

THE HIGHLAND COUNCIL

CONTRACT STANDING ORDERS

**September 2011
V1.1**

CONTRACT STANDING ORDERS

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INTRODUCTION

1. EXECUTIVE SUMMARY

The purpose of these Orders is to implement within the Council the requirements of legislation and the fundamental principles of the Treaty of Rome applicable to the award of contracts.

These are

Freedom of movement of goods
Freedom of establishment
Freedom to provide services

With their derived principles being:

Equal treatment,
Non-discrimination,
Mutual recognition,
Proportionality
Transparency

They recognise the rights of anyone interested in providing goods, works or services to or on behalf of the Council to be treated in accordance with these principles at all levels of expenditure, which are applicable at all levels of financial commitment.

They also aim to achieve best value for the Council by establishing common compliance and application of standards throughout the Council's operations so that the council's reputation as a responsible, competent, and fair contracting authority is upheld and enhanced.

Finally they draw attention to the fact that all parts of the Council constitute only one contracting authority, and that no establishment or operation within the Council is separate from it. As such they are applicable in all Services and all establishments including schools, care homes, and operations to which responsibility for awarding contracts is delegated or outsourced.

Responsibility and accountability for all procurement within the Council lies with the Director of Finance, who has authority to determine all matters relating to procurement subject to compliance with legal requirements. The Director of Finance may delegate areas of procurement to other officers of the Council. Responsibility for the day to award and operation of certain classes of contracts is delegated under the Scheme of Delegation to other Directors as follows: Director of Housing and Property (building construction projects) Director of Transport, Environmental and Community Services (infrastructure construction projects) Director of Planning and Development (P&D Capital Plan Works only) or Director of Social Work (provision of social work or care services) who are responsible for ensuring that contracts in respect of which they have delegated authority, are awarded in accordance with these Standing Orders

Requirements for goods and services with a value of £5,000 or more, and requirements for works with a value of £15,000 or more, shall be subject to requests for competitive quotations, unless they are covered by one or more of the exceptions or exemptions noted below. Requirements for goods, services, or works with a value

of £50,000 or more shall be subject to formal tendering procedures unless they are covered by one or more of the exceptions or exemptions noted below. These Prescribed Sums are set out at Annex 1 to these Orders.

In accordance with agreed actions arising from the 2008 Audit Reports on Receipt of Tenders, arrangements for competitive tendering for all requirements with a value in excess of the prescribed sum shall be made by the Head of Procurement unless authority to do so is delegated by the Director of Finance to other Directors/Officers, either in the scheme of delegation, or specifically through authorisation of a Delegated Authority Form (Annex 2).

Advertising will take place as follows as a minimum:

- Requirements with a value in excess of £50,000 but less than £156,442 (Supplies and Services) or £3,927,260 (Works): Council's own Website via the Public Procurement Portal: www.publiccontractsscotland.gov.uk
- Requirements with a value in excess of £156,442 (Supplies and Services) or £3,927,260 (Works): Official Journal of the European Union (first) and the Council's own Website, both via the Public Procurement Portal

The single point of publication for these notices will be the Head of Procurement. This means that all Contracts subject to formal tendering procedures must be advertised via the Head of Procurement, and that where quotation level requirements are advertised on a voluntary basis, the same requirement applies.

No transactions or commitments made or costs incurred may be split to avoid the necessity of appropriate calls for competition.

In all commitments made in the commissioning of consultancy services, regardless of value, Statements of Requirement and Terms of Engagement shall be documented in every case.

Tendering for goods, services, and works within the Council shall be carried out by electronic means unless specific agreement has been made with the Director of Finance that they shall be dealt with manually. Paper order books are to be withdrawn within the lifetime of this revision of Contract Standing Orders, and will only be available to Services following the acceptance by the Director of Finance of a business case relating to each issue, and as such ordering of goods, services and works shall also be carried out electronically.

Procurement tasks shall be undertaken only by empowered staff, each of whom must have specific delegation allocated to them using the form at Annex 2 of these Orders.

Procurement via collaborative contracts such as those awarded by Procurement Scotland, Scotland Excel or the Office of Government Commerce (OGC) may be undertaken without further competition depending on the particular procedure recommended by the Agency concerned at the discretion of the Director of Finance. In all cases periodic 'value for money' checks involving other alternatives should be carried out as such agencies do not guarantee or always offer best value. The Council has committed itself to membership of Scotland Excel for the lifetime of the revision of these Orders, and as such will undertake to participate in Scotland Excel contracts unless current arrangements, alignment with strategic or operational requirements,

additional supply chain or sustainability costs are added, or the rules of Best Value require otherwise. These must be tested prior to commitment, but once committed; this commitment will apply through the life of the contract concerned. In such cases the Head of Procurement shall provide justification for non-participation to the Director of Finance and the Council's representative Members of the Scotland Excel Joint Committee, and following their approval, to the Director of Scotland Excel.

PROJECT CHECKLIST

No tendering exercise may be commenced until the following issues have been considered and approved by either the Head of Procurement (goods and/or services projects including consultancy) Director of Housing and Property (building construction projects) Director of Transport, Environmental and Community Services (infrastructure construction projects) Director of Planning and Development (P&D Capital Plan Works only) or Director of Social Work (provision of social work or care services) .

	Yes/No
Aims and Objectives	
Existing Contract	
Business Case	
Budgetary Provision	
Estimated Value Over 4 Years	
Governance	
Officers Have Appropriate Qualification, Skills, Experience And Training	
Procurement Authorisation Forms	
Project Has Relevant Procurement, Technical, Financial And Legal Input/Advice	
Independent Decision Point Reviews For Innovative/Irregular Projects	
Evaluation Panel Members	
Tender Board Members	
Regulatory & Licensing	
TUPE	
Construction, Design And Management Regulations	
VOSA, SEPA, HSE Etc. To be made available as early in the project as possible	
Planning Permission/Building Warrant To be made available as early in the project as possible	
Strategic/Community Benefits	
Sourcing Strategy/Lotting Strategy	
Specification	
Equality Impact Assessment Screening	
Socio-Economic Sustainability	
Environmental Sustainability	
Commercial	
Risks And Contingency Plans	
PQQ And ITT Evaluation Criteria	
Contract Terms And Conditions	
Financial Vetting	
Pricing And Price Control	
Contract Management, MI And KPIs	
Ordering and Invoicing	

CONTEXT

1.0 Commencement

- 1.1 These Orders (“the Contract Standing Orders”) shall apply and have effect from 8th September 2011 and shall be subject to annual review.

