



City of Stoke-on-Trent Procurement Code

**“Delivering value through inclusivity,
resilience and sustainability”**

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1 Introduction

1.1 Executive Summary

1.1.1 This Procurement Code sets the mandatory rules on behalf of the City of Stoke-on-Trent (the Council) including all Members and officers of the Council, Unitas and any persons or organisations that are responsible for supplier selection and awarding, managing and monitoring contracts on behalf of the Council.

1.1.2 Any procurement where the Council is the lead or contracting body will be subject to this Code. They may not be waived or dis-applied except in the specific instances referred to in the Code. Officers must ensure that any advisors, agents, consultants, and contractual partners acting on their behalf comply with these Rules. Where other Public Bodies are acting as the lead or contracting authority, then their own Contract Procedures will apply, subject to agreement with the Head of Procurement & Commercial Services.

1.1.3 The Procurement Code also applies for externally funded or collaborative projects where the Council is the contracting authority conducting the procurement and signing the contract, subject to any requirements set out, and agreed in advance with the Head of Procurement & Commercial Services, within the funding or collaboration agreements.

1.1.4 This Procurement Code shall be followed in the conduct of all procurement and contract management activity including revenue generating contracts (concessions). For the avoidance of doubt, land purchases are not

1.1.5 This document is designed to ensure that the Council achieves Best Value from procurement activities, risks are minimised and procurement complies with the Public Contracts Regulations 2015 (PCR 2015), the Concession Contracts Regulations 2016 and subsequent procurement legislation and the duty to obtain best value under the Local Government Act 1999.

1.1.6 Overarching principles of the Procurement Code are that:

- Best Value shall be obtained for all goods, services and works.
- All procurements shall take place in an open and transparent manner.
- Fairness with all potential and existing suppliers being treated equally.
- All actions are compliant with UK Legislation and comply with the Councils policies and processes.
- All procurements to include Council Corporate Strategy.
- Responsible Procurement (including social, economic and environmental characteristics) objectives are included in all strategic procurements.

- 1.1.7 A breach of the Procurement Code is considered as a disciplinary matter and will be reported to Head of Procurement & Commercial Services who will consider the need to request the Audit & Fraud department to investigate and recommend appropriate actions.
- 1.1.8 The Procurement Code should be read in conjunction with other Policy and Guidelines published by Procurement and Commercial Services.

2 Operating Model

2.1 Responsibility & Application of the Code

- 2.1.1 The overarching responsibility of procurement is with the Head of Procurement and Commercial Services. Any interpretations of this Procurement Code will be clarified by the Head of Procurement and Commercial Services.
- 2.1.2 All officers involved in the procurement process shall ensure they are aware of and fully comply with all relevant legislation, corporate strategies and policy.
- 2.1.3 If an officer finds themselves in a situation of potential, perceived or actual conflict of interest, they must take the necessary action to disclose it formally to either the appropriate Category Manager, the Head of Procurement and Commercial Services or Deputy Section 151 Officer for decision.
- 2.1.4 Officers who take Chief Officer decisions as part of a delegated authority, for example contract awards, are required to notify relevant Category Managers, keep a record of these and publish them internally.

2.2 Procurement & Commercial Services

- 2.2.1 Procurement & Commercial Services support the Council in procuring goods, services and works at the best possible value and compliant with relevant legislation and policy.
- 2.2.2 It is recognised that effective procurement is fundamental in supporting the delivery of the Council's overall financial strategy and delivery of the Council's corporate strategy.
- 2.2.3 Procurement & Commercial Services employs a strategic sourcing approach to procurement that provides leadership, commercial insight, assurance, policy and governance to the procurement activity of the Council. Procurement and Commercial Services has adopted a Category Management approach for managing all procurement spend and leads on all sourcing activity.
- 2.2.4 Sourcing activity, £50,000 and above is led by the Category Management team.
- 2.2.5 Sourcing activity, £10,000 and above and below £50,000 is led by the Central Buying Team (CBiT).
- 2.2.6 Sourcing activity below £10,000 is devolved to officers of the Council.
- 2.2.7 Procurements associated with All Age Brokerage activity is devolved to the Council's Commissioning function which must otherwise comply with the Procurement Code.

- 2.2.7.1 For the avoidance of doubt, the Council All Age Brokerage Team, works across both Adults and Children's Social Care. The role of brokerage is to source a range of suitable support options that meet the needs of an individual. Wherever possible brokers will source the care and support from existing local or regional contractual arrangements. Where existing services cannot meet the individual's needs, brokers will work with Commissioners and Procurement to compliantly source alternative provision. All individual services sourced by the brokerage team require sign off from the relevant budget holder before services can commence, this applies even when existing contractual arrangements are in place. This is to ensure that the provision is not only the most appropriate offer for the individual but also to ensure best value for money for the City Council.
- 2.2.7.2 Commissioning is the strategic activity of identifying need, allocating resources and procuring a provider or supplier to best meet that need, within available means. It is an on-going process that applies to all services, whether they are provided by the City Council, NHS, other public agencies, or by the private sector or civil society. Commissioning is a cycle of activities at a strategic level concerned with whole groups of people.
- 2.2.8 Procurement & Commercial Services primary roles is to ensure that the Council's procurement activity provides value for money (VFM) and meets the functional needs of the Council. Through strong relationship management they ensure that our suppliers and partners deliver high standards of performance, as well as continuous improvement and innovation within the VFM framework.

