



STANDING ORDERS

relating to

CONTRACTS

**LOCAL GOVERNMENT ACT 1972
- SECTION 135**

**Adopted June 2013 and revised
on 16 November 2022**

CONTENTS

Standing Order No.		Page No.
1.	Application and Interpretation of Standing Orders	3
2.	General Principles Applying to Procurement Activity	4
3.	Contracts not exceeding £25,000	5
4.	Contracts exceeding £25,000	5
5.	Selective Tendering - Ad Hoc List for Below Threshold Contracts	6
6.	Selective Tendering - Standing List for Below Threshold Contracts	7
7.	Invitations to Tender	8
8.	Open Tendering	8
9.	Submission of Tenders	9
10.	Opening and Acceptance of Tenders	9
11.	Clarification of Tenders	10
12.	Form and Content of Contracts	11
13.	Indemnity and Insurance	12
14.	Contractor Selection	12
15.	Conflicts of Interest	13
16.	Exceptions to these Standing Orders	13
17.	Modification of Contracts After Award	15
18.	Disclosure of Related Party Contracts	16

STANDING ORDER NO. 1
Application and Interpretation of Standing Orders

Application

- (1) The objective of these Standing Orders is to ensure that the Authority enters into contracts for the purchase and / or disposal of goods, materials or services or for the execution of works on the Most Economically Advantageous terms through the application of ethical, consistent and transparent practices and procedures. The entry into those contracts shall at all times be subject to these Standing Orders and the Financial Regulations.
- (2) These Standing Orders must be observed on every occasion the Authority enters into a contract for the purchase and / or disposal of goods, materials or services or for the execution of works.
- (3) The Local Government Act 1988 and all other relevant enactments Acts must be observed.

Interpretation

- (4) For the purpose of these Standing Orders:

“Authorised Officer” means an officer of the Authority duly authorised to enter into contracts on behalf of the Authority up to a value permitted in accordance with the Authority’s Financial Regulations;

the term “contract” shall apply to all agreements by or with the Authority and one or more parties for the purchase or disposal of goods, materials or services or for the execution of works but shall exclude contracts of employment or contracts for the sale and purchase or leasing of any interest in land;

“Chief Financial Officer” means the officer appointed by the Authority under Section 151 of the Local Government Act 1972;

“Most Economically Advantageous” means that tender or offer which, when taking into account the criteria specified by the Authority, which may include but are not limited to price, quality, delivery, technical merit, compatibility, functionality, social value, environmental characteristics and overall cost effectiveness, will bring the greatest benefit to the Authority;

“Public Procurement Legislation” means the Public Contracts Regulations 2015, the Concession Contracts Regulations 2016 and the Utilities Contracts Regulations 2016, or any replacement legislation in force from time to time in relation to the procurement and award of public contracts, concession contracts, service contracts, supply contracts and works contracts;

a “Quotation” means a written offer made by a supplier in response to a request received from the appropriate officer of the Authority in respect of the supply and / or disposal of goods, materials or services or for the execution of works;

a “tender” means a bid to supply goods, materials or services or to carry out works;

“Threshold” means the relevant threshold for the estimated value of a contract (inclusive of VAT) which applies from time to time for the purpose of determining whether the contract must be awarded in accordance with the Public Procurement Legislation; and

the “value” of a contract shall be the total value over the entire term of the contract, and this will be the value exclusive of VAT, save where these Standing Orders specify that the value is inclusive of VAT.

