

CONTRACT STANDING ORDERS

Rules to be followed when buying on behalf of the London Borough of Camden

H. CONTRACT STANDING ORDERS (Approved by Council ~~April 2017~~)

A. PURPOSE AND SCOPE OF CONTRACT STANDING ORDERS

A1. Legislation Governing these Contract Standing Orders

1. Contract Standing Orders (“CSOs”) form part of the Constitution of the London Borough of Camden (“the Council”) and govern contracts as described below in CSO ~~A2-A3~~ (Scope of Contract Standing Orders). The Council is required by section 135 of the Local Government Act 1972 to maintain these orders as part of our Constitution.
2. The Council is legally obliged to have standing orders. CSOs must include provision for securing competition in the award of contracts and for regulating the manner in which tenders are invited.
3. These CSOs must be complied with⁴, together with the Council’s Financial Standing Orders~~—, the Council’s Procurement Guides~~², UK Procurement Legislation³, instructions from central government (including National Procurement Policy Statements and Procurement Policy Notes) and any updated procurement policies, templates or guidance issued by Procurement which reflect best practice and/or changes in law affecting these Orders, shall be considered part of these rules to be followed⁴.
- ~~3.4.~~ It is suggested CSOs are reviewed every two years or **if the law is changed in a way that affects these Orders and/or where** there is **a change in procurement legislation or** amended guidance from a procurement policy note issued by the Cabinet Office.
- ~~4.5.~~ It may be a disciplinary offence for officers not to **follow the comply with these** CSOs. Staff have a duty to report breaches to an appropriate senior manager at Chief Officer⁵ level, the Borough Solicitor and the Head of Internal Audit and Risk.

~~¹ The CSOs should be read in conjunction with the Council’s Procurement Guide to CSOs which sets out guidance on the application of these principles and compliance with these CSOs. The Guide can be found [here](#).~~

~~² The CSOs should be read in conjunction with the Council’s Procurement Guides which sets out guidance on the application of these principles and compliance with these CSOs. The Guides can be found [here](#).~~

~~³ This includes [The Procurement Act 2023](#) (for all contracts published after 28 October 2023), [Public Contracts Regulations 2015](#) (for contracts still live under the PCR2015 regulations), the [Health Care Services \(Provider Selection Regime\) Regulations 2023](#) and any other associated procurement legislation.~~

⁵ As per Article 13 of the Constitution, the term Chief Officer includes the Chief Executive, all Executive Directors, Directors, Chief Digital and Information Officer, the Borough Solicitor, and the Director of Public Health.

5-6. A decision taken by the Council may either be a non-key executive or a key decision. Key decisions must be included on the forward plan for procurement activities and published. Non-key executive decisions do not require inclusion on the forward plan, however the decision and report must be published in line with the Local Authorities Regulations 2012. The process is set out in guidance notes held by Committee Services⁶.

A2. Basic Principles

1. The procurement of supplies, services, and works of any value must always:

- Comply with the UK Procurement Legislation and any such amendments;
- Provide value for money;
- Maximise public benefit;
- Be undertaken in a fair, transparent, equal, and non-discriminatory manner;
- Ensure that public money is spent legally and fairly, not involving fraud, corruption, or misrepresentation
- Adhere to ethical and sustainable procurement practices;
- Ensure the relevant and appropriate approval to tender or award a contract is received;
- Have a signed or sealed (where appropriate) contract in place;
- Have appropriate contract management performance measures in place and within the contract and provide relevant reporting requirements to procurement in a timely manner;
- Ensure the delivery of in scope social value obligations are included in your procurement.
- Comply with the Council's various codes of practice as well as any applicable policies; and
- Ensure that for the procurement there is adequate budget available.

A3. Scope of Contract Standing Orders

1. These CSOs apply to all contracts awarded by the Council for works, services, or supplies, regardless of the source of funding for the contract, and to the award of concession contracts. They apply equally to contracts awarded by any person, firm or body acting on the Council's behalf.
2. In addition, each Directorate must have and adhere to the Financial Scheme of Delegation. The Financial Scheme of Delegation will set out what level of financial authority officers in each Directorate have.

