



**THE BOARD OF STRATHCLYDE FIRE & RESCUE**

**STANDING ORDERS RELATING TO CONTRACTS**

To be approved by the Board of Strathclyde Fire & Rescue on 13 June 2007  
Effective from 13 June 2007

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## **THE BOARD OF STRATHCLYDE FIRE & RESCUE STANDING ORDERS RELATING TO CONTRACTS**

### **1. OVERVIEW**

1.1 **Legislation** regulates how contracts can be made by or on behalf of the Board. In this context, “contract” means any agreement-

- i. with an individual, company or other organisation for the execution of building and civil engineering works or for the supply of goods, materials or services, and
- ii. which is authorised to be entered into by the Board or the Executive Sub Committee or
- iii. which is entered into, either in writing or verbally, by an employee of the Board, acting under their delegated powers to do so, and
- iv. which commits the Board to the outcome of the agreement and therefore, is legally enforceable by either the Board and the other party or parties to the agreement.

1.2 The **Local Government (Scotland) Act 1973, section 81** requires the Board to make Standing Orders with respect to the making of contracts by or on behalf of the Board for works and for the supply of goods and materials. These Standing Orders must include provision for securing competition for such contracts and for regulating the manner in which tenders are invited by the Board. Section 81 allows the Board to exempt any contract from this requirement for competition where the Board decides that it is satisfied that the exemption is justified by special circumstances.

However, this exemption from competition applies only to contracts where the aggregated estimated cost is less than the relevant EC threshold under the EC Procurement Directive 2004/18/EC.

1.3 The **Public Contracts (Scotland) Regulations 2006** give effect in Scotland to the European Directive on Public Contracts [Directive 2004/18/EC]. This European Directive seeks to ensure that public sector bodies such as the Board award contracts in an efficient and non-discriminatory manner. The Regulations set out the procedures to be followed at each stage of the procurement process leading to the award of contracts above certain financial thresholds for works, supplies (goods) and services by the Board and other public bodies. They take account of modern techniques such as e-procurement and the provision of framework agreements, as well as the extent to which social and environmental issues can be considered during the procurement process.

1.4 In addition, the **Local Government in Scotland Act 2003**, section 1 requires the Board –

- i. to secure best value in the performance of its functions,
- ii. to balance the quality and cost of the performance of its functions and the cost of services to service users,
- iii. to have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance,
- iv. to discharge its duty to secure best value in a way which contributes to the achievement of sustainable development.

## **2. GOVERNANCE**

### **2.1 Introduction**

2.1.1 The purpose of these Standing Orders is :-

- i. to ensure a uniform approach to contracting procedures is laid down for use by the Board and its employees.
- ii. to secure competition with regard to contracts for the provision of works, goods and services as required by the legislative framework.
- iii. to afford protection to the Board and its employees.

This shall ensure a system of openness, integrity and accountability where the probity and transparency of the process will be beyond reproach. In turn this shall lead to better value for money and give confidence to all concerned that the Board is fulfilling its fiduciary responsibilities.

2.1.2 The Assistant Chief Officer (Finance) is responsible for all procurement and tendering arrangements for goods, services and works.

2.1.3 Any queries regarding these Standing Orders or their interpretation should be made in the first instance to the Assistant Chief Officer (Finance).

2.1.4 All Assistant Chief Officers must ensure that all staff within their Directorate understand and comply with these Standing Orders.

2.1.5 These Standing Orders shall apply to the placing of any contract for goods, services or works. All such contracts, extensions and variations to contracts, must be made within the terms of the relevant legislative framework, the EC procurement rules, these Standing Orders and the Board's Procurement Strategy and Procurement Practice Notes as issued by the Assistant Chief Officer (Finance).

Where there is conflict between the Standing Orders and such legislation or rules, the latter shall take precedence.

The Board's duty at all times will be to achieve best value.

2.1.6 Subject to the EC procurement rules, the Board may decide, after considering a report from the Assistant Chief Officer (Finance), that these Standing Orders, or parts of them, shall not apply to a specific contract, if it is satisfied that there are special circumstances to justify the exemption.

### **2.2 Financial Thresholds**

2.2.1 All contracts with an estimated aggregated value of less than £50,000 shall be exempt from these Standing Orders but not from the requirement to seek competition.

2.2.2 These contracts are governed by the relevant Procurement Practice Note Relating to Contracts of £50,000 or less and the procedures to be followed must be in accordance with this Procurement Note.

