

FIFE COUNCIL

CONTRACT STANDING ORDERS Scheme of Tender Procedures

2023

Effective Date: 22nd June 2023

1. EXTENT AND APPLICATION

- 1.1 These Contract Standing Orders are made under Section 81 of the Local Government (Scotland) Act, 1973 and shall apply to all contracts made by or on behalf of the Council for the procurement of:
 - a. the execution of works; or
 - b. the supply of goods and materials; or
 - c. the provision of services (including consultancy services);
- 1.2 Any disputes or queries regarding legal issues, including the extent to which these Contract Standing Orders apply to any Contract, shall be referred to the Head of Legal & Democratic Services, whose decision on such issues shall be final;
- 1.3 These Contract Standing Orders apply to the Council carrying out its own procurement activity and any activity the Council conducts on behalf of other parties such as ALEOs and the Health and Social Care Partnership;
- 1.4 Where the procurement is to spend funds raised by third parties including, but not limited to: Parent Council, School Fund and in some cases Pupil Equity Fund for example, those funds may be subject to the application of Procurement Legislation where the Contract is entered into by the Council. The prior consent of the Council must be obtained where the expenditure of Parent Council monies will result in alterations to Council land or buildings or require equipment to be fixed to Council land or buildings or have health or safety or ICT implications or maintenance obligations. See 12.1 and 12.2 for further guidance.
- 1.5 This clause applies where it is intended to make use of a contract, framework agreement or other procurement arrangements which comply with the relevant procurement legislation entered into by a consortium, partnership, collaboration, company or similar body which exists for the purpose of joint purchasing arrangements and of which the Council is a member or registered user.
 - 1.5.1 The thresholds related to delegated procurement authority detailed in Table 1 in clause 9.1 shall still apply;
 - 1.5.2 The processes for contract awards detailed by such organisations and/or the relevant contract or framework agreement shall take priority over the processes specified in Tables 2 and 3 in clause 10.2.

- 1.6 These Standing Orders shall not apply to any of the following:
- 1.6.1 commercial arrangements between Fife Council and other public bodies such as COSLA, Scotland Excel, CIPFA etc;
 - 1.6.2 contracts of employment (this does not include consultancy services as this is considered a service contract);
 - 1.6.3 contracts solely relating to the transfer, acquisition or disposal of an interest in heritable property including the lease, purchase, disposal of, and a licence to occupy or use, heritable property;
 - 1.6.4 the allocation of direct payments or personal budgets under options 1, 2 or 4 of the Social Care (Self Directed Support) (Scotland) Act 2013;
 - 1.6.5 appointed guardians or legal services designated by a court of tribunal, any persons appointed under The Curators ad Litem and Reporting Officers (Panels) Scotland Regulations 2001 and the appointment of board members required by statute;
 - 1.6.6 except for the obligation to seek Best Value in terms of clause 4.1.1, contracts with statutory or public bodies on the basis of an exclusive right enjoyed by law; and
 - 1.6.7 except for the obligation to seek Best Value in terms of clause 4.1.1, those contracts excluded by the 2015 or 2016 Regulations for example arbitration or conciliation services;
 - 1.6.8 Subject to the Council's List of Officer Powers and/or Financial Regulations, where in the Head of Legal & Democratic Services' opinion it is essential that the contract is entered into for the settlement of any claim or litigation raised by or against the Council; such matter to be reported to the appropriate Committee;
 - 1.6.9 The award by the Council of a Grant.
- 1.7 If Council Officers are uncertain as to the effect of these Standing Orders or concerns about the processes to be followed, they should seek advice from the Council's Procurement Service.
- 1.8 Where a Service plans to undertake a strategic review of their service provision, the Head of Revenue and Commercial Services should be contacted at the outset of any such review to ensure that any relevant procurement issues are identified and addressed.
- 1.9 Where officers are listed then this may be delegated as appropriate.

2. DEFINITIONS AND INTERPRETATION

In these Standing Orders the following terms shall have the corresponding meanings:

ALEO (Arm's Length Organisations)	Arm's Length External Organisation is a body which is formally separate from the Council but subject to its control and influence and is used to deliver services on the Council's behalf. They may have charitable status, but this is not an essential requirement.
Annual Procurement Report	A report which discloses how the Council's procurement activity in has complied with its published procurement strategy. See this link in the procurement journey : Annual Procurement Report (APR)
Best Value	(1) The legal duty to secure continuous improvement in the performance of the Council's functions as set out in section 1 of the Local Government in Scotland Act 2003 and which shall also include the optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer's requirements.
Consultant / Consultancy	A specialist who charges a fee for providing advice or services such as but not limited to Education, Environmental and Sustainability, Financial, Health and Social Care, Housing, HR and Business Change, Estate Management, IT and Digital, Planning, Infrastructure, Economy, Tourism and Leisure and Project Management but excluding: (i) agency, secondments and temporary workers, (ii) professional services provided by solicitors, counsel and actuaries, and (iii) technical or specialist services required in connection with works contracts or proposed works contracts such as quantity surveyors, cost consultants, design engineers and architects.
Contractor	The supplier engaged by the Council to provide the goods/ supplies/works/services required.
Contract Notices	Notices (including Prior Information Notices) for Council contract opportunities and contract awards published in accordance with the Procurement Legislation.
Contract Register	The register maintained by the Council of all contracts entered into as a result of a Regulated Procurement as required by the Procurement Reform (Scotland) Act 2014 and as detailed in Standing Order 23.
Delegated Procurement Authority	A Service with Delegated Contracting is authorised to undertake its own procurement as long as the Council Officer doing the procurement is on the DPA (Delegated Procurement Authority) List.
Direct Purchasing	Procurement of requirements that are below the Regulated Contracts values or above the Regulated and