2.0 Definitions

- 2.1 In these Contract Standing Orders, the following words and expressions shall have the meanings hereinafter assigned to them, that is to say:-

“The 1973 Act” means the Local Government (Scotland) Act 1973;

“Building construction works contracts” means Works contracts, as defined by the Public Contracts (Scotland) Regulations 2006, included as Annex 8, but excluding infrastructure construction contracts

“Contract” means an agreement between that Council and another legal entity having the following characteristics: offer and acceptance/agreement, intention to form legal relationships, capacity (of the parties to enter such an agreement) and legality. A contract is not required to be concluded in writing in order to be binding but may be either verbal or implied by the actions of the parties. As such an agreement to work in partnership with a third party to achieve an end required by the Council is liable to be held to be a contract, and the output required by the Council will be subject to the same rules of competition and commercial conduct as any other requirement. Assignments of work to any of the Council’s Direct Labour or Direct Service Organisations, cannot therefore be contractual in nature, but must be subject to the principles of Best Value

“Contracting Authority” means The Highland Council: this is the Contracting Authority in all Contracts into which the Council or any part of the Council enters. There are no legal personalities within the Council other than the Council itself, and as such no Service, Unit, Establishment, or other part of the Council has the legal capacity to enter independently into a Contract. All Contracts let and purchases made are therefore made by or on behalf of the Council as a whole

“Consultancy” and “Consultant” means respectively the practice of giving expert advice, support, or opinion within a given field and any person or organisation providing any such service to, for, or on behalf of the Council.

“Director of Finance”: for the purposes of these Orders includes the Head of Procurement acting on his behalf.

“Head of Procurement” in the context of the advertising, arrangement and management of competitive tendering and quotation exercises and award of contracts includes any Principal Contracts Officer or Contracts Officer within the Strategic Procurement Division.

“Infrastructure construction works contracts” means Works contracts, as defined by the Public Contracts (Scotland) Regulations 2006, included at Annex 8, but excludes

contracts which relate to the construction, maintenance or modification of buildings insulated in whole or in part.

“Most economically advantageous tender” means that giving maximum value for money over the lifetime of the contract for the goods, services or works delivered thereby, taking into account all material matters, visible or invisible, including but not being limited to quality and price. Other than “lowest price” it is the only acceptable means of deciding upon which tenderer should be awarded a contract in terms of the public procurement regulations. It must be noted that in assessing the most economically advantageous tender, the costs taken into account must be material to the purposes of the contract. In other words, the cost must bear upon a significant measurable characteristic of the requirement being procured

“Partners” are defined as any organisations with which the Council works to deliver its objectives, with a formal agreement of roles (contract, funding agreement, Service Level Agreement etc). Partnerships are defined by the agreements between the partners.¹

“Partnering” means a form of collaborative working between partners and in contrast with traditional ‘arms length’ procurement and contract-management approaches, partnering is characterised by a greater degree of openness, communication, mutual trust and sharing information. There may often be a long-term relationship which requires clear roles and responsibilities for decision making, and effective performance reporting. Entering into such agreements is subject to the same rules of competition as other forms of agreement.

“Prescribed Sum” means the value of the Sum set out at Annex 1 to these orders.

“Procurement Officer” means a member of the Strategic Procurement Division or other Official empowered to award contracts on behalf of the Council by the Director of Finance in accordance with Annex 2 of these orders.

“Project Manager” means the member of staff appointed by the Sponsor or Board governing the project to deliver the project.

“Quality” in this context means fitness for purpose as defined in the Specification or Statement of Requirements.

“Services” ‘means any of the activities set out at annex 8

“Supplies” means purchase, lease, rental or hire purchase, with or without option to buy, of products. A public contract having as its object the supply of products and which also covers, as an incidental matter, siting and installation operations shall be considered to be a ‘public supply contract

“Service Director” includes the Chief Executive, and is taken to include any senior officer delegated by the Director of Finance to undertake specific tasks relating to contracts. .

¹ HM Treasury, “Managing Risks With Delivery Partners” 2004

“Service Provider” “Supplier” and “Contractor” shall have the meanings ascribed to them as set out in the Public Contracts (Scotland) Regulations 2006 <http://www.opsi.gov.uk/legislation/scotland/ssi2006/20060001.htm>

“Sponsor” or “Sponsoring Director” means the owner of and budget holder for the requirement as distinct from the Procurement Officer carrying out commercial action on their behalf. The Project Sponsor/Project Director is the client side representative who acts as a single focal point of contact with the project manager for the day-to-day management of the interests of the client organisation

“Works” A ‘work’ means the outcome of building or civil engineering works taken as a whole which is sufficient of itself to fulfil an economic or technical function. A list of these is also set out at Annex 8

3.0 Extent and Introduction

These Contract Standing Orders are made under section 81 of the 1973 Act. They shall apply to the entering into by the Council, or on its behalf, of contracts for the supply, or lease, of Supplies, Services, and Works, as the case may be, unless classified as being exemptions or exceptions from these Contract Standing Orders. For the avoidance of doubt, these orders do apply to PFI/PPP, Joint Venture, and similar contracts.

They are written in accordance with the terms of the Scottish Government Procurement Policy Handbook, and Scottish Procurement Policy Notes, and shall be implemented by application of the standards and procedures set out in the Highland Council Procurement Manual as published at the time of the requirement arising.

Policy responsibility for the governance of commercial business shall rest with the Director of Finance.

Subject to the requirements of the Council’s Standing Orders, European Community Law and legislation, the under-noted powers to enter into commercial arrangements on behalf of the Council shall be held by the Director of Finance who shall be the Proper Officer for the purpose of awarding and signing procurement contracts, variations, extensions, novation orders and terminations on behalf of the Council.