⁶ Guidance note for Departmental Coordinators and Report Authors: Process for Non-Key Executive Decisions – this is available from Committee Services.

3. Where works, services or supplies are awarded (called off) from a framework agreement (and the Council is satisfied that the framework has been set up in accordance with UK law) then they must be awarded in line with the terms of the framework agreement. –The method of call-off (e.g. mini-competition or direct award) must be endorsed by the relevant Chief Officer⁷.
4. Where such works, services or supplies are to be awarded (called off) from a framework agreement procured in line with UK Procurement Legislation⁸, the procurement procedures set out in C1 to C3 do not apply. The approvals process set out in C4 must still be followed.
5. In certain cases, the Council may enter into partnership agreements or other collaborative agreements for the procurement of shared goods and services with other parties, including other councils or public bodies. Such agreements may contain delegations to either individual officers, joint committees, or other Councils to authorise procurement strategies and/or contract awards in compliance with a third party's contract standing orders. The partnership / collaborative agreement / shared services arrangement must be authorised at the outset at the appropriate level pursuant to section ~~C3.4 and C3.5~~ C4 of these CSOs, relevant to the potential aggregate value of the contracts to be entered into.
- 5.6. Concession Contracts are contract under which the Council outsources work or services to a supplier, who then has the right to commercially exploit these works or services in order to recoup its investment and make a return. The key feature is that the supplier bears the operating risk of the arrangement and so has no guarantee of recouping its investment or operating costs. Where such works or services are procured through the use of Concession Contracts, we entrust to the supplier with the right to deliver a contract as an economic operator, whereby they are compensated either through the right to exploit the works/services or through this right along with payment. Concession contracts must follow the Procurement Act 2023.
- 6.7. These CSOs **do not** apply to:
 - Grant Arrangements;
 - Contracts for permanent or fixed term ~~of~~ employment;
 - Land Transactions (which solely relate to contracts for the acquisition or lease of land and/or any other interest in land);
 - Contracts for the provision of packages of social care, educational and welfare services to individual clients, where the aggregate value of such

⁷ The method of call-off must be endorsed by the Chief Officer in line with the processes and procedures detailed in the Council's procurement toolkit and guide to CSOs.

⁸ This includes The Procurement Act 2023 (for all contracts published after 28 October 2023), Public Contracts Regulations 2015 and the Concession Contract Regulations 2016 (for contracts still live under the PCR2015 regulations), ~~the Concession Contract Regulations 2016~~ and other associated procurement legislation.

- contracts does not exceed the UK Procurement Threshold for supplies and services.⁹;
- Contracts with agencies for the provision of individual temporary staff where the Head of Procurement, (after liaison with the Director of People and Inclusion) agree that use of the vendor managed service is not appropriate.
 - Contracts with Barristers for particular instructions where the Borough Solicitor considers the instructions do not require a procurement exercise and can be commissioned outside of any current framework agreement for those services.
 - Contracts entered into for or by school governing bodies are covered by separate standing orders issued as part of the Council's scheme for financing schools.
 - Services covered by the Provider Selection Regime¹⁰ as part of the Health and Care Act 2022 but their approval must be pursuant to these Contract Standing Orders.
 - A declared emergency authorised by the Emergency Planning/Civil Protection Officer or their equivalent acting in compliance with The Civil Contingencies Act 2004.

7.8. All procurements where the anticipated total contract value is more than £2million must be reported to the Corporate Procurement Team to publish the mandatory Pipeline Notice¹¹.

A3. Roles and Responsibilities

1. Chief Officers have responsibility and accountability for all contracts ~~let~~led by their Directorate, with the Council's Section 151 Officer (held by the Executive Director Corporate Services)¹² having an oversight over all contracting activity across the Council. The Council's Executive Director Corporate Services is responsible for ensuring that relevant processes and procedures are in place in relation to the endorsement of procurement related reports.
2. Chief Officers are responsible for ensuring that mandatory processes under UK law and Council Policy are adhered to, that good practice is followed, and for taking immediate action in the event of a breach of CSOs within their area.