	FTS Contract Values. This is procurement of Goods, Services or works without competition. This is sometimes known or described as a Direct Award.
DPA List	List of Council Officers outside the Corporate Procurement Service with delegated procurement authority to undertake procurements for Regulated and GPA (Government Procurement Agreement) Thresholds and enter into contracts on behalf of the Head of Revenue and Commercial Services. This list shall be maintained by the Head of Revenue and Commercial Services.
Framework or Framework Agreement	An arrangement under which the terms and conditions are agreed, but where there is normally no commitment to subsequently place orders or call off contracts.
Fundamental Principles	<ul style="list-style-type: none"> • Transparency - procedures must be transparent and opportunities should generally be publicised; • Equal treatment - potential suppliers must be treated equally; • Non-discrimination • Proportionality - procurement procedures and decisions must be proportionate
Grants	<p>are financial contributions to a third party which help to meet the Council's objectives in the wider community.</p> <ul style="list-style-type: none"> • They will not be for critical service requirements or those the Council has a statutory responsibility to deliver. • Grant funding is for discretionary objectives • Grant funds will normally be given subject to desired outcomes being met but, the Council will not normally receive services in return. • a grant will normally be out with the scope of VAT
Government Procurement Agreement or GPA	Means the World Trade Organisation's Government Procurement Agreement
GPA Threshold(s)	The prescribed threshold values set for the supply of goods, services, works, social and other specific services or concession contracts set under the GPA. GPA Threshold values are issued by the Scottish Government every two years and take effect from 1 st January as appropriate. The values are issued in the form of a Scottish Procurement Policy Note (SPPN) .
Health & Social Care Services	The health, social and related services listed in Schedule 3 of the Public Contracts (Scotland) Regulations 2015.
In-House Provider	Any Council service, department or ALEO which is tasked with providing the sorts of services, supplies or works which may form the subject matter of a proposed contract.

Most Economically Advantageous Tender (MEAT)	The Most Economically Advantageous Tender is assessed on the basis of the best price-quality ratio using criteria linked to the subject matter of the contract and must include criteria that reflect qualitative (including but not limited to technical and sustainable) aspects and price.
Procurement Documents	Documents relating to a procurement requirement. This may include (but not limited to): <ul style="list-style-type: none"> • Procurement Strategy Report (PSR), • Single Procurement Document, • Invitation to Tender, • Terms & Conditions of Contract • Contract Notices placed by the Council on Public Contracts Scotland, • Tenders and Quotations received, • Acceptance letter(s).
Procurement Legislation	The Public Contracts (Scotland) Regulations 2015 (“the 2015 Regulations”) The Procurement Reform (Scotland) Act 2014 (“the 2014 Act”) The Public Contracts (Scotland) Regulations 2016 (“the 2016 Regulations”) The Utilities Contracts (Scotland) Regulations 2016 The Concession contracts (Scotland) Regulations 2016
Procurement Processes	Those processes maintained by the Head of Revenue and Commercial services in accordance with Standing Order 13 which shall provide all Procuring Officers with instructions and guidance on best practice for conducting procurement exercises, including templates and contract condition to be used as appropriate. The Procurement Processes will contain information from sources including the following: the Scottish Government’s Procurement Journey, Scottish Procurement Policy Notes (SPPNs), any procurement information, guidance and/or documentation issued by the Head of Revenue and Commercial Services specific to Fife Council.
Procurement Review Board (PRB)	A forum convened by Corporate Procurement to promote strong governance and commercial excellence throughout all Council procurement activity.
Procurement Summary Report or PSR	A report to be prepared by the Procuring Officer detailing all stages of the procurement process for procurement requirements. (Procurement - Procurement Templates - All Documents (sharepoint.com))
Procuring Service	The Council Service undertaking the procurement.
Procuring Officer	Council Officer in the Procuring Service undertaking the Procurement.

