

Contract Procedure Rules

Contents

1. Introduction.....	2
2. Interpretation of the Rules	2
3. Basic principles.....	2
4. Scope of the Contract Procedure Rules	2
5. Responsibilities of Officers	3
6. Annual Procurement Plan.....	5
7. Rules applying to all procurements.....	6
8. Authority to commence and minimum tendering requirements.....	7
9. Choice of Procedure	8
10. Collaborative Procurement.....	9
11. Procurement Process	9
12. Waivers	14
13. Contract performance monitoring	14
14. Variations to the Scope of Contracts	15
15. Contract Extensions	15
16. Termination	16
17. Novation of Existing Contracts	16
18. Document Retention.....	16
Appendix 1 – Definition of Terms	17

1. Introduction

- 1.1. The Council has created these Contract Procedure Rules as standing orders of the Council in accordance with its powers under s.135 of the Local Government Act 1972.
- 1.2. These rules ensure formal compliance with EU Directives which are transposed into the Public Contracts Regulations 2015.
- 1.3. Failure to comply with these rules may expose the council to risk of legal challenge, potential financial and reputational damage and may lead to disciplinary action and legal proceedings against those officers concerned.

2. Interpretation of the Rules

- 2.1. The Head of Procurement and Contracts shall make all decisions relating to the interpretation of these rules.
- 2.2. Updated policies, templates or guidance issued by Procurement and Contracts relating which reflect emerging best practice and case law precedence shall be considered part of these rules.
 - 2.2.1. Any mandated changes will be accompanied by a Hounslow Procurement Note (HPN) setting out the scope and implementation timeline of the change.

3. Basic principles

- 3.1. The procurement of supplies, services and works of any value must always:
 - 3.1.1. Provide value for money;
 - 3.1.2. Be undertaken in a fair, transparent, equal and non-discriminatory manner;
 - 3.1.3. Not involve fraud or corruption;
 - 3.1.4. Adhere to ethical and sustainable procurement principles;
 - 3.1.5. Receive the appropriate approval to commence and award a contract;
 - 3.1.6. Have a signed / sealed contract in place;
 - 3.1.7. Have appropriate contract management performance measures in the contract;
 - 3.1.8. Ensure the delivery of any Social Value requirements.

4. Scope of the Contract Procedure Rules

- 4.1. These rules apply to all procurements for the provision of supplies, services or works, except where stated in 4.3.
- 4.2. A contract is any verbal or written agreement where a party (the Supplier) agrees to provide supplies, services or works to the Council in return for a form of

consideration, and where the Supplier may retain part of the payment as a profit. These contracts include but are not limited to:

- 4.2.1. Framework agreements;
- 4.2.2. Purchase orders;
- 4.2.3. Leasing/ licensing/ Financing arrangements (e.g. Photocopiers);
- 4.2.4. Work concession contracts (refer to Procurement Team in all circumstances);
- 4.2.5. Quotations;
- 4.2.6. Service concession contracts.

4.3. The following contracts are exempt from these regulations:

- 4.3.1. Contracts which make an individual a direct employee of the Council;
- 4.3.2. Contracts for the acquisition, transfer, or disposal of any interest in land or property (including leasehold interest);
- 4.3.3. Residential placements sought for an individual with a registered care provider of their choice;
- 4.3.4. Supported living services for an individual with a care provider of their choice under the National Health Service and Community Care Act 1990;
- 4.3.5. Social care packages under the personalisation agenda;
- 4.3.6. Individual school placements sought for a child with Special Educational Needs (SEN);
- 4.3.7. Services specifically excluded under Regulation 10 of the Public Contract Regulations 2015.

5. Responsibilities of Officers

Directors

- 5.1. Directors are responsible for procurement activity undertaken by their directorate ensuring that all procedures are compliant with these rules, including:
 - 5.1.1. A Responsible Officer (“Officer”) is in place for all procurements;
 - 5.1.2. Immediate action is taken in the event of a suspected fraud or corruption activity;
 - 5.1.3. Immediate action is taken in the event of breach of these rules;
 - 5.1.4. That each Department’s officers are aware of and comply with the sub-delegation protocols;
 - 5.1.5. The procurement has been placed onto the Council’s Annual Procurement Plan prior to the commencement of a procurement above £75,000;
 - 5.1.6. The complete approval has been received using the appropriate templates.