⁹ Procurement Thresholds for supplies or services are subject to change. The current threshold can be found at [The Public Procurement \(Agreement on Government Procurement\) \(Thresholds\) \(Amendment\) Regulations 2021 \(legislation.gov.uk\)](#). ~~[The Public Contracts Regulations 2015 \(legislation.gov.uk\)](#)~~

¹⁰ [The Healthcare Services \(Provider Selection Regime\) Regulations 2023](#)

¹¹ [The Procurement Act 2023](#)

¹² The Executive Director Corporate Services holds the statutory Section 151 Officer post. This is also referred to as the Chief Financial Officer post and refers to the officer appointed under section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its affairs. Functions include ensuring lawfulness and financial prudence of decision-making, administration of financial affairs, advising whether cabinet decisions are within the budget and policy framework.

3. The procurement team ensures compliance with laws and best practices, manages the procurement process, and develops strategic sourcing plans. Working with the legal team we ensure legal compliance, draft, and review contracts, and manage legal risks. Procurement and legal teams collaborate closely to ensure procurement activities are efficient, legally sound, and aligned with The Council’s objectives, maintaining transparency, accountability, and integrity throughout the process.

A4. Governance

1. The Commissioning and Procurement Boards (CPB) including CIP Gateway or any other Procurement Board are not formal decision making forums but are required to evaluate and endorse the following reports before they progress to a formal decision by a Chief Officer, Cabinet Member or Cabinet (in line with Contract Standing Orders C4, E1, E2 and F3). If a Board does not endorse a report this needs to be stated in writing to the decision maker.

<u>Report</u>	<u>Endorsement Required</u>	<u>Approximate report timeframes</u>
<u>Strategic Assessment (Tollgate 0)</u>	<u>Shape planning for the provision of future commissioning for existing and new services through examining at an early stage, all options for service delivery (including as a minimum exploring advantages and disadvantages of both insourcing and outsourcing) and ensuring that the Council’s capacity to facilitate the option is considered and appropriate challenge is made. Early-stage social value ask discussions.</u>	<u>2 years before expiry of current contract/new commissioning starts, or otherwise as determined by the Board.</u>
<u>Procurement Strategy (Tollgate 1)</u>	<u>Guided by the preferred option for the mode of delivery arrived at through the Strategic Assessment:</u> <ul style="list-style-type: none"> <u>• Reviewing the Tollgate to ensure most advantageous approach and social value are achieved and the Council’s practical capacity is substantiated; and</u> <u>• Deciding to proceed with the mode of commissioning</u> 	<u>For each commissioning, 12 weeks after presentation of the Strategic Assessment, or otherwise as determined by the Board.</u>
<u>Contract Award (Tollgate 2)</u>	<u>Endorsement of the contract award and confirmation that the deliverables outlined in Tollgate 1 have been achieved.</u>	<u>3 months before new contract starts, where possible.</u>

<u>Mid Contract Review (Tollgate 3)</u>	<u>The Contract Review template should be used:</u> <ul style="list-style-type: none"> • <u>To undertake mid-contract review of existing contract;</u> • <u>To apply for an extension where the mid contract review establishes that the service/goods have been delivered within budget and/or the KPI's have been met;</u> • <u>To apply for permission for a contract variation; and</u> • <u>To apply for permission for a contract novation.</u> • <u>Review of social value delivered</u> 	
<u>Reporting</u>	<ul style="list-style-type: none"> • <u>For contracts over £5million reporting metrics should be submitted to the Board on the key performance indicators; and</u> • <u>For all contracts reporting metrics should be submitted to the Social Value Lead by the responsible officer for managing the service. The Report should then be compiled by the Social Value Lead with the Services being responsible for input providing detail of whether social value outcomes have been achieved.</u> 	<u>Annually – one month past the annual contract date or earlier. No less than 4 weeks in advance of the report deadline</u>

B. REQUIREMENTS FOR ALL PROCUREMENTS AND CONTRACTS

B1. Responsible Procurement

1. Social value must be considered in all procurement. Consideration must be taken in how the goods, services or works being purchased might improve the economic, social, and environmental well-being of the Council and its residents.
2. Social value in a procurement should support We Make Camden's mission statements. This must include paying staff working on council contracts the London Living Wage, ensure suppliers adopt robust modern slavery approaches and that they ensure equality and diversity considerations throughout all aspects of their delivery.
- 4.3. Social value should form part of the tender evaluation process and a minimum weighting of 10% evaluation is mandated for all above threshold

procurements, unless otherwise agreed by the Head of Procurement and Social Value.