Public Contracts Scotland	The advertising portal provided by the Scottish Government for publishing Contract Notices. (Public Contracts Scotland (PCS))
Public Contracts Scotland- Tender or PCS-T	The online tendering tool commissioned and promoted by the Scottish Government.
Quick Quote	The online request facility operated through the Public Contracts Scotland web-portal to invite quotes for low value/low risk procurement exercises or for mini competitions within framework agreements.
Regulated Contracts /Procurements	As defined in the 2014 Act and implemented through the The Procurement (Scotland) Regulations 2016 .
Regulated Contracts Thresholds	As set in the 2014 Act and implemented through the The Procurement (Scotland) Regulations 2016 .
Scottish Procurement Policy Note(s) or SPPN(s)	SPPNs provide advice to public sector organisations and other relevant bodies on procurement policy. (Scottish Procurement Policy Note)
Small and Medium-sized Enterprises (SMEs)	Businesses with no more than 250 employees. As defined in Guidance under the Procurement Reform (Scotland) Act 2014
Supported Business	An economic operator whose main aim is the social and professional integration of disabled or disadvantaged persons and where at least 30% of the employees of the economic operator are disabled or disadvantaged persons.
Tenderer	The organisation or individual which has applied for inclusion in a specific procurement process or submitted a tender.
Third Sector	Organisations (excluding ALEOs (Arm's Length Organisations) of Fife Council) and bodies established under an enactment, which exist wholly or mainly to provide benefits for society or the environment e.g., community groups, voluntary organisations, charities, social enterprises, co-operatives, and individual volunteers.

3. REVIEW OF CONTRACT STANDING ORDERS

3.1 The financial thresholds contained in these Contract Standing Orders will be reviewed in accordance with changes to financial thresholds stated in Procurement Legislation;

3.2 These Contract Standing Orders will be reviewed at least every three years.

4. PRINCIPLES OF PROCUREMENT

4.1 All procurements undertaken by the Council shall take account of the following:

4.1.1 All contracts let by or on behalf of the Council, shall be subject to an obligation to seek Best Value for the Council;

4.1.2 All contracts let by or on behalf of the Council must be done so in a proportionate manner which complies with these Standing Orders and the Fundamental Principles must not be designed with the intention of unduly favouring or disadvantaging any potential tenderer;

4.1.3 The requirements of the applicable Procurement Legislation;

4.1.4 Council staff must comply with the List of Officer Powers, the Financial Regulations and the Council's Procurement Processes.

4.2 Where there is any discrepancy these Standing Orders shall take precedence.

5. SUSPENSION, VARIATION AND REVOCATION OF THESE STANDING ORDERS)

5.1 These Standing Orders may be suspended, either in whole or in part, with regard to the proposed award of any Contract(s) upon the joint decision of the Executive Director of the Procuring Service, the Head of Legal & Democratic Services and the Head of Revenue and Commercial Services where:

5.1.1 there are exceptional circumstances justifying the suspension;

5.1.2 the suspension is within the legal powers of the Council; and

5.1.3 the decision and the circumstances justifying it are reported to the Council's Cabinet Committee (or such other Council Committee as may succeed to its responsibilities/remit) at the next available opportunity.

5.2 In the circumstances described at Standing Orders 5.1 a report detailing the exceptional circumstances proposed to justify the suspension must be completed by the Procuring Officer for consideration by the parties stated in Standing Order 5.1;

5.3 Where the contract is being funded by money provided by the European Union, UK and Scottish Governments or other public body or other funders, e.g.,

National Lottery, and the award of that money to the Council is subject to such conditions which make it impractical for the Council to comply with these Contract Standing Orders in letting the contract. However, in such circumstances, the Executive Director of the Procuring Service shall, after consultation with the Head of Revenue and Commercial Services and the Head of Legal & Democratic Services, submit a report to the appropriate Committee explaining the procedure to be used and why these Contract Standing Orders could not be complied with. The report shall be submitted in advance of the contract award unless, in the opinion of the Head of Revenue and Commercial Services, the time limit for acceptance or use of the funds makes this impractical. In these circumstances the report shall be submitted to the next meeting of the appropriate Committee.

- 5.4 Where appropriate, all relevant information that falls within the scope of standing order 5.1 to 5.3 shall be reported in the Council's Annual Procurement Report.
- 5.5 The Head of Revenue and Commercial Services and the Head of Legal & Democratic Services acting together shall have power to vary these Standing Orders but only in the following circumstances:
 - 5.5.1 To reflect changes in job titles, reorganisations of committees, departments and vacancies in posts;
 - 5.5.2 To reflect changes in the GPA Threshold or to the Regulated Contracts Threshold; or
 - 5.5.2 To make such changes as are necessary to comply with changes in legislation or in response to judicial decisions.
- 5.6 Any variations or revocation of the Contract Standing Orders will be effective on the first working day after the conclusion of the Council meeting at which it was approved or, as the case may be, from the date of the decision made in terms of 5.5.