STANDING ORDER NO. 2.
General Principles Applying to Procurement Activity

- (1) Every contract made by the Authority or by a Committee or officer acting on the Authority’s behalf shall be awarded in accordance with these Standing Orders unless an exemption has been given in accordance with paragraph (5) of this Order.
- (2) Authorised Officers must ensure that they treat all potential contractors equally and without discrimination and that procurement exercises are run in a transparent and proportionate manner.
- (3) The legislation in force from time to time in the United Kingdom in relation to the award of public contracts and concession contracts (the Public Procurement Legislation) must be complied with. This legislation prescribes procedures for advertising contracts, selecting contractors and awarding public contracts and concession contracts and, where such legislation contains any provision which is inconsistent with the requirements of these Standing Orders, the terms of the legislation must be complied with. All proposed contracts which fall within the Public Procurement Legislation must be reported to the Director of Corporate Services prior to any action being taken.
- (4) It shall be a condition of any contract between the Authority and any person (not being an officer of the Authority) who is required to supervise a contract on the Authority’s behalf, that in relation to such contract, he/she shall comply with all applicable requirements of these Standing Orders as if he/she were an Authorised Officer of the Authority.
- (5) Exemption from any of the provisions of these Standing Orders may only be made by direction of the Authority or a Committee duly authorised in that behalf, where they are satisfied that the exemption is justified in special circumstances.
- (6) Every exemption made by the direction of a Committee to which the power of making contracts has been delegated shall be reported to the Authority.
- (7) A record of any exemption made in accordance with paragraph (5) of this Order shall be kept in the minutes of the Authority or, as the case may be, in the minutes of the Committee making it.
- (8) In the case of a tender exercise for a contract with an estimated value of more than £50,000, all tenderers will have their financial viability assessed by the Head of Finance (on behalf of the Chief Financial Officer) and their technical competence assessed by the Chief Executive or appropriate

Director. Where the estimated value of the contract (inclusive of VAT) is above Threshold, the evaluation must be carried out in accordance with the Public Procurement Legislation.

STANDING ORDER NO. 3
Contracts not exceeding £25,000

- (1) Where the estimated value of a proposed contract is more than £5,000 but does not exceed £25,000, a minimum of three written quotations should be sought. The Chief Executive or appropriate Director may enter into the contract with the contractor who offers the most competitive quote.
- (2) Where quotations are sought pursuant to this Standing Order, all quotations shall be opened at the same time.
- (3) Where there is a Standing List of Contractors for Below Threshold Contracts established under Standing Order 6, where relevant to the subject matter of the contract the competitive quotations shall be invited from contractors on that list.
- (4) Where the estimated value of a proposed contract does not exceed £5,000, the invitation of quotations shall be at the discretion of the appropriate Director.
- (5) Alternatively, a contract with an estimated value not exceeding £25,000 may be called off under a framework agreement which has been set up by the Authority or by a central purchasing body (such as the National Procurement Service frameworks).

STANDING ORDER NO. 4
Contracts exceeding £25,000

- (1) Where the estimated value of a proposed contract is more than £25,000, the contract opportunity must be advertised on the Sell2Wales website, unless it is tendered using the Standing List for Below Threshold Contracts.
- (2) Where the estimated value of a proposed contract exceeds £25,000 and in any other case where the Authority or appropriate Committee determine, the contract shall be awarded by the appropriate Director using one of the following methods:
 - (a) in the case of a below Threshold contract, ad-hoc selective tendering under Standing Order 5;
 - (b) in the case of a below Threshold contract, selective tendering from approved contractors under Standing Order 6;
 - (c) open competitive tendering by advertisement under Standing Order 8; or
 - (d) by calling off a contract under a framework agreement which has been set up by the Authority or by a central purchasing body (such as the National Procurement Service frameworks). Provided the framework concerned was awarded in accordance with the Public Procurement Legislation, any call off contract awarded by the Authority in accordance with the terms of the framework agreement and the Public Procurement Legislation will be deemed to comply with these Standing Orders.

- (3) In any instance when a contract award is to be based on criteria other than price alone, i.e. the Most Economically Advantageous for the Authority, the criteria for selection and the relative weighting given to each criterion shall be determined before the invitation to tender is issued and prospective bidders will be advised of the criteria.
- (4) Below Threshold contracts can be reserved for small and medium enterprises (SMEs) and/or voluntary, community and social enterprises (VCSEs) provided that an SME/VCSE would be a suitable contractor to deliver the contract. Any decision to reserve a below Threshold contract in this way must be taken in accordance with the Welsh Procurement Policy Note 05/21 (Guidance on reserving below threshold procurements for Welsh public sector contracting authorities) or any replacement policy from time to time.