## **2.3 Contracts Subject to EC Public Procurement Rules**

2.3.1 Where the estimated aggregated value of a contract exceeds the current EC threshold, then the contract shall be tendered in accordance with the Regulations:

The current thresholds are:-

Services	£144,371
Supplies (goods)	£144,371
Works	£3,611,319

The thresholds change every two years and are due to change again on 1<sup>st</sup> January 2008.

2.3.2 The aggregated value of the contract shall be based on the estimated value over the term of the proposed contract and not the annual value.

2.3.3 Any such contract shall be subject to the relevant Procurement Practice Note as issued by the Assistant Chief Officer (Finance) regarding the procedure for advertising and awarding such contracts in accordance with EC public procurement rules.

## **2.4. Exemptions**

2.4.1 There shall be exempted from the provisions of these Standing Orders the following:-

- i. Any contract of employment.
- ii Any contract for the acquisition or disposal of heritable property held by or vested in the Board which shall be the subject of an individual report to the Board where not otherwise covered by the Scheme of Delegated Functions.
- iii. Any contract for the execution of works, for the supply of goods or materials or for the provision of services which is, in the opinion of the Chief Officer, urgently required for the prevention of damage to life or property subject to the provisions contained within the Financial Regulations.
- iv. Any contract for the purchase of second hand goods or materials, which shall be subject to Procurement Practice Notes issued by the Assistant Chief Officer (Finance).

2.4.2 Where the Assistant Chief Officer (Finance) has decided that the criteria for exemption from seeking competitive tenders are fulfilled, then the reason(s) must be noted in the Register of Tenders as described by Standing Order 6.1, and a contract awarded to the preferred supplier or contractor as appropriate. However, arrangements for contracts shall be reviewed annually to ensure best value.

## **2.5. Procurement Practice Notes**

- 2.5.1 These Standing Orders shall be supplemented by Procurement Practice Notes as issued from time to time by the Assistant Chief Officer (Finance). These Procurement Practice Notes shall be effective from date of issue and shall be complied with as if they formed part of the Standing Orders. They may be varied or revoked by the Assistant Chief Officer (Finance) from time to time as required.

## **2.6 Sustainable Procurement**

- 2.6.1 It is recognised that the Board has a duty to carry out its procurement activities in a sustainable and responsible manner.
- 2.6.2 In all procurement exercises due cognisance shall be taken with regard to the inclusion of sustainable procurement issues in accordance with Strathclyde Fire & Rescue's Procurement Strategy and the CFOA Sustainable Procurement Policy Statement.

## **2.7 Non Discrimination**

- 2.7.1 Before entering into a Contract, the Board shall obtain from the Contractor an undertaking in writing that to the best of their knowledge and belief, the contractor is not unlawfully discriminating within the meaning and scope of all relevant statutory requirements.

## **2.8 Breach of Standing Orders**

- 2.8.1 Employees upon discovering a possible breach of these Standing Orders must report the matter immediately to the Assistant Chief Officer (Finance) and to their own Assistant Chief Officer.
- 2.8.2 The Assistant Chief Officer (Finance) shall investigate any breach of the Standing Orders.
- 2.8.3 Failure by any employee to comply with these Standing Orders, or in the case of staff with appropriate supervisory responsibilities, failure to ensure compliance may give rise to disciplinary procedures.

## **2.9 Appropriate Contract Provision**

- 2.9.1 Employees must place orders against appropriate contracts which have been entered into by the Board or to which the Board may utilise through approved Consortia arrangements, collaborative ventures or Central Government contracts.
- 2.9.2 The advice of the Procurement Manager shall be sought before any consortia, collaborative or central government contracts are used.

## **2.10 Governing Law**

- 2.10.1 Except where otherwise agreed between the Assistant Chief Officer (Finance) and the Principal Solicitor, all contracts entered into by the Board shall be in writing and shall be subject to Scots Law and to the exclusive jurisdiction of the Scottish Courts.

## **2.11 Freedom of Information**

- 2.11.1 All tender documentation or contracts shall not prohibit the disclosure of information which would otherwise be disclosed in compliance with the Freedom of Information (Scotland) Act 2002. No tender documentation or contract shall contain a condition that restricts unjustifiably the disclosure of information held by the Service in relation to the tender documentation or contract.

