to our opportunities and must take reasonable steps to remove these barriers. This includes setting relevant and proportionate commercial terms.
- 5.2.5 Officers must publish a Contract Details Notice on Find a Tender Service for all Contracts with a Total Contract Value of not less than £30,000 (including VAT) unless there is a legal exception.
- 5.2.6 All Contracts with a Total Contract Value of £5,000 or above shall be recorded on the Council's Contract register.
- 5.2.7 Dynamic Markets cannot be used to award a below threshold contract unless it is for a below threshold Works contract that is above the services and supply threshold.

## 5.3 Advertising Contracts

- 5.3.1 Officers should not advertise below threshold procurements. Potential bidders should be invited to submit a Request for Quotation as per the process outlined in this document.
- 5.3.2 In the interest of achieving value for money the Commercial Resource may decide to

authorise the advertising of a particular activity.

- 5.3.3 In the event that the RFQ is advertised then it must be advertised on Find a Tender Service before being advertised anywhere else.

## **5.4 Request for Quotations (RFQ) process**

- 5.4.1 As outlined in this document, RFQs are the Council's preferred method of undertaking procurements that are below threshold.

- 5.4.2 Template documents shall be obtained from the relevant Commercial Resource. The RFQ must state that the Council is not bound to accept any quotations received.

- 5.4.3 RFQ's must contain:

- a) a specification which describes clearly the Council's Requirement in sufficient detail to enable the submission of competitive offers and to enable the Council to hold the supplier to account.
- b) Relevant terms and conditions that are proportionate to the requirement.
- c) Simplified award criteria that outlines how the RFQ will be evaluated.

- 5.4.4 For all RFQs the Council's electronic tendering platform must be used to invite suppliers and publish the RFQ documents. All Suppliers invited to quote must be issued with the same information at the same time and subject to the same conditions.

- 5.4.5 Records of the RFQ process including evaluation of the RFQ must be retained by the Officer.

# Above Threshold Procurements



## **6 Above threshold procurements**

### **6.1 Pre-market Engagement**

- 6.1.1 Officers are recommended to consult with the market. Advice should be obtained from your Commercial Resource before engaging with the market. Before any discussions take place with any potential supplier(s) then a Preliminary Market Engagement Notice must be published on Find a Tender Service.
- 6.1.2 Throughout any market engagement all steps should be taken to ensure that suppliers are treated equally and fairly and that no advantage and disadvantage is afforded to any supplier.
- 6.1.3 Full records of pre-market engagement must be kept to ensure that the process is fair and transparent. To avoid distorting competition Officers shall communicate to all Bidders any relevant information exchanged, in the context of, or resulting from any pre-market engagement when publishing the tender documentation.
- 6.1.4 Where pre-market engagement has taken place but a Preliminary Market Engagement Notice was not published the rationale for this must be recorded in your procurement decision log and your Contract Details Notice.

### **6.2 Picking a procurement procedure**

- 6.2.1 Under the PA 2023, there are 2 procurement procedures that can be used for above threshold procurements outside of an existing corporate contract, framework agreement or dynamic market:
  - i. Open procedure – Single stage where no shortlisting of suppliers take place.
  - ii. Competitive Flexible Procedure – Multi-stage process where shortlisting of suppliers can take place.
- 6.2.2 To obtain the best commercial outcome and to ensure the process is proportionate the Competitive Flexible procedure should only be conducted with involvement of your Commercial Resource.

### **6.3 Invitation to Tender**

- 6.3.1 The Council's template documents should be used for all above threshold procurements. These must be obtained from your Commercial Resource.

### **6.4 Communication with markets during a tender process**

- 6.4.1 Officers will ensure that all communication with potential suppliers is fair and transparent and does not afford any suppliers an advantage or disadvantage.

- 6.4.2 During a live tender communication with any supplier must be in writing via the Council's e-tendering portal unless alternative communication is permitted under the competitive flexible procedure. Any communication outside the Council's e-tendering portal must be done in conjunction with your Commercial Resource and a detailed log kept of such communication.
- 6.4.3 Officers will bear in mind obligations around conflicts of interest and if an actual or perceived conflict of interest develops then the Officer will consult with their Commercial Resource. The Commercial Resource will consider what steps can be taken to avoid or remove conflicts of interest including the use of ethical walls agreements.