B2. Preliminary Market Engagement

1. Any preliminary engagement with the supply chain must follow clear guidelines as set out in the Procurement Act 2023, (section 16 and 17):
 - Suppliers participating in the preliminary market engagement are not put at an unfair advantage, and
 - Competition in relation to the award of a contract is not otherwise distorted.
2. If any preliminary market engagement has put the supplier at an unfair advantage that cannot be avoided, officers must exclude the supplier from the tender process.
3. Where any preliminary market engagement is carried out, a preliminary market engagement notice¹³ must be published before a tender notice is published or provide reasons for not doing so.

B23. Estimating Value

1. Before entering into any contract an estimate of contract value must be calculated. The estimated value is to be based on the total amount payable to the supplier over the whole contract period, ~~includive~~net of Value Added Tax (VAT). This is to include any option(s) to vary or extend the contract as set out in the procurement documents.
2. In the case of framework agreements and dynamic purchasing systems, the value to be taken into consideration shall be the maximum estimated value of all call-offs to be awarded for the total term of the framework agreement or dynamic purchasing system ~~includive~~net of VAT.
3. In the case of works contracts, the calculation of the estimated value is the total amount payable including the cost of the works and the total estimated value of the supplies and services made available to the ~~contractor~~supplier, ~~includive~~net of VAT.
4. In the case of supplies and services contracts without a fixed term or with a term greater than 48 months the estimated value shall be the monthly value multiplied by 48 ~~includive~~net of VAT.
5. The value of concession contracts shall be the estimated total turnover of the concession generated over the duration of the contract, ~~includive~~net of VAT.

¹³ A preliminary market notice means a notice setting out the intention to conduct or pre-market engagement has been conducted.

6. A contract that would ordinarily be treated as a single contract, may not be divided, or disaggregated into two or more contracts solely in order to reduce the value to below any of the threshold sums mentioned in the Procurement Regulations or these CSO's.
7. The value of any Contract to be undertaken in phases is the aggregated value of all phases combined.

B4. Advertising and Contract award principles

1. The Council has a statutory duty to achieve best value, and it is in the Council's best interests to spend public money in this way. Therefore, every contract for the procurement of goods, works and services by the Council must be for the purpose of achieving the Council's statutory or approved objectives.
2. Contracts must be awarded on the basis of the most economically advantageous tender, quotation, or proposal, as determined by such criteria as are relevant to the type of goods, works or services. This will generally cover the optimum combination of whole life costs and benefits, including such factors as quality, initial price, running costs and disposal costs.
3. Conflicts of interest must be declared in advance by those conducting a procurement and/or forming part of the evaluation panel. Where a conflict arises once the bidders on a procurement are known, a conflict-of-interest declaration form must be updated.
4. A tender notice must be published when undertaking an above threshold procurement.
5. A contract award notice must be published for all over threshold procurements prior to awarding a contract.
6. Below threshold Procurements must take into consideration the use of local, small, and medium sized enterprises (SMEs).
7. A contract details notice of award must be published for all procurements of £30,000, inclusive of VAT, or above on Contracts Finder.
8. Where a direct award has been approved, a transparency notice must be published prior to award.
9. To open up the market to SMEs, we have a duty when tendering to consider lots, which means lots should be considered prior to undertaking a procurement and publishing a tender notice. If it is determined that lots are not appropriate, then the reason for not doing so must be included in the tender notice.

