

CONTRACT STANDING ORDERS ~~2011/12~~ 2012/13

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Definitions

Introduction

The council seeks to achieve value for money and best value when obtaining supplies of goods, services and works.

The Contract Standing Orders (CSOs) set out minimum requirements to be followed. CSOs are governed by section 135 of the Local Government Act 1972 and are the council's rules for contracts. They must always be followed unless the law (European or UK) requires something different.

Further information can be found in the Procurement Guidelines. Officers must always seek advice from corporate procurement and/or legal services for all contracts where European law applies or which are Strategic Procurements and for other contracts if they have any queries.

CSOs do not override other parts of the council's constitution. For example, if a decision about a contract is also a "key decision", then the requirements set out in the constitution in relation to CSOs and to key decisions will have to be met.

There is a definitions section at the end of these orders which provides explanations of important words or phrases (e.g. Estimated Contract Value).

1. When do Contract Standing Orders apply?

1.1 CSOs apply:

- to any procurement or tendering process or contract entered into by the council for the provision of goods, services and works and to the operation of any concession
- where the council is involved in joint working funded partly or entirely by external funding to the extent that the money passes through the council's accounts
- to all schools maintained by the London Borough of Southwark but subject to the current Southwark Scheme for Financing Schools and the Schools' Contract Standing Orders.

unless an exemption to CSOs is approved (see 4.8 below).

1.2 CSOs do not apply:

- to contracts of employment
- to land transactions
- to grants given by the council.

2. General principles

2.1 Compliance with relevant statutory and corporate requirements

There must be compliance with the requirements of:

- a) propriety, including obtaining all necessary approvals
- b) value for money and best value, through the consideration of all procurement options

- c) all parts of the council's constitution such as these CSOs, the Financial Standing Orders and the protocol on Key Decisions
- d) EU and domestic legislation, including the "Standstill" Period
- e) the council's procurement strategy, the Procurement Guidelines and other council policies and procedures
- f) the employee code of conduct (for officers)
- g) ~~the council's sustainable communities strategy plan~~
- h) the council's commitment to the London Living Wage, as confirmed by council assembly on 29 February 2012.

2.2 Consequences of non-compliance

It is a disciplinary offence to:

- fail to comply with CSOs
- fail to have regard to the Procurement Guidelines when letting contracts.

Employees have a duty to report breaches of CSOs to an appropriate senior manager, who will advise the monitoring officer and the finance director.

The monitoring officer will report to the audit and governance committee any serious breach of contract standing orders or of the Procurement Guidelines.

2.3 General principle of contract decision making

The aim of the procurement process is to ensure that each contract is awarded to the most economically advantageous tenderer, who may or may not have submitted the lowest sum offered, and that any decision on a Variation is made on a similar basis so as to ensure that value for money, quality considerations and the need to implement the council's sustainable communities strategy are taken into account. Contracts may only be awarded or a Variation decision made if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of, the council.

2.4 Contracts in writing

2.4.1 Every contract awarded must be in writing and, wherever practicable, on terms agreed by the council and consistent with any council terms of trading and contain full details of the contract documents and contract terms. All Strategic Procurement contracts and those works contracts whose contract value is in excess of the EU threshold for services/supplies must be executed on behalf of the council under seal as a deed.

2.4.2 All other contracts must be signed by at least two authorised officers of the lead contract officer's department.

2.4.3 All contracts must wherever practicable be signed or sealed before contract commencement and in accordance with the procedures set out in the Procurement Guidelines.

2.5 Record keeping

2.5.1 Chief officers must ensure that the following records are kept:

- a detailed contract file for each contract, including the Estimated Contract Value and, for all contracts with an Estimated Contract Value of over £75,000, all tender opening records
- all decisions made, reasons for them and actions taken in relation to contracts
- all reports relating to contracts.
- ~~entries in the council's contract register of all contracts with an Estimated Contract Value of £75,000 or more.~~

2.5.2 Chief officers must ensure that all contracts, including those with an Estimated Contract Value below £75,000, are recorded on a departmental contract register.

2.5.3 Details of all contracts with an Estimated Contract Value of £75,000 or more will be recorded on the council's central contract register.