6. BREACH OF CONTRACT STANDING ORDERS AND/OR PROCUREMENT PROCESSES

- 6.1 Failure to comply with these Standing Orders when awarding contracts to which they apply may result in disciplinary action.
- 6.2 Any failure to comply with Standing Orders and/or the Procurement Processes must be reported immediately to the Head of Revenue and Commercial Services and the Head of Legal and Democratic Services;
- 6.2 Any incidents of suspected fraud must be directed to the Corporate Fraud team immediately using the [whistleblowing procedure](#);

7. HEAD OF REVENUE AND COMMERCIAL SERVICES

- 7.1 Subject to paragraph 7.4, only the Head of Revenue and Commercial Services shall be authorised to undertake the procurement of any Contracts and to make Contract awards;
- 7.2 The Head of Revenue and Commercial Services may delegate procurement activity to any of the staff working within Corporate Procurement, and to any other Council Officer who has been added to the DPA List and is in a Service with Delegated Contracting Authority. See Standing Order 9;
- 7.3 The Head of Revenue and Commercial Services shall:
- 7.3.1 Make arrangements for the provision of advice, if requested, in respect of tendering arrangements for any proposed Contracts;
 - 7.3.2 Take all reasonable steps to ensure all staff responsible for procurement have read and understood and are familiar with these Contract Standing Orders and the Procurement Processes, undertake relevant training, and have Delegated Procurement Authority (are on the DPA List) where appropriate;
 - 7.3.3 Maintain the DPA List and ensure that all officers on the list are appropriately trained and equipped to enable them to carry out the tasks delegated to them;
 - 7.3.4 Consult with the Head of Legal & Democratic Services to establish Fife Council Standard Terms and Conditions of Contract where appropriate, and to consider alternate terms where required;
 - 7.3.5 Maintain a list of contracts for the purposes of meeting the Council's duty to publish a Contracts register;
 - 7.3.6 Compile and issue the organisational Procurement Strategy and subsequent Annual Procurement Report;
 - 7.3.7 Take all reasonable steps to ensure duplication of tendering procedures and Contracts for the same works, goods/ supplies and services is avoided. See also Standing Order 8.1;
 - 7.3.8 Take all reasonable steps to ensure all procurements above the GPA Thresholds or Regulated Procurements Thresholds are conducted in accordance with the requirements of the relevant legislation;
 - 7.3.9 Take all reasonable steps to ensure documents relating to procurements shall be retained in accordance with the requirements of The Council's document retention schedule for procurement documents.

- 7.4 The Head of Legal and Democratic Services shall be authorised to execute contracts, contract variations and contract assignments or novations and any other legal documents relating to the conclusion, variation, or discharge of a contract.

8. THRESHOLDS AND PROCUREMENT VALUES

8.1 Contract Values

When estimating the value of a Contract the Procuring Officer must consider the total aggregate value across the Council of all similar requirements for the works/goods/supplies/services. If the aggregate value for all similar requirements over the Contract term (or if no contract term, with acknowledgement of ongoing need) equals or exceeds the relevant Regulated or GPA Threshold, then the appropriate Procurement Legislation applies to the award of each Contract;

- 8.2 Breaking down or disaggregating requirements in order to avoid the necessity of exposing them to competition is prohibited as being contrary to Procurement Legislation and must not be knowingly carried out under any circumstances.

8.3 VAT

8.3.1 Value Added Tax (VAT) must be included in the estimate of the Contract value to determine if it falls above the GPA Threshold. Unless the Procuring Officer has advice to the effect the contract's subject matter is exempt from VAT, zero rated or charged at a lower rate, they should apply VAT at the UK standard rate to determine the estimated value and the appropriate threshold.

8.3.2 Value Added Tax does need to be applied to contracts which fall above the Regulated Contracts Threshold, but under the GPA Threshold, so:

8.3.2.1 Where the contract is likely to be nearing the GPA Threshold the Procuring Officer should include VAT to ensure the correct threshold is applied.

9. DELEGATION OF PROCUREMENT ACTIVITY

9.1 Council Services may undertake procurement activity as set out in Table 1;

Table 1 - Delegated Procurement Authority

Service	Type & Value (excluding VAT)
All Services (including those with Delegated Procurement Authority)	Tenders for goods or services with a value below £50,000, <u>with the exception</u> of the following: <ul style="list-style-type: none"> • Contracts for Consultancy services with the potential to exceed £5,000. (See Standing Order 13); and • ICT requirements (these must be procured in accordance with Standing Order 12).
Procurement Service	All Tenders (supplies, services, or works) of any value
Building Services	Works (including materials for supply and installation) and works-related services of any value. This does not include the procurement of supplies for general inventory.
Property Services	Works (including materials for supply and installation) and works-related services of any value. This does not include the procurement of supplies and materials for general inventory.
Housing Services	Works Tenders relating to Occupational Therapy Adaptations below £25,000
Roads & Transportation Services	Works (including materials for supply and installation) and works-related services of any value. This does not include the procurement of supplies and materials for general inventory.
Protective Services (Building Standards and Public Safety)	Works and related services and supplies Tenders of any value for specialist works relating to Public Safety and Dangerous Buildings

9.2 Where a Service has Delegated Contracting Authority:

9.2.1 Officers outwith Corporate Procurement undertaking procurement activity must be on the DPA List except for requirements for goods or materials, or services with a value below £50,000;

9.2.2 If the Officer undertaking a procurement activity is unsure of the appropriate course of action to follow, they should seek advice from the Procurement Service and follow any such advice received.