2.3 Category Management

- 2.3.1 'Category Management' is the process of managing the Council's spend through segmenting expenditure into discrete groups of similar or related products and services called categories. The categories are based on the supply market and how it is influenced by procurement and commissioning strategies.
- 2.3.2 Spend is then analysed to determine why we buy what we do, how we buy it, from whom and with what results. The categories are then managed through a continuous and systematic process to develop and implement sourcing strategies which deliver maximum value whilst managing risk.
- 2.3.3 The Category Management team within Procurement and Commercial Services includes a number of specialist Category Managers who provide expert knowledge and advice to deliver all sourcing activity with an aggregated value of £50,000 and above.
- 2.3.4 The council manages spend across four defined Categories or Procurement Groups;
- People Services
 - City Management
 - Housing and Works
 - Corporate Services

- 2.3.5 Categories of spend are further subdivided based on ProClass, a procurement classification system intended for use by local government. The sub division of ProClass classifications of spend under the defined categories as per 2.3.4 is described as a Category Tree.
- 2.3.6 Category Managers will manage all procurement activity as defined in 3.15 and are responsible for ensuring compliance with the Public Contract Regulations 2015 and any subsequent legislation.
- 2.3.7 The Category Manager is responsible for developing an overarching “Category Strategy” for their area of responsibility.
- 2.3.8 A Category Strategy is the process of understanding the internal stakeholders' product and service requirements and analysing the marketplace to understand market trends, cost drivers, and risks, and building a strategy that aligns stakeholder requirements with the realities of the supply market for each of the categories defined in 2.3.4. Where appropriate, Category Strategies may be developed at a secondary level where this is of benefit to the Council.
- 2.3.9 A Category Manager is responsible for developing the “Sourcing Strategy” and “Contract Award Strategy” recommendations following a procurement exercise.
- 2.3.10 A Sourcing Strategy is the process of having a targeted approach for developing routes to market to obtain outcomes at the lowest cost, not just the lowest price. A sourcing strategy helps to formalise the way an organisation gathers information, in order to obtain the best value that aligns with the Council's goals. See 3.15
- 2.3.11 A Contract Award Strategy is the process of recommending the award of a contract or contract to one or more suppliers as a part of the outcome of a procurement activity that has been followed as a result of a Sourcing Strategy.

2.4 Procurement Operations and Accounts Payable

- 2.4.1 The Procurement Operations and Accounts Payable team within Procurement and Commercial Services provide the framework within which procurement and contract management activity is performed, including policy, process, governance, performance and systems.
- 2.4.2 The Procurement Operations team supports tactical buying activity for all procurements with a value under £50,000 and raise all purchase orders, through a Central Buying Team (CBiT) function.
- 2.4.3 The Procurement Operations and Accounts Payable team support all supplier payments activity through an accounts payable function, including supplier invoices and Purchasing Cards.

2.5 Central Buying Team

- 2.5.1 The Central Buying which is commonly known as CBiT manages requisitions to procure goods, services and works to ensure compliance with the Procurement Code.
- 2.5.2 The Central Buying team manages the following processes for tactical buying activity with a value under £50,000;
 - obtaining quotations
 - manage call-offs from Council Frameworks or other publicly available Frameworks which the council has authority to access.
 - ensuring officers utilise existing council contracts where appropriate.
 - ensure officers utilise electronic catalogues where the requirements for goods or services can be met by this means.
- 2.5.3 The Central Buying team will raise purchase orders relating to activity in 2.5.2.
- 2.5.4 A Purchase Order will always be raised by CBiT in advance of committing funds with a supplier to comply with the Councils “No Purchase Order, No Pay” policy.
- 2.5.5 Where the Council contract or electronic catalogue is accessible via the Council’s Finance system, Officers may “self-serve”. Self-serve or self-service is the empowering of Council officers to meet their own purchasing requirements via the access to pre-negotiated pricing via the Councils finance Purchase to Pay System.
- 2.5.6 Requisitions and Purchase Orders are subject to the financial regulations and the Council’s published levels of delegated authority.

2.6 Accounts Payable

- 2.6.1 Accounts Payable operate payments systems and procedures, ensuring that all forms of payments are processed in an accurate, timely and cost-effective manner.

2.7 eSourcing

- 2.7.1 ProContract is the Councils eSourcing Platform which encompasses supports strategic sourcing, procurement (including Requests for Quote), evaluation, contract management and programme management.
- 2.7.2 It is a mandatory requirement for the Council to use ProContract for all sourcing activity £10,000 and above.

2.8 Officers

- 2.8.1 Individual officers responsible for specifying requirements, shall ensure they are aware and comply with all relevant Council policies.
- 2.8.2 Contract management responsibilities are outlined at 0. If officers are unsure of best practice, guidance is to be sought from Procurement & Commercial Services.
- 2.8.3 Officers should consider whether there is a real need to procure goods, services and works should only be procured where absolutely necessary.
- 2.8.4 If a genuine requirement to procure goods, services and works is identified, consideration should be given to whether this can be satisfied using the Council's internal resources and staff having regard to capacity, capability and whether the option represents best value.
- 2.8.5 The use of in-house services may negate the need to manage a competitive tendering process where the City Council is the contracting legal entity. This includes entities (such as companies) where the City Council is the controlling body, where those bodies are defined as Contracting Authorities by the Public Contract Regulations 2015 and successor legislation.
- 2.8.6 Officers should ensure that there is not a requirement, for a competitive process to be conducted where the Council operates a traded service and expects the internal service to be competitive with the external market.