## **6.5 Conditions of Participation**

- 6.5.1 Information about a Bidder's business standing, model and any exclusion grounds will be obtained from the Supplier Information System. This is managed by the Crown Commercial Service and is designed so that Suppliers only have to submit their business information once and it will then be available for all public bodies nationally to access. Officers must ensure that this system is used and not use any local forms or processes. The use of the Supplier Information System is mandatory for all above threshold procurements.
- 6.5.2 Officers will ensure that Condition's of participation assess a Suppliers legal standing, financial capacity and technical ability and is set in accordance with the Council's Guidance. Conditions of Participation must be relevant to the subject matter of the contract and be proportionate.

## **6.6 Standards and Award Criteria**

- 6.6.1 The Award Criteria are used to determine which of the Bidders will be awarded the contract and they are assessed as part of the ITT.
- 6.6.2 Public Contracts must be awarded based on the Most Advantageous Tender (MAT).
- 6.6.3 All Award Criteria and sub-criteria must be weighted and these weighing must be set out in the Procurement Documentation.
- 6.6.4 Award criteria must provide for international equivalents for any British standards.
- 6.6.5 When determining the process that will be used to supplement an ITT Officers should be cautious on the use of bidder presentations. This should only be assessed where presenting is a material part of the contract delivery or where a product demonstration is required. If an Officer considers the use of a presentation is necessary advice should be sought from the relevant Commercial Resource and presentations should be done together with the Commercial Resource.

## **6.7 Publishing the ITT**

- 6.7.1 The ITT documentation should all be made available to all suppliers at the same time as publishing the Tender Notice on the councils e-tendering system. If this is not likely to be possible then advice must be obtained from your Commercial Resource on how to manage the risk associated with this.
- 6.7.2 Suppliers must be given an adequate period to prepare and submit a Tender consistent with the urgency and complexity of the contract requirements. Minimum timescales outlined in the PA 2023 must be complied with.
- 6.7.3 Late tenders must not be accepted unless approved by your Commercial Resource and only if it is not in breach of the Procurement Act 2023.
- 6.7.4 Any Tender amendments, changes to instructions or clarifications should be issued in writing to all bidders unless the clarification is confidential to a specific bidder. Officers must review the Tender Notice to see if that also requires amendment. A Tender Notice amendment must be published if there are changes to the timescales for the return of the tender.
- 6.7.5 ITTs must not be amended following the submission of final bids.

## **6.8 Evaluation**

- 6.8.1 Tenders must be evaluated, recorded and awarded in accordance with the published Award Criteria. The basis on which the tender will be evaluated must be determined before tenders are invited and must be included as part of the tender information.
- 6.8.2 The overall basis for any award of contract must be the 'most advantageous tender' (MAT).
- 6.8.3 Evaluation panels should be established with members of the panel being those who have a good level of knowledge of the requirement and the award criteria.
- 6.8.4 Prior to bids being sent the evaluation panel they must be asked to confirm, or reconfirm if they have already done so, that there are no conflicts of interest.
- 6.8.5 Each procurement will be different and will have a different award criteria and assessment models which are appropriate to their subject matter. However a meeting must be held as part of the evaluation process either to score or to agree a consensus score and this meeting should be ideally chaired by the relevant Commercial Resource who is not permitted to be an evaluator. The role of the Commercial Resource is to ensure that the scoring or consensus takes place transparently in accordance with the tender documentation.
- 6.8.6 Evaluating Officers are required to reach consensus and produce an agreed narrative detailing the reasons for the final agreed score(s) and the score(s).
- 6.8.7 As per this document if presentation or product demonstrations are used then Officers

must ensure contemporaneous notes are made detailing all the questions, responses and points raised or full auditory records are kept.

6.8.8 Bids must be kept confidential.

## **6.9 Clarification of bids by Evaluators**

6.9.1 In the event that the Evaluation Panel determine that there are areas of ambiguity or lack of clarity then consideration should be given to clarifying these issues with the Bidder(s). Clarifications must be sought in writing, using the Council's e-tendering platform unless an alternative process for clarification has been detailed in the ITT as part of the Competitive Flexible Procedure.

6.9.2 If Officers consider that clarification needs to be sought then suppliers should not be given the opportunity to enhance their bid unless there is a clear process that has been outlined in the ITT as part of a Competitive Flexible Procedure. Officers should seek the support of the relevant Commercial Resource where necessary and always in the event of a Competitive Flexible Procedure being used. The clarification process must ensure that all Suppliers are treated equally and fairly.

## **6.10 Assessment Summaries and Standstill**

6.10.1 The Commercial Resource will ensure that Assessment Summaries are completed using the standard Council template.

6.10.2 Officers will engage the Commercial Resource prior to sending any Assessment Summaries to Bidders to ensure that any commercially sensitive information is redacted.

