



# **Lancashire Combined Fire Authority**

## **Contract Standing Orders**

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## **Contract Standing Orders for Lancashire Combined Fire Authority**

### **1. Background**

- 1.1 These Standing Orders set out how Lancashire Fire Authority will contract its various requirements in line with governance legislation.
- 1.2 Completing any Procurement Process, the Authority must have regard to the objectives set out in the relevant Public Procurement Legislation, National Procurement Policy Statement (NPPS) and internal Contract Standing Orders. Objectives include:
  - Delivering value for money
  - Maximising public benefit
  - Remove barriers for Small and Medium Enterprises (SMEs), Voluntary Community and Social Enterprises (VCSE) and start-ups.
  - Acting with integrity, transparency and proportionality
  - Sharing Information and helping suppliers to better understand the authority procurement policies and decisions
  - Consideration for the inclusion of the Social Value Objectives
- 1.3 Contract Standing orders aim to explain in simple terms the rules and procedures for obtaining written quotations and competitive tenders from Suppliers for the provision of Works, Goods and Services.
- 1.4 The Authority's constitution incorporates Financial Regulations and Financial Procedure Rules that provide a framework for managing the Authority's financial affairs. They apply to every Member and Officer of the Authority and anyone acting on its behalf.

### **2. Governance**

- 2.1 These Contract Standing Orders ("the CSOs") are made further to Section 135 of the Local Government Act 1972. These CSOs set out how the Contracting Authority will deliver against the obligation.
- 2.2 All procurement for contracts, by Authority staff or members (including where managed by an external organisation or public body on the Authority's behalf), MUST comply with these CSOs, the Authority's Financial Regulations, applicable Public Procurement Legislation and all other relevant UK legislation ;with 'applicable' relating to the date on which the procurement is commenced/advertised, the Framework / Dynamic Market was established or where no competitive process is required, a purchase order is raised.
- 2.3 The Authority will comply with Procurement Policy Notes (PPNs) and the National Policy Procurement Statements (NPPS).

- 2.4 These Contract Standing Orders should be read in conjunction with both the Financial Regulations and the Scheme of Delegation.

### **3. Officer Responsibilities**

- 3.1 Officers must ensure that each procurement requirement is dealt with in accordance with any statutory requirements including relevant legislation, is within budgetary provision and is in accordance with the Constitution, these rules and all Service policies, procedures and strategies.
- 3.2 To ensure timely procurement activity, Chief Officers will delegate authority to appropriate employees within their Directorate/Services/Sections/Groups to procure on their behalf. Each Director must however provide and maintain a list of the officers authorised to initiate procurement, place orders and make payments specifying a maximum financial limit for each transaction within any pre-defined limits. The Scheme of Financial Delegation should be reviewed regularly. Officers must ensure before beginning any procurement that they have the appropriate authority to undertake it by means of delegated authority.
- 3.3 Chief Officers will ensure that all employees authorised to initiate procurement, place orders and make payments have the appropriate knowledge, skills and training to undertake the same.
- 3.4 The Procurement team is responsible for all procurement processes and compliance, including ownership of the project initiation documents, procurement option appraisals and process design, procurement training, procurement process management (including responsibilities for all notices up to the publication of the Contract Award Notice, ownership of the e-tendering portal, ownership and provision of all procurement templates, completion / approval of procurement templates and reports, and oversight of all activities to waivers, contract modifications or termination.
- 3.5 The Contract owner / Head of Service is responsible for supporting the planning for and management of all contracts (regardless of how they are procured); forward planning for re-procurement of cyclical requirements (including writing specifications for goods and services to be procured), overseeing all technical documents (including specifications), organising any legal documents that are required, supporting all stages of the procurement process, co-ordinating the resourcing of tender evaluation and moderation sessions, completing any procurement related reports and any pre-contract governance requirements.

### **4. Procurement Thresholds and Processes**

- 4.1 Procurement thresholds determine which routes to market are available and what rules must be followed. Thresholds come from applicable Public Procurement Legislation and are based on the Government Procurement Agreement (GPA); these values are updated every other year.

- 4.2 The rules and available routes to market are determined by whether the estimated contract value is deemed to be “Above Threshold” (Covered Procurements / Public Contracts) or “Below Threshold.”
- 4.3 The Procurement Thresholds (see table 1) apply to all spend where it is not included within the scope of the waiver category detailed in section 6.
- 4.4 All spend must be classified by type and regime before a procurement process can be designed; this is due to different types and regimes having different financial thresholds and obligations.

Types:

- Goods (supplies or products)
- Services (labour, consultants, or technical resources)
- Works (Construction Projects)

Regimes:

- Utilities (gas, electricity, water);
- Light Touch (legal services);
- Concession (supplier risk / aid by service users)
- Exempt/Excluded (not covered).

Before a procurement process can be designed/commenced:

- (i) Officers need to decide both the initial and maximum contract durations (including any optional extension) and what might be the justification to apply those extensions.
- (ii) Depending on the value and nature of the contract being procured, the duration may be limited by the Applicable Public Procurement Legislation. Officers must check with Procurement Manager before finalising the decision.
- (iii) The estimated contract value must include the total value that could be paid over the maximum life span of the contract regardless of the chosen route to market. The value must incorporate all planned costs, additional requirements, fee/commissions, aggregate or associated goods/services or works, parts/labour, contract extensions. The contract value must include any applicable VAT.
- (iv) Where the estimated total value of a Contract exceeds or is within 10% of the relevant threshold (as set out below), the procurement must be conducted in accordance with the appropriate Procurement Rules and the appropriate UK guidelines. The application of the Procurement Rules and the appropriate UK guidelines cannot be waived by the Authority.
- (v) When considering the above, the Authority have a duty to consider the use of lots and the potential benefits this may offer such as removing barriers to local SMEs, achieve economies of scale and to manage the potential market.