- 2.8.7 The Council may have additionally made provision for electronic catalogues which will be accessible via the Councils Finance System to procure commonly required goods or services. Catalogues ensure that the transaction of procuring such goods or services is efficient, ensures pre-negotiated pricing, and or discounting is obtained and compliance with the use of Council contracts. Officers should utilise electronic catalogues where the goods or services required are available via an electronic catalogue.
- 2.8.8 Where a Council Contract or access to an electronic catalogue has not been made available and the use of an internal service has been rejected, Officers are able to request Procurement & Commercial Services to progress sourcing their requirements.
- 2.8.9 Where the sourcing activity is less than £50,000 then a Purchase Requisition should be raised for processing by CBIT.
- 2.8.10 Where the sourcing activity has an aggregated value of £50,000 and above then a Tender Request Form should be completed to engage to Category Management.

2.9 Cabinet

- 2.9.1 The Cabinet is the main decision-making body of the Council. It is responsible for the strategic management of Council services, and consists of a Cabinet Leader and eight other Cabinet Members, each of whom holds a Portfolio covering a particular service area. Any decision requiring Cabinet approval is the responsibility of the Chief Officer to obtain.

2.10 Codes of Conduct

- 2.10.1 The Council expects all officers and elected members involved in procurement to behave with the highest levels of probity and integrity in accordance with the Bribery Act 2010 and the Employee Code of Conduct detailed in the City Council's Constitution (5c). Failure to adhere to these conditions will result in disciplinary action.

2.11 Procurement Assurance

- 2.11.1 Procurement Assurance is a core part of the procurement process addressing both sourcing and contract award decision making. It ensures that Council officers comply with the City Council's Procurement Code and associated policies, when selecting a supplier and committing budget, providing assurance that the overarching principles of the Code have been applied, as detailed in 1.1.6.

- 2.11.2 The Procurement Assurance Board (PAB), commonly known as “Gate” is an officer group who review procurement activities over £100,000 at three stages (or “Gates”).
- 2.11.3 PAB is ultimately accountable to the Council’s Commercial Board.
- 2.11.4 At Gate 0, PAB will review the proposed Category Strategy, see 2.3.8 based on the Councils four key Categories as defined in 2.3.42.3.4
- 2.11.5 At Gate 1, PAB will review the proposed Sourcing Strategy, see 2.3.10 and make recommendations to the appropriate Chief Officer;
- 2.11.5.1 concerning the Sourcing Strategy for all procurements that have a total value of £100,000 or greater but are less than £500,000, except where delegated authority has been provided by Cabinet.
- 2.11.5.2 in order that they may recommend approval to Cabinet, concerning the Sourcing Strategy for all procurements where the total contract value is £500,000 or above, where Cabinet has not previously delegated authority to a Chief Officer.
- 2.11.6 At Gate 2, PAB will review the proposed Contract Award Strategy, see 2.3.11 and make recommendations to the appropriate Chief Officer;
- 2.11.6.1 concerning the award of all contracts that have a total value of £100,000 or greater but are less than £500,000.
- 2.11.6.2 in order that they may recommend approval to Cabinet, to award contracts where the total contract value is £500,000 or above.
- 2.11.6.3 concerning the approval of contract extensions or “minor variations”, permissible under the original terms of contract, where the total contract value (including the cost of the extension or variation) exceeds £100,000 but are less than £500,000.
- 2.11.6.4 in order that they may recommend approval to Cabinet, to approve contract extensions or variations, permissible under the original terms of contract, where the total contract value (including the cost of the extension or variation) exceeds £500,000, where delegated authority has been provided by Cabinet.
- 2.11.7 whether a novation of contract to a different supplier than identified in the original Contract Award Strategy should be approved
- 2.11.8 For the avoidance of doubt, “minor variations” to the contract must comply with all of the following rules;
- i. The value of the change is below the Public Contract Regulations thresholds.
 - ii. The value of the change is below 10% of the initial contract value (or 15% in the case of works).

iii. The change does not alter the overall nature of the contract or framework agreement.

2.11.9 If, over time, a series of changes is made, the net cumulative value of all the changes must be within these limits.

2.11.10 If the contract includes an indexation clause the updated value (i.e. as varied by that clause) is the value which must be used when calculating the percentages.

2.11.11 The relevant Category Manager for as defined in 2.3.4 2.3.4 will lead the presentation of the Sourcing Strategy or Contract Award in conjunction with the Senior Responsible Officer.

2.11.12 “Senior Responsible Officer” means the responsible officer managing the requirements for the procurement or contracts activity on behalf of a directorate. A Senior Responsible Officer may be a service delivery manager, project manager or other officer formally asked to lead the requirements by a Chief Officer.

2.11.13 “Chief Officer” means any Statutory or non-Statutory Chief Officer within the meaning of Section 2 of the Local Government and Housing Act 1989.

2.11.14 A “contract” includes any contract for the supply, for pecuniary interest, of goods, services or works, and any framework, and any concession contract.