## **2.12 Code of Conduct**

Strathclyde Fire & Rescue expects a high standard of conduct from all its employees. In all procurement exercises due cognisance shall therefore be taken of the "Code of Conduct for Employees". This Code sets out the minimum standards which are expected of all employees of Strathclyde Fire & Rescue.

## **2.13 Review of Standing Orders**

- 2.13.1 The Assistant Chief Officer (Finance) is responsible for maintaining a continuous review of the Standing Orders and submitting any changes to the Board for approval.

### **3. PROCUREMENT TECHNIQUES**

#### **3.1 Collaborative Procurement**

- 3.1.1 Any decision to embark upon joint collaborative procurement arrangements with other Fire & Rescue Services or other public bodies shall be approved by the relevant Assistant Chief Officer in consultation with the Procurement Manager prior to the commencement of any procurement on behalf of the Board.
- 3.1.2 Approval for such collaborative arrangements shall only be given where the collaboration assures compliance with the relevant legislative framework, EC Regulations and ensures best value for the Board.
- 3.1.3 It is acknowledged that where another Fire & Rescue Authority/Board undertakes the Lead Service Role on such collaborative arrangements then that Service's Standing Orders may be utilised in developing the contractual arrangements.

#### **3.2 Frameworks**

- 3.2.1 Where the Board is able to call off from existing Framework Agreements procured by central government agencies, other Fire & Rescue Services or other public bodies, then the Board may benefit from using these Frameworks without entering into a separate procurement exercise.
- 3.2.2 All call-offs from the Framework Agreement shall be undertaken in strict accordance with the terms of the Framework Agreement. This may include a requirement for a mini competition exercise between those contractors who are parties to the Framework.
- 3.2.3 Advice shall be sought from the Procurement Manager on all occasions before the initial decision to utilise a Framework Agreement is taken. The use of Framework Agreement shall be in accordance with the Procurement Practice Note as issued by the Assistant Chief Officer (Finance).
- 3.2.4 Any Framework Agreement used by any Directorate or individual Section shall be notified to the Procurement Manager in order that the Procurement Section can incorporate the Framework Agreement onto the Contracts Database.

#### **3.3 Approved / Restricted Lists**

- 3.3.1 Where the Assistant Chief Officer (Finance) considers it appropriate, tenders may be invited from an Approved / Restricted List of contractors or suppliers for a specific contract that is not subject to the EC Regulations. However the use of such lists must be conducted in accordance with:
- i. the principle of "adequate publicity" so as to meet basic EC Treaty requirements such as transparency, equal treatment and non-discrimination and
  - ii. the Procurement Practice Note as issued by the Assistant Chief Officer (Finance).

- 3.3.2 Ad-hoc Restricted Lists may also be compiled where a public notice has been published advertising the Board's requirements in accordance with Standing Order 4.1.5 for contracts that are not subject to the EC Regulations. Selection in such circumstances shall be undertaken in accordance with pre-publicised selection criteria and the relevant Procurement Practice Note as issued by the Assistant Chief Officer (Finance).
- 3.3.3 In all circumstances as described above, a minimum of four tenders shall be sought in all instances. Where this is not feasible or practical the reasons for this shall be documented.
- 3.3.4 There should not be excessive patronage of any one firm or group of firms unless it can be proven that these firm/s are the sole supplier of the specified goods, service or works.

#### **3.4 Electronic Tendering and Auctions**

- 3.4.1 The Assistant Chief Officer (Finance) may utilise electronic tendering and /or electronic auction processes where appropriate.
- 3.4.2 E-Tendering and/or E-auctions shall only be undertaken using an e-tendering /e-auction system approved for use by the Assistant Chief Officer (Finance). In approving such a system the Assistant Chief Officer (Finance) shall have regard to security issues such as access control, data encryption, verification of supplier identity and measures to minimise risks from viruses and hacker attack. The Assistant Chief Officer (Finance) shall take advice as necessary from the Head of IT.
- 3.4.3 Where consideration is being given to an e-tendering and/or e-auction process, advice shall be sought on all occasions from the Procurement Manager.
- 3.4.4 In undertaking an e-tendering and/or e-auction process, it shall be ensured that the same level of controls is applied that would normally be applied to a paper based process, in accordance with these Standing Order for Contracts and the Procurement Practice Notes as issued by the Assistant Chief Officer (Finance).