**Table 1 – Threshold Procurement Process**

<b>Threshold Banding (inc VAT)</b>	<b>Requirement</b>	<b>Procurement Type</b>	<b>Method to Procure</b>
<b>Up to £30,000:</b> Goods and Services, Up to £50,000 Works.	Minimum of one written quote	Unregulated	Procurement portal for £30,000 and over.
<b>Between £30,001 and £100,000:</b>	Minimum of three written quotes	Regulated below threshold	Procurement Department, Procurement Portal and Find a Tender Service
<b>Between £100,001 and £214,904:</b>	Open Tender	Regulated below threshold	Procurement Department, Procurement Portal and Find a Tender Service
<b>Over £214,904:</b>	Open Tender Procedure or Competitive Flexi Procedure	Regulated above threshold	Procurement Department, Procurement Portal and Find a Tender Service

## **5. Excluded / Exempt Contracts (Not Regulated)**

5.1 In line with the Public Procurement Legislation these standing orders do not apply to contracts that are classified as excluded or exempt as defined by the applicable public procurement legislation Exemptions include:

- (i) Contracting Authority to Contracting Authority (Subsidiary) arrangements, vertical or horizontal – subject to approval by the Monitoring Officer, e.g.
  - a. Vertical - The Contracting Authority exercises a parent or similar control or joint control with other Contracting Authorities on the entity as it does with its own departments, the entity carries out more that 80% of its activities for the controlling Contracting Authorities and there is no private sector money in the entity.
  - b. Horizontal - Contracting Authority to Contracting Authority cooperation to achieve objectives which the Contracting Authorities have in common, through an arrangement that is solely for the public interest, and no more than 20% of the activities envisaged by the arrangement are intended to be carried out for reasons other than for the purposes of their public functions.
- (ii) Subject matter exemptions:
  - a. Certain types of legal advice, e.g. relating to judicial proceedings and/or dispute resolution.
  - b. Certain types of financial advice, e.g. funding or financing arrangements, investment services.
  - c. Employment contracts.

- d. Purchases made at public auction or of goods sold due to insolvency
- e. Land contracts (including leases, licenses, and transfers
- f. Grants of money, these cannot be contracts as there is no consideration, and they are not services required to be delivered by the Authority
- g. Any other arrangements excluded by the Applicable Public Procurement Legislation

## **6. Waiver To Contract Standing Orders Procedure**

- 6.1 Any Officer requesting the right to waiver Contract Standings Orders must seek advice from the Procurement Team before engaging with any supplier. Any request to waive the relevant to procedure must be the form of a written report identifying the justification for requesting exemption. The waiver value must include all aggregated spend with the supplier and be inclusive of VAT. All exemption requested must be submitted to the Deputy Head of Procurement using the Waiver Request form.
- 6.2 Circumstances a waiver can be considered:
- (i) Effective competition is prevented due to government control.
  - (ii) The supply or service is unique to a single supplier such as proprietary or patented goods or is deemed necessary due to the requirements of operational alignment and there is no satisfactory alternative.
  - (iii) The service or works are of a specialist nature and can only be carried out by one supplier.
  - (iv) The emergency requirements are brought about by events that could not have reasonably been foreseen.
  - (v) If the goods or services are not procured there is a risk of danger to life or property or a major impact on the Authority or the public.
  - (vi) The market is such that effective competition does not exist, and it can clearly be demonstrated that the proposed award represents best value for the Authority.
- 6.3 It is the responsibility of the Procurement Department to record any waivers on the contracts register and publish the award notice in accordance with the applicable Procurement Legislation.
- 6.4 For all procurement projects with a total Contract value under £100,000 (including VAT) the Chief Fire Officer and Treasurer/Director of Corporate Services can approve a waiver. The Procurement Department will facilitate the request approvals from the relevant Officers.
- 6.5 Any waiver relating to procurement projects in excess of £100,000 but not exceeding the relevant Procurement Threshold (including VAT) must be approved by the Chair of Combined Fire Authority.
- 6.6 Please refer to table 2 below for authorisation signatories required in regard to financial limits for waivers:

**Table 2 – Financial Limits**

<b>Financial Limit</b>	<b>Head of Procurement</b>	<b>CFO</b>	<b>Treasurer and Executive Board</b>	<b>Combined Fire Authority</b>
Under £100,000 (inc VAT)	Y	Y	Y	
Over £100,001 (inc.VAT)	Y	Y	Y	Y

## **7 Contracts Awarded Under Framework**

- 7.1 The Authority may award a public contract or a regulated below threshold contract that is covered by a framework which the Authority has concluded, or which another Contracting Authority has concluded and which the Authority is permitted to use. Such contracts are also known as Call Off Contracts.
- 7.2 Any Call Off Contract must be signed by all parties no later than the last date of the enabling framework.
- 7.3 Any decision to award a Call Off Contract from a framework shall be taken in accordance with the terms and conditions of the relevant framework.

## **8 Pre-Procurement / Tender Requirements**

- 8.1 A full set of procurement / associated tender documents must be published alongside the tender notice of which suppliers can access on the Central Digital Platform and the Procurement Portal.
- 8.2 All competitive procedures must be managed and shared through the e-tendering Portal including, supplier communications, and clarifications with the exception of anything commercially sensitive.
- 8.3 The Procurement team will hold an organisation Pipeline. For all procurements valued at (£2m inc. VAT) the authority must publish a Pipeline notice no later than the 26th of May each financial year.
- 8.4 Before publishing a tender notice for a Regulated Procurement, the Authority shall consider whether to undertake preliminary market engagement. Where the Authority undertakes preliminary market engagement, it shall, unless it has good reason not to publish a preliminary market engagement notice. Officers must ensure that any preliminary market engagement does not put any suppliers at an unfair advantage; or otherwise distort competition.
- 8.5 The Authority may undertake preliminary market engagement for any Unregulated Procurement in such a manner as it deems appropriate, provided such engagement does not put any supplier at an unfair advantage or otherwise distort competition.



- 8.6 Before commencing a Regulated Procurement, the Authority shall consider whether the requirement could reasonably be supplied under more than one contract and whether such contracts could appropriately be awarded by reference to Lots. Any reason to not include Lots must be recorded in the Tender Notice.
- 8.7 The Authority may make a direct award if the award meets the requirements of the Direct Award Justifications of Schedule 5 of the PA and must publish a transparency notice.