2.12 Peer Review

- 2.12.1 Peer reviews shall be led by the Senior Responsible Officer in conjunction with the Category Manager prior to attending the Procurement Assurance Board.
- 2.12.2 Peer review must be planned in alignment with the agreed procurement timetable. The peer review should be proportionate to the value and complexity of the procurement and should ensure that the procurement is compliant; meets the project objectives and supports the wider council corporate strategy. Peer reviews can include: Operational Business Meetings (OBM), the Contracting and Commissioning Board (CoCo), programme boards and team meeting.
- 2.12.3 Operational Business Meetings commonly known as OBM is an officer group in each of the Council directorates with representation of senior managers across the directorate which manage operational matters including reviewing sourcing and contract proposals specific to their directorate.
- 2.12.4 The Commissioning and Contracts Board commonly known as “CoCo” is an officer group in Adult Social Care and Children’s Services which review commissioning and procurement activities. The CoCo Board will provide peer review of any procurement activity subject to review by the Procurement Assurance Board.

3 Procurement Operations

3.1 Category Planning

- 3.1.1 The Council will publish a pipeline of all planned Council contracts, 56 days prior to the commencement of the financial year (being the 1st April) setting out information about public contract with an estimated value of over £100,000 .
- 3.1.2 The pipeline of planned Council contracts will be reviewed by Category Management with directorates annually and updated quarterly, to enable Procurement and Commercial Services to resource plan forthcoming sourcing activity.
- 3.1.3 Category Planning should support the development of Category Strategies which are subject to Council governance as per **Error! Reference source not found..**

3.2 Section 20

- 3.2.1 Procurement relating to goods, services and works for residential properties leased by the City Council may be subject to statutory requirements for the Council to consult with leaseholders under the Section 20 of the Landlord and Tenant Act 1985 (as amended).
- 3.2.2 Section 20 of the Landlord and Tenant Act 1985 (as amended) ('the 1985 Act') provides that a landlord (as defined by Section 30 of the 1985 Act) must consult leaseholders who are required under the terms of their leases to contribute (by payment of service charges) to costs incurred under qualifying works, where the contribution of any one leaseholder exceeds £100 in any accounting period.
- 3.2.3 Officers responsible for managing the properties for which the procurements are being undertaken are also responsible for undertaking the consultation with leaseholders and will need to factor in appropriate lead times.

3.3 Category Management Toolkit

- 3.3.1 The Category Management Toolkit (CMT) is to be used for all strategic procurements and the principles are to be adopted for operational and low value procurements. The principles are built into the workflow within the Council's eSourcing Platform, see 0

3.4 Estimating the Total Contract Value

- 3.4.1 Officers should calculate a genuine pre-estimate of the total contract value excluding Value Added Tax. This should be for the whole of the predicted contract period which must include any provisions for extensions. If the terms of a contract are yet to be established or uncertain, then a 4-year contract should be assumed for the purposes of estimating the contract value. This should take in to account consideration of all anticipated costs including all fees, expenses etc.
- 3.4.2 Officers must not deliberately sub-divide or disaggregate procurements for the purpose of avoiding thresholds and the avoidance of procurement rules either set out in this Procurement Code or in the Public Contracts Regulations 2015 (PCR 2015) and subsequent procurement legislation.

3.5 Spend Definitions

- 3.5.1 **Works** are defined as the construction, demolition, transformation or repair of a building or location.
- 3.5.2 **Goods and Services** are defined as the provision of tangible items (goods) or intangible routine actions (services) that are required to fulfil a need. The provision of such goods and services includes license agreements.
- 3.5.3 Professional Consultancy Services and Technical Consultancy Services are as defined below;
 - 3.5.3.1 “**Professional Consultancy Services** are defined as the provision to management of objective advice relating to strategy, structure, management or operations of an organisation. Such advice will be provided outside the ‘business-as-usual’ environment when in-house skills are not available and will be time-limited. Consultancy Services may include the identification of options with recommendations, or assistance with (but not necessarily the delivery of) the implementation of solutions. Contracts for Professional Consultancy Services will normally be outcome based. For the avoidance of doubt, consultancy services excludes “technical consultancy services” relating to the built environment.
 - 3.5.3.2 “**Technical Consultancy Services**” are defined as the provision of technical services in the built environment. Technical Consultancy Services typically includes architects, landscape architects, engineers, specialist designers, cost consultants, site inspectors and project managers.
 - 3.5.3.3 Officers must seek advice from Procurement & Commercial Services prior to proceeding with the procurement of Professional or Technical consultancy services, regardless of the estimated total contract value.

3.5.4 **“Contingent Labour”** is defined as individuals who are not on the payroll, but instead provide independent services on an interim or temporary basis.

3.5.4.1 **“Interim”** or “interim management” is the temporary provision of management resources and skills. Interim management can be seen as the short-term assignment of a proven interim manager to manage a period of transition, crisis or change within an organization. In this situation, a permanent role may be unnecessary or impossible to find on short notice. Additionally, there may be nobody internally who is suitable for, or available to take up, the position.

3.5.4.2 **“Temporary”** work or temporary employment refers to an employment situation where the working arrangement is limited to a certain period of time based on the needs of the employing organisation. Temporary employees are sometimes called "contractual", "seasonal", "interim", "casual staff" or the words may be shortened to "temps". In some instances, temporary, highly skilled professionals (particularly in the white-collar worker fields, such as human resources, research and development, engineering, and accounting) refer to themselves as consultants.