<p>STANDING ORDER NO. 5 Selective Tendering - Ad Hoc List for Below Threshold Contracts</p>

- (1) This Standing Order shall apply where the Authority or a Committee duly authorised in that behalf, the Chief Executive or appropriate Director, having regard to the subject matter, purpose and value of the contract, have decided that invitations to tender for a below Threshold contract are to be made to some or all of those persons or bodies who have replied to a public notice.
- (2) For the purposes of this Standing Order, public notice shall be given:
 - (a) on the Authority's website;
 - (b) on Sell2Wales and, if considered suitable by the Chief Executive or the appropriate Director, in one or more newspapers or journals circulating among such persons or bodies who undertake such contracts; and
 - (c) at the discretion of the Authority or appropriate Committee or the Chief Executive or appropriate Director, to all or a selected number of persons or bodies named in the list maintained under Standing Order 6.
- (3) The public notice shall:
 - (a) invite expressions of interest from persons or bodies wishing to be invited to tender;
 - (b) specify a time limit, being not less than 10 working days from the date of the first publication of the notice, within which such applications are to be submitted to the Authority and the instructions for making such application via the Sell2Wales portal; and
 - (c) specify the following information:
 - 1. the nature and purpose of the contract;
 - 2. the information which persons must supply as part of their expression of interest, for example:
 - (a) details of their technical ability and experience;
 - (b) details of their financial standing;
 - (c) any other specific requirements relating to the contract or the Authority's requirements

or provide particulars of where an Information Memorandum and/or Pre-Qualification Questionnaire specifying the same may be obtained.

- (4) After the expiry of the period specified in the public notice, invitations to tender for the contract shall be sent to:
 - (a) not less than 3 of the persons or bodies who applied for selection to tender, who are considered suitable having regard to the information provided in accordance with paragraph 3(c) above;
 - (b) where fewer than 3 persons or bodies have applied or are considered suitable, those persons or bodies which are considered suitable. Alternatively, a further publication of the notice may be considered in order to attract further interest.

<p>Standing Order No. 6 Selective Tendering - Standing List for Below Threshold Contracts</p>

- (1) This Standing Order shall apply where the Authority or a Committee duly authorised in that behalf or the Chief Executive or appropriate Director, having regard to the subject matter, purpose and value of the contract, decides that invitations to tender for a below Threshold contract are to be limited to those persons or bodies whose names shall be included in a Standing List compiled and maintained for that purpose.
- (2) The Standing List shall:
 - (a) be compiled and maintained by the Director of Corporate Services;
 - (b) indicate in respect of any person or body whose name is included, the categories of contract and the values of contracts for which they have been approved; and
 - (c) be subject to ongoing monitoring by officers so as to ensure that the financial standing and the professional and technical capability of the persons and bodies on the Standing List is kept under review and can be assessed at any time in relation to a particular contract opportunity.
- (3) The Chief Executive may suspend a contractor from the Standing List either altogether or in relation to specified categories of contract if the contractor proves unsatisfactory or defaults on the delivery of a contract with the Authority. Any suspension, and the reason for and duration of the suspension, must be recorded in the Standing List.
- (4) Every two years, there shall be a wholesale review and update of the Standing List. At least 4 weeks before the review takes place, a notice shall be published on the Authority's website inviting applications from new contractors to be included on the Standing List and the Authority shall contact those contractors already on the Standing List to ask them to confirm whether or not they wish to remain on the Standing List. The notice on the website shall provide details of the criteria for admission to the Standing List, the process for applying to be included on the Standing List and details of the procedure for selecting contractors from the Standing List to be invited to tender for a particular contract.

- (5) Notwithstanding the two yearly review cycle, new contractors may apply in writing at any time to be considered for inclusion on the Standing List.
- (6) Where a decision is made in accordance with Standing Order 4(2)(b) to tender a contract to contractors selected from the Standing List, Officers shall arrange for invitations to tender for the contract to be sent to:
 - (a) not less than three contractors included on the Standing List in relation to the category and of contract concerned; or
 - (b) where fewer than three firms are approved for a contract of the relevant category and amount, all those firms.

<p>STANDING ORDER NO. 7 Invitations to Tender</p>

- (1) Invitations to Tender must include the following information:
 - (a) a description of (specification) of the works, goods or services to be carried out / supplied together with a required delivery date;
 - (b) appropriate terms and conditions (including Certificates as to Canvassing and Collusive Tendering);
 - (c) the form of tender to be completed by tenderers;
 - (d) the award criteria to be used when evaluating tenders;
 - (d) the requirements for submitting a valid tender; and
 - (e) the time and date by which Tenders must be received.