## **9 Regulated Procurement - Tenders**

- 9.1 Regulated Procurement shall be undertaken in a way which is fully compliant with the PA.
- 9.2 The scope of this section covers all of the Authority's above PA threshold requirements, except where the contract is awarded under a Framework or a Dynamic Market or a justification exists for a Direct Award.
- 9.3 Regulated Procurements shall be conducted applying either the Open Procedure or the Competitive Flexible Procedure. A decision to follow the Competitive Flexible Procedure shall be made only after consultation with the Procurement Team.
- 9.4 All tender opportunities must be commenced by the publication of a tender notice and be placed on the Procurement Portal and the UK E-notification service. In the case of a Competitive Flexible Procedure, the tender notice shall either invite suppliers to submit a request to participate in the process or invite suppliers to submit their first or only tender as part of the procedure. Officers shall seek the advice of the Procurement Team as to which of the forms of tender shall be used in those circumstances.
- 9.5 No tender opportunity shall be placed on the Procurement Portal and the UK E-notification service until the Authority has prepared a specification for the goods, works or services, the conditions of contract, the conditions of participation and the invitation to tender (Open Procedure) or participate in the Competitive Flexible Procedure.
- 9.6 Each invitation to tender or participate shall contain the following information:-
- (i) A statement of the validity of a submitted tender (which shall not be less than 90 days).
  - (ii) An anti-collusion certificate.
  - (iii) A form of tender.
  - (iv) The evaluation criteria, the weighting to be applied to such criteria and the scoring methodology for assessing the evaluation.
  - (v) In the case of a competitive flexible procedure a statement as to whether the procedure will be conducted in successive

- stages and if so whether the Authority intends to refine the evaluation criteria and/or the weightings.
- (vi) A statement as to whether a parent company guarantee, a performance bond or other security is required from the suppliers.
  - (vii) A statement that the Authority is not bound to accept any tender.
  - (viii) Notification that tenders are submitted at the bidder's expense.
- 9.7 Clarification questions relating to the procurement may be asked by bidders up to 6 days prior to the tender submission deadline. The Authority shall respond to all clarifications as soon as reasonably possible and no later than 4 days prior to the tender submission deadline. All responses to clarification questions shall be provided to all bidders, unless the bidder requesting the clarification has indicated that the question is confidential. Where a bidder has indicated that a question is confidential, the officers shall seek confirmation from the Procurement Team as to whether it is agreed that the information is confidential. If the Authority agrees, the response shall be sent to the bidder who submitted the clarification question only. If the Authority disagrees, the bidder which submitted the question shall be given the opportunity to withdraw the question. If the question is not withdrawn, the response shall be provided to all bidders.
- 9.8 All communication with bidders in an Open Procedure shall be conducted through the Procurement Portal. Officers and members shall make no direct contact in person, telephone or email with suppliers under any circumstances.
- 9.9 All communication with bidders in a Competitive Flexible Procedure shall be conducted through the portal, except to the extent that the Authority has determined the formal structure of the procedure to include face to face or online meetings.
- 9.10 No post-tender clarification shall be undertaken in an Open Procedure except with the agreement of the Procurement Team.
- 9.11 Post tender clarification may be undertaken in a Competitive Flexible Procedure provided it has been allowed for as part of the procedure or is authorised by the Procurement Team.
- 9.12 Post-tender negotiations are not permitted in an Open Procedure. Negotiations may be undertaken at any stage in a Competitive Flexible Procedure, provided that they have been allowed for as part of the procedure. However, even where such negotiations have been allowed for in the procurement as part of the outlined procedure, they shall not be undertaken without the presence of the Procurement Team.

## **10. Opening Of Tenders and Quotations**

- 10.1 After the designated deadline stipulated for submission of responses, the Procurement Department will co-ordinate the opening of all submissions which will be retained in a virtual 'sealed box' until the designated opening time.

10.2 All tender responses via the e-portal must be opened by the Procurement Department. A representative from the budget holders department can also attend if they wish to.

10.3 The Procurement Department is responsible for making arrangements to receipt, store and open tender documents.

## **11. Regulated Procurement – Participation Conditions / Supplier Exclusion**

11.1 It is not a requirement of the PA to set Conditions of Participation, which assess a potential supplier's legal and financial and technical ability to carry out the contract. However, the Authority ordinarily will set Conditions of Participation to ensure that a potential supplier has the requisite capacity and technical ability to perform the contract. The approval of the Procurement Team will be required to proceed with a procurement without the Authority setting Conditions of Participation as part of the procedure. Where Conditions of Participation are required, the PA does not prescribe the means of proof relating to these conditions, but any conditions set must be a proportionate means of ensuring suppliers have the relevant capacity or ability, having regard to the nature, cost and complexity of the contract. The Authority may not request information, as a Condition of Participation, which is expressly prohibited by section 22(4) of the PA.

11.2 The Authority may exclude a supplier from participating or progressing in a competitive tendering procedure when the supplier has not satisfied the Conditions of Participation.

11.3 The Authority shall disregard any tender from a supplier that is an Excluded Supplier. An Excluded Supplier is defined within the PA.

11.4 Before conducting the evaluation of an Open Procedure tender, the Authority shall consider whether the supplier is an Excludable Supplier.

11.5 Where the Authority receives a tender from an Excludable Supplier, it shall consider whether it shall allow or disregard that tender. No decision to allow or exclude an Excludable Supplier shall be taken without the agreement of the Head of Procurement.

11.6 As part of every tendering procedure, the Authority shall request information about whether a supplier is intending to subcontract any part of the performance of the contract and shall request that such information as is deemed necessary to determine whether the subcontractor is an Excluded Supplier or an Excludable Supplier.

11.7 Where a proposed subcontractor is an Excludable Supplier, the Authority shall treat the supplier as an Excludable Supplier.

11.8 Where the Authority determines to exclude the supplier it shall notify the supplier of its intention and give the supplier a reasonable opportunity to find an alternative subcontractor.

11.9 The Authority shall exclude a supplier if it acts improperly, and its behaviour puts it at an unfair advantage in relation to the award. A supplier is deemed to have acted improperly where it:-

- (i) Fails to provide information requested by the Authority,
- (ii) Provides incomplete, inaccurate or misleading information.
- (iii) Accesses the Authority's confidential information; or
- (iv) Unduly influences the Authority's decision making in relation to any contract.