2.6 Lead contract officer

A lead contract officer (LCO) must be identified for each contract. Where no LCO is identified, the LCO will be deemed to be the budget holder of the section from which the contract is funded.

2.7 Authority to act in line with scheme of management

Each officer will act only within the limits of their delegated authority, as set out in their department's scheme of management. The hierarchy of decision makers for procurement decisions is as follows:

- cabinet/cabinet committee (highest)
- individual decision maker (IDM)
- finance director, as advised by CCRB
- chief officer, or as delegated through departmental schemes of management.

2.8 Declarations of interest

2.8.1 The following will declare any interests which may affect the procurement process:

- a) all staff, whether directly employed by the council or otherwise, who play a role in any aspect of the tendering process
- b) all staff listed on a scheme of management or delegation in relation to a contract or procurement issue
- c) external consultants and representatives of bodies other than the council (including community representatives) who play a role or whose work gives them influence over or information about any aspect of the contract process
- d) joint negotiating committee (JNC) officers
- e) any other officers who regularly give advice to members including report authors.

2.8.2 Chief officers will ensure that staff, consultants and representatives of bodies other than the council (including community representatives) appointed or agreed by them make declarations on appointment, or on any change in

circumstances (and annually in the case of staff); and will either certify them as acceptable or take any necessary action in respect of potential conflicts of interest.

- 2.8.3 Chief officers will keep completed staff declarations on the individual's personnel file; and also maintain a departmental register of declarations indicating the names and grades of all those declaring, and the nature of their declaration; LCOs will keep any consultants' or other bodies' representatives' declarations on the contract file.

2.9 Changes to CSOs

As set out in article 1, the monitoring officer may make minor changes to the Contract Standing Orders, after consultation with the finance director.

Minor changes are defined as:

- typographical/presentational/explanatory changes
- changes in statutory framework, i.e. references to new or updated legislation
- changes in titles, names or terminology
- changes consequential to other constitutional changes already made.

3. Particular types of contract

3.1 Corporate contracts

Where there is a Corporate contract or Corporate framework for a service, supply or for works, it must be used to make the relevant purchase. If a lead contract officer believes that the Corporate contract does not meet their requirements they must obtain an exemption (see 4.8) through a Gateway report regardless of the value of the purchase.

3.2 Consortium contracts

The requirements in these Contract Standing Orders for obtaining tenders or quotes shall not apply where the council intends to purchase under a Consortium contract so long as approval for the use of that Consortium contract has been given via a Gateway 1 report which should identify the procedure and route for approvals for future orders/works being placed under the consortium agreement.

3.3 Framework/schedule of rates contracts

- 3.3.1 When a Framework contract or similar type of contract (such as a schedule of rates contract) is entered into, no individual order may be placed which will exceed the EU threshold for services/supplies unless this has been approved by the relevant decision maker appropriate to that contract, whether at the time of the approval of the procurement strategy (Gateway 1 report) or in the approval of the award of the contract (Gateway 2 report) or before the individual order is placed.
- 3.3.2 Any procurement involving the use of a third party's Framework contract is subject to usual Gateway 1 and 2 procedures (see 4.4 below).

3.4 Health and social care and education Spot contracts

Personal, social or educational services are sometimes provided by the purchasing of these services under Spot contracts. The relevant chief officers will seek to minimise the use of Spot contracts, but where they are to be used for such services:

- a) the requirements in these Contract Standing Orders for obtaining tenders or quotes shall not apply
- b) the relevant chief officer may award all such Spot contracts, and
- c) the relevant chief officer must provide an annual report to the Corporate Contract Review Board (CCRB) detailing the nature, extent and value of Spot contracts entered into in the previous financial year.

3.5 Leasing contracts

Where approval is being sought to enter into a contract for the lease of an asset, written permission is also required from the finance director in most cases, as set out in the Financial Standing Orders. Confirmation that this has been obtained should be included in Gateway reports.