9.3 Where a proposed contract involves paying a fee to the supplier to manage any scheme which involves the management of, and/or payments to, third parties, it is the value of the management fee which shall determine the threshold value and appropriate procurement route to be followed. In all cases these should be directed to Corporate Procurement.

9.4 **MIXED PROCUREMENTS**

The application of these Standing Orders to a procurement which has as its subject a mixed contract including works, supplies and/or services, shall be determined by that part of the contract which characterises the main subject of the contract in question. In the case of a mixed contract:

9.4.1 consisting partly of services of the kind referred to in Standing Order 11 (HEALTH AND SOCIAL CARE SERVICES) and partly of other services; or

9.4.2 consisting partly of services and partly of supplies,

If a works requirement includes a supplies or service element, and if that element exceeds the corresponding Regulated Contracts Threshold, the Head of Revenue and Commercial Services must be consulted to determine the most appropriate threshold/process that would be applied.

10. PROCUREMENT PROCEDURES

10.1 Internal Providers, Existing Contracts and Frameworks:

- 10.1.1 Where a requirement could be delivered by a Council internal provider, the appropriate internal provider must be contacted in the first instance, and it shall fulfil the requirement unless the Head of the Client Service(s) and the Executive Director, Enterprise and Environment (in relation to works) or the Head of the internal provider's Service agree an alternative arrangement represents Best Value;
- 10.1.2 Where an internal provider needs to engage subcontractors to deliver requirements, any procurement activity required to fulfil this shall be in accordance with the Procurement Processes and these Standing Orders.
- 10.1.3 The Procuring Officer must check if there is a suitable existing Contract or Framework (e.g., Fife Council, HUB East Central Scotland Limited, Scotland Excel, Scottish Government, Crown Commercial Services etc.) which could be used to fulfil the requirement. Where such a Contract or Framework exists, and upon clarifying that the Council is eligible to utilise, this should be used unless an alternative procurement route represents Best Value and is compliant with the Procurement Legislation.
- 10.1.4 Information about existing Contracts and Frameworks can be found in the Council's Contract Register.
- 10.1.5 When using a pre-existing Contract or Framework the procedures set out for use of that Contract or Framework must be followed;
- 10.1.6 Any identified or known omissions must be notified to Procurement for inclusion where appropriate on the Contract Register;
- 10.1.7 Tables 2 and 3 set out the processes which must be followed by Officers except contracts to which paragraph **11 HEALTH AND SOCIAL CARE SERVICES** applies.

10.2 Table 2 - Goods/ Services Thresholds

Before a procurement exercise is undertaken (regardless of value) the procuring officer must consider the environmental and economic impact of the goods/services.

Consideration should be given to

- **Whether there is a need to buy (reduce/reuse/recycle)**
- **What is being bought (are there more sustainable alternatives)**
- **How much is being bought**
- **What route to market is being utilised**

In all cases the availability (regardless of value) of existing contracts or frameworks must be utilised. Only where no contract/framework exists should a procurement exercise be undertaken.

VALUE	PROCESS
Below Regulated Contracts Threshold – Up to £5,000	<ul style="list-style-type: none"> • Where no contract exists, it is good practice to obtain a minimum of three quotations, seeking local companies where best value can be served. • Documentary evidence of the quotes and the decision should be retained either by the Procuring Officer or centrally within the team
Below Regulated Contracts Threshold – £5,000 to £49,999	<p>In an effort to support the Recovery and Reform Agenda and increase Fife Council’s Local Spend procuring officers should obtain at least three quotations seeking local companies where it is best value (Documentary evidence must be retained either by the Procuring Officer or centrally within their team).</p> <ul style="list-style-type: none"> • Obtain at least three quotations. Where at all officers should use the Quick Quote facility on PCS. • Officers should make best efforts to ensure at least one Fife – based SME (Small and Medium sized Enterprise), Supported Businesses, Social Enterprises or Third Sector organisation, or a business which is a significant employer within Fife is invited to quote. <p>Documentary evidence must be retained either by the Procuring Officer or centrally within their team) must follow the Low Value Order process</p>

	<p>Alternatively, the procuring officer may elect to Tender the contract opportunity. Should this route be taken, the procuring officer must provide details to Corporate Procurement.</p> <p>In an effort to Address the Climate Emergency (ACE) officers should consider the following in any procurement exercise (Fife Action on Climate Change Fife Council).</p> <ul style="list-style-type: none"> • Energy Efficiency/Consumption • Low Carbon/Renewable Energy • Resilience to climate change impacts • Resource Efficiency (Reduce/Reuse/Recycle) • Bio – Security • Heritage Materials • Carbon Sequestration • Environmental Nuisance (noise, traffic etc) • Human Health & Wellbeing
£50,000 to GPA Threshold*	Follow the Procurement Process for a Regulated Procurement.
Above GPA Threshold*	Follow the Procurement Process for a GPA Procurement.