11.10 Where the Authority excludes a supplier, it shall notify the Cabinet Office.

11.11 The Authority shall exclude a supplier which is on the Debarment List or is an Associated Person of a supplier on the Debarment List.

## **12 Regulated Procurement – Evaluation**

12.1 Officers are required to design and effectively communicate the evaluation / assessment methodology that will be applied to the tender responses submitted by suppliers. This must include detailing whether the assessment methodology will be based on lowest price (where permitted), price per quality point or a price to quality ration. In each case, the following will apply:

- (i) For quality and social value – the detailed questions include specific response guidance, the scoring methodology / matrix, and the importance/weighting to be applied to each question.
- (ii) For price – details on how the value will be calculated and how it will be evaluated or divided by the quality score).

12.2 A public contract shall be awarded to the most advantageous tender which satisfies the Authority's requirements, and award criteria. The award criteria must relate to the subject matter of the contract and be clear, measurable, specific and proportionate having considered the nature, complexity and cost of the contract. Technical specifications of contracts must satisfy PA requirements.

12.3 Award criteria must not be amended after the Tender Notice had been published.

12.4 An evaluation must be made of all tender or quotation responses by an evaluation panel. The number of people on the evaluation panel will be a minimum of two (2) but it can vary depending on the type and complexity of the Contract.

12.5 The evaluation will include a comparison of the tender sum against the estimate for the Goods, Services or Works prepared in advance of the Suppliers being invited to tender/quote. Where errors or discrepancies are found that may affect the tender/quote sum, the Supplier may be notified in writing and afforded an opportunity to confirm the submitted sum without amendment, amend their bid to correct an arithmetical error, or withdraw

their bid. A written record of any revisions or withdrawals must be maintained.

- 12.6 The Authority will evaluate and award Contracts to the Supplier(s) it considers offers the best value having regard to both price and quality factors. This is referred to as the 'most advantageous tender' (MAT) and provides for the Contract to be awarded to the Supplier best able to meet the Authority's requirement, specification and budget.
- 12.7 Both supplier tender and quotation responses MUST be delivered to the designated e-tendering system by the date and time specified. Late tender and quotation responses should be rejected unless it is proven that the reason for the late submission was due to technical failure of the portal.
- 12.8 The Authority has the right (but is not obliged) to seek clarification on the submissions as part of the evaluation process. Where this prerogative is utilised, all suppliers will be treated equally.

### **13 Clarification And Negotiations**

- 13.1 After the receipt of responses, officers may need to contact bidders to clarify technical and contractual information as part of the evaluation process. Any such communication must be confidential, and a written record made of the reason for contact and the outcome.
- 13.2 Any negotiation with a bidder to specifically discuss the pricing submitted in their tender response should:
  - (i) Be undertaken only by the Procurement representative in the presence of at least one officer who isn't involved in the project (the Independent Observer). All negotiations must be conducted confidentially and in a manner which provides equal opportunity for all Suppliers who have provided responses, and which maintains the highest levels of probity;
  - (ii) At the conclusion of negotiations each Supplier must be invited to submit a best and final price.
- 13.3 Where post-tender negotiation results in a fundamental change in specification (or contract terms) the contract must not be awarded and must be re- tendered.
- 13.4 If a supplier attempts to negotiate a contract post award, where this is not permitted, the Authority may disregard the supplier and award the contract to the next ranked compliant supplier.

### **14 Contract Award – Tenders and Quotations**

- 14.1 The award of a Contract to the successful Supplier(s) must be conditional upon the tender costs being within budgetary limits and subject to the appropriate approval being granted to proceed.

- 14.2 Following completion of the evaluation of responses to an opportunity with a value above £30,000, a tender evaluation report must be completed. The report will validate best practice and the requirements of the Authority's Financial Regulations and Financial Procedure Rules
- 14.3 A contract rewards report must be completed and authorised as outlined in the table below (on the basis that the relevant managers have been consulted with):

<b>Financial Limit (inc. VAT)</b>	<b>Dept. Head</b>	<b>Relevant Director</b>	<b>Treasurer</b>	<b>Member Tender Panel</b>
Up to £30,000	Y			
£30,001 - £100,000	Y	Y	Y	
Over £100,000	Y	Y	Y	Y
Over £214,000,	Y	Y	Y	Y

- 14.4 For all above threshold / covered procurements, the Authority must apply a minimum eight (8) day standstill period before entering into the contract (excluding Utilities, Light Touch or contracts awarded under Framework, in which case a standstill period is optional). This provides the opportunity for unsuccessful suppliers to request debrief information and to potentially challenge the decision formally before a Contract is signed.
- 14.5 All unsuccessful suppliers must be notified of the outcome of the procurement promptly in writing providing the reasons for elimination from the process including:
- (i) The criteria for the award of the contract.
  - (ii) The reason for the decision, including the characteristics and relative advantages of the successful tender.
  - (iii) The score (if any) obtained by the bidder to whom the notice is addressed and that of the successful bidder.
  - (iv) Social Value commitments.
  - (v) Any reason why the unsuccessful bidder did not meet the technical specifications.
  - (vi) The name of the successful bidder.
- 14.6 Disclosure may be withheld if any of the following apply:
- (i) Impede law enforcement.
  - (ii) Otherwise be contrary to public interest.
  - (iii) Prejudice the legitimate commercial interests of any economic operator.
  - (iv) Might prejudice fair competition.
- 14.7 The formal contract award notice must be published on the Central Digital Platform within 30 days of the award of the contract.
- 14.8 The successful Supplier(s) should be notified promptly in writing following acceptance of the tender or quote response and the Contract must be issued to the Supplier with a formal request to sign and return 2 copies. On receipt

of the signed Contracts from the Supplier, the Authority will sign the Contract to form the legally binding agreement, returning one copy to the Supplier(s). All Contracts and orders shall be in writing and made in the name of the Authority

## **15 Contracts Awarded Under Dynamic Markets**

- 15.1 The Authority may establish arrangements for the purpose of awarding public contracts known as a Dynamic Market by submitting a Dynamic Market Notice to the UK E-notification service and Procurement Portal.
- 15.2 In establishing a Dynamic Market, the Authority shall set conditions for participation relating to the legal and financial capacity to perform contracts to be awarded by reference to membership of the Dynamic Market and which have the technical ability to perform the contract. Such conditions shall be proportionate to the requirements, having regard to the nature, complexity and cost of the contract to be awarded.
- 15.3 To award a public contract under a Dynamic Market, the Authority must utilise the Competitive Flexible Procedure.
- 15.4 If a tender is submitted by a supplier which is not a member of the Dynamic Market, the Authority shall exclude the supplier unless the supplier has made an application for membership of the Dynamic Market and the Authority has accepted the application.