6.10.3 The Commercial Resource will issue a Contract Award Notice to commence an 8 working day Standstill Period prior to awarding a Contract.

6.10.4 Unless the award of the contract falls within the delegated authority of the Chief Officer, Councillor approval should be sought in line with the Council's Constitution.

## **6.11 Due diligence**

6.11.1 Prior to awarding a Contract the Officer will take steps to verify any standards that a Supplier self-certified through a procurement process this includes but is not limited to any professional qualifications, required internal standards, insurance levels. No new requirements should be added at award stage. Officers should confirm the requirements requested as part of the procurement process.

6.11.2 Advice must be obtained from the relevant Commercial Resource to determine if the Supplier must be excluded from the process. Officers must check the debarment list prior to any selection stage and/or the award of a Contract.

# 7 Light Touch Regime (LTR) and Provider Selection Regime

## 7.1 Light Touch Regime

- 7.1.1 Officers must seek advice from the relevant Commercial Resource prior to undertaking a LTR tender.
- 7.1.2 The Light Touch Regime is for certain services contract in social, health and education services and are subject to more flexible procurement rules. For a contract to be a light touch contract the Common Procurement Vocabulary (CPV) code must be listed in Schedule 1 Procurement Act 2023.
- 7.1.3 A different threshold exists for LTR contracts as detailed in this document.
- 7.1.4 LTR contracts do still have to follow some of the provisions of the PA 2023 but have greater flexibility and freedoms.
- 7.1.5 LTR contracts must be advertised using a tender notice unless a direct award justification applies.
- 7.1.6 Officers must determine if Suppliers are excluded or excludable and consider Conflicts of Interest before awarding a contract.
- 7.1.7 Officers will ensure that they comply with the transparency obligations through the publication requirements, including requirements for contract award notice and contracts details notice when a contract is over £5,000,000 the publication of the contract.
- 7.1.8 Officers will have regard to the Procurement Objectives.
- 7.1.9 PA 2023 contains provisions on limiting certain procurements to Public Service Mutual bodies only. These are organisations that:
  - a) operate for the purpose of delivering public services and mainly for the purpose of delivering one or more “reservable light touch services”
  - b) are not for profit, or provide for the distribution of profits only to its members; and
  - c) are under the management and control of their employees.
- 7.1.10 If you intend to limit the procurement to Public Service Mutuals only, Officers must seek the advice of the relevant Commercial Resource to ensure compliance with the PA 2023.
- 7.1.11 Officers shall consider whether the requirement can be broken into lots and the services supplied under more than one contract.
- 7.1.12 Officers will use either the open, competitive flexible procedure or direct award where

justified. There are no mandated timescales for LTR contracts but Officers will ensure that the time scales are reasonable, taking into account the nature of the requirement and the complexity of the contract.

7.1.13 Officers should apply a voluntary standstill period to LTR contracts.

7.1.14 Contract managers are required to set and publish 3 KPIs for contracts with a Total Contract Value of above £5,000,000.

7.1.15 Contract Managers are permitted to amend LTR contracts as long as amendments are in accordance with the objectives outlined in this document. LTR contracts do not require the publication of Contract Change notices.

## **7.2 Provider Selection Regime (PSR)**

7.2.1 The PSR is the applicable process for some Healthcare procurements. These are procurements for services as listed under the CPV codes contained in Schedule 1 of the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR Regulations 2023). The PSR replaces all previous legislation (including the Public Contracts Regulations 2015) insofar as applicable to healthcare. Therefore the PSR must be followed for all procurements covered by the regulations.

7.2.2 Officers must always seek Commercial Resource advice prior to undertaking a PSR procurement exercise or healthcare service contract modification after 1 January 2024.

7.2.3 Where a procurement is deemed to be 'mixed' (i.e. seeks the procurement of both healthcare and non-healthcare services), where the attributable percentage of contract value is greater than 50% to healthcare services (under the CPV codes in the legislation) and the non-healthcare element cannot be separately procured, the PSR can be used for the entire procurement. However if the non-healthcare element is greater than 50% of the total value, or could be procured separately, then the PSR route should not be used for such a mixed procurement.

7.2.4 The PSR introduces three new provider selection processes which authorities can follow to award contracts for healthcare services. These replace existing routes for healthcare services procurement and are:

1. Direct award where:

- a) The existing provider is the only provider that can deliver the healthcare services.
- b) Patients have a choice of providers and the number of providers is not restricted by the Council.
- c) The existing provider is satisfying its existing contracts, will likely satisfy the new contract to a sufficient standard, and the proposed contracting arrangement are not changing considerably.