## **4. TENDER PROCEDURES**

### **4.1 Pre Tender**

#### **4.1.1 Market Research and Consultation**

4.1.1.1 Potential suppliers may be consulted prior to the commencement of any Tender exercise with regard to general matters pertaining to the Board's requirement providing this does not prejudice any potential candidate. There shall be no excessive patronage of certain suppliers or group of suppliers in such circumstances.

4.1.1.2 Such research or consultation must not seek or accept technical advice on the preparation of an invitation to tender or quotation from anyone who may have a commercial interest in them if this may prejudice the equal treatment of all potential candidates or distort competition. The advice of the Procurement Manager shall be sought in all instances prior to undertaking such action.

#### **4.1.2 Standards**

4.1.2.1 Where there is a recognised standard applicable to any contract and current at the date of tender, the tender documents shall require that the goods or materials to be used or supplied and all workmanship shall at least meet the requirements of that Standard.

4.1.2.2 The rules relating to technical specifications mean that any reference to a specific technical standard, make or type shall be prefaced with the words "or equivalent". This requirement applies to all contracts.

#### **4.1.3 Documentation**

4.1.3.1 The Procurement Manager shall, in consultation with all relevant Sections, prepare documentation as necessary for issue when inviting tenders for goods, services and works. This documentation shall be prepared in accordance with these Standing Orders and Procurement Practice Notes.

4.1.3.2 Where the procurement exercise is conducted under the open tendering procedure as defined by EC Procurement Regime, the Board may charge a fee, as determined from time to time by the Procurement Manager for the issue of tender documentation.

#### **4.1.4 Estimating The Contract Value**

4.1.4.1 All Contract values shall be calculated in accordance with the EC Regulations (even when the Regulations are not applicable) for consistency.

4.1.4.2 The Board shall make best use of its purchasing power by aggregating purchases wherever possible. The value of goods/services/works shall not be split in an attempt to avoid either the applicability of these Standing Orders or the obligation to comply with EC Procurement legislation.

4.1.4.3 No tender shall be invited or offer made or accepted unless appropriate financial provisions have been made and approved by the Board.

#### **4.1.5 Advertising Requirements**

4.1.5.1 Subject to Contract Standing Order 3.3.1, tenders shall be invited by placing a contract notice as follows:

- ii. BIP Project or similar web based site
- ii. The Herald and/or other national newspaper/s
- iii. E-Fire Scotland website (Scottish Fire & Rescue Service Dedicated Procurement Website).

Consideration shall also be given to the placement of a contract notice in specific trade journals depending upon the contract requirement.

4.1.5.2 A reasonable amount of time shall be given for interested parties to lodge their interest or submit a completed tender taking account of the exigencies of the Service. The Procurement Manager's advice shall be sought when drafting tender timetables.

4.1.5.3 A contract notice shall be placed in the supplement to the Official Journal of the EU (The OJEU) where the estimated aggregated value of a contract for the procurement of supplies (goods) or services or public works equals or exceeds the relevant EC limit applying at that time. Standing Order 2.3.1 details the current thresholds.

4.1.5.4 An accurate estimate of the likely costs shall be prepared and documented at the planning stage of each contract to ensure that the correct advertisement route is undertaken for the procurement exercise.

#### **4.2 Invitation to Tender**

4.2.1 The Procurement Manager shall be responsible for issuing all Invitations To Tender (ITT's).

4.2.2 A risk assessment shall be undertaken at the application stage where a restricted tender procedure (Standing Order 3.3.2) is being undertaken or prior to the award of contract where an unrestricted tender procedure is being undertaken. This assessment shall evaluate the ability of the applicant/tenderer to undertake the Board's requirement. This assessment shall be undertaken in compliance with the relevant Procurement Practice Note.

4.2.3 All invitations to tender must state:

- i. the goods, services or works that are required together with the terms and conditions that shall apply.
- ii. A description of the award procedure and, unless defined in a prior advertisement, a definition of the Award Criteria in objective terms and if possible in descending order of importance;
- iii. The method by which any arithmetical errors discovered in the submitted tenders are to be dealt with.

- iv. The date and time by which completed tenders shall be returned and that any tenders received after this date and time will be rejected and remain unopened.

4.2.4 All candidates invited to tender must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.

### **4.3 Declaration of Interest**

4.3.1 All persons or organisations who submit a formal tender shall declare on their tender submission whether they or their employees who shall undertake the contract requirements are:-

- i. Members of the Board of Strathclyde Fire & Rescue
- ii. Officers or employees of Strathclyde Fire & Rescue.