## **16 Purchasing From a Centralised Procurement Authority**

- 16.1 The Authority may purchase goods, services or works from a Centralised Procurement Authority without the need for additional competition. Note this is not the same as a procurement framework which a Centralised Procurement Authority has set up.

## **17 Collaborative Procurements**

- 17.1 Where the Authority is required under its own powers or at the request of a partner authority to procure on its behalf, those procurements must apply with Applicable Public Procurement Legislation and other relevant legislation more generally.
- 17.2 Each Authority must comply with its own Contract Standing Orders with regards to financial, procurement and delegated authority requirements and its own scheme of delegation for contract signing.
- 17.3 The Policing and Crime Act 2017 places a duty on Police, Fire and Ambulance Services to seek opportunities through collaboration where it is efficient or effective to do so.
- 17.4 The Procurement team will review all new procurement requirements, ensuring all opportunities to collaborate with partner organisations are exploited where they offer benefits to the Authority and collaborate with partners to develop new joint contracts.

## **18 Sealed Contracts and Record Keeping**

- 18.1 All Contracts which relate to the purchase of land or have potential long term liabilities and would benefit from the added legal protection afforded by the process of sealing shall be made by affixing the Common Seal. This shall only be attested by the Clerk to the Authority, the Authority solicitor, the CFO (Chief Fire Officer), DoCS (Director of Corporate Services) or DoPD (Director of People and Development).
- 18.2 In every written Contract for the execution of Works or the supply of Goods or Services the Supplier shall be prohibited from transferring or assigning or novating directly or indirectly to any person or persons whatever, any portion of that Contract without the written permission of the Authority. Sub-letting, other than that which may be customary in the trade concerned, shall be prohibited.
- 18.3 All submissions and supporting documentation for any procurement must be retained for seven (7) years from the commencement of the Contract by the Procurement Team.
- 18.4 All ordinary contracts must be retained for seven (7) years after expiry and contracts under seal thirteen (13) years after contract expiry.

## **19 Contract Management**

- 19.1 All contracts must be managed in accordance with the Procurement Legislation. The Contract manager is the Budget Holder or Project Owner, and is responsible for
- 19.2 Meetings & Performance Management.
- 19.3 The Contract Manager will set up a series of meetings to kick off, administer and manage delivery of the contract. These meetings will as a minimum monitor and report on the following:
- (i) Supplier & Supply Chain Suitability – ensure that the Contracting Authority is not contracting directly or indirectly with unsuitable (Excluded/ Excludable) suppliers.
  - (ii) Key Performance Indicators – delivery against the agreed criteria. KPI's are mandatory for all contracts over £5 million and must include a minimum of three KPI's.
  - (iii) Contract Performance – e.g. satisfactory delivery of the contract.
  - (iv) Contracting Authority Payment Performance –the Contracting Authority is required to pay the Supplier within 30 days of receiving a valid/undisputed invoice.
  - (v) Supplier Payment Performance - the Supplier is required to pay their supply chain within 30 days of receiving a valid/undisputed invoice.
  - (vi) Supplier Contracts – the supplier is required to enter into a legally binding agreement with suppliers on whom they are relying on to meet the technical, legal, or financial conditions of participation.



- (vii) Modifications – all modifications to a contract must be documented, along with the value and justification.

## **20 Term Of Contract**

- 20.1 The term of a Contract may be extended with the approval of the budget holder if there is provision within the Contract Terms and Conditions to extend and the agreement of the Director of Corporate Services has been given with regards to budgetary provision. If the Contract has already been extended to the full extent within the provisions of the existing Contract, it cannot be extended further.
- 20.2 If there is no provision within the Contract Terms and Conditions for the Contract to be extended the approval of the Clerk to the Authority, and the Treasurer must be sought to any proposed extension of the term of the Contract and a record kept of the reasons.
- 20.3 The Contract term cannot be extended where this would result in the total contract value exceeding the procurement thresholds.
- 20.4 In order to avoid any issues with the above it is best practice to ensure that Contracts are re-tendered in line with these Contract Standing Orders well in advance of their completion date.

## **21 Contract Modifications**

- 21.1 All modifications must be managed in accordance with the contract and in compliance of what is permitted under the applicable Public Procurement Legislation, i.e. Schedule 8 of PA.
- 21.2 It is necessary to publish a contract change notice for any modification except for a below threshold modification and a modification which increases or decreases the term of the contract by less than 10%.

## **22 Termination**

- 22.1 In the event any performance requirements are not being met, the Contracting Authority may terminate the contract in accordance with the stated contract clauses. Where required, this to be reported in accordance with Applicable Public Procurement Legislation.

## **23 Notices**

- 23.1 Where required under Applicable Public Procurement Legislation, the Contracting Authority may be required to publish a notice. The notices that may be required include the following:
  - (i) Contract Performance Notice – used to report on KPIs and whether the contract is being delivered to the required standards.
  - (ii) Payment Compliance Notice – used to publish the Contracting Authority's payment performance.

- (iii) Contract Modification Notice – used to publish details of a proposed modification to a contract where there is an increase or decrease in the estimated contract value over a specific value.
- (iv) Contract Termination Notice – used where the Contracting Authority terminates a contract in full.

## **24 Corrupt Practices**

- 24.1 In every written Contract a clause must be inserted to ensure that the Authority is entitled to terminate the Contract and recover from the Supplier the amount of any loss resulting from such termination, if the Supplier has:
- (i) Offered, given or agreed to give to any person a gift or consideration of any kind as an inducement or reward for doing or not doing anything related to the Contract or any other Contract with the Authority.
  - (ii) For favouring or not favouring any person in relation to a Contract, by any person employed by the Supplier or acting on their behalf.
  - (iii) The Supplier, or any person employed by them or acting on their behalf, has committed an offence under the Bribery Act (2010) or any amendment of the Act.
  - (iv) Shall have given any fee or reward, the receipt of which is an offence under the Local Government Act 1972.
- 24.2 All Authority members and officers must comply with the Authority's anti-fraud/ anti-bribery policies and relevant codes of conduct.