Officers

- 5.2. Officers are required to:
 - 5.2.1. Attend formal and regular procurement evaluation training provided by the Procurement and Contracts Team;
 - 5.2.2. Ensure all evaluation panel members sign a conflict of interest declaration which is passed onto procurement;
 - 5.2.3. Plan sufficient time and resource to procure the requirement;
 - 5.2.4. Consult Procurement and Contracts Team on all procurements in excess of £30,000 prior to publication;

- 5.2.5. Check the Contracts Register to establish whether there is an existing contract which may be used instead of engaging in a procurement;
- 5.2.6. Declare any personal interest in the procurement by completing a Conflict of Interest Declaration in advance of a procurement. Corruption may result in criminal proceedings as well as disciplinary action;
- 5.2.7. Be aware of necessary procurement timescales and notify Procurement, Legal, Finance, and other departments as soon as possible prior to a deadline if their assistance will be required;
- 5.2.8. Ensure that a written contract or council official purchase order is in place, signed / sealed prior to the commencement of the supply of supplies, services or works;
- 5.2.9. Maintain an Audit trail and Risk Register;
- 5.2.10. Keep records of dealings with Contractors and all parties assisting the Council in procuring the supplies, services, or works. Records must not be destroyed prior to contract award and are to be made available to defend any legal challenges;
- 5.2.11. Ensure that Members, Corporate Leadership Team (CLT), Procurement, the Monitoring Officer and Chief Financial Officer are consulted as necessary on issues arising as part of a procurement exercise;
- 5.2.12. Record all contracts in the Council's Contracts Register;
- 5.2.13. Embed Social Value in all contracts above £30,000;
- 5.2.14. Report confidentially any Officer, Member, advisor or consultant who they witness or suspect of misconduct or breach of procedures, following the process shown in the Council's whistle-blowing policy;
- 5.2.15. Where applicable, seek the approval of the relevant programme board;
- 5.2.16. Use the Council's e-tendering system in accordance with rules, 8.4;
- 5.2.17. Report any suspected or known fraud or corruption activity immediately;
- 5.2.18. Consult the Procurement and Contracts Team immediately when a potential or legal challenge has been made or received in writing to a procurement activity;
- 5.2.19. Consult Leasehold Management Team if the procurement activity impacts on Leaseholders (Service Charge or Section 20);
- 5.2.20. Report any suspected Modern Slavery concerns;
- 5.2.21. Ensure a DPIA is completed prior to the commencement of any procurement activity.
- 5.2.22. Ensure the Real Living Wage is paid by the supplier to staff where this is applicable.

Consultants advising on procurement

- 5.3. Where a consultant or advisor is engaged to provide support to a procurement process, the Responsible Officer must:
 - 5.3.1. Obtain a signed Conflict of Interest Declaration from the Consultant / Advisor prior to commencement of the contract;
 - 5.3.2. Create a schedule of requirements that sets out the consultant or advisor's role in the procurement exercise;
 - 5.3.3. Minimise, as much as possible, the risk that any consultant or advisor informing on procurement does not use information obtained during employment with the Council, to gain any commercial or pecuniary gain;

- 5.3.4. Ensure that the relevant level of insurance has been obtained by the consultant or advisor;
- 5.3.5. Not permit any consultant or advisor to be designated as the Responsible Officer for the procurement;
- 5.3.6. Immediately, upon becoming aware that a consultant or advisor intends to, or has, bid for a tender involving the Council, approach the Head of Procurement and Contracts Team for advice before proceeding further;
- 5.3.7. Not permit the consultant or advisor to communicate directly with bidders unless that communication has been authorised by the Procurement and Contracts Team;
- 5.3.8. Permit the consultant or advisor to act in an advisory capacity to the Council's tender evaluation panel and permit them to score the submissions where specific expertise is required
- 5.3.9. Undertake due diligence where an officer recommendation has been received to employ a consultant directly;
- 5.3.10. Consult the Procurement and Contracts Team when in doubt of the rules applying to the employment of consultants;
- 5.3.11. To consider whether IR35 is applicable or not in the commissioning of a consultant or advisor.