4. Approvals processes

4.1 Overview of procurement process

4.1.1 Having identified a need to purchase goods, services or works which are not covered by an existing contract and having confirmed that they are subject to CSOs (see section 1 above), the main stages of all non-emergency procurements are – in summary:

- a) to identify who is the lead contract officer (LCO) – see 2.6 above
- b) to obtain approval of procurement strategy (Gateway 1 report). This will depend on the Estimated Contract Value and other factors and may require advice from the Departmental and Corporate Contract Review Boards (DCRB and CCRB) – see 4.4 below
- c) to follow appropriate quote/tender route. This will depend on the Estimated Contract Value and other factors – see 5 below
- d) to obtain approval to award contract (Gateway 2 report). This will depend on Estimated Contract Value and other factors and may require advice from the DCRBs and CCRB – see 4.5 below
- e) to ensure that a written contract has been signed (and sealed if necessary) on behalf of the chief officer of the LCO's department in line with constitutional requirements.

For an emergency procurement, see 4.9 below.

4.1.2 Where there is a need to vary an existing contract, the process to be followed is set out in 4.6 below.

4.1.3 Where it is proposed to bring a service which was previously externalised back in-house, it is necessary to follow 4.1.1 a) and b) above.

4.2 Gateway and other reports

The procurement process requires approvals via written reports at the following stages:

- a) approval of procurement strategy – Gateway 1 report
- b) approval of award of the contract – Gateway 2 report
- c) approval of Variation or Extension to contract – Gateway 3 report.

More information can be found in 4.4 to 4.6 and the definitions below.

4.3 Supplemental advice from other officers in Gateway and other reports

Where the Estimated Contract Value or, in relation to a Variation, the Contract Value is over the relevant EU threshold or where required elsewhere in the CSOs, any Gateway report or other report containing a contract matter (such as a Variation report) must include legal advice from the monitoring officer and financial and procurement advice from the finance director or delegated officer(s).

4.4 Decision on procurement strategy – Gateway 1

4.4.1 A decision on the procurement strategy to be used on any contract with an Estimated Contract Value of over £75,000 must only be made after consideration of a Gateway 1 report. It is recommended that such a report is also used for contracts with an estimated value of £75,000 or below.

4.4.2 The decision on the approval of the procurement strategy is to be taken by the relevant chief officer or under his/her delegated authority in line with the department's scheme of management, except where:

- a) the contract is a Strategic Procurement, the decision must be taken by the cabinet or cabinet committee, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- b) the Estimated Contract Value is above £2 million but below £4 million for services and supplies or above £10 million but below £15 million for works but the contract does not fall into a) above, the decision must be taken by the relevant individual decision maker, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- c) the contract is a Corporate contract, but does not fall into a) or b) above, the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- d) the contract will affect the budget of more than one directorate and the Estimated Contract Value is £500,000 or more, but does not fall into a), b) or c) above, the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- e) the Estimated Contract Value is above the relevant EU threshold but the contract does not fall into a), b), c) or d) above and the LCO is requesting approval to proceed with a single tenderer or to negotiate with a single provider (and this is permitted by EU legislation), the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- f) the contract will affect the budget of more than one directorate and the Estimated Contract Value is less than £500,000, the chief officers of all the directorates concerned must agree the decision, after ~~taking advice from relevant DCRBs~~ consideration by the relevant DCRBs of the report

- g) the Estimated Contract Value is above the relevant EU threshold but the contract does not fall into a), b), c), d), e) or f) above, the decision must be taken by the chief officer or under his/her delegated authority, after ~~taking advice from his/her DCRB~~ consideration by his/her DCRB of the report
- h) a different requirement must be met as specified elsewhere in the constitution or these CSOs:
 - i) for the decision to be made by someone else (e.g. pensions, treasury management and insurance where decisions are to be made by the finance director), or
 - ii) about the decision (e.g. in emergencies where no prior written report is needed – see 4.9 below).

4.4.3 Gateway 1 reports should also include any details of procurement proposals that are different from the normal routes, including requests for exemptions to all or some of these CSOs and requests to delegate powers to award the contract.

4.5 Decision on contract award – Gateway 2

4.5.1 A decision to award any contract with an Estimated Contract Value of over £75,000 must only be made after consideration of a Gateway 2 report. It is recommended that such a report is also used for contracts with an estimated value of £75,000 or below. As a minimum, the LCO must keep a written record of decisions and action taken.