- a) agreement of specifications with user Services
- b) construction of contract terms and conditions
- c) development of sourcing and contracting strategies
- d) agreement of procurement budget heads
- e) selection of tenderers
- f) opening and evaluation of tenders
- g) award of contracts and framework arrangements, including participation in collaborative contracts awarded by others
- h) Appointment of consultants

Note that in these Orders, actions and responsibilities assigned to the Director of Finance will be executed on his behalf by the Head of Procurement, who for the avoidance of doubt shall also be the Proper Officer for the purpose of awarding and signing procurement contracts, variations, extensions, novation orders and

terminations and on behalf of the Council. This authority may be delegated, but only by means of a properly executed procurement authorisation form (see Annex 2)

4.0 EU, UK and Scottish Legislation

These Contract Standing Orders will be operated in such manner as will comply in all respects with the requirements of European Community Law, United Kingdom and Scottish legislation. There should be no conflict between these Orders and the legislation, but for the avoidance of doubt, in all cases EU law takes precedence, followed by UK and Scots law. For the avoidance of doubt, this shall include but not be limited to The Public Contracts (Scotland) Act 2006, the Public Contracts & Public Utilities Amendment (Scotland) Regulations 2009 SSI 428/2009, The Climate Change (Scotland) Act 2009, the Equality Act 2010, The Freedom of Information (Scotland) Act 2002, The Data Protection Act 1998, The Prevention of Corruption Act 1906, and The Bribery Act 2011.

5.0 Breach of Contract Standing Orders

Any breach or non-compliance with these Contract Standing Orders must on discovery be reported immediately to the Head of Audit and Risk Management acting on behalf of the Director of Finance. The Head of Audit and Risk Management should undertake any necessary investigation and report the findings to the relevant Service Director and Chief Executive, as appropriate and disciplinary proceedings may result from such reports.

6.0 Reporting to Committees

In circumstances where reports have to be provided to a Committee this should be the relevant Service Committee as specified. This will only be required where an exception to these Orders is required, where tendered costs or service levels have to be managed down or amended to meet affordability levels, or where a sponsor proposes an award to a contractor other than that providing the lowest cost or most economically advantageous tender.

7.0 Conflicts of Interest

Staff involved in procurement activities are responsible for making themselves aware of the Council's Code of Conduct for Staff: <http://ntintra1/persintra/policies/Code-of-Conduct.pdf> For the avoidance of doubt however, no member of Council staff with a social or family connection with any member of the staff of any organisation expressing an interest in bidding for a particular requirement, where there is a likelihood that said member of the potential bidders staff is likely to have access to the development of a bid may be involved in any way on the procurement exercise related thereto. Similarly, no member of Council staff with a pecuniary interest in any organisation expressing an interest in bidding for a particular requirement may be involved in any way on the procurement exercise related thereto

CONTRACT STANDING ORDERS – PART 1 APPLICABLE STANDARDS

1 EXEMPTIONS FROM STANDING ORDERS

There will be exempted from the provisions of these Standing Orders:

- (i) All contracts with a total estimated cost not exceeding the Prescribed Sums for quotations set out at Annex 1;
- (ii) Any contract of employment;
- (iii) Any contract excluded under the terms of the Public Contract (Scotland) Regulations 2006;
- (iv) Any contract relating to the disposal or lease of land or other capital asset.
- (v) Any arrangement in which the Council shall fund an external operator to provide services on a non-contractual basis (Grant funded activities as defined in the guidance produced by the Head of Policy). In such circumstances the principles of the Following the Public Pound Code shall apply.

2 EXCEPTIONS FROM STANDING ORDERS

Nothing in these Applicable Standards 3 to 16 and Operational Procedures 1 to 15 shall apply:

- (i)
 - (a) Where the Sponsor has satisfied the Director of Finance that the requirement is not readily obtainable from more than one supplier, service provider, or contractor, and it can be demonstrated that no equivalent is available; or that
 - (b) The prices of the goods, materials or specialist services are wholly controlled by trade organisations or government order and it can be demonstrated that no equivalent is available; or that
 - (c) The requirements are subject to intellectual property rights and it can be shown that either no suitable alternative is available, or that exposure to competition of an item covered by copyright, patent, or trademark would breach such rights. Note that where an item is described by a reference to a trade name, it must be followed by the phrase “or equivalent; or
- (ii) Where there is an existing contract for the supply of any class of goods, works or services. Such contracts may only be extended without fresh competition within reason, and in accordance with any limitations set out either in the Contract itself or the Contract Notice. At least one of the following shall apply:
 - the extension is justified on the basis of best value and/or operational necessity in which case it may not exceed the allowance for extension as set out within the terms and conditions of the contract or by more

than 50% over the original scope or value of the contract, whichever is the lesser;

- the extension may be necessary in order to allow for the proper conduct of a competitive process,
- the requirement for extension has been brought about by an unforeseeable circumstance not within the control of the Council

In all cases the original contract must have been won *via* a competitive process and must be reasonable in all the circumstances

Any extension which constitutes a deliberate material variation of the original contract by nature or extent must be the subject of fresh competition

- (iii) The demand is for the execution of work or the supply of goods, materials or services, certified by the relevant Service Director as being required as an emergency measure so as not to permit the invitation of tenders. "Emergency" means **only** an event which could not reasonably have been foreseen. Each case must be reported to the Director of Finance and next meeting of the Relevant Service Committee; or
- (iv) the work to be executed or the goods, supplies or services to be provided consist of repairs to or the supply of parts for existing proprietary machinery or plant and the Council is bound by the terms of an agreement, by insurance requirements or by the terms of a warranty to use a specified contractor; or
- (v) The contract is for the supply of goods acquired on the Commodities Market.

All instances of such exceptions arising shall be reported to the Relevant Service Committee.

3 BUDGETARY PROVISION AND PRECAUTIONARY TENDERING

- (i) The Council's Financial Regulations make reference to the requirement to control capital and revenue expenditure, and therefore the terms of those Regulations must be implemented in the context of activity covered by these Orders.
- (ii) In this respect, the Sponsor of any procurement project must certify that sufficient funds exist prior to the commencement of any contracting action. If the cost of the requirement is not known when it arises, similar requirements elsewhere may be used as a baseline. Informal consultation with potential providers, without making any commitment, may also be used.
- (iii) Prior to the commencement of any commercial action, the Sponsor must advise the Procurement Officer conducting the competitive exercise of the associated budget
- (iv) Precautionary formal tendering aimed solely at establishing costs must not take place. The only allowable exception to this is when external funding is anticipated which must be used within the current financial year. In those

circumstances tendering in advance of final agreement is acceptable, but the situation must be made clear to all potential bidders.

