

**PEAK DISTRICT NATIONAL PARK AUTHORITY**

**STANDING ORDERS**

**PART 2**

**CONTRACTS**

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## 2.1 Application and Exemption of Orders

- (i) Every contract whether made by the Authority or by a Committee to which the power of making Contracts shall have been delegated, shall comply with these Standing Orders and no exceptions to any of the following provisions shall be made otherwise than by direction of the Authority or by such a Committee.
- (ii) Every contract shall comply with the EC Treaty and with any relevant legislation of the EC for the time being in force in the United Kingdom.
- (iii) The provisions of these standing orders are subject to directives issued by the European Economic Community from time to time relating to public works, public supply and service contracts. These directives contain procedures for advertising and awarding of public sector supplies, construction and service contracts and must be followed.
- (iv) Any contract which exceeds £30,000 shall require all tenderers to have been vetted by the Head of Finance for financial viability and by the relevant Director or Assistant Director or Head of Service for technical competence.

## 2.2 Contracts not exceeding £30,000

Where a proposed contract does not exceed £30,000 in value or amount, the Chief Executive or relevant Director, or Assistant Director or Head of Service may, subject to Standing Order 2.12(i), enter into such contract with such persons as that person considers competent for the purpose, provided that, where practicable, at least three alternative quotations shall be invited by the Chief Executive or relevant Director or Assistant Director or Head of Service before entering into such contract. Such quotations shall all be opened at the same time. All contracts over £20,000 should follow the tender process in 2.5 – 2.8.

## 2.3 Contracts over £30,000 – Tendering Procedure

- (i) All contracts which exceed £30,000 in value or amount for the supply of goods or materials or the execution of any works require either:
  - (a) at least ten days' public notice inviting tenders in one or more local newspapers circulating in the area and also in such trade journals (if any) as the appropriate officer may consider desirable; or
  - (b) tenders from not less than three persons capable of supplying the goods or materials or executing the work, at least one of which persons shall, wherever practicable, be a local contractor.
- (ii) Tenders may not be required in the following circumstances:
  - (a) where there is a contract for a serial programme of works and the contractor has been awarded a contract competitively as above, and the proposed contract forms part of this serial programme. The terms should be negotiated with the contractor on the basis of the rates and prices contained in the initial contract.
  - (b) where there is an annual or periodic contract for the supply of materials or services (awarded competitively as above) the terms should be negotiated with the contractor on the basis of rates and prices contained in the initial contract.

**2.4 Contracts over £150,000 – approval of list of tenderers**

Where a proposed contract for the execution of works exceeds £150,000 in value or amount, the list of persons invited to tender shall be approved by the Chief Executive or relevant Director or Assistant Director.

**2.5 Requirements of Invitations to Tender**

Where, in pursuance of Standing Order Nos 2.3 and 2.4, either public invitation to tender is given or a person is invited to tender, every notice of such invitation or the conditions of tender shall state;

- (a) the address from which tender forms can be obtained and the closing date and time for the receipt of tenders;
- (b) that no tender will be accepted unless it is enclosed in the special envelope bearing the distinctive label which will be supplied with the tender forms by the issuing officer;
- (c) that no name, mark or wording which might indicate the sender should appear on the cover of the special envelope bearing the tender.
- (d) that tender envelopes should bear the correct postage, be properly sealed and addressed to the Head of Finance;
- (e) that proof of posting will not be accepted as proof of delivery if the tender fails to arrive at the address shown on the tender envelope label before the closing date and time fixed for the receipt of that tender;
- (f) that the Authority does not bind itself to accept the lowest or any tender;
- (g) that failure to comply with any of the foregoing requirements may render a tender liable to disqualification.

**2.6 Receipt of Tenders**

Tender envelopes shall remain unopened in the custody of the Head of Finance until the time appointed for their opening.

**2.7 Late Tenders**

No tenders received after the fixed date and time shall be considered.

**2.8 Opening of Tenders**

- (i) Tenders shall be opened at one time, which shall be as soon as possible after the closing time fixed for the receipt of such tenders, and only in the presence of a Panel of Officers comprising the Head of Finance or his/her deputy and the relevant Director or Assistant Director or Head of Service.
- (ii) All tenders received shall be recorded in the tender book.

**2.9 Alteration of Tenders**

Persons tendering shall not be allowed to alter their tenders after the date fixed for the receipt thereof, but arithmetical errors may be corrected and, if a tender has been accepted before such an arithmetical correction, the acceptance shall be confirmed if the alteration has not increased the amount but otherwise the Chief Executive or relevant Director or Assistant Director, in consultation with the Director of Corporate

Resources shall have a discretion whether or not to confirm acceptance at the altered price, but such discretion shall only be exercised where the tender concerned would still be the most favourable to the Authority in relation to other tenders received.