2. Most suitable provider process.

3. Competitive process.

7.2.5 Officers must consult with your Commercial Resource in order to agree the most suitable process in each case.

7.2.6 The Council's Governance processes must still be followed for PSR contracts.

### **Transparency and Record Keeping Provisions**

7.2.7 Officers will need to evidence their decision-making throughout the process. Records must include:

- the rationale for the use and weighting of the Key Criteria in each procurement, and how any assessment was made against each criterion
- decision-making process
- provider details (where no competitive process)
- rationale for the use of any 'urgency' provisions under the PSR
- details of any conflicts of interest and how these were addressed
- details of the decision-maker [which could include, but is not limited to, officer(s), elected member(s)/Executive, project board etc]

### **Contract Modifications**

7.2.8 Where a modification is due to apply after 1 January 2024, even if the contract to be modified pre-dates January 2024, the PSR must be used to effect such modification. Officers should consult their Commercial Resource as to the applicability of such processes in relation to any proposed modification(s) after 1 January 2024. The process for Contract Modification in Section should not be followed for PSR contracts.

## 8 Other Considerations

These considerations apply to above and below threshold procurements.

### 8.1 Information Assurance and Data protection

- 8.1.1 Officers must consider the information assurance requirements of the Contract if they anticipate any Personal Data is to be processed as part of the contract.
- 8.1.2 Where personal data may be processed as part of the contract Officers must seek further advice from either Information Assurance or Legal.

### 8.2 Sustainable Commissioning

- 8.2.1 For all above Threshold contracts then consideration must be given as to how the Contract might improve the economic, social and environmental wellbeing of Lincolnshire, as required by the Public Services (Social Value) Act 2012. This duty also relates to Light Touch Regime (LTR) as described in section 7.1, where the Estimated Total Contract Value exceeds the Services PCR 2015 Threshold.
- 8.2.2 The Council must consider in the form of a Social Value appraisal, whilst recognising the principle of Proportionality:
  - a) How, what is proposed to be procured, might improve the economic, social and environmental well-being of the relevant area;
  - b) How, in conducting the process of procurement, it might act with a view to securing that improvement; and
  - c) Whether to carry out any consultation in relation to the above matters.

### 8.3 TUPE

- 8.3.1 Where TUPE may apply Procurement Officers should seek advice from their Commercial Resource if required.



# **Contract Formation and Management**

# 9 Contract Formation and Management

## 9.1 Contract Formation

- 9.1.1 Each Chief Officer has the responsibility to ensure that a Scheme of Authorisation is in place, and contracts should be signed in accordance with this scheme.
- 9.1.2 The Officer responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to do so.

## 9.2 Sealing Contracts

- 9.2.1 Where contracts are completed by each side adding their formal Seal, the fixing of the Council's Seal must be witnessed by or on behalf of the Chief Legal Officer.
- 9.2.2 Every Council sealing will be consecutively numbered, recorded and signed by the person witnessing the Seal in the Contract Register. The Seal must not be affixed without the authority of the Executive, a duly authorised Committee, the Chief Legal Officer, or a Chief Officer acting under delegated powers.
- 9.2.3 A contract should be sealed where:
  - a) The Council may wish to enforce the contract more than six years after its end;
  - b) Where the Council has paid no consideration for goods or services, or the carrying out of works; or
  - c) Legal advice has been provided to this effect.
- 9.2.4 Where the value of the contract exceeds £75,000 legal advice, should be obtained as to whether the contract is executed as a Deed and under seal.

## 9.3 Contract Publication

- 9.3.1 Where a contract is above £5,000,000 or if a works contract above the works threshold then a redacted version of the Contract must be published in a notice.
- 9.3.2 Contract publication and redaction must be conducted by the relevant Commercial Resource.

## 9.4 Document Retention

- 9.4.1 All relevant documentation must be kept in accordance with the Council's document retention policy.

## 9.5 Bonds And Parent Company Guarantees

- 9.5.1 The Officer must consult the Executive Director of Resources or Assistant Director of Finance to identify whether a Parent Company Guarantee or Bond is needed;
- a) When a Contracted Supplier is a subsidiary of a parent company as to the necessity of a Parent Company Guarantee when any of the following conditions are satisfied:
    - i. The Total Contract Value exceeds £500,000, or
    - ii. Award is based on evaluation of the parent company, or
    - iii. There is some concern about the financial stability of the Contracted Supplier; and
  - b) To identify whether a Bond is needed:
    - i. Where it is proposed to make substantial staged or other payments in excess of £500,000 and there is some concern about the financial stability of the Contracted Supplier, and there is no Parent Company Guarantee available.