<p>STANDING ORDER NO. 8 Open Tendering</p>
--

- (1) This Standing Order shall apply where the Authority or a Committee duly authorised in that behalf or the Chief Executive or appropriate Director, having regard to the subject matter, purpose and value of the contract, have decided that tenders for a contract are to be obtained by open competition. In all instances where no specific prior decision has been made, the Chief Executive or Director may decide to utilise this method of tendering.
- (2) Notice of the tender exercise shall be given on the Authority's website and also, if the estimated value of the contract exceeds £25,000, on Sell2Wales and, if considered suitable by the Chief Executive or appropriate Director, in one or more newspapers or journals circulating among such persons or bodies as undertake such contracts. The time period for submission of tenders must not be less than the minimum period prescribed by the Public Procurement Legislation in the case of an above Threshold contract. In the case of a below Threshold contract, the time period for submission of tenders must not be less than 30 calendar days unless the Authorised Officer considers that a shorter period is required due to the urgency of the requirement.

- (3) The public notice shall:
- (a) outline the nature and purpose of the contract and state where further details may be obtained;
 - (b) invite tenders and state the last date and time by which tenders must be received;
 - (c) specify the requirements for submission of a tender;
 - (d) specify the award criteria; and
 - (e) specify what the information required from the tenderer in terms of:
 - (i) its technical ability and experience;
 - (ii) its financial standing; and
 - (iii) its proposal for delivering the contract.
- (4) Where a contract is particularly large and/or multi-disciplinary in nature, the contract can be divided into lots, and this can be helpful in making the contract more accessible for smaller contractors. In the case of an above Threshold contract, where the use of lots is deemed inappropriate, the reasons for this must be outlined in the invitation to tender and/or in the record which is kept of the procurement exercise in accordance with the Public Procurement Legislation.
- (5) The Authority can carve out a small lot or lots from a larger, above Threshold procurement and procure that lot or lots without having to comply with the Public Procurement Legislation provided that:
- (a) The estimated value (inclusive of VAT) of each such lot is less than £70,788 (for supplies or services) or £884,720 (for works); AND
 - (b) the aggregate value (inclusive of VAT) of all the lots carved out in this way does not exceed 20% of the value (inclusive of VAT) of the entire procurement.

<p>STANDING ORDER NO. 9 Submission of Tenders</p>

- (1) The Authority will run any competitive tender exercise via Sell2Wales.
- (2) Tenders will not be opened until the tender deadline has passed. Any tender received after the time and date specified in the invitation will not be considered, save on the authority of the Chief Executive in exceptional circumstances where the late submission was late for reasons beyond the control of the tenderer concerned.

STANDING ORDER NO. 10
Opening and Acceptance of Tenders

- (1) Where a tender process is run in accordance with Standing Order 5, 6 or 8, all tenders received before the tender deadline shall be opened following the tender deadline by the officer who ran the tender process (or his or her duly authorised representative) in the presence of one of the following: the Director of Corporate Services, the Director of Planning and Land Management, the Head of Finance, the Chief Executive or a duly authorised representative of any of them.
- (2) All tenders received shall be recorded.
- (3) In the case of a tender exercise for an above Threshold contract, all tenders must be evaluated in accordance with the selection and award criteria which were specified in the invitation to tender and other procurement documents and in accordance with the Public Procurement Legislation.
- (4) In the case of a tender exercise for a below Threshold contract, all tenders will be evaluated in accordance with the selection and award criteria which were specified in the invitation to tender and other procurement documents. If no such criteria were specified and the decision about which contractor to award the contract to is being made by the Authorised Officer, unless the appropriate Director directs otherwise, the Authorised Officer must accept the lowest tender if payment is to be made by the Authority and the highest tender if payment is to be received by the Authority.
- (5) In the case of a tender exercise for a below Threshold contract, the appropriate Director may accept a tender other than the lowest tender (if payment is to be made by the Authority) or the highest tender (if payment is to be received by the Authority) in either of the following circumstances:
 - (a) The Chief Executive or appropriate Director is of the opinion that, by virtue of criteria other than price, the tender is the Most Economically Advantageous for the Authority; or
 - (b) The tenderer which submitted the lowest/highest tender cannot deliver the goods, materials or services within the timescale required by the Authority and, in the opinion of the Chief Executive or appropriate Director, for that reason the preferred tender can reasonably be regarded as the Most Economically Advantageous tender.
- (6) A register of all contracts over £25,000 in value awarded by the Authority shall be kept and maintained by the Director of Corporate Services. Such register shall, for each contract, specify the name of the contractor, the works to be executed or the goods or services to be supplied and the contract value. The register shall be open to inspection by any member of the Authority.
- (7) The Authorised Officer must prepare a Tender Evaluation Report for every above Threshold contract awarded, in accordance with the Public Procurement Legislation. The Tender Evaluation Report must document all key decisions throughout the tendering process.