4.5.2 The decision on the award of a contract is to be taken on the basis of a written report by the relevant chief officer or under his/her delegated authority in line with the department's scheme of management, except where:

- a) the contract is a Strategic Procurement, the decision must be taken by the cabinet or cabinet committee, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- b) the Estimated Contract Value is above £2 million but below £4 million for supplies and services or above £10 million but below £15 million for works but the contract does not fall into a) above, the decision must be taken by the relevant individual decision maker, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- c) the contract is a Corporate contract, but does not fall into a) or b) above, the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- d) the contract will affect the budget of more than one directorate, and the Estimated Contract Value is £500,000 or more but does not fall into a), b) or c) above, the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report
- e) the contract will affect the budget of more than one directorate and the Estimated Contract Value is less than £500,000, the chief officers of all the directorates concerned must agree the decision, after ~~taking advice from relevant DCRBs~~ consideration by the relevant DCRBs of the report
- f) if;
 - i) the Estimated Contract Value is £500,000 or above (for services and supplies contracts) or above the relevant EU threshold (for works contracts), and
 - ii) the contract is to be awarded to a contractor whose bid was more than 15% above the Lowest Bid,

but does not fall into a), b), c) or d) above, the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report

- g) the proposed contract includes pension arrangements terms which are different from those set out in the council's Admitted Bodies policy, the decision must be taken by the finance director, after consideration of the report by the CCRB and taking advice from the Pensions Advisory Panel
- h) the Estimated Contract Value is above the relevant EU threshold but the contract does not fall into a), b), c), d), e), ~~or f)~~ or g) above, the decision must be taken by the relevant chief officer or under his/her delegated authority, after ~~taking advice from the relevant DCRB~~ consideration by the relevant DCRB of the report
- i) a different requirement must be met as specified elsewhere in the constitution or these CSOs:
 - i) for the decision to be made by someone else (e.g. pensions, treasury management and insurance where decisions are to be made by the finance director)
 - ii) about the decision (e.g. in emergencies where no prior written report is needed – see 4.9 below)
- j) approval has been obtained in line with 4.4.3 above to a different decision process.

4.5.3 Requests to delegate the decision on the award of a contract ~~which falls into 4.5.2 a) or 4.5.2 b)~~ should be included within the Gateway 1 report and the delegation may only be to the leader or the relevant chief officer.

4.5.4 Report authors should include, as part of the proposed recommendations contained within the Gateway 2 report, details of any possible options to extend the contract ~~and seek delegated authority for the decision to exercise those options at a future date.~~ Where such a recommendation is not included, even where the contract was awarded prior to the commencement of these CSOs, any decision to exercise an option to extend the contract will be subject to the requirements of 4.6 below.

4.6 Decision to allow Variations during contract term – Gateway 3

4.6.1 A decision to allow a contract Variation of more than £75,000 must only be made after consideration of a Gateway 3 report. It is recommended that such a report is also used for contract Variations with an estimated value of £75,000 or below. As a minimum, the LCO must keep a written record of decisions and action taken.

4.6.2 Any decision to allow a Variation of a contract is to be taken on the basis of a written report by the relevant chief officer or under his/her delegated authority in line with the department's scheme of management, except where:

- a) the Contract Value plus the amount of the proposed Variation and any previous Variations is £250,000 or above (for services and supplies contracts) or £1 million or above (for works contracts) and the amount of the proposed Variation is more than 10% of the Contract value, the decision must be taken by the finance director, after ~~taking advice from the CCRB~~ consideration by the CCRB of the report; all such decisions will be advised in writing by the finance director to members of the cabinet
- b) the contract is a Corporate contract, but does not fall into a) above, the decision must be taken by the finance director, after ~~taking advice from~~