## **9.6 Prevention Of Corruption**

- 9.6.1 The Officer must comply with the Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract:
- a) It will be for the Officer to prove that anything received was not received corruptly;
  - b) High standards of conduct are obligatory, and a failure to reach the required standards may lead to disciplinary action. Staff involved in procurement should be aware that the Council's counter fraud and whistleblowing policies apply equally to these procedures, as they do to other Council activities. Criminal sanctions for action of corruption are possible under the Bribery Act 2010.
- 9.6.2 The Officer must ensure that all bidders sign an anti-collusion statement which will be in the template procurement documentation, and require bidders to complete a declaration of good standing confirming that they have not met any grounds for mandatory exclusion.
- 9.6.3 The Officer will comply with the Procurement Conflict of Interest Process which is managed by the Commercial Resource.

# 10 Contract Management

## 10.1 Legislative requirements

10.1.1 The legal requirements for Contract management vary depending on when your contract was put in place:

- a) If the contract was put in place before 28th October 2024 then the Public Contracts Regulations need to be followed.
- b) If the contract was put in place after 28th October 2024 then the Procurement Act 2023 needs to be followed.

10.1.2 If the Contract was a call off from a framework then the date used for determining the contract management process is the date the framework was established not the date of any call off contract. If you require assistance with establishing the correct date then please seek advice from your Commercial Resource.

## 10.2 Contracts Managed under the Public Contract Regulations 2015

10.2.1 An appropriate Contract Manager must be identified for each contract.

10.2.2 All contracts that have a Total Contract Value higher than the PCR 2015 Threshold limits, or are high risk are to be subject to regular formal review through regular contract management meetings with the Contracted Supplier.

10.2.3 During the life of the contract the Contract Manger must monitor:

- a) Performance
- b) Compliance with the specification
- c) Compliance with payment provisions and Costs
- d) Contract changes
- e) Any value for money requirements
- f) Working practices where appropriate and proportionate e.g. Health and Safety, Safe-guarding, Equality, Information assurance
- g) Changes in legislative requirements
- h) User satisfaction and risk management
- i) Any governance requirements for contract amendments.

10.2.4 Contract managers must ensure that all variations to contracts are made in accordance with the provisions included within the contract, and comply with the legislative requirements and guidance for the modification of contracts.

10.2.5 All variations to contracts shall be in writing. Substantial modifications may require the procurement of a new contract and advice should be sought from your Commercial

Resource.

- 10.2.6 Contract Managers must ensure that contract variations are approved in accordance with the Council's Schemes of Authorisation.
- 10.2.7 When the total expenditure under any contract (as opposed to scheme) exceeds or is likely to exceed the original published whole life contract value (adjusted for subsequent approved price increases) by 5% or more (except overspendings of less than £10,000) and the reasons for the excess have not been the subject of an earlier report, the responsible Chief Officer shall submit a written report to the relevant Executive Councillor.
- 10.2.8 A report of all overspends will be submitted annually to the Overview and Scrutiny Management Board.

### **10.3 Contract Management under Procurement Act 2023**

- 10.3.1 An appropriate Contract Manager must be identified for each contract.
- 10.3.2 All contracts that have a Total Contract Value higher than the PCR 2015 Threshold limits, or are high risk are to be subject to regular formal review through regular contract management meetings with the Contracted Supplier.
- 10.3.3 During the life of the contract the Contract Manger must monitor:
  - a) Performance
  - b) Compliance with the specification
  - c) Compliance with payment provisions and Costs
  - d) Contract changes
  - e) Any value for money requirements
  - f) Working practices where appropriate and proportionate e.g. Health and Safety, Safeguarding, Equality, Information assurance
  - g) Changes in legislative requirements
  - h) User satisfaction and risk management
  - i) Any governance requirements for contract amendments.
- 10.3.4 Contract managers must ensure that all variations to contracts are made in accordance with the change control provisions included within the contract, and comply with the legislative requirements and guidance for the modification of contracts.
- 10.3.5 Contract managers must ensure that where an above threshold contract is varied a compliant Contract Change Notice is published. This is required for all modifications unless:
  - a) The modification is provided for in the Contract

- b) Where the modification increases or decreases the contract value by less than 10% (goods and services) or 15% (works)

10.3.6 A voluntary standstill period should be considered following the publication of a Change Control Notice and formally signing the modification.

10.3.7 All modifications must be made in writing, signed in accordance with the schemes of authorisation and stored with the main contract.

10.3.8 Contract Managers must ensure that contract variations are approved in accordance with the Council's Schemes of Authorisation.