~~2.~~

~~B2. Estimating Value~~

- ~~1. Before entering into any contract an estimate of contract value must be calculated. The estimated value is to be based on the total amount payable to the supplier over the whole contract period, inclusive of VAT. This is to include any option(s) to extend the contract as set out in the procurement documents.~~
- ~~2. In the case of framework agreements and dynamic purchasing systems, the value to be taken into consideration shall be the maximum estimated value of all call-offs inclusive of VAT.~~
- ~~3. In the case of works contracts, the calculation of the estimated value is the total amount payable including the cost of the works and the total estimated value of the supplies and services made available to the contractor, inclusive of VAT.~~
- ~~4. In the case of supplies and services contracts without a fixed term or with a term greater than 48 months the estimated value shall be the monthly value multiplied by 48 inclusive of VAT.~~
- ~~5. The value of concession contracts shall be the estimated total turnover of the concession generated over the duration of the contract, inclusive of VAT.~~

C. PROCUREMENT PROCEDURES

C1. Contracts with an Estimated Value of less than £45,000 and contracts required to allow the Council to comply with its regulatory/safety requirements of less than £150,000

1. A Head of Service (tier 3 in the Council's organisational structure), must determine the best method of appointing a provider where the total contract value is estimated to be £45,000, net of VAT, or below.
2. A Chief Officer may determine the best method of appointing a provider where the total contract value is estimated to be £150,000, inclusive of VAT, or below for those works to enable the Council to comply with its regulatory requirements and for reasons connected with the safety of the public and/or staff such to be confirmed in writing by the authorising Chief Officer and agreed by the Borough Solicitor. A record of the decision-making process shall be retained, and a copy provided to the Head of Procurement, so that they may be used for audit purposes.

2.3. All relevant below threshold notices must comply with and be published in accordance with the transparency requirements set out in the Procurement Act¹⁴.

3.4. The method chosen must be able to objectively demonstrate that both best value has been obtained for the Council and that there has been consideration of local and/or SME suppliers being invited to quote.

C2. Contracts with an Estimated Value of £45,001, or in the case of contracts subject to ~~G2C~~1.2 of £150,001 and above, but less than the UK Procurement Threshold(s)¹⁵

1. A Chief Officer must approve the strategy and award of contracts with a value between £45,001, net of VAT, or in the case of contracts required to ensure the Council complies with its regulatory or safety requirements between the value of £150,000, inclusive of VAT and the UK Procurement Threshold for supplies and services. Contracts of this value must be procured by inviting at least 3 written quotations, including a Camden local/and or SME supplier where possible. The quotes and a record of the decision-making process shall be retained so that they may be used for audit purposes.

2. Requests for quotations must be submitted electronically and advertised ~~on~~ Contracts Finder on the Central Digital Platform where applicable.

3. All relevant threshold notices must be published in accordance with the Transparency requirements set out in the Procurement Act 2023¹⁶.

2.4.

C3. Contracts with an Estimated Value over the UK Procurement Threshold(s)

1. Contracts with an estimated value in excess of the relevant (Supplies or Services or Works) UK Procurement Threshold¹⁷, in accordance with the subject matter be it supplies, services or works, must be subject to a competitive tendering process unless they are specifically excluded, or any exemptions apply, under UK Procurement Regulation the Procurement Act 2023.

2. If the estimated contract value is within 10% of the relevant UK procurement threshold (Supplies or Services or Works), advice from the Procurement must be sought on the appropriate procedure.

¹⁴ Procurement Act 2023

¹⁵ Public Contracts Regulations Procurement Thresholds for supplies or services are subject to change. The current threshold can be found at [The Public Procurement \(Agreement on Government Procurement\) \(Thresholds\) \(Amendment\) Regulations 2021 \(legislation.gov.uk\)](#)

¹⁶ The Procurement Act 2023

¹⁷ Public Contracts Regulations Procurement Thresholds for supplies or services are subject to change. The current threshold can be found at [The Public Procurement \(Agreement on Government Procurement\) \(Thresholds\) \(Amendment\) Regulations 2021 \(legislation.gov.uk\)](#)

3. Tenders must be submitted electronically via the Council's approved electronic tendering system and in accordance with the instructions set out in the invitation to tender.
4. All relevant threshold notices must be published in accordance with the Transparency requirements set out in the Procurement Act¹⁸.
5. The following tables provide the final approval routes for each level of decision making¹⁹.