4.3.2 Any declaration so made will be considered by the Assistant Chief Officer (Finance) in terms of the impact on the proposed contractual agreement. A decision will be made as to whether the declaration prohibits a contractual agreement being formed. The Assistant Chief Officer (Finance) will also consider the most appropriate course of action taking account of all the circumstances.

4.3.3 A failure to make such a declaration or making of a false declaration may invalidate the formal quotation, tender or contract.

4.3.4 Employees involved in the procurement process shall conduct themselves in accordance with Standing Order No. 2.12

### **4.4 Submission and Opening of Tenders**

4.4.1 Tenders shall be submitted and opened in accordance with the requirements set out in the Invitation To Tender and the Procurement Practice Note as issued by the Assistant Chief Officer (Finance). Unless submitted electronically, all tenders shall be addressed to the Assistant Chief Officer (Finance) in a sealed envelope endorsed with the word "Tender" followed by the subject matter and contract reference number to which it relates.

The envelope shall bear a unique tenderer reference number allocated by the Procurement Manager on the issue of the tender. The envelope shall bear no other markings or other indications of the identity of the tenderer.

4.4.2 Once opened all tender submissions shall be passed to the Procurement Manager.

### **4.5 Tender Clarification & Evaluation**

4.5.1 Upon receipt of tenders, the Procurement Manager may instruct the relevant officers or external consultants acting on behalf of the Board to contact tenderers in order to clarify or validate the tender submission. Such clarification shall be conducted in accordance with the relevant Procurement Practice Note as issued by the Assistant Chief Officer (Finance).

- 4.5.2 Tenders shall be evaluated in accordance with the evaluation criteria set out in the Invitation to Tender and/or Contract Notice and in accordance with the relevant Procurement Practice Note as issued by the Assistant Chief Officer (Finance).

All contracts shall be awarded on the following basis:

- i. Price ie lowest priced tender to specification or
- ii. Most Economically Advantageous Tender (MEAT)

Where no criteria are stated in the contract notice or the tender documentation then Price alone shall be deemed to be the method of evaluation.

#### **4.6 Acceptance and Debrief**

- 4.6.1 Contracts with an estimated aggregated value in excess of £50,000 but no greater than £150,000 shall be accepted by the Assistant Chief Officer (Finance) on behalf of the Board, unless in special circumstances, the Assistant Chief Officer (Finance) feels it appropriate to seek approval from the Board.

- 4.6.2 Contracts with an estimated aggregated value in excess of £150,000, shall be accepted by the Executive Sub-Committee of the Board or by the Board following consideration of an Evaluation Report as follows:

- i. Up to £500,000: Executive Sub Committee
- ii. Over £500,000: The Board

- 4.6.3 In all instances the Procurement Manager shall prepare an Evaluation Report for consideration by the Assistant Chief Officer (Finance) / Executive Sub-Committee /Board as appropriate.

The tender which is either:

- i. The lowest priced tender to specification or
- ii. Most Economically Advantageous Tender

Shall be recommended for acceptance on all occasions.

- 4.6.4 If the estimated aggregate value of any one contract for volatile goods/services (eg price must be accepted within a day or similar) such as gas and electricity is above £150,000, the Assistant Chief Officer (Finance) shall choose the successful tender for acceptance without prior reference to the Executive Sub Committee or the Board. This acceptance shall be reported to the next meeting of the Executive Sub Committee or The Board.

- 4.6.5 A tender may only be accepted where the cost of the tender is within the appropriate financial provisions which have been previously approved in terms of the Board's Financial Regulations. Where the tender is not within the appropriate financial provision, prior approval from the Executive Sub Committee or Board would be required to commit additional expenditure.

- 4.6.6 Once the relevant approval has been granted to award a contract, debriefing of all tenderers shall be undertaken in accordance with the relevant Procurement Practice Note.
- 4.6.7 Where a contract has been tendered pursuant to the EC Procurement Regulations, the Board shall publish a contract award notice in the Official Journal of the European Union no later than 48 days after the award of contract.

## **5. CONTRACT CONTROL & MANAGEMENT**

### **5.1 Contract Terms and Conditions**

5.1.1 The Procurement Manager shall ensure that Contracts are entered into on the Board's terms and conditions, which shall be issued with each formal offer or invitation to tender. Where this is not appropriate and a contractor has submitted their terms and conditions for consideration, advice shall be sought from the Principal Solicitor before acceptance.