- ~~the CCRB consideration by the CCRB of the report~~; all such decisions will be advised in writing by the finance director to members of the cabinet
- c) the contract affects the budget of more than one directorate, but does not fall into a) or b) above, the decision must be taken by the relevant chief officer, after obtaining agreement in writing from the other relevant chief officer(s), and after consideration by the relevant DCRBs of the report
 - d) an additional amount is to be paid in respect of an outstanding sum for works, services or supplies already provided or where an Urgent Payment is required, written confirmation from the monitoring officer that the sums are legally payable must be obtained and the decision to make the payment must be reported in writing to the finance director within five clear working days
 - e) a different requirement must be met as specified elsewhere in the constitution or these CSOs:
 - i) for the decision to be made by someone else (e.g. pensions, treasury management and insurance where decisions are to be made by the finance director), or
 - ii) about the decision (e.g. in emergencies where no prior written report is needed – see 4.9 below)
 - f) approval has been obtained in line with 4.4.3 above to a different decision process.

4.6.3 Where a decision on a Variation is made in relation to a contract for works, there will also be a deemed variation of the contract of any consultant engaged in relation to that works contract. This only applies where the consultant is engaged on a fixed percentage of the works contract value. The deemed variation of the consultant's contract will be by the same percentage as that applied to the works contract.

4.7 Retrospective approvals

In the event of a contract having been entered into other than in compliance with these CSOs, it may be necessary to seek approvals retrospectively. In such cases, the procedures relating to Gateway 1, Gateway 2 and Gateway 3 reports should be followed. Where the decision makers for the Gateway 1 and 2 reports are different, both decisions can be taken by the higher decision maker (see 2.7 above), after consulting with the other decision maker. In addition, a report should be submitted to the relevant departmental contract review board for information and, where a decision relates to a procurement strategy, a contract award or a contract Variation with an estimated value of over £100,000, also to the audit and governance committee, setting out the circumstances and manner in which the decision was taken, for the purpose of obtaining guidance to inform future decision making.

4.8 Exemptions

In the event that there appear to be exceptional circumstances which mean that the usual procedures set out in the CSOs cannot be followed, written approval must be obtained in advance through a Gateway report. The report should set out the exceptional circumstances and explain why usual procedures cannot be followed. Proposed alternative courses of action must still comply with remaining relevant statutory and corporate requirements as set out in 2.1 above.

Examples of circumstances which might amount to an exceptional reason for not following the usual procedures are:

- a) the nature of the market has been investigated and is such that a departure from the CSO requirements is justified
- b) the contract is one required because of circumstances of extreme urgency which could not reasonably have been foreseen
- c) the circumstances of the proposed contract are covered by legislative exemptions (whether under EU or domestic law).

The above is not an exclusive list.

4.9 Emergencies

An emergency is a situation where action is needed to prevent a risk of injury or loss of life, or to the security or structural/operating viability of a property or other tangible or intangible asset. In the case of an emergency, action necessary can be approved by a chief officer without a prior written Gateway report. Such action shall be limited to dealing with the emergency and it shall be subsequently recorded in a written report to the CCRB.

5. Requirements to obtain tenders or quotes depending on type of contract and levels of contract value

[When estimating the value of a contract, reference should be made to the Estimated Contract Value paragraph set out in the Definitions section.](#)

5.1 Contracts less than £5,000

For all contracts where the Estimated Contract Value is less than £5,000, there is no requirement to obtain competitive quotes; the requirement is to ensure value for money and best value and to keep a record of what action has been taken and why. In addition, if the contract is for works or for works-related services, the provider must be obtained from the council's Works Approved List, unless permission is obtained to do otherwise through a Gateway 1 report; such a report must include supplementary procurement advice from the finance director or his delegated officers, without which the approval cannot be granted.

5.2 Contracts from £5,000 to £75,000

For all contracts where the Estimated Contract Value is from £5,000 to £75,000, there is a requirement to take all reasonable steps to obtain at least three written quotes, including one from a local supplier where this is possible, unless the LCO decides that this will not secure value for money. In such cases, a Gateway 1 report must be completed to explain what alternative action is being taken and why. In addition, if the contract is for works or works-related services, those invited to submit quotes must be selected from the council's Works Approved List unless permission is obtained to do otherwise through a Gateway 1 report; such a report must include supplementary procurement advice from the finance director or his delegated officers, without which the approval cannot be granted.