## **25 Third Parties**

- 25.1 In cases where a third party, such as a local authority, private architect or consultant is employed to act for the Authority in the carrying out of Works or purchase of supplies, it shall be a term of their appointment that they shall:
- (i) Observe or otherwise secure the observance of the procedures prescribed within these Contract Standing Orders;
  - (ii) Produce on demand, all records maintained by them in relation to the Contract; and
  - (iii) On completion of a Contract, transmit all such records to the Procurement department.

**Definitions:**

Term	Definition
Assessment Summary	<p>A letter detailing the outcome of the assessment of any Tenders received.</p> <p>For the winning Supplier it will include their scores and reasons for those scores against each of the published Award Criteria.</p> <p>For all losing Suppliers, the letter will include their scores and the reason for those scores against each of the published Award Criteria and the same information for the winning Supplier.</p>
Authority	Lancashire Combined Fire Authority (CFA) Lancashire Fire and Rescue Service (LFRS).
Award Criteria/Assessment Methodology	<p>Criteria set in accordance with section 23 of the Procurement Act 2023 against which Tenders may be assessed for the purpose of awarding a Public Contract. These criteria must:</p> <ul style="list-style-type: none"> <li>• relate to the subject-matter of the Contract,</li> <li>• be sufficiently clear, measurable, and specific,</li> <li>• not break the rules on technical specifications in section 56, and</li> <li>• be a proportionate means of assessing Tenders, having regard to the nature, complexity, and cost of the Contract.</li> </ul> <p>Where there are several criteria, their weighting or relative importance must be stated. Tender documents must include a scoring matrix and where required detail the minimum score required by a supplier which if this isn't met they could be excluded from the process.</p>
Below Thresholds Procurement	A procurement which is below the Covered Procurement threshold and not exempt from the Procurement Act 2023. PPN-11_23-New-Thresholds.pdf ( <a href="https://publishing.service.gov.uk">publishing.service.gov.uk</a> )
Best Value	<p>The Best Value Duty relates to the statutory requirement for a local authority as defined in Part 1 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”.</p>
Breach of Contract	Failure to meet and conditions of the contract
Budget Holder	The Authority representative with budgetary responsibility.

Capital Expenditure	Expenditure involving the acquisition or enhancement of fixed assets with a long-term value to the Authority, such as land, buildings, and major items of plant, equipment, or vehicles.
Capital Programme	The programme of Capital expenditure agreed by Fire Authority.
Categories	Where establishing a dynamic market, the Authority may divide the DM into categories (Lots/ specialism) to facilitate access by SMEs and drive effective competition.
Central Digital Platform (CDP)	The Central Digital Platform will be where all UK Contracting Authorities publish information relating to procurement. It is also the place where identifiers are recorded and/or issued and for suppliers to input their commonly used information.
Closed Framework	A framework that opens for competition, one or more bidders are appointed and then the framework is closed for any new submissions for a period of time.
Code of Conduct	The code of conduct binding on all Officers of the Authority.
Common Assessment Standard	A standardised pre-qualification questionnaire (PQQ) for the construction sector. It aims to streamline the construction procurement process by providing a unified set of questions for assessing suppliers.
Competitive Flexible Procedure	This is a multi-staged procurement which can include: a discrete Conditions Of Participation stage, limiting Suppliers (following the SQ or other assessments), one or more Tender rounds (and intermediate assessments), refinement of the Award Criteria, modification of the Tender procedure, interaction with the Suppliers (e.g., negotiations, presentations, site visits) and then following a final submission, there is a potential to finesse the submission and subsequent staged awards – all of this being subject to what was specified in the Invitation to Tender document.
Competitive Selection Process	A procurement process where all the Suppliers on the Framework (or a specific Lot) are invited to submit a Tender in line with the Framework rules and in line with the Specification for the Contract to be let, and the Specification of the Framework.
Competitive Tendering Procedures	This includes the Open Procedure and the Competitive Flexible Procedure.
Concession Contracts	A Contract for the supply, for pecuniary interest, of works or services to an Authority where — a. at least part of the consideration for that supply is a right to exploit, and b. under the Contract the Supplier is exposed to a real operating risk.

	(It may also be paid for by service users rather than the Authority)
Conditions of Participation	These are conditions that a Supplier must satisfy if the Supplier is to be awarded the Contract. These conditions must be a proportionate means of assuring that a Supplier has: • the legal and financial capacity to perform the Contract, or • the technical ability to perform the Contract.
Conditions of Tendering	The rules/conditions by which a competitive procurement process will be conducted, and with which a Supplier must comply if they are not to be excluded from the procurement process.
Conflict Assessment	An assessment that has been carried out by the Authority and in which it identifies all and any potential or actual conflicts and the actions taken/to be taken to mitigate them to ensure equal treatment.
Conflict of Interest	The Act requires Contracting Authorities to identify and keep under review actual and potential conflicts of interest. Contracting Authorities must also mitigate conflicts of interest and address circumstances which they consider are likely to cause a reasonable person to wrongly believe there to be a conflict or potential conflict of interest ('perceived conflict of interest').
Contract	An agreement to be made/concluded in writing between the Authority and a Supplier for a specific set of requirements. For a low value contract, this may be made by way of raising a Purchase Order (PO) and attaching the Authority's standard PO terms and conditions.
Contract Award Notice	A notice that is published on the Central Digital Platform and that informs the market of and intent to award and where a Mandatory Standstill Period (or Voluntary Standstill Period) is required. This notice initiates that Standstill Period. There is a different form of notice for below and above threshold procurements.
Contract Change Notice	For Contracts let under the Procurement Act 2023, this is a notice that must be published before a Contract modification is applied in accordance with Section 75. For Contracts let under the Public Contracts Regulations 2015, a modification notice must be published where a modification is made under Regulation 72(b) or 72(c).
Contract Details Notice	A notice that confirms that the Contract has been entered into in accordance with Section 53 of the Procurement Act 2023. There is a different form of notice for below and above threshold procurements.
Contract Management	Contract Management is the active management of the relationship between the Authority and the Supplier over the term of the Contract for the provision of services, goods or works to a set of agreed standards.