6. Annual Procurement Plan

- 6.1. All procurements where the anticipated total contract value is in excess of £75,000 must be reported to Borough Council in the Annual Procurement Plan (APP).
- 6.2. Projects not included on the Annual Procurement plan for the upcoming financial year can only proceed with Single Member or Cabinet approval.
- 6.3. Where the procurement meets the Key Decision criteria, as set out in the Council's Constitution:
 - 6.3.1. It is the responsibility of the Director, in consultation with the Lead Member, to agree the recommended Annual Procurement Plan appendix;
 - 6.3.2. Approval of this recommendation by Council determines authorisation required for the procurement, including where decision making is delegated to the Director;
 - 6.3.3. Procurement's approved by Council as a Key Decision must still be placed on the Forward Plan at least 28 days prior to the commencement of procurement and 28 days prior to the award of contract, except where 6.3.4 applies;
 - 6.3.4. Programmes of services or works approved by Cabinet that contains several procurements within it may not require separate approval by to commence those procurements where;
 - 6.3.4.1. Each procurement shows the allocated budget;
 - 6.3.4.2. Each procurement outlines a scope of the service or works
 - 6.3.4.3. 6.3.4.1 and 6.3.4.2 have not changed since the original programme was approved;

6.3.4.4. The entry on the Forward Plan must include the date cabinet approved the APP.

6.4. Projects funded by a source of grant funding are not required to be placed on the Annual Procurement Plan

7. Rules applying to all procurements

Pre-tender Market Research and Consultation

7.1. The Responsible Officer:

- 7.1.1. May consult potential tenderers prior to the issue of the Invitation to Tender or quotation in general terms about the nature, level and standard of the requirement and other relevant matters, provided this does not prejudice any potential tenderer or tender;
- 7.1.2. 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 it, this may prejudice the equal treatment of all potential tenderers or distort competition;
- 7.1.3. Must notarise the meeting/ event, share the information presented as and when requested, unless the information is commercially sensitive.

Pre-Procurement

7.2. Prior to the publication of any procurement the Responsible Officer must:

- 7.2.1. Make a genuine estimate of the whole life cost of the supplies, services or works being supplied during the entire term (including any extension period) of the contract. Contracts must not be artificially divided into two or more contracts to avoid EU Procurement Rules or the Council's Contract Procedure Rules;
- 7.2.2. Where the contract term is without fixed length calculate the estimated value of the contract should be calculated by the monthly value multiplied by 48 in accordance with Regulation 8 of the EU Regulations (Regulation 6;17(b) of the Public Contract Regulations 2015);
- 7.2.3. Consult Finance prior to commencing a procurement or placing the project onto the Annual Procurement Plan (APP) to ensure that budget for the total estimated value identified above will be available for the contract;
- 7.2.4. Apply the requirements of Public Services (Social Value) Act 2012 for all procurements above £30,000, in conjunction with 11.8 of these rules.

8. Authority to commence and minimum tendering requirements

8.1. The commencement to procure any supplies, services or works requires appropriate authority before it can commence. Please see the table below (Table 1).