10.3.9 When a contract comes to an end for any reason including the time of the contract has elapsed, the contract has been terminated or other reasons, a Contract Termination Notice must be published on Central Digital Platform.

## **10.4 Additional Contract Management Requirements for contracts above £5million or for works contracts above the work threshold.**

### **Key performance Indicators**

10.4.1 Contract Managers will publish, at least annually, performance against KPIs in a Contract Performance Notice to the central digital platform. Only the lead supplier should be assessed and reported on, not their subcontractor(s).

10.4.2 Prior to publication of performance against KPIs it is best practice to discuss and agree the scores with your supplier(s) before publication. A supplier is not able to block publication or amend an assessment.

### **Contract Modifications**

10.4.3 There is a requirement to publish contracts for contracts with an estimated total contract value of above £5,000,000 or for works contracts the works threshold. Where a contract above this value is modified then a redacted copy of the modified contract must also be published.

## **10.5 Additional requirements for Key Contracts**

10.5.1 The Council defines a Key Contract as a contract that:

- a) Has a total contract value of £10,000,000 or above
- b) Is high risk; or
- c) Is politically sensitive

10.5.2 Points (b) and (c) are determined by the Head of Service for the relevant area the contract sits within.

10.5.3 All Key Contracts must be included on the Council's list of Key Contracts held by the

Commercial Team and must comply with the Council's reporting requirements.

## **10.6 Convertible Contracts**

- 10.6.1 Where a contract is below threshold but through modification of the contract becomes above threshold then it is a convertible contract.
- 10.6.2 At the point at which the contract value becomes above threshold then it must be treated as above threshold. [Notice provisions]
- 10.6.3 Where the estimated contract value of a Contract exceeds £5,000,000 or if works becomes above the works threshold then a redacted copy of the contract must be published and all additional provisions in 10.5 must be adhered to.

## **10.7 Poor Supplier Performance or Termination of Contracts**

- 10.7.1 Where a supplier's performance is not meeting the required standards of the contract the Contract Manager will follow the performance management process that is outlined in the contract. This will allow the Supplier opportunity to improve their performance.
- 10.7.2 Where the performance management process has been followed but the Supplier's performance has failed to improve then the Contract Manager should seek advice from their Commercial resource as consideration will need to be given as to whether this amounts to a breach of contract or if other steps need to be taken. Advice from your commercial team who will seek advice from your legal resource must be taken before the decision is made to terminate a contract.
- 10.7.3 Where a contract is terminated then a Contract Termination Notice must be published.
- 10.7.4 Where the Suppliers poor performance leads to partial termination, award of damages or a settlement agreement without full termination then a Contract Performance notice must be published.

# Appendix 1 – Glossary

Term	Definition
Award Criteria	<p>The criteria used by the Council to evaluate the Bidder’s tender against the needs identified within the specification to determine the successful tender. Such criteria may comprise for example –</p> <ul style="list-style-type: none"> <li>a) Price, or total cost;</li> <li>b) Quality including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions;</li> <li>c) Organisation, qualification and experience of staff assigned to performing the contract, where the quality of the staff assigned can have a significant impact on the level of performance of the contract (and not already evaluated at SQ stage); or</li> <li>d) After-sales service and technical assistance, delivery conditions such as delivery date, delivery process and delivery period or period of completion.</li> </ul>
Bidder(s) / Tenderer(s)	Potential Suppliers who are actively involved in a procurement process.
Bond	An insurance policy: If the Supplier does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the Bond (often 10% of the Total Contract Value). A Bond is intended to protect the Council against a level of cost arising from the Economic Operator’s failure.
Call off without competition	<p>A mechanism within an existing framework that allows for a contract to be awarded without competition because the framework is either for a single supplier or because there is a mechanism within the framework that allows for it. As long as the terms of the framework are complied with this is permitted.</p> <p>Not to be mistaken for Direct Award or Exception to the Normal Tendering route.</p>
Chief Officer(s)	The Officers defined as such in the <a href="#">Constitution</a> . A link to the current list can be found <a href="#">here</a> .
Code of Conduct	The code regulating conduct of Officers and Members is defined in the <a href="#">Constitution</a> .
Commercial Resource	Those in the Commercial Teams charged with