***Note – Below GPA Threshold calculation may need to include VAT where applicable as it may determine that the value exceeds the GPA threshold and associated process should then apply.**

10.3 Table 3 - Works Thresholds

Before a procurement exercise is undertaken (regardless of value) the procuring officer must consider the environmental and economic impact of the goods/services.

Consideration should be given to

- **Whether there is a need to buy (reduce/reuse/recycle)**
- **What is being bought (are there more sustainable alternatives)**
- **How much is being bought**
- **What route to market is being utilised**

In all cases the availability (regardless of value) of existing contracts or frameworks must be utilised. Only where no contract/framework exists should a procurement exercise be undertaken.

VALUE THRESHOLD	PROCESS
Up to £10,000	<ul style="list-style-type: none"> • Where no contract exists, exists it is good practice to obtain a minimum of three quotations, seeking local companies where best value can be served. • Documentary evidence of the quotes and the decision must be retained either by the Procuring Officer or centrally within the team
£10,000 to £1,999,999	<p>In an effort to support the Recovery and Reform Agenda and increase Fife Council's Local Spend procuring officers should obtain at least three quotations seeking local companies where it is best value (Documentary evidence must be retained either by the Procuring Officer or centrally within their team).</p> <ul style="list-style-type: none"> • Obtain at least three quotations. Where at all possible officers should use the Quick Quote facility on PCS. • Officers should make best efforts to ensure at least one Fife based SME (Small and Medium sized Enterprise), Supported Businesses, Social Enterprises or Third Sector organisation, or a business which is a significant employer within Fife is invited to quote. <p>Documentary evidence including a justification if above is not possible must be retained either by the Procuring Officer or centrally within their team.</p>

	<p>Alternatively, the procuring officer may elect to Tender the contract opportunity. Should this route be taken, the procuring officer must provide details to Corporate Procurement.</p> <p>In an effort to Address the Climate Emergency (ACE) officers should consider the following in any procurement exercise (Fife Action on Climate Change Fife Council).</p> <ul style="list-style-type: none"> • Energy Efficiency/Consumption • Low Carbon/Renewable Energy • Resilience to climate change impacts • Resource Efficiency (Reduce/Reuse/Recycle) • Bio – Security • Heritage Materials • Carbon Sequestration • Environmental Nuisance (noise, traffic etc) <p>Human Health & Wellbeing</p>
£2,000,000 to GPA threshold value *	Follow the Procurement Process for a Regulated Procurement
GPA threshold value *	Follow the Procurement Process for an GPA Procurement

***Note – Below GPA Threshold calculation may need to include VAT where applicable as it may determine that the value exceeds the GPA threshold and associated process should then apply.**

10.4 Where a requirement is likely to be close to any threshold, advice should be sought from Procurement as to which process it is most appropriate to apply.

10.6 Direct Purchasing

10.6.1 **For requirements below the Regulated Contracts Threshold**, direct purchasing is permitted where the Procuring Officer is satisfied the award meets Best Value.

10.6.2 Evidence justifying such direct purchasing must be provided to and agreed in writing by the Head of the Procuring Service or their delegated representative;

10.6.3 Subject to paragraph 10.6.4, direct purchasing for **requirements above the Regulated Contracts Threshold values** is only permitted where the Procuring Officer has satisfied the Head of Revenue and Commercial Services that either:

10.6.3.1 one or more of the circumstances set out in [Section 4](#) of the 2014 Act apply to the procurement;

- 10.6.3.2 one or more of the circumstances set out in [Regulation 6](#) of the 2016 Regulations apply to the procurement;
- 10.6.4 **For requirements above the GPA Threshold value** direct purchasing is only permitted where the Procuring Officer has satisfied the Head of the Procuring Service as well as the Head of Revenue and Commercial Services (and Head of Legal Services if deemed appropriate) that either one or more of the circumstances set out in Regulations [7 to 18](#), and [Regulation 33](#) of the 2015 Regulations apply to the procurement;
- 10.6.5 Any awards made in terms of 10.6.3 or 10.6.4 shall also be subject to the obligation to seek Best Value in terms of clause 4.1.1.

11. HEALTH AND SOCIAL CARE SERVICES

11.1 This section shall apply to the procurement of specific Health and Social Care Services as defined in [Schedule 3 to the Public Contracts \(Scotland\) Regulations 2015](#)

11.2 Contracts for Health and Social Care Services must be procured having due regard to:

- a. The Procurement Legislation;
- b. The statutory "[Guidance under the Procurement Reform \(Scotland\) Act 2014](#)" issued by the Scottish Government;
- c. The statutory "[Guidance on the Procurement of Care and Support Services 2016 \(Best-Practice\)](#)" issued by the Scottish Government.