### **5.2 Insurance**

5.2.1 To minimise the exposure of the Board to claims arising from the actions of a Contractor, it is essential that the Contractor has suitable insurance in force. Prior to the award of any contract, insurance certificates must be obtained and checked for the appropriate level of cover. The advice of the Board's Insurance Advisors shall be sought as appropriate.

5.2.2 The minimum recommended levels of insurance for contractors shall be agreed between the Assistant Chief Officer (Finance) and the Board's Insurance Advisors. These levels shall be applicable in every case. Lower limits than those agreed between these parties must not be accepted without reference to the Board's Insurance Advisors.

5.2.3 In all cases the tenderer's insurer or insurance broker must complete the required certificates as stated in the tender documentation. The broker must be authorised and regulated by the Financial Services Authority in respect of insurance mediation services.

### **5.3. Contract Performance Bonds / Parent Company Guarantee**

5.3.1 The Board may ask for security on any contract where is considered appropriate.

### **5.4 Negotiation / Extension / Variation of Contracts**

#### **5.4.1 Negotiation without Competition**

Subject always to compliance with EC Procurement Rules and Procurement Practice Notes, the Assistant Chief Officer (Finance) can negotiate a contract without competition provided that –

- i the contract is of a specialist nature, or
- ii. the contract is of an urgent nature

If, in the case of contracts with estimated values as stated below, (other than contracts subject to EC Procurement Rules), the Assistant Chief Officer (Finance) considers there to be special circumstances as described above which justify the negotiation of that contract with one contractor, the Assistant Chief Officer (Finance) shall, before entering into negotiations, obtain the approval of the following parties both in respect of the negotiation and of the contractor with whom the tender is to be negotiated.

**Contract Value****Approval of**

£150,000 - £500,000  
Over £500,000

Executive Sub-Committee of the Board  
Board

Negotiated Contracts between £50,000 to £150,000 may be approved by the Assistant Chief Officer (Finance).

**5.4.2 Extensions to Contracts Under Contract Terms**

A contract may be extended without fresh competition, for works, goods or services of a similar description provided that the contract is being extended in terms of the contract provisions.

Such contract shall already have received the proper approval. Therefore there is no requirement for further referral to the Executive Sub-Committee or the Board.

**5.4.3 Extension to Contracts Where No Provision Is Stated In Contract Terms**

Where the contract terms do not expressly provide for extension –

- i. contracts subject to the EC Regulations may be extended by negotiation subject to the rules set out in those Regulations;
- ii. contracts not subject to the EC Regulations may only be extended by formal written variation where the Assistant Chief Officer (Finance) is satisfied that an extension to a contract will achieve Best Value for Money and is reasonable in all the relevant circumstances.

If, in the case of contracts with estimated values as stated below, (other than contracts subject to EC Procurement Rules), the Assistant Chief Officer (Finance) considers there to be special circumstances as described above which justifies the extension of that contract with one contractor, the Assistant Chief Officer (Finance) shall, before entering into dialogue to extend, obtain the approval of the following parties both in respect of the extension and of the contractor with whom the tender is to be extended.

**Contract Value****Approval of**

£150,000 - £500,000  
Over £500,000

Executive Sub-Committee of the Board  
Board

Contracts between £50,000 to £150,000 may be approved by the Assistant Chief Officer (Finance).

#### **5.4.4 Contract Variations**

All variations to existing contracts must be in the form of written instruction to the contractor. The likely cost effect of each variation shall be assessed prior to the issue of the instruction. In cases where this would cause serious disruption to the contract, or where immediate action is necessary to ensure proper contract delivery, the instruction may be issued without prior costing, but in such cases this costing must be completed as soon as reasonably practicable following the instruction being issued.

#### **5.5 Goods & Services – Staged Payments**

5.5.1 Under certain circumstances, it may be appropriate for stage payments to be made during the duration of a contract for goods, and services. The circumstances and conditions must include the following :

- i. The contract has a value in excess of £100,000. In exceptional circumstances they may also apply to contracts with a value of £100,000 or less subject to the agreement of the Assistant Chief Officer (Finance) and the Assistant Chief Officer of the Client Directorate.
- ii. There are defined break points in the contract where it would be appropriate to make a stage payment.
- iii. All stage payments must reflect accurately the actual value of the goods and materials that are capable of independent delivery to the Board at that break point or of becoming a permanent fixture and fitting to the Board's free issue asset.
- iv. The assessment of the value of the stage payment is at the sole discretion of the Board and must be agreed with the Assistant Chief Officer of the client Directorate placing the contract, if necessary, after inspection.
- v. Ownership of the goods and materials must be transferable to the Board at the break point in the contract for which the stage payment is being made. Written confirmation of the title passing to the Board must be received.
- vi. The value of the goods or materials transferred must be at least equal to the value of the stage payment made.
- vii. The tender documents include an appropriate statement on stage payments, for the benefit of all Tenderers.