4 BUSINESS CASES

- (i) Before committing funds to or commencing a tendering process for any commercial arrangement in excess of the threshold for tendering via OJEU (whether advertised there or not) the Sponsor must ensure that a business case has been established. This must examine all possibilities for meeting the requirement. It must also show that no other contract which could be used already exists within the Council. The business case template form is at Annex 4 of these Orders

5 DISPENSING WITH COMPETITION

- (i) It is a fundamental principle of Public Sector procurement that purchases should be made as a result of competition.
- (ii) Dispensing with competition at any level of purchase, which may amount to unfair discrimination, is contrary to the provisions of the Treaties of Amsterdam and Rome. Decisions to proceed with a non-competitive purchase above the prescribed sum for the obtaining of quotations, and the justifications for taking them must be recorded, and must only be made within the rules set out in Orders 1 and 2 above.
- (iii) Procurement *via* collaborative contracts such as those awarded by Procurement Scotland, Scotland Excel or the Office of Government Commerce (OGC) may be undertaken without further competition depending on the particular procedure recommended by the Agency concerned at the discretion of the Director of Finance or Head of Procurement acting on his behalf. In all cases periodic 'value for money' checks involving other alternatives should be carried out as such agencies do not guarantee or always offer best value. The Council has committed itself to membership of Scotland Excel for the lifetime of the revision of these Orders, and as such will undertake to participate in Scotland Excel contracts unless current arrangements, alignment with strategic or operational requirements, additional supply chain or sustainability costs, or the rules of Best Value require otherwise. In such cases the Head of Procurement shall provide justification for non-participation to the Director of Finance and the Council's Members of the Scotland Excel Joint Committee, and following their approval, to the Director of Scotland Excel.
- (iv) Breaking down or disaggregating requirements in order to avoid the necessity of exposing them to competition is contrary to public procurement regulations and must not be entered into under any circumstances.

6 PERIODIC SUPPLIES AND FRAMEWORK AGREEMENTS

- (i) The period of such arrangements shall not exceed four years without specific justification which must be published when the requirement is advertised.

- (ii) Where a contract is for the supply of goods or materials or the provision of services or works by means of a call off contract within a framework agreement which allows for direct award of call-off contracts without further competition, formal tendering shall be carried out only once prior to the commencement of such arrangement.
- (ii) Where Frameworks specify the establishment of contracts via competition between operators in the Framework, this shall be carried out prior to the commencement of each individual call-off.

7 AGGREGATION OF DEMAND PARTNERSHIP WORKING, AND SHARED SERVICE CONTRACTS

- (i) Where requirements arise in more than one establishment, unit, Service, or other part of the Council, or where requirements are shared between such parts of the Council, then those requirements shall be aggregated for the purposes of procurement, and no part of the Council shall operate independently of any other.
- (ii) Once a Contract or set of Contracts or Framework Agreements for any category of Supply or Services, or Works has been let corporately on behalf of the Council, it shall be a requirement for all Services to use the Contract for the provision of the Supplies, Services, or Works concerned where such requirements arise in those Services. New Contracts shall be reported to the Weekly Business Meeting for circulation throughout Services and shall be published on the Council Intranet.
- (iii) Partnership arrangements are a valid means of achieving best value through procurement. The establishment of partnerships must be subject to formal competition and must protect the interests of the Council, by the use of formally agreed and written terms and conditions.
- (v) Consideration should always be given to the possibility of joining with other organisations to tender jointly for similar requirements, and research undertaken prior to commencement as to the feasibility of this approach.
- (vi) In accordance with Scottish Government Local Authority Procurement Circular 1/2007, the award of a contract by one contracting authority to another for the provision of services from one to another in return for payments is subject to the same requirements for competition as any contract award procedure resulting in a contract award to a private sector organisation.

8 FREEDOM OF INFORMATION

- (i) The Council shall treat its commercial and contractual relationships as confidential to the extent allowed by the Freedom of Information (Scotland) Act.
- (ii) To allow for the operation of the requirements of the Freedom of Information (Scotland) Act, the EU Procurement Directives, and the Public Contracts (Scotland) Regulations, a Contracts Register shall be published on the Council's public website. Each Service Director shall ensure that the Director

of Finance is provided with sufficient information to enable this to be kept up to date.

9 SPECIFICATIONS

- (i) Formal Specifications or statements of requirement shall be developed either by the project Sponsor or by the project Sponsor in conjunction with the Head of Procurement as appropriate for all tendered or quoted requirements for supplies, services (including each and every consultancy requiring competitive action), or works, which will fully define what the Contractor, Supplier, or Service Provider is to provide.

10 SUSTAINABILITY AND EQUAL OPPORTUNITIES

- (i) To the full extent permitted under legislation at the time of undertaking the Contract, and where the statutory duty of Best Value is not comprised by doing so, the Council shall take full account of the issues of socio-economic and environmental sustainability wherever they are material to the purposes of the Contract. These aspects are commonly referred to as community benefits, and include the requirement to conduct procurement activities in the best calculated to contribute to the delivery of the Council's duties under the Climate Change Act 2009.
- (ii) The Council is committed to equal opportunities in all our activities; accordingly we expect prospective contractors to have policies in place that comply with existing equal opportunities and human rights legislation. Under the Equality Act 2010, public authorities are required to show due regard to the elimination of discrimination, the advancement of equality of opportunity and the fostering of good relations (the general duty) on the grounds of age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. The protected characteristic of marriage and civil partnership is covered by the elimination of discrimination duty only.

The general duty applies to public functions which are carried out through procurement as well as those carried out directly by a public authority. Where a contractor is carrying out a public function on behalf of the Council, the legal liability for equality duties in relation to that function remains with the Council which contracts out the function.

Prior to commencement therefore, all contracts with a value requiring tendering via OJEU for the provision of works and/or services shall be subject as a minimum to initial screening for an Equality Impact Assessment (EQIA), and the full production of an EQIA if the initial screening shows that to be appropriate. The assessment should be appropriate to the size and nature of the function or service, to inform the requirements when they are being specified. This will ensure that full consideration is given to the needs of, and the likely impact on, all users and others who will be affected by the contract. Further guidance on carrying out and EQIA is available on the toolkit section of the Highland Council Management Intranet pages.

Further information on equality legislation, including guidance on the public sector equality duties and how they apply to procurement, can be found on the Equality and Human Rights Commission (EHRC) website: <http://www.equalityhumanrights.com>, and advice should also be sought from the Council's Equal opportunities Officer.