	Contract Value	Minimum Tendering Requirement	Authority to Commence	Method of Publication
8.2.	Up to £5,000	Minimum of one written quotation, which represents value for money, must be obtained. Where possible a quotation from a local supplier should be sought ¹		n/a
8.2.1.	£5,001 - £30,000	Minimum of three written quotations, which represents value for money, must be sought. Where possible 2 quotations from a local supplier should be sought.	Authorisation from Budget Holder	ProContract (Quick Quote)
		Directly awarded to a local (within LBH boundaries) supplier that is new to the LBH Supply Chain.	Authorisation from Head of Finance in conjunction with a Business Case	
8.2.2.	£30,000 - £75,000	Minimum of three written quotations, which represents value for money, must be sought. Where possible 2 quotations from a local supplier should be sought.	Authorisation from Head of Service	
8.2.3.	£75,001 – EU Threshold	Full competitive tendering process or a compliant framework must be used.	Authorisation in accordance with the APP	ProContract and Contracts Finder

8.3.	Above EU Threshold		ProContract, OJEU and Contracts Finder
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Table 1

- 8.4. All quotations and tenders over £5,000 must be published through the Council's stipulated e-tendering system.
- 8.5. To support local (Hounslow) businesses, a direct award of contract can be made for up to £30,000. The responsible officer making the direct award must ensure;
- 8.5.1. The direct award is the most appropriate route to apply and can be justified;
 - 8.5.2. The direct award is being made to a local business which have not worked for the council previously;
 - 8.5.3. The local business is a legal entity and a credit check will be undertaken;
 - 8.5.4. Local business must be registered as a Supplier to the council;
 - 8.5.5. No advance payments can be made;
 - 8.5.6. The direct award represents Value for Money;
 - 8.5.7. The Head of Procurement and Contracts has approved the direct award.
- 8.6. Officers must obtain legal advice on the terms and conditions of all contracts if they are likely to expose the Council to reputational or financial risk, even if the value of the contract is less than the threshold stipulated in 8.4.
- 8.7. Legal advice must be sought on the terms and conditions of all contracts in excess of £150,000.
- 8.8. Financial checks are required on potential suppliers for procurements £75,000 and above and may be used for values below £75,000 where concerns are held on a supplier's financial standing The Responsible Officer must request Procurement and Contracts Team to undertake these checks.

9. Choice of Procedure

- 9.1. The route to market for all tenders must be determined in conjunction with the Procurement and Contracts Team and consider the following elements:
- 9.1.1. Whether the services should be in-sourced or delivered by a Council trading company;
 - 9.1.2. Whether there are collaboration, Shared Services or inter-authority opportunities;
 - 9.1.3. Stimulation of local SME supplier market.
 - 9.1.4. Direct award to a new local entrant SME working for the council;
 - 9.1.5. Whole life costs and affordability of the contract;
 - 9.1.6. The size of the market;
 - 9.1.7. The complexity of the requirements;
 - 9.1.8. The value of the contract.

- 9.2. The decision to utilise frameworks as a route to market must be approved by a Procurement Manager prior to engagement with the framework provider.
- 9.3. The rebate payable to a framework provider must be recorded on the Authority to Commence

10. Collaborative Procurement

- 10.1. Each collaborative procurement will have a lead or Contracting Authority. This is the body that will be responsible for letting and awarding the contract. The procurement process will usually be undertaken in accordance with that body's contracting regulations.
- 10.2. Each participating Councils role and responsibilities in any collaborative procurement must be clearly outlined and understood at the beginning of the procurement.
- 10.3. The responsibilities of officers of this Council will vary depending on whether:
 - 10.3.1. The London Borough of Hounslow is designated as the contracting authority;
 - 10.3.2. Whether another body is the contracting authority;
 - 10.3.3. The nature of the procurement activity and any democratic responsibilities.
- 10.4. Where the Council is not the Contracting Authority, departments must obtain authority to participate prior to placing a notice advertising the procurement.
- 10.5. Where the London Borough of Hounslow will be the Contracting Authority for the procurement:
 - 10.5.1. Authorisation to commence the procurement process must be obtained and undertaken in accordance with these rules;
 - 10.5.2. A member of the Procurement team must lead the procurement element of the project;
 - 10.5.3. There must be legal representation on the project team;
 - 10.5.4. There must be finance representation advising the project team;
 - 10.5.5. Advice must be sought from the Risk & Insurance Team regarding the level of insurance required, notwithstanding the other contractual indemnity clauses;
 - 10.5.6. The procurement timetable should allow for the participating authorities to obtain the necessary approvals in accordance with their constitution;
 - 10.5.7. Authorisation to award the contract must be obtained in accordance with these rules.