5.3 Works contracts and works-related services above £75,000 but below EU threshold

For all such contracts where the Estimated Contract Value is above £75,000 but below the relevant EU threshold, there is a requirement to take all reasonable steps to obtain at least five tenders. Those invited to submit tenders must be selected from the council's Works Approved List unless permission is obtained to do otherwise through a Gateway 1 report; such a report must include supplementary procurement advice from the finance director or his delegated officers, without which the approval cannot be granted.

5.4 All other contracts not falling within 5.1 to 5.3 above

For all contracts not covered by 5.1 to 5.3 above, there is a requirement to take all reasonable steps to obtain at least five tenders following a publicly advertised competitive tendering process, as set out in these CSOs and in line with the Procurement Guidelines.

6. Tender procedure

- 6.1 Officers must seek advice from corporate procurement before using any e-procurement processes in order to ensure compliance with relevant legislative requirements. All other tender processes must comply with the following requirements.
- 6.2 Tenderers must be told that their tenders may only be considered if they follow the requirements below:
 - a) the tender must be returned in a plain envelope or parcel which is marked clearly "Tender" followed by the subject of the contract
 - b) the envelope or parcel must not show the identity of the tenderer in any way, and
 - c) the envelope or parcel must be delivered to the place and by the time stated in the tender invitation.
- 6.3 All tenders will be opened at the same time and place, after the closing date and time for receipt stated in the tender documents.
- 6.4 A tender received by the council after the time and date specified in the invitation shall not be accepted or considered.
- 6.5 Tenders where the Estimated Contract Value is £500,000 or more must be returned to the monitoring officer and shall be opened by his/her authorised representative. Where the Estimated Contract Value is less than £500,000, tenders may be returned to the chief officer or their authorised representative who will arrange for tender opening in the presence of at least two officers, one of whom will be the witness and will not have been directly involved in that particular contract.
- 6.6 Exceptions to the requirements set out in 6.1 to 6.4 above will only be made in exceptional circumstances and must be authorised by the relevant chief officer in writing following consultation with the finance director, CCRB or DCRB as appropriate to the contract.

7. Contract management and monitoring

- 7.1 The lead contract officer must ensure that systems are in place to manage and monitor contracts in respect of:
- a) compliance with specification and contract
 - b) performance
 - c) cost
 - d) user satisfaction
 - e) risk management.
- 7.2 Where the estimated contract value exceeds the relevant EU threshold, the lead contract officer should prepare a six-monthly monitoring report to the relevant DCRB.
- 7.3 Where the contract relates to a strategic procurement or is corporate in nature or has an estimated contract value of £500,000 or more and affects the budgets of more than one department, the lead contract officer should prepare an annual monitoring report to the CCRB.

8. Contract termination

- 8.1 A contract may only be terminated early or suspended by a chief officer, and only after obtaining approval from the monitoring officer and finance director; all such decisions will be advised in writing by the chief officer to the relevant member of the cabinet and cabinet member for finance and resources.

9. Contractor insolvency

- 9.1 Where it appears that a contractor is at risk of becoming insolvent, or the council is notified that insolvency proceedings have been brought, the chief officer must inform the monitoring officer and finance director as early as possible, in order to enable appropriate advice to be given.

Definitions

<u>CCRB</u>	<u>Corporate Contract Review Board – panel of officers operating under terms of reference of CCRB. Its role includes considering reports from DCRBs and advising the cabinet, individual decision makers and the finance director on contract decisions.</u>
Consortium contract	A contract procured, usually following a competitive process, by a public sector agency other than the council under which the council is permitted to purchase, such as those provided by Buying Solutions or the London Contracts and Supplies Group.
<u>Contract register</u>	<u>A register of contracts held by Southwark legal services .</u>
Contract Value	The total value of a contract as awarded (which may be different from the Estimated Contract Value), net of VAT, or if there is no fixed figure, the LCO's best estimate of the likely amount to be spent over the period of the contract, taking into account the prices accepted.
Corporate contract	A contract arranged by corporate procurement or another department that should be used by the whole council for all goods, works or services specified in it.
<u>Council's central contract register</u>	<u>A register of contracts, held by corporate procurement.</u>
CCRB	Corporate Contract Review Board – panel of officers operating under terms of reference of CCRB. Its role includes considering reports from DCRBs and advising the cabinet, individual decision makers and the finance director on contract decisions.
DCRB	Departmental Contract Review Board – panel of officers operating under terms of reference of DCRB. Its role includes agreeing reports for consideration by the CCRB and advising the chief officer on contract decisions.
<u>Departmental contract register</u>	<u>A register of contracts, maintained by each department.</u>
Estimated Contract Value	The total value of a proposed contract including options to extend it (as estimated by the LCO on the basis of all relevant factors) net of VAT calculated for the proposed contract period, or, if for an undetermined period, in accordance with the valuation rules contained in European Regulations, whether or not the Regulations apply to the particular contract. This may be different from the lifetime cost of the contract, which may need to be considered for other purposes (see Procurement Guidelines). Note that a contract may not be artificially packaged into two or more separate contracts, nor a valuation method selected, with the intention of avoiding the application of these CSOs.