- (iii) Records of the name and location of each business submitting and expression of interest, and those submitting SAQ/PQQs and/or formal tenders must have the type of business recorded on the same tracking form (e.g. micro-SME, SME, Social Enterprise, Voluntary Organisation, Women Owned Business, LLP, BME, PLC, UK Multinational, foreign Multinational) in order to accurately monitor engagement with each sector to demonstrate pursuit of Single Outcome Agreement requirements

11 PROCUREMENT, PROJECT, AND CONTRACT RISK, AND PROJECT MANAGEMENT

- (i) These orders are written in order to ensure that officials operate in a way that conforms to the requirements of relevant legislation. In this way, the Council and individuals are protected from legal risk as far as can be reasonably foreseen. Individuals who break the rules set out within these orders not only expose the Council to unnecessary risk, but are also themselves exposed in cases where their actions constitute a criminal act.
- (ii) As such, Projects may only be initiated by officers who have the appropriate qualification, skills, experience and training. In addition, it must be ensured that projects have relevant professional procurement, technical, financial, and legal input/ advice. Only officers who have had Procurement Authorisation Forms approved and have attended and approved procurement training course may carry out the tasks listed on the procurement authorisation form.
- (iii) Formal Reviews will be introduced for innovative/ irregular projects, or those with a value in excess of £3M over the life of the contract. These will occur at key decision points in each project's lifecycle and will be subject to governance by the major projects board or equivalent. These reviews will be documented, with decisions recorded, and will be undertaken by a team appointed by the major projects board, independent of the project and will thereby give assurance that the project is being delivered effectively and in a controlled manner
- (iv) In respect of Capital projects, the Governance arrangements set out in the Council's formal guidance on this matter must be adhered to.
- (v) Where a project involves the establishment of an arms length organisation by the Council, the Project Sponsor must provide the Chief Executive with assurance that all appropriate legal arrangements have been made and full documentary evidence has been provided
- (vi) In respect of a project with a value in excess of the OJEU tendering threshold (whether advertised there or not) the additional advice available in Treasury or OGC Guidance such as that relating to Option Appraisals, Joint Ventures, VFM and Risk Management and Project Models not covered in these orders,

the Procurement Manual, Scottish Procurement Directorate documentation or Scottish Futures Trust documentation, must be used as appropriate in Council Projects. Specialists in Capital finance and procurement will be able to provide advice on these matters.

12 SIGNIFICANT TRADING OPERATIONS

- (i) The Council has implemented a number of Significant Trading Operations. In order to qualify as such, these operations need to operate in a competitive environment, and this includes bidding for Council business as a long term in-house provider, where such activity is carried out. Where such bids are successful, these operations are entitled to the same status as an external contractor for the exclusive provision of services covered by the related tendering exercise over the lifetime of the advertised contract.
- (ii) The requirements of these Contract Standing Orders apply in full to Trading Operations' commercial activities, and Services must ensure that where supplies, works or services with a value in excess of the specified sum are required, sufficient time is built into the project programme to allow for tendering on their behalf by the Trading Operation. Requirements for the provision of supplies, works, or services may be awarded to "in-house" providers without competition as long as the requirements of Best Value can be met and demonstrated.

13 REPORTING OF CONTRACTS AND CONTRACT EXPENDITURE

- (i) Prior to the commencement of any formal tender exercise, the Sponsor must establish a budget forecast for the requirement and shall certify that sufficient funds exist to cover this in accordance with paragraph 4 of these Orders. The Sponsor's written commitment to this level of funding shall be passed to the Head of Procurement prior to commencement, and this shall be recorded and kept on file within his office.
- (ii) On award of any formally tendered contract, the subject of the contract, successful tenderer, budget figure and actual forecast expenditure shall be reported by the Director of Finance to the Weekly Business Meeting and published in the Council's Contracts Register on its website.

14 CONSTRUCTION (DESIGN AND MANAGEMENT) REGULATIONS 2007

- (i) Duties under the Construction (Design and Management) Regulations 2007 require clients to provide pre-construction information to designers and contractors in any project involving works as defined in the CDM Regulations.
- (ii) Further guidance is available from Housing Property Services Property Risk Management Unit and on \\ntpahq1\documentmanagement\Risk Management\Operational\CDM\CDM2007\cdm2007.htm

15 TRANSFER OF UNDERTAKING (PROTECTION OF EMPLOYMENT) REGULATIONS

- (i) Where the Council seeks to outsource an activity currently provided in house, TUPE will affect any staff who have the essential part of their ongoing duties delivering the service immediately before the project commences (staff working intensively on a service for a very short period of time who are not normally engaged in that service will not be affected) and will be entitled to transfer to the new employer under TUPE.
- (ii) Prior to the commencement of any project involving TUPE, guidance must be sought from Personnel, Procurement, Payroll/Pensions, and Legal Services, and appropriate time must be built into the project plan for all necessary staff and Union consultations.
- (iii) The Council is obliged to provide the expected numbers of staff affected to prospective tenderers at commencement of the exercise. At the point of invitations to tender, the information set out in Annex 8 must be provided to prospective tenderers in respect of each staff member affected.
- (iv) This must be clarified by a statement to the effect that final numbers will be provided at least two weeks before contract commencement, but that no liability for the accuracy of this information will be taken prior to that point, and that numbers are subject to variation.
- (v) Any such contracts must contain a provision obliging the incoming service provider to keep records of staff assigned to the service and to provide that information on demand in order to enable re-tendering at the end of the contract.
- (vi) Where the Council is re-tendering a service, it will be necessary firstly to ask the existing service provider whether or not they believe that TUPE applies. If they believe that TUPE will apply, then they must make the information set out at Annex 8 available to potential new providers of the same service on exactly the same basis as the Council did on first outsourcing the activity. They must provide the information to the council and the Council will issue it with PQQ/ITT documentation, however the Council will take no liability for this information and must advise bidders that they must verify this information with the existing service provider, who will be legally and contractually bound to reply. Tender documentation must contain a term indemnifying the Council for liability in respect of the reliability of this information.
- (v) Once contracts are let, either on first outsourcing or at re-tender, the Council has a legal duty to ensure that the incoming service provider acts in accordance with their TUPE obligations.

16 CONTRACTS REGISTER AND TRANSPARENCY

- (i) The Council maintains a contracts register on its website, along with a list of all contracts to be advertised in the following twelve months which should be updated at least quarterly.
- (ii) All contracts with a value of £50000 or more must be published in the contacts register via the Procurement Office

Each Service Director shall provide a plan to the Director of Finance no later than 28th February each year showing their plans for contracting activity in the following Financial Year, in order to allow for the publication of Prior Information Notices.