11. Procurement Process

Specifications

- 11.1. Specifications must set out a clear and comprehensive description of the Council's requirements with regard to the supplies, services or works to be procured. The specification should include the defined outputs/ outcomes expected.

- 11.2. All supplies, services or works must be specified by reference to European standards or National standards if no European standards are set.
- 11.3. Named products or manufacturers must not be specified for procurements above the EU threshold.
- 11.4. Specifications must contain *measurable* objectives to enable the Council to ascertain whether requirements are being met. This should include Key Performance Indicators for measurable purposes.
- 11.5. Specifications must incorporate the relevant requirements in respect of:
- 11.5.1. Professional or Industry accreditations to be held by the service providers;
 - 11.5.2. Responsibility for the management, safeguarding and ownership of any data to be held and/or used as part of the contract;
 - 11.5.3. Consultation with service users;
 - 11.5.4. Reporting to the Council on key service metrics;
 - 11.5.5. Equalities analysis;
 - 11.5.6. GDPR;
 - 11.5.7. Sustainable procurement and social value;
- 11.6. Ethical procurement principles must be followed throughout the procurement process. These principles are to be extended to the monitoring of contracts.
- 11.7. Quotations or Invitations to Tender should not be started until the specification has been prepared and is ready to issue. For concession contracts and where appropriate, a supplier's business plan may be used as the specification.

Responsible Procurement

- 11.8. Social Value and Environmental criteria must be included in tenders that meet both of the following:
- 11.8.1. The total value is over £30,000;
 - 11.8.2. The initial term of the contract is over 12 months.
- 11.9. Where the criteria in 11.8 apply a minimum weighting of 10% will be applied to the Social Value and Environmental criteria or where the Social Value can be expressed in the specification this can be applied without any weighting.
- 11.10. The Social Value and Environmental criteria will be set in conjunction with the Procurement and Contracts team based on the requirements of strategic organisational priorities.

Award Methodology and Evaluation Criteria

- 11.11. Evaluation criteria to be applied for all tenders above £75,000 must be approved by a member of the Procurement Team prior to publication.

- 11.12. Where the direct award of a framework is approved, the Social Value and Environmental criteria to be delivered as a contract KPI must be agreed prior to award of contract.
- 11.13. The award methodology must be the most economically advantageous tender (MEAT) based on criteria set out in the Invitation to tender or Request for Quotation.
- 11.14. Bidders must meet the minimum standard set out in the selection criteria where included in the evaluation process.
- 11.15. Abnormally low bids must be investigated and only accepted where there is justification to do so.
- 11.16. Training must be received by officers and others involved in the evaluation process prior to any tender being published. If training has not been received the officer will not be able to participate in the evaluation.
- 11.17. Conflicts of Interest must be declared in advance by those conducting the procurement and forming part of the evaluation panel and updated where a conflict arises once the bidders on a procurement are known.
- 11.18. Ensure full written notes are made by evaluators to create an audit of the evaluation process. Notes must not be disposed for 6 months after award of contract.

Advertising

- 11.19. Procurements at or above £5,000 must be published on the Council's stipulated e-tendering system and where required on Contracts Finder.
- 11.20. Where the requirement is above the relevant EU threshold a contract notice must first be placed in the OJEU in the form prescribed by OJEU for all procurements. Publication of a notice must be approved and issued by the Procurement Team.
- 11.21. All documents relating to an above EU threshold procurement must be made available at the first point of publication of the contract notice.

Submission of Tenders

- 11.22. Tenders must comply and be submitted in accordance with the rules and instructions set out in the Invitation to Tender.
- 11.23. Ensure that during a procurement process all information remains confidential until a contract has been awarded. Information stipulated as sensitive in the contract must continue to be treated as such after award.
- 11.24. Tenders must be submitted electronically using the Council's e-tendering system. Any deviation from using the e-tendering system must be approved by the Procurement Team.