3.6 Standard Procurement Documents

3.6.1 Procurement & Commercial Services are responsible for developing and maintaining standard procurement documents to be used when conducting tender or requests for quotations. The standard documents/templates contained within the City Councils eSourcing Platform or located on the Council’s Procurement Hub (intranet site) shall be used for all new strategic and operational procurement activity.

3.7 Corporate Contracts Register

3.7.1 Before beginning any procurement activity with an expected value of over £500, a unique Contract Reference Number (CRN) will be requested and allocated to the project as part of the Corporate Contracts Register.

3.7.1.1 For all sourcing activity, £50,000 and above, the Category Manager will request the CRN.

3.7.1.2 For all sourcing activity, £500 and above, and below £50,000, the Central buying Team (CBiT) will request the CRN.

3.7.1.3 For all brokerage activity, the Commissioning function will request the CRN.

- 3.7.2 For the avoidance of doubt, a CRN is also required to place a provider onto a Framework Agreement and for subsequent call-offs from both Council and other publicly available frameworks.
- 3.7.3 The reference number should be quoted on the Invitation to Tender/Invitation to Quote documentation and will also appear in the Corporate Contracts Register. The Contract Reference Number remains incomplete until its supplier details are completed. It is important that the CRN is completed once a contract is executed or purchase order issued, to enable the Council to comply with the Local Government (Transparency Requirements)(England) Regulations 2015. Where a Purchase Order is subsequently raised against a Contract, a further CRN is not required.
- 3.7.4 All officers providing data for the Corporate Contracts Register shall be responsible and accountable for the accuracy of the information.

3.8 Terms & Conditions of Contract

- 3.8.1 The Council will only use and accept its own standard Terms and Conditions. The standard terms and conditions of contract can be located on the Hub (intranet) and the Council's internet; these are updated in consultation with Legal Services and maintained by Commercial and Procurement Services.
- 3.8.2 Any variation to the standard Terms and Conditions will require express authorisation and advice from Commercial and Procurement Services, who will seek advice on alternative clauses from Legal Services.

3.9 Evaluation Criteria

- 3.9.1 The standard evaluation criteria for any procurement is weighted 60:40 to Price: Quality respectively. Any deviation from this ratio requires the Head of Procurement & Commercial Services approval in conjunction with the Cabinet Member for Finance & Corporate Services, by submitting a waiver request. This rule to obtain a waiver request will not apply to procurements where the total contract value is below £100,000 and the price criterion is increased.

3.10 Responsible Procurement

- 3.10.1 For all contracts with a total contract value of £100,000 or above the Council requires a minimum of 10% of the total weighting of the tender evaluation score to be allocated for Responsible Procurement. This will be derived from the Quality section of the evaluation and will include social, economic and environmental characteristics (example: Quality has 40% overall weighting Social Value will be 10% of that weighting allowing 35% for remaining quality evaluation criteria).

3.10.2 All procurements conducted by the Council and by those contracted by the Council to act on their behalf will do so following the Government Buying Standards 'Mandatory' criteria, for further information contact the relevant Category manager.

3.10.3 All appropriate Council policies and strategies are to be considered and included in either within the Scope or Evaluation of the tender.

3.11 City Council Led Frameworks (including Dynamic Purchasing Systems)

3.11.1 All commercially viable contracts over £100k are to be let as framework (or DPS) agreement, open to other Public Sector organisations.

3.12 External Frameworks (including Dynamic Purchasing Systems)

3.12.1 Prior to using an external framework (or DPS) for the first time, Procurement & Commercial Services will undertake a due diligence assessment for using the framework, and a formal review by the Procurement Assurance Board (Gates 1 & 2) must be conducted. Any frameworks (or DPS) that are approved by the relevant Director following a recommendation from the Procurement Assurance Board, must be added to the Framework Register which is maintained by Procurement & Commercial Services. The Framework Register will be a publicly available document.

3.13 Access Agreements (including Dynamic Purchasing Systems)

3.13.1 Where use of a framework (or DPS) requires the City Council to sign an Access Agreement (or similar) with an external contracting authority, the agreement must be reviewed by Procurement & Commercial Services and authorised by the Head of Procurement & Commercial Services.

3.13.2 Mini competitions or call-offs, from frameworks (or DPS), should be administered through Procurement & Commercial Services and will be conducted using the City Councils eSourcing Platform.

3.14 Call-offs from City Council and External Frameworks (including Dynamic Purchasing Systems)

3.14.1 Call-offs from both City Council and External Frameworks will be administered as follows;

3.14.2 calls-offs of £50,000 and above, subject to the exemptions in 3.14.4 will be administered by the Category Management team.

3.14.3 call-offs below £50,000 subject to the exemptions in 3.14.4 will be administered by the Central Buying Team (CBiT).

3.14.4 calls-offs for the following activity will be devolved to the relevant Service;

- i. Special Educational Needs and Disabilities (SEND) Transport
- ii. Alternative Education Provision for Children and Young People

3.15 Sourcing Strategy, Process, Thresholds and Approval

3.15.1 The type of spend, estimated total contract value and the Sourcing Strategy will determine the approach to be applied for all procurement activity and sets the type and levels of approvals before engaging the market via a Request for Quotation or tender process. Where procurements are considered to be high risk, the appropriate Category Manager must be consulted.