STANDING ORDER NO. 11
Clarification of Tenders

- (1) All the tenders submitted will be arithmetically checked and the tender price determined in accordance with the evaluation criteria set out in the invitation to tender.

- (2) If the Authority considers that a tender reveals an error or discrepancy in the rates which affects the tender price to be evaluated, the tenderer is to be given details of the error or discrepancy and afforded an opportunity of confirming his/her rates or withdrawing his/her tender.
- (3) In exceptional circumstances where, despite an error or discrepancy, it is clear from the tender what the correct figures were intended to be, the Chief Executive or appropriate Director may decide that an approach may be made to the tenderer to clarify and correct the figures. However, on no account should a tenderer be permitted at this stage to submit new figures.
- (4) Where the Authority considers that a tender for an above Threshold contract appears to be abnormally low in value, the Authorised Officer must, in accordance with the Public Procurement Legislation, request the tenderer to explain the price or costs proposed in its tender.
- (5) After the successful Tenderer has been identified and notified, the Chief Executive or appropriate Director may approve changes to the terms of the contract provided these changes are initiated by the Authority, are entirely for the benefit of the Authority and, in the case of an above Threshold contract, any changes are not substantial and are made in compliance with the Public Procurement Legislation. A record of any such alteration must be kept in the register.

<p>STANDING ORDER NO. 12 Form and Content of Contracts</p>
--

- (1) Every contract shall:
 - (a) be in writing and signed by an officer of the Authority duly authorised in that behalf;
 - (b) specify:
 - (i) the goods, materials or services to be supplied and/or the work to be executed;
 - (ii) the price to be paid together with a statement as to the amount of any discount(s) or other deduction(s);
 - (iii) the period(s) within which the contract is to be performed;
 - (iv) any ascertained / liquidated damages payable by the contractor if such provision is required pursuant to paragraph (1) (c) below;
 - (v) the specifications and standards to be applied to the contract;
 - (vi) the processes for monitoring delivery of the contract, together with controls over sub-contractors; and
 - (vii) such other conditions and terms as are appropriate for the contract in question;
 - (c) contain a provision for ascertained / liquidated damages or other sufficient security for due performance where, after consultation with the Director of Corporate Services and the Chief Financial Officer, the Chief Executive or appropriate Director considers it to be appropriate; and

- (d) comply with all legislative requirements including all Health and Safety at Work regulations and provisions in force from time to time.
- (2) There shall be inserted in every written contract, in addition to provisions covering the matters specified in paragraph (1) above, a clause empowering the Authority to terminate the contract and to recover from the contractor the amount of any loss resulting from such termination, if:
 - (a) the contractor shall have offered, or given, or agreed to give to any person, any gift or consideration of any kind as an inducement or reward for doing, or not doing, or for having done, or not done any action in relation to the award or execution of the contract, or any other contract with the Authority, or, for showing or forbearing to show favour, or disfavour, to any person in relation to the contract, or any other contract with the Authority; or
 - (b) any of the matters referred to in sub-paragraph (a) shall have been done by any person employed by the contractor, or acting on the contractor's behalf (whether with or without the knowledge of the contractor); or
 - (c) in relation to any contract with the Authority, the contractor or any person employed by him/her, or acting on his/her behalf, shall have committed any offence under the Bribery Act 2010, or shall have given any fee or reward, the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

STANDING ORDER NO. 13
Indemnity and Insurance

In any contract for the execution of any work or for the supply of goods, materials or services, the contractor shall be required to indemnify the Authority against:

- (a) any claim which may be made against the Authority or the contractor by any person employed by the contractor, any sub-contractor, any person employed by a sub-contractor or any other person whatsoever in connection with anything done or not done by the contractor in connection with its performance of the contract;
- (b) any claim in respect of bodily injury or damage to property of a third party arising out of anything done or not done by the contractor in connection with its performance of the contract;

and the contract must also contain a provision requiring the contractor to obtain and maintain in place insurance at a level to be agreed to cover its potential liabilities under the indemnity. The contractor must be required, before the commencement of the contract, to produce to the appropriate Director satisfactory evidence of insurance against such claims.