11.25. Tenders received after the specified deadline can only be considered if the tenderer provides evidence that submission was delayed due to circumstances outside of their control. Acceptance of such tenders is subject to the approval of the Procurement Team.

Amending Quotation, Tenders or Bids

11.26. If a potential supplier identifies an error in their tender, they may submit a correction as long as this is before the deadline.

11.27. A supplier's response is their offer to the Council and no amendments can be made after the closing date.

11.28. Genuine arithmetical error(s) may be clarified with tenderers and alterations may be acceptable at the discretion of the Head of Procurement and Contracts Team or Senior Procurement Manager.

11.29. Correction of any other tender error(s) can only be made at the discretion of the Head of Procurement and Contracts Team or Senior Procurement Manager.

Authority to Award Contract

11.30. An Authority to Award form must be completed for all procurements. The form must be authorised within the service by those shown in the table below (Table 2). Finance and Procurement approval is also required for contracts over £30,000.

11.31. All Authority to Award forms must be copied to the Procurement and Contract Team upon completion when approval has been made.

11.32. The Authority to Award, when above £30,000 must identify the Social Value agreed.

11.33. The names of local suppliers invited to quote, or tender must be captured on the Authority to Award.

11.34. Regulation 84 Reports must be produced and presented with the authority to award for all above EU threshold contracts.

11.35. Where section 20 of the Landlord and Tenant Act 1985 (as amended by S151 of the Commonhold and Leasehold Reform Act 2002) applies at least 2 tender returns must be received before proceeding to award.

11.36.

Contract Value	Authorisation by	Transparency Requirement
£0 - £5,000	Authorisation by Head of Service or above	ProRegister

£5,000 - £30,000	Authorisation by Head of Service or above except where award is made directly to a local supplier. Local Awards are to be approved by a Head of finance.	Pro Register and Contracts finder
£30,001 - £75,000		Pro Register and Contracts finder
£75,001 - EU Service and Supplies Threshold	Authorisation in accordance to APP Appendix	Pro Register and Contracts finder
Above EU Service and Supplies Threshold		Pro Contract, Contracts Finder and OJEU
£75,001 – EU Works Threshold		Pro Contract, Contracts Finder and OJEU
Above EU Works Thresholds		Pro Contract, Contracts Finder and OJEU

Table 2

Informing Suppliers

- 11.37.** Once Authority to Award is approved the successful supplier must be informed in writing using the standard letter templates found on the Procurement intranet page.
- 11.38.** After a contract is awarded all other third parties should be notified of the decision prior any standstill period.
- 11.39.** If a supplier asks for feedback the Responsible Officer must contact Procurement to seek advice on the protocol to be used where the procurement is over £30,000.

Execution of Contracts

- 11.40.** All contracts with a value over £150,000, in expenditure or income, must be signed and sealed by the affixing of the seal witnessed by the Assistant Director of Governance (Monitoring Officer) or an authorised officer duly delegated with such authority by the Assistant Director of Governance (Monitoring Officer) as stated in Part 3C.
- 11.41.** Cover notes for contracts over the threshold set out in this Constitution must be completed and signed by the solicitor that has compiled the contract prior to signing and sealing of the contract.

- 11.42. Contracts below the threshold set out in this Constitution can be signed by the relevant officer within the scheme of delegation.

12. Waivers

- 12.1. Waivers are an exemption from the Contract Procedure Rules and are used in exceptional circumstances only. Waivers will be declined where its use cannot be completely justified, lacks transparency or does not represent value for money.
- 12.2. Contracts at or above the published EU Procurement thresholds which come under the Public Contracts Regulations 2015 cannot be waived.
- 12.3. A Waiver must be applied for by convening a special meeting with the Head of Procurement and Contracts Team and the Executive Director of Finance and Resources and their decision is final.
- 12.4. A lack of time to complete a procurement caused by inadequate forward planning is not a cogent reason to seek a Waiver.
- 12.5. A retrospective Waiver may be granted in the following exceptional circumstances:
- 12.5.1. An unforeseen emergency involving danger to life or health or serious damage to property that requires supplies or services to be obtained more urgently than would be possible if the tender or quotation procedure were followed;
 - 12.5.2. Where contracts need to be entered into urgently to discharge a court stipulated action.
- 12.6. All Waiver exemptions must be applied for and approved before engagement of works, services or supplies, except where 12.5 applies.