3.15.2 A Sourcing Strategy may include a programme of works/projects, including the use of a Framework or Dynamic Purchasing System, over a defined period of time. Any deviation from an approved Sourcing Strategy will require officers to seek approval again.

3.15.3 The process to follow for managing individual procurement activity is as follows;

3.15.3.1 A **Request for Quotation (RFQ)** will be used when the exact goods or services required are known and the Council is seeking a price, or cost only and where the Council is seeking to evaluate based on price, quality and, or supplier capability but the assessment criteria is not as rigorous as an Invitation to Tender. An order will normally be placed on the Council's standard terms and conditions of purchase. This would not normally be used for works requirements. A Request for Quotation process will normally be managed by the Central Buying Team as per the thresholds detailed in 3.15.4

- 3.15.3.2 A **Mini-Tender** (which is different to a mini competition) will be used when the goods, services or works required, is known and the Council is seeking to evaluate based on price, quality and, or supplier capability but the assessment criteria is not as rigorous as an Invitation to Tender. An order will be placed on the Councils standard terms and conditions of purchase although it may be determined to use a formal contract for some services i.e. consultancy. A mini-tender process will normally be managed by Category Management depending on the thresholds detailed in 3.15.4
- 3.15.3.3 An **Invitation to Tender (ITT)** will be used when the Council is seeking a range of proposals for a goods, services or works and will evaluate proposals based on price, quality and supplier capability. The level of rigour that is applied will be subject to the risk, value and where applicable, compliance with the Public Contracts Regulations 2015 (PCR 2015) and subsequent procurement legislation. An ITT will normally include supplier pre-qualification as part of the supplier assessment process. The contract terms will be specific to the type of goods, services or works procured. An Invitation to Tender process will be managed by Category Management as per the thresholds detailed in 3.15.4
- 3.15.3.4 A **Mini Competition** is a competition needed in order to secure a place on a call off contract. A call-off contract is an individual contract that falls under a framework agreement. A supplier needs to win a mini competition for a place on a call off contract within a framework agreement. Framework agreements are typically for a period of between two and five years. A mini competition process will be managed by Category Management as per the thresholds detailed in 3.15.4
- 3.15.3.4.1 For the avoidance of doubt, a **Framework Agreement** is effectively a list of pre-qualified suppliers who can bid for work around a certain group of goods, services or works – typically having tendered for their place on the framework. As part of the framework structure, the Council can then award individual contracts (call off contracts) for the delivery of specific goods, services or works. Each contract will have their own specific conditions, terms and clauses, throughout the duration of the framework. The Council can may award its own framework agreements or utilise other public sector framework agreements.
- 3.15.3.5 A **Call Off Contract** is a contract that falls under a framework agreement as per 3.15.3.4.1. The Council and other Purchasing organisations may set stringent and bespoke conditions for a framework which must be followed when a call off contract is made. The process for a call off contract will be managed by either the Central Buying Team or Category Management depending on the thresholds in 3.15.4

3.15.4 The Council has categorised spend as either transaction, low value, operational or strategic. The categorisation of spend and estimated total contract value will determine the key requirements, advertising and process to be followed as below;

Spend Type	Total Contract Value	Key Requirements	Advertising	Process
Transactional	Under £5000	Consider use of Pcard. Otherwise follow process for Low Value Spend.	Not required when utilising a Pcard	Delegated to designated officers with a Pcard
Low Value	Under £10k	Obtain at least one written Quotation.	Optional: The opportunity will be advertised on the City Council's website with alerts posted on "X" and Facebook.	Use Central Buying Team (CBiT)
Tactical	Between £10,000 and £49,999	Obtain at least three written Quotations unless a Preferred Supplier List is being used or there is justification for a mini tender or call-off from a framework.	The opportunity must be advertised on Contracts Finder , the City Council's website with alerts posted on "X" and Facebook.	Mandatory use of Central Buying Team (CBiT) who will manage the Request for Quote (RFQ) process, utilising the Council's eSourcing System.
Operational	Between £50,000 and £99,999	Category Management must lead all projects and will determine the route to market.	The opportunity must be advertised on Contracts Finder , the City Council's website with alerts posted on "X" and Facebook.	Mandatory use of Category Management who will manage a Mini Tender, Call Off Contract or Invitation to Tender process utilising the Council's eSourcing System.
Strategic	£100,000 and above	Category Management must lead all projects and will determine the route to market. All Procurements will be subject to Procurement Assurance as per 2.11	The opportunity must be advertised on Contracts Finder , the City Council's website with alerts posted on "X" and Facebook. The opportunity must be advertised on Find a Tender , subject to the thresholds at which public procurement opportunities are subject to the full suite of UK regulations governing public contracts.	Mandatory use of Category Management who will manage the Invitation to Tender process utilising the Council's eSourcing System.

3.15.5 When following a Request for Quotation or Mini Tender process, a minimum of one supplier must be sought with a registered address within the City of Stoke-on-Trent and where possible a Small Medium Enterprises, Social Enterprises or Voluntary Community Social Enterprise (VCSE).