STANDING ORDER NO. 14
Contractor Selection

- (1) The Authority shall, having regard to the subject matter and value of the contract, require a contractor to give sufficient security and demonstrate suitability for the performance of a contract and compliance with contract conditions. This may include, as appropriate, asking the contractor to provide:

- (a) details of their background and competence to carry out the contract;
- (b) appropriate financial checks, bankers' references, statements of account, referees etc. to the satisfaction of the Chief Financial Officer;
- (c) details of previous work record;
- (d) evidence of satisfactory employer's and public liability insurance;
- (e) performance bond or parent company guarantee if so requested;
- (f) evidence of commitment and arrangements to secure satisfactory standards of health, safety and welfare;
- (g) details of any registration with a nationally recognised regulating body or European equivalent appropriate to the work and any recognised guarantee schemes which the contractor is a member of;
- (h) evidence of the qualifications of the workforce and status of supervisors in relation to their suitability and competence to carry out the contract.

Standing Order No. 15

Conflicts of Interest

- (1) The Authorised Officer must take appropriate steps to prevent, identify and remedy conflicts of interest to avoid any distortion of competition or unequal treatment of tenderers. This includes taking appropriate steps where any officers who are involved in the tender process on behalf of the Authority have, directly or indirectly, any financial or personal interest which might be perceived to compromise their impartiality.
- (2) All officers involved in the preparations for a tender exercise, or sitting on a Tender Evaluation Panel, must complete a Conflict of Interests Declaration Form.

Standing Order No. 16

Exceptions to these Standing Orders

- (1) A contract with an estimated value (inclusive of VAT) below the Threshold may, with the approval of the Chief Executive or appropriate Director, be awarded directly to a contractor without seeking quotations or tenders in the following cases:
 - (a) where the purchase is made by way of direct award under a framework agreement set up by the Authority, or is otherwise made under a framework agreement set up by another public body (such as the National Procurement Service frameworks) in accordance with the terms of that framework;
 - (b) the goods or materials are proprietary articles or are sold only at a fixed price and no reasonably satisfactory alternative is available;
 - (c) the prices of the goods or materials are wholly controlled by trade organisations or government order and no reasonably satisfactory alternative is available;

- (d) there is only one contractor capable of fulfilling the Authority's requirements, whether because of the need for the works, goods or services to be compatible with other works, goods or services belonging to, or procured by, the Authority or for any other reason;
- (e) where the Chief Executive or Appropriate Director, the Chief Financial Officer and the Director of Corporate Services are satisfied that there are proper service reasons for not tendering for the supply of the goods, materials, services or works and where they are satisfied that there will be no economic disadvantage to the Authority as a result of not so tendering;
- (f) for the services of Counsel;
- (g) the services or goods to be provided or supplied are of a creative nature where the primary basis for award is the artistic or creative vision of an individual;
- (h) the contract is for the supply of used or second hand goods or materials and the appropriate Director is satisfied that the market for such goods or materials is such that it would be unreasonable to tender or where the time required to complete the tender process is likely to lead to the loss of opportunity to purchase a used or second hand item;
- (i) where the works, goods or services are urgently required for any of the following purposes and there is no time to seek quotations or to invite tenders:
 - (i) to prevent danger or injury to Authority staff or members of the public;
 - (ii) to prevent damage or serious deterioration to land, buildings or plant;
 - (iii) to maintain essential services;
 - (iv) to avoid enforcement action against the Authority for non-compliance with a statutory provision;
 - (v) to make land or property secure against unauthorised access or use; or
 - (vi) for any other purpose where the Authority or the public will be seriously prejudiced if such purchases works, goods or services are not procured urgently.