13. Contract performance monitoring

- 13.1. Every awarded contract must have an identified Contract Manager who is responsible for:
- 13.1.1. Ensuring that the supplier maintains the insurance policies required by the contract;
 - 13.1.2. Keeping a record of all valuations, payments, claims, monitoring, changes and certificates under the contract;
 - 13.1.3. Managing the transition between the ending of one contract and the beginning of another;
 - 13.1.4. Ensuring the Contractor is compliant with Council policies and any changes in legislation.
 - 13.1.5. Ensuring that KPI's are met, carry out and reported, holding regular meetings/visits where required;
 - 13.1.6. Ensuring the outputs/ outcomes specified are delivered to the required standards;

- 13.1.7. Delivering the Social Value commitments contained within a contract;
- 13.1.8. Attend contract management training events;
- 13.1.9. Ensuring the information held on Real Living Wage, Social Value, Performance are fed back to Procurement on a quarterly basis.

13.2. The Contract Manager must consult with the Procurement and/or Legal Services:

- 13.2.1. Before any amendments to the scope of the contract or its terms and conditions are agreed with a Contractor;
- 13.2.2. In the event of a claim for payment not clearly defined within the terms and conditions of contract;
- 13.2.3. Contractors must be informed prior to making any deduction from payments due.

14. Variations to the Scope of Contracts

14.1. The Contract Manager may agree with a Contractor to carry out additional works or services that were not included in the original contract but which, through change control or unforeseen circumstances, have become necessary.

14.2. Prior to the variation of the scope of a contract:

- 14.2.1. A budget must be allocated for that expenditure;
- 14.2.2. Value for money must be demonstrated;
- 14.2.3. The Head of Procurement and Contracts Team and relevant Director must agree the variation;
- 14.2.4. Legal advice must be sought where required;

14.3. Supplies, services or works must not exceed 50% of the total value of the original contract and must represent best value.

14.4. All variations must be authorised by the appropriate Head of Finance and Head of Procurement and Contracts Team using the template found on the Procurement intranet page.

14.5. All variations must be formally agreed with the contractor and appended to the original contract.

15. Contract Extensions

15.1. A contract may be extended before the expiry date where the extension is in accordance with its original terms and must be supported with an Authority to Extend form.

15.2. Where the contract terms do not provide expressly for an extension:

- 15.2.1. Contracts subject to the EU Regulations may be extended only in limited circumstances and on the approval of the applicable Director, Head of Procurement and Contracts Team and Legal Services.

15.2.2. Contracts not subject to the EU Regulations may only be extended by formal written variation where the extension to a contract will achieve Best Value and is reasonable in all the relevant circumstances on the approval of the applicable Director.

15.3. All extensions must be approved using the appropriate template found on the Procurement intranet page.

16. Termination

16.1. Where a contract needs to be terminated prematurely or for poor performance Procurement must be consulted. The final decision will reflect the financial and legal implications arising from the termination.

17. Novation of Existing Contracts

17.1. The novation of a contract to a new person requires the prior written permission of the Head of Procurement and Contracts Team in consultation with the Assistant Director of Governance (Monitoring Officer).

18. Document Retention

18.1. All contract records must be retained for six years after contract expiry and under any seal for twelve years from the expiry of the contract. Professional indemnity insurance must be maintained by the supplier over the limitation period.

18.2. Where the contract is externally funded any contingent liabilities and/ or grant conditions must be taken into account by the length of the retention period.