PART 2 OPERATIONAL PROCEDURES

1 AUTHORITY TO INVITE TENDERS AND PARTICPATE IN PROCUREMENT WORK

- (i) Formal tendering exercises shall be managed by the Head of Procurement, following receipt of budgetary certification and business case, unless authority to do so is delegated by the Director of Finance to other Directors, either in the scheme of delegation, or specifically through authorisation of a Delegated Authority Form (Annex 2)..
- (ii) Tenders in respect of goods or equipment to be supplied by way of a lease arrangement may only be invited following approval from the Director of Finance.
- (iii) Tenders with a value in excess of the prescribed sums must be dealt with in accordance with the EU Commission Open, Restricted, Accelerated Restricted, Negotiated, or Competitive Dialogue Procedures. Timescales for these can be found in the Consolidated Procurement Directive http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_134/l_13420040430en01140240.pdf
- (iv) For the avoidance of doubt no member of Council staff may undertake any of the work covered by these Orders, including but not being limited to the award of contract at any value unless formally authorised to do so by the Director of Finance, and subsequently trained through the Employee Development Unit.
- (v) Projects may only be initiated by officers who have the appropriate qualification, skills, experience and training. Procurement tasks may only be undertaken by staff who have attended the Council's training courses. In addition, it must be ensured that projects have relevant and appropriate professional technical, financial and legal input/ advice

2 ADVERTISING OF TENDERS

- (i) In order to meet the requirements of the European Commission for adequate publicity of opportunities, advertising will take place as follows as a minimum:
 - a) Requirements with a value of £50,000 or more but less than £156,442 (Supplies and Services) or £3,927,260 (Works): Council's own Website via the Public Procurement Portal: www.publiccontractsscotland.gov.uk
 - b) Requirements with a value in excess of £156,442 (Supplies and Services) or £3,927,260 (Works): Official Journal of the European Union (first) and the Council's own Website, both via the Public Procurement Portal

The single point of publication for these notices will be the Head of Procurement. This means that all Contracts subject to formal tendering procedures must be advertised via the Head of Procurement, and that where quotation level requirements are advertised on a voluntary basis, the same requirement applies

3 FRAMEWORK AGREEMENTS

- (i) The Sponsor may decide to set up framework agreements in which parties admitted to the framework by way of competition may be invited to tender via further mini-competitions for individual contracts for the provision of goods, materials, services or works of specified categories, or in which direct orders can be placed on parties admitted to the framework without further competition. In the former case, invitations to tender for such contracts shall be limited to parties admitted to the framework
- (ii) The establishment of framework agreements is subject to the same requirements for advertising and evaluation as all other contracts. No such framework may have a lifetime of greater than four years without specific and justifiable reason being recorded for the commitment to a longer period. Only one framework agreement shall be set up within the Council in respect of any category of goods, services or works, though these may be addressed as “lots” and in each case its compilation and maintenance shall be the responsibility of and shall be owned by the Procurement Officer assigned that category of supplies, works, or services. Framework Agreements may be made with one provider or with at least three providers, unless a multiple-supplier framework is required and only two competent tenders are received.
- (iv) the means by which individual contracts within Framework Agreements are to be awarded must be set out within the terms of the framework during its formation.

4 TENDERING VIA RESTRICTED PROCEDURES AND AD-HOC LISTS.

- (i.) Should the Sponsor choose to use ad-hoc list or restricted procedure tendering, then the requirement shall be advertised in accordance with Part 2 Para 2 of these Orders and expressions of interest invited. After the expiry of the period specified in the public notice, a select list of tenderers will be drawn up from the list of applicants returning questionnaires or providing other evidence of competence as set out in the advertisement. Invitations may then be made as detailed in part 7 of the Highland Council Procurement Manual.

5 OPEN TENDERING

- (i) Should the Sponsor choose to use an open tendering procedure, then the requirement shall be advertised in accordance with Part 2 Para 2 of these Orders, and expressions of interest invited. All persons responding must then be invited to tender as detailed in the Highland Council Procurement Manual.

6 CONTENT OF INVITATIONS TO TENDER

- (i.) For each contract the potential tenderers shall be issued a formal invitation to tender, detailing at least the following:
 - the nature and purpose of the contract and detailed requirement specification
 - the last date and time when Tenders will be received

- the return address
 - that the Council is not bound to accept the lowest or any tender
 - whether or not variant bids will be allowed (must be specified in the contract notice)
 - The evaluation criteria to be used in priority order and with any weighting given.
 - the draft contract document
 - the no collusion certificate or certificate of bona fide tendering
 - that the Council is subject to the requirements of the Freedom of Information (Scotland) Act, with non-disclosure items form
 - the proposed amendments to contract form
 - That the Council will not accept liability for bid costs.
- (ii) Detailed procedures in respect of the recording, handling, and management of tender documents and the tender process are shown in part 7 of the Highland Council Procurement Manual.
- (iii) The confidentiality of tenders must be respected, and no details may be disclosed to any tenderer regarding any tender other than their own during the conduct of a tender. No officer who has direct or indirect personal pecuniary interest may participate in any tendering procedure, and all such interests must be declared prior to commencement of the tender exercise.

7 EVALUATION CRITERIA

- (i) Prior to the publication of any notice or invitation to tender, the Sponsor must decide on the objective evaluation criteria to be used in assessing both pre-qualification questionnaires (if a two stage process is involved) and tenders. Pre-qualification criteria must be set in such a way as to ascertain and select tenderers who are qualified to tender, and contract award criteria must be set in such a way as to ascertain and award contract(s) in favour of the most appropriate tender(s) put forward in response to the invitation in terms of the most economically advantageous or lowest priced tender. These criteria must be weighted according to the needs of the contract, and both the criteria and their weightings must be published in the pre-qualification/tender documentation. In the case of tenders carried out in accordance with EU tendering procedures, the criteria and weightings must be set out in the OJEU notice or Pre-Qualification/Supplier Appraisal Questionnaire and Invitation to Tender. Criteria must include technical capability and compliance with any relevant health and safety requirements. Where these criteria are not met, tenders must be rejected. The reasons for using the agreed evaluation criteria must be recorded
- (ii) Pre-qualification questionnaires and tenders must be checked and evaluated only on the basis of the published criteria, and no others, and contract awards must be made solely on the basis of that evaluation. Evaluation matrices are available within part 7 of the procurement manual. Evaluation of pre-qualification questionnaires must be based on assessment of the financial, legal, and technical standing of the potential tenderer only, and tender evaluation criteria must be based on assessment of actual proposals for meeting the requirement. The criteria used for pre-qualification may not be used in tender evaluation and the two sets of criteria must be distinct from each other.