**2.10. Acceptance of Tenders**

- (i) Where tenders have been received a tender may, without prejudice to any other method of acceptance decided upon by the Authority or Committee, be accepted as follows:
  - (a) where a tender exceeds £30,000 in value or amount and does not exceed £150,000, by the Chief Executive or relevant Director or Assistant Director with the decision recorded in the tender book;
  - (b) where a tender exceeds £150,000 in value or amount, by the Chief Executive or relevant Director or Assistant Director in consultation with the Chair of the appropriate Committee. The tender action taken, the list of tenders received and the reasons for selection of the winning tender shall be reported to the appropriate Chair.
- (ii) A tender other than the lowest, if payment is to be made by the Authority, or other than the highest if payment is to be received by the Authority, shall only be accepted after approval from the Chief Executive or a relevant Director or Assistant Director.

**2.11 Application to Sub-Contract**

Where the contract provides for the nomination by the Chief Executive or relevant Director or Assistant Director of a sub-contractor or supplier for the execution of work or for the supply of goods or materials estimated to exceed £20,000 in value or amount, the following provisions shall apply:

- (i) As far as is practicable, tenders shall be invited by the Chief Executive or relevant Director or Assistant Director from not less than three persons considered competent for the purpose and a record kept of the reasons for exclusion of other potential sub-contractors.
- (ii) The procedure to be followed in respect of the invitation, receipt and opening of tenders shall be the same as specified in Standing Order Nos 2.5, 2.6, 2.7, 2.8 and 2.9.
- (iii) The lowest tenderer shall be nominated as the sub-contractor or supplier, by the Chief Executive or relevant Director or Assistant Director.
- (iv) The foregoing provisions of this Standing Order shall not apply:
  - (a) to the supply of goods, materials or services specified in the main contract which are only obtainable from one specialist supplier; or
  - (b) where the Chief Executive or relevant Director or Assistant Director considers that, as a matter of urgency, it would be in the interests of the Authority, and in accordance with the practice prevailing in the profession, not to invite tenders before nominating a sub-contractor or supplier.

2.12 **Form and Content of Contracts**

(i) **Contract in writing**

Every contract shall be in writing and shall specify the work, materials or things to be furnished, had or done, the price to be paid, with a statement of discounts or other deductions, and the time or times within which the contract is to be performed.

Where, after consultation with the Head of Finance, the Chief Executive or relevant Director or Assistant Director considers it to be appropriate there shall be provision for liquidated damages or other sufficient security for due performance.

(ii) **Contracts exceeding £30,000**

Where a contract exceeds £30,000 in value or amount it shall be the subject of a formal contract prepared or approved by the Director of Corporate Resources and where such contract is for the execution of work it shall provide for liquidated damages to be paid by the contractor in case any of the terms of the contract are not duly performed. The Director of Corporate Resources may, after consultation with the Chief Executive or relevant Director or Assistant Director, direct that adequate security shall be taken in appropriate cases.

(iii) **Specification of goods and materials**

Where an appropriate British Standard Specification, British Standard Code of Practice issued by the British Standards Institution or Government Departmental Specification is current at the date of tender, every contract shall require that, as the case may be, all goods and materials used or supplied and all workmanship shall be at least in accordance with that standard or specification.

(iv) **Indemnity and insurance**

In any contract for the execution of any work or for the supply of goods or materials, the Contractor shall be required to indemnify the Authority against:

- (a) any claim which may be made in respect of Employers' Liability against the Authority or the contractor by any workmen employed by the contractor or any sub-contractor in the execution of the works;
- (b) any claim for bodily injury to or damage to property of third parties;

and the contractor shall, when required by the Director of Corporate Resources produce satisfactory evidence of insurance against such claims.

(v) **Cancellation**

A clause shall be inserted to secure that the Authority shall be entitled to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered or given or agreed to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or foreborne to do any action in relation to the obtaining or execution of the contract or any other contract with the Authority, or if the like acts shall have been done by any person employed by him/her or acting on his/her behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the Authority the contractor or any person employed by him/her or acting on his/her behalf shall have committed

any offence under the Bribery Act 2010, or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

### **2.13 Environmental Purchasing Policy**

Products and services shall be competitively priced, readily available and fit for their intended purposes, bearing in mind health and safety or other legislative requirements.

When purchasing products or services, encouragement will be given to those:

- from suppliers with accredited environmental practices;
- that are produced and distributed using resources responsibly, with a minimum of hazardous substances and without testing on animals;
- that minimise waste, energy consumption or other adverse environmental impacts in their use and disposal; and
- that are produced or made available locally.

Where this policy would result in costs more than 10% (or £10,000 in a particular transaction) above those for otherwise satisfactory products, authority to exercise the environmental preference must be given by the Chair of the relevant Committee. In all cases, expenditure must be contained within overall budget estimates.

Decisions will normally be based on the information made available by suppliers or by the trade and consumer press.