(2) A contract with an estimated value (inclusive of VAT) above the Threshold may, with the approval of the Chief Executive or appropriate Director, be awarded directly to a contractor without a competitive tender exercise in the circumstances permitted by the Public Procurement Legislation, including where:

- (a) a contract is called off by way of direct award in accordance with the terms of a framework agreement which has been set up by the Authority or by a central purchasing body (such as the National Procurement Service frameworks);
- (b) no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided no substantial alternations are made to the contract as it was advertised;
- (c) where the works, supplies or services can be provided only by a particular economic operator for any of the following reasons:
 - (i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;
 - (ii) competition is absent for technical reasons;
 - (iii) the protection of exclusive rights, including intellectual property rights;

but only, in the case of paragraphs (ii) and (iii) where no reasonable alternative or

substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;

- (d) insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the Authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with;
- (e) where the Authority requires additional supplies from the original contractor as a partial replacement for, or an extension to, existing supplies or installations and a change of supplier would result in the Authority having to acquire supplies with different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and maintenance. Any contract awarded for this reason must not exceed 3 years without approval from the Chief Executive or appropriate Director.

(3) Any direct award of a contract in accordance with paragraph (2) must be reported to the Chief Financial Officer and the next meeting of the Authority or a duly authorised Committee.

Standing Order No. 17

Modification of Contracts After Award

- (1) Provided the Chief Executive or appropriate Director has given approval, it is permitted to make changes to an existing contract, or to extend the term or scope of an existing contract, in any of the following circumstances:
 - (a) where the original tender document or contract contained a clear, precise and unequivocal clause allowing for the change and setting out the circumstances in which the change may be made, provided the change does not alter the overall nature of the contract;
 - (b) where additional works, services or supplies have become necessary and the following three conditions are satisfied:
 - (i) a change of contractor cannot be made for economic or technical reasons, such as for reasons of interchangeability or interoperability with existing equipment, services or installations supplied under the contract as originally awarded; and
 - (ii) a change of contractor would cause significant inconvenience or substantial duplication of costs for the Authority; and
 - (iii) any increase in price does not exceed 50% of the original contract value;
 - (c) where the modification is required as a result of circumstances which a diligent contracting authority could not have foreseen, provided the modification does not alter the overall nature of the contract and any increase in price does not exceed 50% of the original contract value;
 - (d) where the value of the modification (inclusive of VAT) is below the relevant Threshold for the contract, and also less than 10% of the original contract value (inclusive of VAT, in the case of a contract for services or supplies) or less than 15% of the original contract value (inclusive of VAT, in the case of a contract for works), provided that the modification does not alter the overall nature of the contract;

- (e) where the proposed modifications are not substantial, meaning that they do not do any of the following:
- (i) render the contract materially different in character;
 - (ii) introduce changes which, had they been included in the original procurement, would have allowed for the admission of other candidates, the acceptance of a different tender or attracted additional participants;
 - (iii) change the economic balance of the contract in favour of the contractor;
 - (iv) extend the scope of the contract considerably; or
 - (v) replace the existing contractor (save as permitted by paragraph (f));
- (f) where the original contractor is replaced by a new contractor and either:
- (i) this is in accordance with paragraph (a); or
 - (ii) the new contractor steps into the position of the old contractor as a result of a corporate restructuring, acquisition or insolvency, provided the new contractor meets the selection criteria set out in the original procurement exercise and provided there are no other substantial modifications to the contract.
- (2) Provided the original value of the contract (inclusive of VAT) was below the relevant Threshold and the Chief Executive or appropriate Director has given approval, an extension to the term of an existing contract is permitted where necessary because the procurement exercise to award a replacement contract will not be completed when the existing contract is otherwise due to expire.

Standing Order No. 18

Disclosure of Related Party Contracts

- (1) Officers and Members of the Authority are required to notify the Authority in writing without delay if it comes to their attention that the Authority proposes to enter into, or has entered into, a contract with a Related Party of that Officer or Member. The notification must identify the contract concerned and the Related Party and explain the nature of the relationship between the Related Party and the Officer or Member.
- (2) For these purposes, Related Party means any person who has any of the following relationships with the Officer or Member:
 - (i) spouse or civil partner;
 - (ii) child, grandchild or great grandchild (including any adopted child, grandchild or great grandchild);
 - (iii) sibling;
 - (iv) parent or grandparent;
 - (v) business partner;
 - (vi) a business in which the Officer or Member owns at least a 10% ownership stake or holds or controls at least 10% of the voting rights.
- (3) The Authority will keep a register of Related Party Contracts.