Contract Management Notice	For Contracts valued over £5 million, under the Procurement Act 2023, the Authority is required to publish KPIs and an assessment of performance against those KPIs. In addition, the Authority must publish a poor performance notice where the Supplier has breached a Public Contract and that breach has resulted in termination, partial termination, award of damages, or a settlement agreement; or the Authority considers that a Supplier is not performing a Public Contract to the Authority's satisfaction (even if the Supplier is not in breach of the contract); and having been given a proper opportunity to improve performance has failed to do so.
Contract Managers/Contracting Officer	An Officer with responsibility for conducting the purchasing processes for the purchase of works, goods or services on behalf of the Authority and that manages the resultant Contract and ensures day-to-day activities are conducted in accordance with its terms and conditions.
Contract Modification	For Contracts let under the Procurement Act 2023, this is a modification permitted under Section 74 and Schedule 8 of the Act or is not a substantial modification or is a below-threshold modification. For Contracts let under the Public Contracts Regulations 2015, this is a modification permitted under Regulation 72.
Contract Standing Orders (CSOs)	The key document which sets out the Authority's principles of procurement, roles and responsibilities, contract procedure rules and processes involved in purchasing services, goods, and works contracts.
Contracts Register	A register of the Authority's Contracts that exceed £30,000, including VAT, made publicly available via the Authority's E-Procurement System.
Contract Value	The estimated total monetary value of a Contract over its full duration and any extensions or potential variations. (N.B. not just the annual value.) Where the duration of a Contract is indeterminate, this will be taken to be the estimated value of the Contract over a period of four years.
Covered Procurement	An above threshold procurement that is intended to result in a Public Contract. PPN-11_23-New Thresholds.pdf ( <a href="https://publishing.service.gov.uk">publishing.service.gov.uk</a> )
Data Protection Act 2018	The legislation that controls how personal information is used by organisations, businesses, and/or the Government.
Dialogue	A discussion between the Authority and Suppliers about any aspect of the procurement.
Direct Award	The award of a Contract without a competitive process.
Discretionary Exclusion Grounds	These are set out in Schedule 7 of the Procurement Act 2023.

Dynamic Market	A list of Suppliers who have met the published conditions of membership and are eligible to submit a Tender against a competition let under the market. These markets can be set up to purchase any requirements that the Authority may wish to purchase and require the use of the competitive flexible procedure to award the Contract.
E-Procurement System	A system for the end-to-end tendering process. Both suppliers and buyers submit and respond to tenders electronically.
Equalities Act 2010	Protects individuals from various forms of discrimination and harassment relating to disability, age, gender, religion/belief, and sexuality.
Estimated Contract Value	The value being estimated by the Authority for the entire possible scope (including any optional extras) and duration (including any possible extensions) of the potential contract requirements including all other options, premiums, fees etc as may become due under the contract. This must include the anticipated whole life costs and be inclusive of VAT.
Excludable Supplier	An Excludable Supplier is a Supplier to whom a discretionary exclusion ground applies, and such exclusion ground circumstances are continuing/ likely to occur again; or they are on the debarment list by virtue of a discretionary exclusion ground. Tenders from excludable Suppliers may be disregarded in any Competitive Tendering Process (PA s.26(2)) and Contracting Authorities may exclude an Excludable Supplier from participating in a Competitive Flexible Procedure (PA s.27(1)(b)). The Authority may also terminate a Contract with a Supplier who becomes an excluded Supplier after the award of the Contract or where one of their sub-Contractors is an
Excluded Supplier	An Excluded Supplier is a supplier to which a mandatory exclusion ground applies and the circumstances giving rise to the application of that exclusion ground are likely to occur again; or the supplier is on the debarment list by virtue of a mandatory exclusion ground.
Exempt Contracts	The kind of Contract listed in Schedule 2 of the Procurement Act 2023.
Financial Regulations	The Authority's rules relating to financial procedures.
Framework	Frameworks help public sector buyers to procure goods and services from a list of pre-approved suppliers, with agreed terms and conditions and legal protections.
Freedom of Information Act	Freedom of Information Act 2000 is an act defining the ways in which the public may obtain access to government-held information.
Head of Service	An Officer of the Authority employed to manage and lead a particular service area.

Invitation to Tender (ITT)	The document that invites Suppliers to submit a Request to Participate or a Tender in response to a Tender Notice. It must include clear instructions of what is required, a description of the procurement process, the Conditions of Tendering, and the Award Criteria/ Assessment Methodology as a minimum.
Key Performance Indicators (KPI's)	A factor or measure against which a Supplier's performance of a Contract can be assessed during the life cycle of the Contract.
Light Touch Regime	These are Contracts/procurements which cover Health, Social Care, Community Service, legal and Education related requirements.
Lots	Splitting the goods, services or works to be supplied into more than one Contract to make them accessible to SMEs with the aim of promoting effective competition.
Mandatory Exclusion Grounds	Schedule 6 of the Procurement Act 2023 sets out the grounds for mandatory exclusions.
Most Advantageous Tender (MAT)	Is the Tender that the Authority considers— a. Satisfies the Authority's requirements, and b. Best satisfies the Award Criteria when assessed against them.
Member	An elected Member to the Fire Authority.
Monitoring Officer	The statutory officer responsible for the legal governance of the Authority.
National Policy Procurement Statement (NPPS)	National procurement policy statement outlining the strategic priorities for public procurement.
Negotiation	A discussion between the Authority and a Supplier with a view to improving the content of Tenders.
Officer	Any member of staff within the Authority.
Open Framework	A scheme of Frameworks where the initial Framework is open for three years or less, and the subsequent Frameworks cannot last for more than five years before it must be re-opened. The maximum overall term being eight years.
Open Procedure	This is a single stage procedure where any interested Supplier can submit a Tender; and a Supplier's suitability, capacity and capability and their Tender response are all evaluated together.
Performance Bond	A performance bond is issued to the Authority as a guarantee against the failure of the Supplier to meet the obligations of the Contract. A performance bond is usually issued by a bank or an insurance company.
Pipeline Notice	The annual notice to be published by Contracting Authorities to inform the market of the Contracts to be procured/awarded in the coming reporting period. It is only relevant for Contracting Authorities that will pay more than £100 million under relevant contracts in the coming financial year.