Term	Definition
	<p>providing direction and advice to secure compliance and Value for Money for procurement activities.</p> <p>Commercial Team Infrastructure – Resources, Place and Fire &amp; Rescue – <a href="mailto:CTInfrastructure@lincolnshire.gov.uk">CTInfrastructure@lincolnshire.gov.uk</a></p> <p>Commercial Team People – Adults and Public Health - <a href="mailto:CommercialTeamPeopleServices@lincolnshire.gov.uk">CommercialTeamPeopleServices@lincolnshire.gov.uk</a></p> <ul style="list-style-type: none"> <li>Children’s Services and Commissioning Team – Children’s <a href="mailto:childrens_commissioning@lincolnshire.gov.uk">childrens_commissioning@lincolnshire.gov.uk</a></li> </ul>
Concession Contract	<p>A contract where at least part of the scope allows the supplier to exploit works or services and the Supplier is exposed to the real operating risk involved with operating those works or services. An example would be the opportunity to run a café.</p>
Conditions of Participation	<p>A component of the evaluation process set out to assess the Bidders capability to provide the requirements identified in the ITT. This is not an evaluation of how they will provide the requirements requested, more an evaluation of their organisation's intrinsic ability to provide those services.</p> <p>Conditions of Participation may only relate to:</p> <ul style="list-style-type: none"> <li>Suitability to pursue a professional activity</li> <li>Economic and Financial standing</li> </ul> <p>Technical and Professional ability</p>
Conflict of Interest	<p>A personal, professional or financial interest or perceived interest that may compromise, or have the appearance of, or potential for, influencing or compromising professional judgement and the integrity of the procurement, directly or indirectly.</p>
<a href="#">Constitution</a>	<p>The constitutional document approved by the Council which:</p> <ul style="list-style-type: none"> <li>Allocates powers and responsibilities within the Council and between it and others;</li> </ul> <p>Delegates authority to act to the Executive, Committees, Executive Councillors and Officers; and regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.</p>
Consultant(s)	<ul style="list-style-type: none"> <li>Someone contracted for a specific length of time to work to a defined project brief with clear outcomes</li> </ul>

Term	Definition
	to be delivered usually relating to a business change or transformation. The individual(s) will operate outside of the Council's organisational structure and payment is based on the delivery of defined outputs. The individual(s) should not be working in a Business as Usual environment (such as advising on legal risk and technical matters) these contracts should usually be classified as Professional Services.
Contract Manager	Officer who is responsible for the management and administration of a contract. This includes where it is part of an Officers role even if not mentioned in their job title.
Contract Register	An electronic register that must be populated, with key information about contracts, for all contracts awarded as required by these procedures.
Contract Regulations	Rules of Procedure of the Council's Constitution titled Contract Regulations which covers the general principles to be followed by Officers in procuring goods, services and works from organisations external to the Council.
Contracted Supplier / Sub-contracted Supplier	A Supplier who is currently contracted to provide services.
Contracting Authority	<p>The organisation letting the contract in question.</p> <p>Contracting Decision - Any of the following decisions;</p> <ul style="list-style-type: none"> <li>• Composition of Approved Lists</li> <li>• Withdrawal of Invitation to Tender</li> <li>• Whom to invite to submit a quotation or tender shortlisting</li> <li>• Award of contract</li> </ul> <p>Any decision to terminate a contract</p>
Convertible Contract	A contract where, at the time that it is awarded, the estimated total contract value is below threshold but during the lifetime of the contract it is modified so the total contract value is above threshold.
Corporate Contract	A contract let or approved by the Commercial Team to support the Council's aim of achieving Value for Money.
Council	For the purposes of these Contract and Procurement Procedure Rules, "Council" refers to Lincolnshire County Council.
Deed	A signed and sealed instrument containing some legal transfer, bargain, or contract.
Direct Award	An award that is made to a single supplier with limited

Term	Definition
	competition. These are permitted in very limited circumstances under PA 2023 and should not be made without an Exception to the Normal Tendering Route approval and consulting your Commercial Resource.
Dynamic Market	A fully electronic compliant 'Approved List', where Suppliers can join at any point while the DM is open, and they meet the Conditions of Participation.
Electronic Tendering	A secure means to store and transmit all Procurement Documentation via a secure electronic vault (Pro-Contract).
Estimated Total Contract Value	The estimated value of a procurement as defined in this document.
Ethical Wall Agreement	Mechanism agreed between 2 or more parties to avoid conflicts of interest.
Evaluating Officers	Members of the Evaluation Panel
Evaluation Panel	A group of relevant Officers of the Council, or appropriate stakeholders, who have the technical knowledge and experience to judiciously evaluate bids received in response to a procurement exercise.
Exception to the Normal Tendering Route	<p>A method of procurement that is contrary to these rules but the necessary permission has been obtained in accordance with this document.</p> <p>e) Not to be mistaken with Direct Award.</p>
Executive	The Council's Executive as defined in the <a href="#">Constitution</a> .
Executive Councillor	A member of the Executive to whom decision making responsibility is allocated in respect of specified functions.
External Grant Funding	Funding that is provided to the Council from an external body to deliver a specific requirement. This is <u>not</u> where the Council provides grant funding to third parties.
Financial Regulations	The financial regulations outlining officer responsibilities for financial matters, issued by the Executive Director of Resources forming part of the <a href="#">Constitution</a> .
Framework Agreement(s)	An agreement between one or more Contracting Authorities and one or more Economic Operators, 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,