18.3. Unsuccessful tenders must be electronically retained for one year from the award of contract.

Appendix 1 – Definition of Terms

Advisor	means a consultant or other third-party specialist who is appointed to provide the Council with technical or other specialist service related advice as part of a procurement process
Annual Procurement Plan	means a document that is approved by Cabinet that lists the procurements to be undertaken by the Council in a particular time period
Business Continuity	means the arrangements for maintaining a service in the event of an unexpected incident that disrupts the availability of resources (e.g., people, electricity, IT systems, transportation routes) that are needed to deliver the service
Climate Emergency	The declaration made by the London Borough of Hounslow to prioritise tackling the issues around climate change through actions taken by the authority.
Commissioning	means specifying a need or outcome
Concession	A contract giving an economic operator the rights to operate a specific business within the local authority's jurisdiction.
Contract	means any agreement to provide goods, services or works in exchange for a consideration (this is usually a payment)
Contract Management	means managing a contract to achieve a need or outcome
Constitution	Means the constitution of the Council
CPR	means Contract Procedure Rules
Contract Value	means a genuine estimate of the value all payments to be made, or potentially to be made to the Contractor, for the whole of the contract period including any extension period
Contracting Authority	means public body that is subject to the procurement Regulations.
Council Procurement Documentation	means that documentation as specified from time to time by the Assistant Director of Governance (Monitoring Officer) as that to be used to document the procurement process undertaken by the Council
e-tendering	means the process of carrying out a tender process online, including the submission of bids

EU Procurement Regulations	means the 2014 EU Procurement Directives as amended from time to time
EU Services Threshold	means the threshold specified under the European public contracts directive (2014/24/EU)
EU Works Threshold	means the threshold specified under the European public contracts directive (2014/24/EU) for the award of works contracts as amended from time to time.
Financial Regulations	means regulation which subjects financial institutions to certain requirements, restrictions and guidelines, aiming to maintain the integrity of the financial system
Framework Agreement	means an agreement between one or more contracting authorities and one or more suppliers which fixes the terms and conditions under which the supplier will enter into one or more specific contracts with a contracting authority under the term of the framework agreement, which must be no longer than four years.
GDPR	a legal framework that sets guidelines for the collection and processing of personal information from individuals who live in the European Union (EU).
Hounslow Procurement Note (HPN)	As case law and best practice emerge the Procurement and Contracts team will issue HPNs to ensure we always operate to the highest standards. This guidance should be used jointly with these rules and considered part of them.
Key Decisions Threshold	means the financial threshold, as amended from time to time, set for decisions that need to be made by the Cabinet as the expenditure is regarded as significant and therefore needs to be included on the Council's Forward Plan. A Key Decisions is defined as: (1) meeting the financial threshold of £500k for revenue or £1m for capital; or (2) significant in terms of its effects on communities living or working in an area of two or more wards'.
OJEU	means the Official Journal of the European Union). This is the publication in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation, must be published

OJEU Threshold	The thresholds referred to in this document are: For Supply, Services and Design Contests; £189,330 For Works; £4,733,252 For Social and Other Specific Services; £663,540
Procurement	means the process for satisfying a need or outcome
Public Contracts Regulations	means the UK legislation implementing the Public Sector Directive 2004/18/EC setting out procedures for the award of contracts for goods, services and works.
Purchase Order	means the Council's official order form for the purchase of works, goods or services.
ProContract	Means the e-tendering system used by the Council
Quotation	means a description as to how a supplier intends to meet the requirements set out in the Council's Specification accompanied by a schedule of costs of the works, goods or services to be provided to meet the Council's Specification
Reserved Decisions	means that authority to commence the procurement process and authority to award a contract must be obtained from the Cabinet
Responsible Officer	means an officer with responsibility for conducting processes for the purchase of works, goods or services on behalf of the Council. This shall include Assistant Directors, Heads of Service, service managers and other officers who are exercising the necessary delegated powers on behalf of the relevant Director
Social Value	wider economic, social and environmental benefits that can be obtained through a contractual arrangement
Specification	means a written statement of the Council's requirements for works, goods and/or services
Whole Life Costs	The total cost of ownership over the life of an asset. Costs should include Planning, design, acquisition, operations and maintenance, renewal, depreciation and cost of disposals.