3.16 Contingent Labour

- 3.16.1 The engagement of Contingent Labour, see 3.5.4 is subject to Human Resources approval.
- 3.16.2 The engagement of all Contingent Labour will be via the Councils Managed Service provider.
- 3.16.2.1 Where it is not possible to utilise, the Councils Managed Service provider, approval must be sought from Human Resources.
- 3.16.3 Contracts for the engagement of Staffing Agencies for Contingent Labour are subject to the Contract Award Thresholds and Approval as per 3.20.1
- 3.16.4 The engagement of Professional Consultancy Services and Technical Consultancy Services as defined in 3.5.3 is subject to review by Procurement & Commercial Services and following the process defined in 3.15.4

3.17 Waivers

- 3.17.1 In exceptional circumstance a waiver to the requirements of the Procurement Code may be sought.
- 3.17.2 All waivers must be reviewed by the appropriate Category Manager prior to requesting for approval. Approval of Waivers will be based on the estimated contract values as below.

Estimated Total Contract Value	Approval Required By
Less than £50,000	Head of Procurement & Commercial Services.
£50,000 – 249,999	Deputy Director of Finance on the recommendation of the Head of Procurement & Commercial Services.
£250,000 - £499,999	Director of Finance, Section 151 Officer on the recommendation of the Head of Procurement & Commercial Services.
£500,000 and above	Cabinet.

- 3.17.3 If the Waiver is approved, the award of contract must still be approved in accordance with the total contract value (see item 3.19)

3.17.4 All Waivers are reported to the Overview and Scrutiny Committee as part of an Annual Contracts Review.

3.17.5 The statutory provisions of the Public Contracts Regulations 2015 will be applied to all procurements by the Council and cannot legally be waived.

3.18 Procurement Exemptions

3.18.1 In limited instance it is not necessary to seek a competitive tender or quotations; the list of approved "Procurement Exemptions" is included in Appendix 1.

3.18.2 For all activity above £50,000 where a Procurement Exemption is being applied, this will be documented in the Procurement Strategy / Contract Award Report under Procurement Implications.

3.18.3 For all activity of £10,000 and above, where a Procurement Exemption is being applied, should be documented in the purchase request to the Central Buying Team (CBiT) when requesting a purchase order. It is CBiT's responsibility to ensure that the correct Procurement Exemption applies.

3.19 Non-Compliance

3.19.1 Waivers will not be granted retrospectively. Requests for retrospective waivers, where a commitment has been made to a provider for goods, services or works without appropriate approval, will be reported to the Chief Officer as non-compliant and will also be reported to SMT as part of the quarterly contract review and to the Overview and Scrutiny Committee as part of an Annual Contract Review.

3.19.2 Proceeding with a non-compliant procurement without the appropriate approvals will be the responsibility of the Senior Responsible Officer and the Chief Officer. The non-compliance will be reported to SMT.

3.20 Contract Award Thresholds and Approval

3.20.1 The contract letting threshold sets out the type and level of approval required by officers prior to proceeding with the award of a contract. When seeking approval for a contract award, officers must clearly state the contract term (which must include any provisions to extend)

Total Contract Value	Approval Required by
Less than £50,000	TBA
Between £50,000 and £99,999	Chief Officer
Between £999,999 and £499,999	Chief Officer on the recommendation of the Procurement Assurance Board 2.11
£500,000 and above	Cabinet on the recommendation of the Procurement Assurance Board 2.11
Staff Agencies (any value)	HR

3.20.2 The model contract documents/templates shall be used where available. Where modifications are required, advice should be sought from Procurement & Commercial Services and Legal Services.

3.20.3 Information relating to Contracts may be commercially sensitive and officers must not communicate it directly or indirectly to other external suppliers.

3.20.4 The Council does not enter into Memorandums of Understanding or issue Letters of Intent.

3.20.5 The Council does not issue or operate under Voluntary Ex-Ante Transparency notices.

3.20.6 No goods will be delivered, nor works or services commence without a proper contractual commitment in place.

3.20.7 All contracts shall have a defined duration and provision(s) for extensions and termination. Contracts shall not have provision for automatic roll over or be allowed to exist in perpetuity. These are sometimes called “evergreen contracts”.

3.20.8 Prior to entering into contracts with a total value over £50,000, the company financial information will be reviewed using the Council’s preferred credit check supplier.

3.20.9 All contracts should be signed according to the thresholds below;

Total Contract Value	
Less than £100,000	One authorised officer of the Council
Between £100,999 and £999,999	Two authorised officers of the Council
£1,000,000 and above	Assistant Director, Governance and Registration

3.20.10 All works contracts or contracts considered to be of high risk, should be sealed and executed as a dead.

3.20.11 An electronic copy of the signed contract must be logged with Procurement & Commercial Services and the Contracts Register updated as per **Error! Reference source not found.**

3.21 Revenue earning contracts

3.21.1 Where the Council wishes to enter into a revenue earning contracts, the Senior Responsible Officer shall advise:

3.21.1.1 the Chief Officer when revenue generated will be less than £50,000.

3.21.2 inform the Assistant Director of Finance and Chief Officer when revenue generated will be more than £50,000.

3.22 Contract Extensions and Variations

3.22.1 Officers must consult Commercial & Procurement Services and Legal Services where appropriate, on all contract extensions or variations to ensure compliance with the Public Contract Regulations 2015 (PCR2015). It should be noted that the extent of permitted variations is limited by law and require specific conditions to be fulfilled.