Chief officers are responsible for considering aggregation within their department, to ensure delivery of best value within CSO requirements. The Estimated Contract Value should be based on the best available estimates, or on actual costs if known.

EU Regulations	The Public Contracts Regulations 2006 or any amendment to or successor to those Regulations.
EU threshold	The current contract value at which the requirements of the EU Regulations apply.
Framework contract	A framework contract is an agreement between the council and one or more contractors, the purpose of which is to establish the terms governing jobs to be awarded during the period of the framework agreement, in particular with regard to price. Usually, the council is under no obligation to offer work but the provider is obliged to perform work if the council asks.
Gateway report	A written report in substantially the same terms as those contained in the relevant template which can be found on the Source at http://thesource/SectionLandingPage.asp?id=22344&cat=1234 .
Key Decision	Definitions of Key Decisions are contained in the Protocol on Key Decisions in appendix 1 of the Access to information procedure rules section of the constitution. Examples of Key Decisions for procurement purposes are: <ul style="list-style-type: none">• those which are subject to a general financial threshold (£500,000 or more – note that in relation to awarding contracts, this is a per annum value not a contract term value)• those which have a significant impact on communities• Gateway 1 approvals in respect of a Strategic Procurement.
Lead contract officer (LCO)	The LCO for each contract is the officer who has a duty to ensure that the obligations set out in these CSOs are complied with.
Lowest Bid	The lowest price offered by tender or quotation which meets the specification and other requirements of the contract.
Procurement Guidelines	A document issued and maintained by corporate procurement containing best practice information on procurement matters.
Spot contract	A one-off contract under which services are provided to meet an individual service user's needs for personal, social or educational provision.

“Standstill” Period	The period required by EU regulations between notification of an award decision and when the contract comes into existence, in order to allow unsuccessful parties time to challenge the award decision. Most contracts are covered by this requirement; a few are not (Part B services – such as some personal services in relation to education, social care and health). Seek advice on whether your contract is about a Part B service and if you are unclear about the application of the Standstill Period.
Strategic Procurement	Procurement where one or more of the following apply: <ul style="list-style-type: none"> 1) Estimated Contract Value of £4 million or more for non-works and of £15 million or more for works 2) a significant change to previous service 3) possible externalisation or change in manner of delivery 4) significant transfer of assets or staff 5) political sensitivity 6) contract carrying a high level of risk.
Tender value	The value of a contract at the time of the award of the contract or, if there is no fixed value, the LCO’s best estimate of the likely spend on the contract during the contract period.
Urgent Payment	A payment where delay would lead to significant demonstrable financial loss to the council (and where no breach of EU or domestic requirements would be occasioned).
Variation	A decision to extend the length or cost or amend the scope of a contract where the contract is capable of this. This might be a change in duration, i.e. an increase in the duration of the contract; or a change in volume, i.e. an increase in the volume usage of the contract.
Works Approved List	A list of providers of works and works-related consultancy services which have all been appraised to meet minimum criteria in respect of their financial standing, level of insurance held, health and safety policies and procedures, and equal opportunities policies and procedures, maintained by corporate procurement. For further information about the use of Approved Lists, see the Procurement Guidelines or seek advice from corporate procurement.