C4. Approval processes

1. Revenue Contracts

Revenue contracts relate to the purchase of services or the supply of goods, such as office supplies or mobile phones. Approval for revenue contracts must be sought as follows:

Total Estimated Contract Value (for the life of the contract)	Procurement Strategy– Final Approval	Contract Award – Final Approval
£1 to £45,000	N/A	Head of Service
£45,001 to £500,000	Chief Officer(s)	Chief Officer(s)
£500,001 to £1,000,000	Executive Director(s)	Chief Officer(s)
£1,000,001 to £2,000,000	Executive Director(s) in <u>following</u> consultation with the relevant Cabinet Member(s)	Chief Officer(s)
£2,000,001 to £5,000,000 (or less than £2,000,000 per annum)	Cabinet Member(s)	Executive Director(s)
£5,000,001 to £10,000,000	Cabinet	Cabinet Member(s)
£10,000,001 and greater (or £2,000,000 or greater per annum)	Cabinet	Cabinet

¹⁸ [The Procurement Act 2023](#)

¹⁹ The full approval routes are set out in detail in the Procurement ~~Toolkit and Guides to CSOs~~.

2. Capital and Concession Contracts

Capital contracts that relate to the acquisition of long-term assets, such as buildings or equipment. Approval for capital contracts must be sought as follows:

Total Estimated Contract Value (for the life of the contract)	Procurement Strategy– Final Approval	Contract Award – Final Approval
£1 to £45,000	N/A	Head of Service
£45,001 to £500,000 *	Chief Officer(s)	Chief Officer(s)
£500,001 to £2,000,000	Chief Officer(s)	Chief Officer(s)
£2,000,001 to £5,000,000	Executive Director(s) in following consultation with the relevant Cabinet Member(s)	Executive Director(s)
£5,000,001 to £10,000,000	Cabinet	Cabinet Member(s)
£10,000,001 and greater (or £2,000,000 or greater per annum)	Cabinet	Cabinet

* Refer to C1.2 for approval processes for certain works contracts valued between £45,001 and £150,000

D1. CONTRACT CONDITIONS

1. All contracts of £45,001 and over in value must be in writing save for contracts made in extreme urgency which must be subsequently confirmed in writing.
2. Contracts of £45,001 and over in value must be signed by one officer authorised by the Financial Scheme of Delegation.
3. Contracts in excess of £1,000,000 must be forwarded to Law and Governance for execution as a deed unless the Monitoring Officer (post held by the Borough Solicitor²⁰) agrees otherwise.

4. All terms and conditions, used for spend above £45,000, in a procurement must be approved by Procurement and/or Legal. The Council suite of terms and conditions

²⁰ The Borough Solicitor holds the Monitoring Officer post which performs the following functions; maintaining the Constitution, ensuring lawfulness and fairness of decision-making, supporting the Standards Committee, and conducting investigations.

templates must be used wherever possible. Further legal advice must be sought where necessary.

- ~~4. Standard contract clauses, as approved by legal services, must be used in any contract worth £45,0001 or more. Further legal advice must be sought where necessary.~~

D2. CONTRACT PERFORMANCE MANAGEMENT

1. All contracts must be appointed a contract manager for the duration of the contract. The contract manager is responsible for ensuring the following:

- Management of all aspects of the contract, including risk and commercial terms, and ensuring successful delivery of the contract objectives.
- Ensuring value for money to the Council.
- Maximising public benefit.
- The supplier provides an annual updated insurance policy as required under the contract.
- The supplier provides an annual declaration that all staff working on the contract have been paid the current London Living Wage rate.
- The supplier is compliant with the Council's policies and relevant changes in legislation.
- That KPIs are met and recorded ensuring compliance with section 71 of the Procurement Act 2023.
- Delivering the social value commitments identified within the contract.
- That the information held on London Living Wage, Social Value and KPI performance are fed back to the Procurement Team on at least a quarterly basis.

E1. MODIFICATION/VARIATION AND EXTENSION OF CONTRACTS WITHIN THE TERMS OF THE CONTRACT

1. Contracts may be modified/varied or extended, in the circumstances provided for in ~~the~~under UK Procurement Legislation, and such changes that are provided for within the terms of the contract. Legal advice should be sought before any changes are executed. Contracts may also be modified or extended in the circumstances provided for in the Provider Selection Regime and similar approval processes must be followed as set out in E1.3 and E1.4.
- 4.2. Modifications to contracts above threshold must also observe UK Procurement Legislation requirements for publishing change notices, standstill periods and transparency, where applicable.
- 2.3. Where the Contract was awarded by the Cabinet or a Cabinet Member, an extension to the length of a contract or a variation of a contract, allowable under

the terms of the contract must be agreed by the Chief Officer only after consultation with the relevant Cabinet Member who made the original decision, or who is responsible for that area should the matter have been agreed by Cabinet. Where contracts were awarded by an officer, then the same level of officer must agree the extension or variation.