3.22.2 Exercising an option to extend or varying the terms of a contract may require the same approvals as the contract award (see item 2.110), appropriate to the total contract value over the life of the contract. This will depend on the specific factors and assessment of any potential risks concerning the proposed extension or variation.

3.22.2.1 Minor variations which are not substantial and are permitted under the PCR 2015 may not require the same approval process as contract award; however, officers must notify Procurement & Commercial Services and seek approval from the appropriate Chief Officer as a minimum.

3.22.2.2 Variations, extensions of contract or contract overspends that will account for an additional cost of 10% or more of the original contract value will require the same approvals as the contract award.

3.22.2.3 Officers will be responsible for ensuring that all extensions or variations are formally documented.

3.23 Contract Management

- 3.23.1 Contract Management is the responsibility of the associated directorate / service department which includes ensuring a Contract Manager is identified and assigned for all contracts and for maintaining the Corporate Contracts Register.
- 3.23.2 All Contract Managers are required to have attended the Council's training course Managing Successful Contracts within the past 24 months and are required to follow the principles of the Contract Management Framework within 6 months of commencing a role where the officer is managing a contract.
- 3.23.3 All reporting and performance information is to be submitted to Procurement Services on request. There are to be periodic reviews of contract performance by Procurement & Commercial Services.
- 3.23.4 Contract Managers will be responsible for monitoring contract performance and total contract spend over the full term of the contract, as well as ensuring that any variations are compliant with the Public Contract Regulations 2015 and item 3.22 above.

3.24 Changes in identity of Suppliers

- 3.24.1 Procurement Services must be consulted regarding the assignment or novation of contracts to ensure compliance with the Public Contract Regulations 2015.
- 3.24.2 For contracts valued at £30,000 or more any new legal documentation such as a Deed of Novation or Parent Company Guarantee must be logged with Procurement & Commercial Services.
- 3.24.3 If the remaining contract value falls within the thresholds detailed within item 0, the same approval process must be followed.
- 3.24.4 The supplier shall cover all costs arising from assignment/novation where this has been at the request of the supplier.
- 3.24.5 Where it is established that no assignment or novation has taken place but only a rebranding exercise following a company merger or acquisition, then a copy of the Change of Name Certificate must be provided to Procurement & Commercial Services and recorded against the relevant contract.

3.25 Document Retention

- 3.25.1 The Council regulations for the retention of tenders, quotations and contracts are set out in the Constitution.
- 3.25.2 Original signed or sealed contracts must be placed in the Deeds Registry once the documentation has been completed, and an electronic copy logged with Procurement & Commercial Services by the lead officer or Contract Manager (where appropriate).
- 3.25.3 Procurement Services is responsible for maintaining a register of tenders and quotations and will keep records for all Strategic purchases for 6 years.
- 3.25.4 Contracts awarded under seal must be kept for 12 years from the date of final delivery or completion of the contract.

3.26 Purchase Orders

- 3.26.1 All purchases require a valid purchase order to be raised within the payment system.

3.27 No PO No PAY

- 3.27.1 The Council operates a No PO No Pay policy, as such in order for any invoice to be paid a valid Purchase Order must be on the system and appropriately received.

3.28 Prompt Payment Code

- 3.28.1 In accordance with the Prompt Payment Code, the Council aims to pay undisputed invoices that quote a valid purchase order number, within 30 days of the invoice receipt.

3.29 Purchasing Cards

- 3.29.1 The Council provides both physical and virtual Purchasing Card for the procurement and payment of low value goods and services, and as an alternative means for paying suppliers. Purchasing cards are to be used and administered in accordance with the Purchasing Card Policy.

3.30 Appendix 1; Exemptions of the Procurement Code

Exemption Number	Circumstances	Example
E1	The Council has no influence over the supplier selection	<ul style="list-style-type: none"> • Where works are to be undertaken by a developer, in accordance with a Section 106 agreement, and the developer appoints a contractor. • The procurement activity is grant funded (or the Council is match funding) and the supplier is named as a condition of that funding. • Where it can be robustly demonstrated that there is only one supplier capable of providing the requirements of the Council e.g. Where software is being procured which must be compatible with an existing IS system thereby limiting the potential providers to the current software provider ONLY. • A subscription is to be paid for a particular service e.g. annual subscription to the LGA. • Where staff are seconded from other local authorities.
E2	The Council are buying goods on behalf of another organisation and those goods will remain on their asset register.	Where purchases are made on behalf of schools in the City of Stoke-on-Trent.
E3	Where services need to be procured as a matter of extreme urgency and timescales do not allow for the prescribed procurement route set out in the Procurement Code to be fully followed.	Where an incident occurs, which has brought about the events that could not be foreseen by the contracting authority, such as a natural disaster.
E4	SMEs, voluntary sector organisations and other non-commercial companies are	A small or medium sized enterprise (SME) or voluntary sector organisation does not meet one or more of the criteria set out in the evaluation (e.g. Turnover is not X times the contract value) where the value of the contract is less than £50,000 per annum.

	encouraged to submit bids for Council contracts.	
E4	Local authorities have a statutory duty to provide housing under homelessness legislation, where the applicant is homeless, is in priority need and has a local connection.	When the supply of suitable affordable accommodation is not available, the Council is required to procure Temporary Accommodation (TA) to provide housing until affordable housing is available.