Term	Definition
	the quantity envisaged.
Framework Supplier(s)	An Economic Operator who has successfully secured a place on a public framework contract.
Have Regard to	To consider the objectives and see what weighting if any they should have.
Information Assurance Resource	The Councils nominated Information Assurance Resource.
Invitation to Tender (ITT)	A key document within the Procurement Documentation which must contain or reference, the instructions for Bidders, specification, evaluation model and other relevant materials to allow the procurement activity to be concluded successfully.
Key Decision	An executive decision taken by the Council which is likely to result in f) the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.
Legal Support	The Councils nominated Legal resource.
Local	Where the supplier is based or established in Lincolnshire and has substantive business operations in Lincolnshire. In this context, this means having a registered office, factory or other permanent base and staff in that location through which meaningful business operations have been conducted for at least 12 months.
Officer(s)	<ul style="list-style-type: none"> <li>The officer of the Council with responsibility for undertaking a procurement or commissioning activity.</li> </ul>
Parent Company Guarantee	A contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a contract with the Council, they can require the parent company to do so instead.
Personal Data	As defined in UK General Data Protection Regulations.
Procurement Documentation	The full suite of procurement documents required to undertake a compliant procurement process. Includes;

Term	Definition
	SQ, Specification, ITT, Terms and Conditions and Form of Tender.
Procurement Guide	A document containing best practice guidance regarding achieving Value for Money from procurement activity.
Procurement Objectives	Objectives that are set out in the Procurement Act 2023.
Request for Quotation (RFQ)	A simplified version of a tender documentation with a more streamlined and efficient process. As a minimum it should include a statement of requirements, terms and conditions and details of how the quotes will be assessed and awarded.
(Common) Seal	The seal that may be, and in the case of the Council is, attached to a document by a corporate body when executing a Deed.
Small and Medium sized Enterprise (SME)	A business that has fewer than 250 staff, and has a turnover of an amount less than or equal to £44 million, or a balance sheet total of an amount less than or equal to £38 million.
Specification	A document which sets out the detailed requirements and scope of goods, services or works to be provided by the supplier. The specification should be written in a contractually enforceable manner.
Standstill Period	A period of time between the publishing of a Contract Award Notice and the award of a contract that must be observed.
Substantial Modification	Any change to the tender, or contract, that would or could, foreseeably change the interest of Economic Operators in the procurement or contract. In practice this means that any change that might result in additional Economic Operators interested in the procurement activity or contract.
Supplier	Any person who offers on the market supplies, services or works and who sought, who seeks, or who would have wished to be the person to whom a public contract is awarded. In this document Economic Operators are not yet active in the procurement process. If they are active in the process they will be named Bidders in this document.
Terms and Conditions	Special and general arrangements, governing laws, rules, requirements, standards etc. forming integral parts of a contract. To be provided by Legal Services Lincolnshire.
Total Contract Value	The total value of the successful Bidders' response which

Term	Definition
	will be, or has been, formed into a contract with the local authority.
TUPE	Transfer of Undertakings (Protection of Employment) - TUPE refers to the Transfer of Undertakings (Protection of Employment) Regulations, 1981. These regulations were introduced to ensure the protection of employees when, for example, a business is taken over by another organisation. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.
Value for Money	Where quality and cost combine to produce a service which meets technical and customer requirements, at an acceptable level of expenditure in the prevailing budgetary constraints, for an acceptable level of quality.
Award Criteria	<p>The criteria used by the Council to evaluate the Bidder's tender against the needs identified within the specification to determine the successful tender. Such criteria may comprise for example –</p> <ul style="list-style-type: none"> <li>g) Price, or total cost;</li> <li>h) Quality including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions;</li> <li>i) Organisation, qualification and experience of staff assigned to performing the contract, where the quality of the staff assigned can have a significant impact on the level of performance of the contract (and not already evaluated at SQ stage); or</li> </ul> <p>After-sales service and technical assistance, delivery conditions such as delivery date, delivery process and delivery period or period of completion.</p>