- (iii) Awards of contract may only be made by the Director of Finance, Director of Housing and Property (building construction works contracts), Director of Transport, Environmental and Community Services (infrastructure construction contracts) Director of Planning and Development (Planning and Development Capital Programme Infrastructure projects and minor works only) or Director of Social Work (care services contracts) or Procurement Officer formally authorised to do so as per Annex 2 of these orders. Where a contract to be awarded is not the lowest priced or most economically advantageous, the view of the relevant Committee (or time not permitting, the Chair or Vice Chair of the relevant Committee) must be sought prior to award being made by the relevant Director or Procurement Officer and the reasons for making the award must be reported to the next available meeting of the relevant Service Committee.
- (iv) Acceptable standards or pass marks relating to the financial, legal, and technical standing of the potential tenderer and supplier evaluation methodologies to be applied in Supplier Selection/Shortlisting/PQQ/SAQ assessments must be stated within the appropriate questionnaire.
- (v) (Contract Award/Evaluation criteria may include
- Price (Whole Life Cost including running costs)
 - Quality defined in terms of
 - Technical Merit
 - Aesthetic and Functional Characteristics
 - Environmental Characteristics
 - Effectiveness
 - After Sales Service/Support
 - Technical Assistance/Training
 - Delivery Date/Installation
 - Social Issues
- (vi) For the avoidance of doubt, experience of the supplier/service provider/contractor, shall not be used as a contract award criterion, but only as a means of determining relevant technical expertise at PQQ/SAQ stage, and where used for that purpose, must not relate solely to experience of working with Highland Council but rather to similar projects in any referent organisation
- (v) In all cases, these must be relevant and objectively measurable, and all criteria and their associated weightings must be published either with the contract notice or the invitation to tender. Selection criteria applied to SAQ/PQQs must be proportionate to the requirement in hand, i.e. requirements for turnover and number of staff must not be more restrictive than required for safe delivery of the requirement, and increased scoring should not be given for levels of such metrics over and above that required. Where membership of a particular organisation or qualification is required, the principle of mutual recognition must be upheld, and the words “or demonstrated equivalent” inserted.

8 HANDLING OF TENDERS

- (i) Tenderers will be required to return their tenders via the Council's electronic tendering system or by hard copy if this is impossible. Tenderers must be advised that open e-mail is not an acceptable method for returning tender documents. Late tenders and late submissions of outline and detailed solutions in Competitive Dialogue procedures may not be considered and if submitted in hard copy must be returned unopened to the tenderer unless tenderers can prove that lateness was caused by factors beyond their control. Where more stringent codes of practice apply, then those codes may be adhered to.
- (ii) Upon receipt, all tenders must be receipted and logged, and retained unopened and secure until the advertised time of opening. Note that this is automatic where the Council's electronic tendering system is used. A record of each tender received, showing the name of the tenderer, date received, date of tender, and value of tender must be retained on file. Where prices are submitted as a schedule, the pricing field on the tender recording form may be endorsed "see attached schedule" and a copy of the tender's pricing pages attached to the form and retained with it. This may be retained electronically.
- (iii) Tenders must be opened at the advertised time of opening or as soon as possible thereafter, simultaneously, by at least three persons, one of whom must be entirely independent of the exercise, unless the Council's electronic tendering system is used in which case tenders may be opened by one officer. In such cases however, a tender opening form must still be completed by at least three members of the evaluation team as soon as possible after the closing date for submissions
- (iv) Tenders which include Bills of Quantities must be checked for arithmetical accuracy, and where inaccuracies are found, the tenderer must be given the opportunity to correct them in accordance to any relevant Code of Practice (e.g. ACE, NEC, ICE or JCT) that is appropriate for the contract. If no particular code applies, the same opportunity must be afforded to such tenderers on the understanding that none of the individual figures constituting the wrongly calculated cost may be altered.

9 EVALUATION AND AWARD OF CONTRACT

- (i) Contracts must be awarded in accordance with the published criteria and no others.
- (ii) Evaluation will be split and Supplier Appraisal/Pre-Qualification Questionnaires and tenders will be separated so that initial evaluation and scoring will be carried out as follows
 - Technical Evaluation: Specifiers/Requirement Owners supported by Procurement or Service contracting teams where the Project is covered by delegated procurement. The technical evaluation panel must consist of at least two staff. Procurement staff will not carry out technical evaluation, but will ensure fair, equal, and justified application of the evaluation criteria
 - Financial Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other

requirements, supported by Finance as appropriate (e.g. for complex evaluations). See Paragraph (iii) of this section of the Orders

- Contract Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements with reference to Legal Services as appropriate
- Sustainability Evaluation (where relevant): Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements with reference to Specifiers/Requirement Owners supported by Policy as appropriate (e.g. for complex evaluations)

Following initial assessment and individual marking, formal evaluation meetings will be convened by Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements, to allow for finalisation of all markings on the same day, or where this is impossible, on consecutive days. Any discrepant marks will be examined to ascertain whether they arose from an erroneous reading of the tender, and once scorers are content with their scores and any reasons for discrepant scores formally recorded, scores will be fed into the evaluation spreadsheet which will generate overall final scoring.

- (iii) Clarification questions and responses at both PQQ and ITT stage will be dealt with by Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements only.
- (iv) Tenders may be rejected immediately where they fail to meet the published criteria or where alternative terms and conditions are put forward which are unacceptable to the Council.
- (v) Following evaluation, notification of intention to award a contract and rejection of tenders on the basis of the evaluation criteria must be issued simultaneously, however in respect of contracts tendered via OJEU, a period of at least ten days must elapse between this date and contract commencement in order to allow unsuccessful tenderers to appeal². This must be explained to the successful contractor in the letter of award.
- (vi) Prior to the award of any formally tendered contract, Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements will produce a tender report based on the template set out within the Council's Procurement Manual to these Orders for consideration by the project sponsor.
- (vii) In respect of tenders with a value requiring advertising via OJEU, a formal tender board meeting shall be convened chaired by the Director of the sponsoring service, and the tender evaluation panel will present the report and their conclusions to the tender board for consideration.
- (vii) Project sponsors may elect to convene tender boards in respect of contracts with lower values, but in all cases the tender report must be accepted by the project sponsor before any indication of the Council's intention to award a contract is published.