#### **5.6 Works Contracts**

##### **5.6.1 Interim payments**

Interim Payments may be made in respect of works contracts. Payments shall be certified and authorised in an appropriate manner by any external consultants working on behalf of the Board or by the Board's employees

### **5.6.2 Final Measurements**

A report on all final measurements and a detailed statement of account shall be made by the appropriate delegated officer or external consultant to the Assistant Chief Officer (Finance).

The Assistant Chief Officer (Finance) may undertake action to ensure the accuracy of the accounts.

After completion of the contract and agreement of the final account, a report detailing the actual cost of the contract compared with the estimated cost shall be submitted by the appropriate officer to the Assistant Chief Officer (Finance) on an annual basis.

### **5.6.3 Contractor's Claims**

Investigation shall be undertaken by the appropriate officer, into all claims from contractors in respect of matters where uncertainty exists over the terms or scope of the contract. The Board's Insurers shall be notified as required.

Legal advice shall be sought as appropriate.

### **5.6.4 Delay of Commencement / Completion of Contract**

Prior to undertaking any action in respect of claims for liquidated or other damages legal advice shall be sought as appropriate in instances where the delay in commencement / completion of a contract occurs.

### **5.7 Post Contract Monitoring and Evaluation**

5.7.1 During the term of the contract, effective monitoring of the contract shall be undertaken by the relevant Assistant Chief Officer or their nominee in respect of :

- i. performance
- ii. compliance with specification and contract
- iii. cost
- iv. any Best Value requirements
- v. user satisfaction and risk management.

### **5.8 Termination of Contract**

5.8.1 Early termination of any contract exceeding £50,000 shall be approved by the Assistant Chief Officer (Finance). Contracts of lesser value may be terminated early by agreement by all parties prior to the expiry date.

5.8.2 All terminations shall be carried out in accordance with the termination provisions set out in the contract.

Legal advice shall be sought as appropriate.

## **5.9 Consultants**

- 5.9.1 Where Consultants are employed to undertake any procurement exercise on behalf of the Board, they shall:
- i. Comply with these Standing Orders,
  - ii. Where appropriate use the Board's standard terms and conditions of contract in any procurement that the consultant carries out,
  - iii. Produce, on request, their records of the contract,
  - iv. On completion of the contract, pass a duplicate copy of their records of the Contract to the Assistant Chief Officer (Finance) as appropriate on completion on the contract.
- 5.9.2 The Consultants performance shall be monitored by the appropriate Assistant Chief Officer or their nominee.

## **5.10 Corrupt or Illegal Practices**

- 5.10.1 The Board or Assistant Chief Officer (Finance) may cancel the contract and recover any loss from cancellation if the contractor or any person employed by or acting on the contractor's behalf has:-
- i. Offered, given, or agreed to give to any person any gift or consideration of any kind as an inducement or reward for having done or not done any action in relation to any contract with Strathclyde Fire & Rescue.
  - ii. Committed any offence under the Prevention of Corruption Acts 1889 to 1960.
  - iii. Given any fee or reward, the receipt of which is an offence.

## **6. RECORD KEEPING**

### **6.1 Management of Information**

- 6.1.1 A Register of Tenders shall be kept and maintained by the Procurement Manager for all tenders received and opened in terms of Standing Order 4.4.
- 6.1.2 The Register shall be made available for inspection at any time by the Assistant Chief Officer (Finance).
- 6.1.3 In order for the Board to effectively monitor contract spend and to ensure continuity of service/supply the Procurement Manager shall keep a Contracts Database setting down the details of contracts awarded in each financial year together with contract completion dates.
- 6.1.4 Evidence of the renewal of the insurance policies may be required at the expiry date of the cover depending on the contract terms and the contract period. A Register of Insurance shall be maintained by the Procurement Manager so that renewal certificates are obtained where necessary.