11.3 Table 4 – Procurement of Health and Social Care Services by value.

The following table summarises the different rules which apply to health and social care Contracts at different thresholds:

Values	Processes	
£663,540* and above (Note – Indicative value excluding 20% VAT is £552,950)	Must be advertised in GPA and the light touch provisions in the Public Contracts (Scotland) Regulations 2015 apply	
£50,000 - £663,539 (Note – Indicative GPA value excluding 20% VAT is £552,950)	May award without seeking offers but should consider the Fundamental Principles where relevant. For Contracts over £50,000, an award notice must be published on PCS. Certain other rules also apply (see paragraph 8.12 of Guidance on the Procurement of Care and Support Services 2016 (Best Practice)	May choose to seek offers: in which case all provisions of the Procurement Reform (Scotland) Act 2014 apply
Below £50,000		Non-Regulated Procurements (under the value for Regulated Procurements)

* or the applicable GPA Threshold for Social and other specified services as defined in Schedule 3 of the Public Contracts (Scotland) Regulations 2015;

11.4 Where a requirement is likely to be close to a threshold, advice should be sought from Procurement as to which process is most appropriate to apply;

11.5 Any competitive process must be carried out in line with the requirements of these Standing Orders of Tender Procedures and the Procurement Processes.

12. INFORMATION COMMUNICATIONS TECHNOLOGY (ICT) RELATED REQUIREMENTS & REQUIREMENTS AFFECTING COUNCIL ASSETS AND INFRASTRUCTURE (BUILDING MAINTENANCE/WORKS)

12.1 ICT

12.1.1 The Council's ICT Category Contract(s) should be used for any Council requirement unless it can be demonstrated that it will not provide Best Value;

12.1.2 Where there is no existing contractual arrangements in place, a request should be submitted via First Contact to BTS for advice and recommendations prior to being procured.

12.2 COUNCIL ASSETS AND INFRASTRUCTURE (Building Maintenance/ Works)

12.2 Where a proposed purchase of any value involves the works to or the installation of goods or equipment which may have an impact on Council buildings, sites or infrastructure, or have health and safety implications or maintenance obligations, the advice of Property Services must be sought before any the purchase is made;

12.3 Advice, as required by Standing Orders 12.1 and 12.2, must be also obtained where the expenditure of third-party funds (see Standing Order 1.4) will result in the purchase of IT equipment, alterations to Council land or buildings or require equipment to be fixed to Council land or buildings, have health or safety implications or maintenance obligations.

13. CONSULTANCY REQUIREMENTS

13.1 Any requirements for Consultancy with the potential to exceed £5,000 in value should initially be directed to Corporate Procurement Service, even if the Service would otherwise have Delegated Procurement Authority. In all cases these should be directed to Corporate Procurement to determine the appropriate procurement route.

The Procurement Service may delegate the authority to carry out the procurement process for consultancy requirement between £5,000 and and £49,999.

13.2 When the procurement of Consultancy is undertaken the [Procedure for Engaging Consultants](#) shall be followed by the Procuring Officer.

14. GRANTS

- 14.1 Where the procurement is funded using monies received in the form of a grant to the Council, not only must the procurement comply with these Contract Standing Orders, but also any additional requirements imposed by the body awarding the grant.

15. GENERAL PROCUREMENT GUIDANCE AND PROCUREMENT PROCESSES

- 15.1 The Procurement Processes shall be maintained by the Head of Revenue and Commercial Services in consultation with the Head of Legal & Democratic Services as necessary;
- 15.2 The Procurement Processes shall provide instructions and guidance on best practice for conducting procurement exercises (including templates) to be used as appropriate to all officers with Delegated Procurement Authority;
- 15.3 The Procurement Processes shall be deemed to form part of these Standing Orders for the purpose of determining whether any action is a breach of these Standing Orders.
- 15.4 For Regulated Procurements and above GPA Threshold procurements, the Procuring Officer must complete the relevant section of a Procurement Summary Report (PSR) for the consideration and approval of the Procurement Review Board at each applicable gate-review point. No tender can be advertised/no contract can be entered into until express approval is granted at the relevant stages.
- 15.4.1 Except for procurements falling within 15.4.2, the Procuring Officer must submit the PSR for approval prior to advertising, inviting quotes, negotiating with suppliers, or awarding of contract.
- 15.4.2 In the case of urgent requirements, the Procuring Officer must submit the PSR for noting at the earliest reasonably possible opportunity notwithstanding preapproval by the Head of Revenue and Commercial Services.

16. TENDER DOCUMENTS

16.1 Only the latest version of templates issued by the Head of Revenue and Commercial Services and as contained in the Procurement Processes should be employed. No variations or other documents should be used without the agreement of the Head of Revenue and Commercial Services and the appropriate Procuring Service;

16.2 TERMS AND CONDITIONS OF CONTRACT

16.2.1 All Contracts/ frameworks entered into by the Council should be on the basis of the appropriate Fife Council Terms and Conditions. No amendment to these conditions should be adopted without the agreement of the Head of Legal & Democratic Services.