Preliminary Market Engagement	This can be used for the purpose of developing the Authority's requirements and approach to the planned procurement.
Presentation Demonstration	A meeting with a Supplier where they present their proposed delivery methodology or demonstrate a specific element/product within their proposal to aid the Authority in understanding the proposed solution and how it meets the Specification.
Procurement Award Report	Document that details the procurement process including the evaluation.
Procurement Initial Report	Document that details the proposed procurement process including the budget, evaluation criteria, sourcing options.
Procurement Legislation guidance	The guidance issued by the Cabinet Office that is to be considered in the development and delivery of the procurement process. Procurement Act 2023 - Guidance documents - GOV.UK ( <a href="http://www.gov.uk">www.gov.uk</a> ) Procurement policy notes - GOV.UK ( <a href="http://www.gov.uk">www.gov.uk</a> ).
Procurement Thresholds	The values that determine the available routes to market, set by the Cabinet Office and reviewed every two years.
Procurement Request Form	Document that outlines the key steps and requirements for initiating a procurement process.
Public Contract	This is a contract that is above the relevant threshold (for goods, services and works) and which is not an exempted contract.
Public Services (Social Value Act ) 2012	The Act that places a requirement to consider the economic, environmental, and social benefits of the procurement.
Procurement Policy Notes	Documents that provide guidance on best practices for public sector procurement. They are issued by Government bodies, such as the Cabinet Office and Crown Commercial Service in the UK, to help public sector organisations and suppliers understand and comply with procurement regulations and policies.
Purchase Order	A commercial document issued by the Authority to a seller, specifying the types, quantities and agreed prices for products or services the Authority intends to purchase.
Quotation	The provision of a price to deliver the Authority's requirements (may include a method statement too), without the conduct of a formal (advertised) procurement process.
Relevant Public Sector Legislation	Including but not limited to • Local Government Act 1988 Part II, • Local government Act 1999, • Local Government Act 2000, • Local Government (Contracts) Act 1997 • Equalities Act 2010 • TUPE 2006 • Localism Act 2011 • Small Business, Enterprise, and Employment Act 2015 • Modern Slavery Act 2015 • The Public Services (Social Value) Act 2012 • Local Government

	Transparency Code 2015 • The Health and Safety at Work etc. Act 1974.
Relevant Procurement Legislation	• Public Contracts Regulations 2015 or Concession Contracts Regulations 2016 • Procurement Act 2023, Procurement Regulations 2024 • Provider Services Regime 2023 where the procurement relates to health care services.
Request to Participate	The submission of a response to the Conditions of Participation published with a Tender Notice where these Conditions of Participation are a discrete stage in a Competitive Flexible Procedure.
Sensitive Commercial Information	Information that constitutes a trade secret or would be likely to prejudice the commercial interests of any person if it were published or otherwise disclosed.
Site Visit	A visit to an office, or project location to aid a Supplier in understanding the Contract requirements/specification and to aid in putting in an effective and compliant Tender.
Specification	The document that sets out the Authority's specific requirements for a specific contract/project.
SMEs	Small and Medium Enterprises – fewer than 250 employees and annual turnover not exceeding approximately £50 million.
Standstill Period	A period of eight working days commencing on the day that the Contract Award Notice was published on the Central Digital Platform. Mandatory for all Covered Procurements other than for the following exceptions, for which a Voluntary Standstill Period of eight working days may still be applied. <ul style="list-style-type: none"> <li>• Direct Award</li> <li>• Award under a Framework</li> <li>• Award by reference to a Dynamic Market</li> <li>• A light touch Contract</li> </ul>
Suppliers	Economic operators, tenderers, bidders, contractors (or subcontractors), third party organisations supplying goods, services or works to the Authority.
Tender Notices	An invitation issued by the Authority to Suppliers to submit proposals or bids to provide goods or services.
Tender Records	A record of all decision made during the life of a Covered Procurement.
Tender Stages	Initial, intermediate, and/or final Tender stage in a Competitive Flexible Procedure.
Treaty State Supplier	A supplier that is entitled to the benefits of an international agreement (part of the WTO or other formal arrangement).
Utilities Contracts	A Contract for the supply of goods, services or works wholly or mainly for the purpose of a utility activity (gas, electricity, water).

Value for Money	The balance of quality and price deemed representative of the Most Advantageous Tender.
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## Specific amendments to the Contract Standing Orders

Paragraph No	Change
1.2	Updated to Cabinet Office Guidance
2.1 – 2.4	New section added to provide governance context for users
3.4 – 3.5	Strengthened to provide greater clarity on roles and responsibilities.
4.1 – 4.11	Section strengthened to ensure compliance with the Procurement Act and provide greater clarity for users.
5.1	Added to provide clarity on current public procurement legislation
6.1 – 6.5	No change to the thresholds to ensure compliance with the Financial regulations but the process has been strengthened in line with procurement best practice
7.1 – 7.3	Added to ensure compliance with the Procurement Act
8.1 – 8.7	Added to ensure compliance with the Procurement Act
9.1 – 9.10	Added to ensure compliance with the Procurement Act
10.3	Added to clarify roles and responsibilities
11.1 – 11.11	Added to ensure compliance with the Procurement Act
12.2 – 12.8	Added to ensure compliance with both the Procurement Act and Cabinet Officer requirements
14.2	Added to comply with the Procurement Act
14.4	Expanded to provide greater clarity
14.7 – 14.8	Added to ensure compliance with the Procurement Act
18.1 – 18.2	Section added to provide additional information for users
19.1 – 19.3	Section added to strengthen expectations of contract managers, meeting the Procurement Act requirements and NFCC guidance.
20.1 – 23.1	Sections have been added to ensure compliance with the Procurement Act and related legislation, providing clear guidelines for contract management, modifications, termination, and notices.