3.4. Where the contract was awarded by the Cabinet or a Cabinet Member, any significant modification/variation must be agreed by the Chief Officer, only after consultation with the relevant Cabinet Member who made the original decision or who is responsible for that area ~~should the matter have been agreed by Cabinet~~should Cabinet have agreed the matter. A significant modification is defined as in excess of a ~~25~~10% increase for services or 15% increase for works ~~increase~~ to the aggregate contract price originally approved. Legal services must also be consulted before a significant modification is implemented to ensure such modification complies with the UK Procurement Legislation. Where contracts were awarded by a Chief Officer or other officer, then the same level of officer must agree the modification/variation.

E2. MODIFICATIONS/VARIATIONS THAT FALL OUTSIDE THE TERMS OF THE CONTRACT

1. A Chief Officer must authorise modifications/variations and extensions to an existing contract, ~~that~~which are not provided for in the terms of the contract, in the circumstances provided for in the UK Procurement Legislation.
2. A modification or extension to the length of a contract not allowable under the terms of the contract requires a waiver that must satisfy at least one of the grounds in CSO F2 and is approved in line with CSO ~~F2~~F3, based on the value of the extension or modification. The general provisions in CSO F1 also apply. Where CSOs apply to a contract, any individual provision may be waived so long as this will not lead to a breach of UK law on tendering.

F1. WAIVING CONTRACT STANDING ORDERS

1. Following consideration of a written waiver report, exceptions to these CSOs may be granted. The grounds for granting waivers set out at CSO F2 must be complied with at all times.

F2. WAIVER GROUNDS:

1. The grounds for granting waivers are as follows. No exception to these CSOs may be permitted unless the authoriser (acting with the agreement of the Council's Executive Director Corporate Services or another Executive Director) is satisfied that:

- i) the circumstances of the proposed waiver are permitted by English law; ~~and~~
or
- ii) there are exceptional circumstances that have led to a need to depart from the CSOs, and evidence has been provided which demonstrates the waiver is necessary to achieve the Council's objectives; or
- iii) the nature of the market for the works to be carried out, or the services or supplies to be provided, has been investigated and it has been demonstrated that due to a lack of competition in the market, a departure from the requirements of CSOs is justifiable; or
- iv) the contract is for works, services, or supplies that are required in circumstances of ~~an urgency emergency~~ and as such could not reasonably have been foreseen.

F3. - WAIVER APPROVAL

1. ~~A Waivers~~ relating to contracts with a total value of up to £45,000 must be granted by the relevant Chief Officer.
 2. ~~Waivers~~ A waiver relating to contracts with a total value between £45,001 and £100,000 must be granted by the relevant Chief Officer, subject to the approval of the Director of Finance.
 3. ~~Waivers~~ A waiver relating to contracts with a total value of £100,001 to £500,000 must be granted by the relevant Chief Officer subject to the approval of the Executive Director Corporate Services, or another Executive Director if the waiver is requested by Corporate Services.
 4. ~~Waivers~~ A waiver relating to contracts with a total value of between £500,001 and £25,000,000 must be granted by the relevant Chief Officer, with agreement by the Executive Director Corporate Services, or another Executive Director if the waiver is requested by Corporate Services and approved by the relevant Cabinet Member. For contracts of £25,000,001 and above the same process applies but approval must be sought from Cabinet.
- 4.5. When calculating the value of the waiver being requested the values of any previous waivers must be included.

G. CONTRACT NOVATION

1. A Chief Officer may agree the novation (transfer) of any contract subject to UK law.

2. Legal advice should be sought, and the UK Procurement Legislation must be adhered to.
3. A contract novation must be approved as per the thresholds referenced in CSO C4.1 or C4.2. The value used to determine the level of approval should be the value of the remaining term of the contract.