16.2.2 For works Contracts recognised industry terms and conditions of Contract e.g J.C.T, NEC and SBCC may be used.

17. ELECTRONIC PROCUREMENT

17.1 Requests for quotations with a value between £5,000 to £49,999 for goods and services, and £10,000 to £1,999,999 for Works contracts should be issued via PCS Quick Quote where at all possible and retained in accordance with the council's Records Management Policy.

17.2 Contract Notices (including PINs (Prior Information Notice), advertisements, and award notices), and Invitations to Tender should be issued and/ or received by through PCS and/or PCS-Tender unless otherwise agreed by the Head of Revenue and Commercial Services.

18. LATE AND INCOMPLETE TENDERS

18.1 Tenders and quotations received after the closing date and time stipulated for return of Tenders must not be opened, except with the express approval of the Head of Revenue and Commercial Services and the Head of Legal & Democratic Services.

18.2 Tenders which are incomplete or in an incorrect format must not be considered, nor should tenderers be invited to submit missing commercial or qualitative parts or to resubmit in the correct format, without the approval of the Head of Revenue and Commercial Services and the Head of Legal & Democratic Services. Minor clarifications can be sought, so long as it can be justified that competition is not being distorted, and equality of tenderers is maintained at all times. Any such clarifications must be documented within the associated PSR for governance and audit trail purposes.

19. EVALUATION OF TENDERS AND QUOTATIONS

- 19.1 Tenders and quotations for procurements with values above the Regulated Contracts Thresholds must be evaluated on the basis of Most Economically Advantageous Tender (MEAT) and the criteria shall be stipulated in the contract notice and associated tender documents;
- 19.2 Lowest cost will only be permitted for Contracts below Regulated Contracts Thresholds and Contracts placed under frameworks where the Procuring Officer can demonstrate that Best Value has already been established.
- 19.3 The evaluation process must be conducted in accordance with all relevant guidance in the Procurement Processes, fully and appropriately documented, and records retained in accordance with the Council's Records Management Policy.

20. FORM, ACCEPTANCE, AWARD AND TERMINATION OF CONTRACTS

- 20.1 No Contract subject to the Procurement Legislation shall be entered into without a Procurement Summary Report (PSR) being approved at the Procurement Review Board (or by exception by the Head of Revenue and Commercial Services in accordance with 15.4.2).
- 20.2 Except in circumstances where the Head of Revenue and Commercial Services and the Head of Legal & Democratic Services agree otherwise, every Regulated Contract shall be:
 - a. In the name of The Fife Council; and
 - b. Awarded by an officer in Corporate Procurement or on the DPA list; and
 - c. Entered on the Contract Register;
- 20.3 The Procuring Officer shall retain a copy of the Contract, keep proper records of all Contracts and Tenders all in accordance with the Council's Records Management Policy and record where they are stored, and ensure the Contract Programme and PCS and/or PCS-Tender are updated.
- 20.4 Only the Head of the Procuring Service in consultation with the Head of Revenue and Commercial Services, and the Head of Legal & Democratic Services, may terminate or suspend a Contract, where termination or suspension is not expressed or implied within the terms of the Contract.

21. CONTRACT VARIATION/EXTENSION

- 21.1 The Head of Revenue and Commercial Services may authorise an extension to a Contract, or any other variation, including a consequent change in price, provided such extension or variation has been provided for in the initial Procurement Documents including the Contract Notice, and is not contrary to the Procurement Legislation;
- 21.2 A Contract shall not be extended, modified or amended if such extension or variation is not expressly permitted by the Contract without seeking advice from the Head of Revenue and Commercial Services and, if applicable, the Head of Legal & Democratic Services;
- 21.3 No Contract subject to the Procurement Legislation shall be varied or extended without a Procurement Summary Report being subject to the relevant approvals.

22. CONTRACT NOVATION AND ASSIGNATION

- 22.1 The assignment, novation, or sub-contracting of any part of a Contract except to the extent permitted in writing by the Head of Revenue and Commercial Services, in consultation with the Head of Legal & Democratic Services, shall be prohibited. Agreement to the novation or assignation must be received prior to any reports or actions being undertaken.
- 22.2 The Head of Revenue and Commercial Services, in consultation with the Head of Legal & Democratic Services and the Head of the Procuring Service shall have the power to consent on behalf of the Council to the assignation of a Contract;
- 22.3 The assignment, novation, or sub-contracting of any part of a Contract except to the extent permitted in writing by the Head of Revenue and Commercial Services, in consultation with the Head of Legal & Democratic Services, shall be prohibited. Agreement to the novation or assignation must be received prior to any reports or actions being undertaken.
- 22.4 No Contract subject to the Procurement Legislation shall be novated or assigned without a Procurement Summary Report being subject to the relevant approvals.

23. CONTRACTS REGISTER

- 23.1 The Head of Revenue and Commercial Services shall maintain a register of all Contracts awarded by Fife Council as required by the Procurement Reform (Scotland) Act 2014;
- 23.2 The Contracts Register shall be available publicly;
- 23.4 Services with Delegated Procurement Authority must provide all information required for maintaining the Contracts Register and Contract Programme to the Head of Revenue and Commercial Services.