(viii) As soon as possible after the decision has been made, the project manager shall inform all tenderers and all candidates concerned (if any) both directly and *via* publication of a contract award notice any decision to—

- (a) award a contract; or
- (b) conclude a framework agreement.

This information shall include—

- (a) the criteria for the award of the contract;
- (b) in direct communications, the score obtained by—
 - (i) the economic operator which is to receive the notice; and
 - (ii) the economic operator to be awarded the contract; or to become a party to the framework agreement;
- (c) the name of the economic operator to be awarded the contract; or to become a party to the framework agreement;
- (d) in the case of direct communication with an unsuccessful economic operator, a summary of the reasons why the economic operator was unsuccessful;
- (e) in the case of direct communication with an unsuccessful tenderer, the characteristics and relative advantages of the successful tender; and
- (f) a precise statement of the rights of the recipient of the notice during any applicable mandatory standstill period.

This does not apply where—

- (a) the only tenderer is the economic operator to be awarded the contract or to become a party to the framework agreement, and there are no candidates concerned; or
- (b) the contract is a contract based on a framework agreement or a contract awarded under a dynamic purchasing system.
- (c) the contract or framework agreement is exempt from the requirement for prior publication of a contract notice; or
- (d) there are no tenderers concerned or candidates concerned.

Where a mandatory standstill period is required, the project manager shall within 15 days of the date on which he/she receives a request in writing from any economic operator which was unsuccessful—

- (a) inform that economic operator of the reasons why it was unsuccessful; and
- (b) in the case of an unsuccessful tenderer, other than a tenderer which has been informed by direct communication, inform that economic operator of the characteristics and relative advantages of the successful tender and the name of—
 - (i) the economic operator to be awarded the contract;
 - (ii) the parties to the framework agreement; or
 - (iii) the economic operators admitted to the dynamic purchasing system.

Information issued in accordance with this Order must include any reason for the Council's decision that the economic operator did not meet the technical specifications or their equivalent

(ix) The project manager shall prepare and publish a record in relation to each contract awarded, framework agreement concluded or dynamic purchasing system established, specifying—

(a) the name and address of the contracting authority;

(b) the value of the consideration to be given under the contract, framework agreement or dynamic purchasing system;

(c) the type of goods to be purchased or hired, the work or works to be carried out or, as the case may be, the services to be provided;

(d) the reasons why the successful economic operators were selected;

(e) the name of any economic operator—

(i) to which the contract was awarded;

(ii) with which the framework agreement was concluded; or

(iii) which was admitted to the dynamic purchasing system;

(f) the parts of the contract or framework agreement that the economic operator to which the contract has been awarded or with which the framework agreement has been concluded, intends to sub contract to another economic operator;

(g) where the negotiated procedure was used, what special circumstances constituted grounds for using that procedure;

(h) where the competitive dialogue procedure, details of the circumstances which constituted grounds for using that procedure and

(i) where the Council has abandoned a contract award procedure, the conclusion of a framework agreement or the establishment of a dynamic purchasing system, the reasons why the the Council has decided not to award the contract, to conclude the framework agreement or to establish the dynamic purchasing system as the case may be.

(x) Letters of award in respect of all contracts within the head of procurement's remit will be issued from the HC procurement office and awarded in accordance with the Scheme of Delegation to the Director of Finance. Letters of award in respect of contracts delegated to other Directors will be signed and issued by them and copied to the Highland Council Procurement Office. Letters of award in respect of contract award via quotations exercises or directly without competition will be copied to the Highland Council Procurement office.

10 RISK MANAGEMENT PROCEDURES

(i) In each formal tender, the Sponsor will assess the level of risk they wish to undertake and that which they wish to transfer to a Contractor when setting

the appropriate detail of the specification, the particular terms and conditions which will form the basis of the Contract, levels of insurance, and performance bonds. Risk management tools include the following and further advice can be obtained from Internal Audit and Risk Management

(ii) Insurance

(a) Employers' Compulsory Liability Insurance (ECLI). The sum insured must be in accordance with relevant legislation existing at the time of the requirement arising. . The Council must see a copy of the ECLI insurance policy and/or a copy of the certificate of insurance prior to contract-commencement

(b) Public Liability and All Risks/Professional Indemnity: The levels of insurance cover required in respect of each project should be set by the Council in the context of the contract and reflecting the level of risk involved to members of the public, the Council's staff, its operational effectiveness, and its financial liabilities. Public Liability insurance shall be not less than the Prescribed Sum

(c) Other forms of insurance: it is not possible in these orders to determine exactly what levels of specialist insurance should be required for every area of specialist service provision, however where specialist services are being provided, the Council's Insurance manager should be consulted when establishing a list of required insurances.

(iii) Financial Vetting: In respect of Contract with a value in excess of the prescribed sum, or in respect of contracts which the Sponsor views as exposing the Council to excessive risk, a formal financial assessment of the potential tenderers' financial standing shall be undertaken prior to shortlisting of tenderers or at pre-qualification stage, depending upon the procedure used. In respect of project with a value in excess of the OJEU tendering threshold, checking of potential contractors' financial standing must be undertaken via Finance at PQQ/SAQ stage and again prior to final commitment and award of Contract, at the discretion of the Project Sponsor. Minimum standards must be defined by the project team and made known to all bidders at commencement of the contract award process.

(iv) Liquidated Damages: Dependent on the terms of the contract document, where a breach, default or negligent act on the part of the Contractor result in direct losses to the Council, it will be the duty of the Sponsor to take appropriate action. This includes deducting pre-estimated liquidated damages, and making any appropriate retentions where such retentions are agreed as genuine pre-estimates of loss and may not be construed as unenforceable penalty clauses,

(v) Conditions of Contract: these must ensure clear contract arrangements and should contain clauses that will protect the Council against a variety of risks, and the Director of Finance for requirements within his remit, or Directors of Housing and Property, TECS, or Planning and Development for theirs must ensure that the conditions of contract are sufficient to deal with the risks involved in the project/contract.

- (vi) Contingency Planning: Depending on the Sponsor's assessment of risk, a contingency plan may require to be produced that provides an outline of decisions and considers the programme's effects on public services and ensure that decisions are taken about those for which contingency arrangements will be needed. These can be complex and time consuming to produce and may only be appropriate when the level of risk envisaged breaches the boundaries of the Sponsor's view of acceptability.
- (vii) Forms of Security: Where a contract pre-tender estimate exceeds the prescribed sum, or, where the Sponsor ascertains that the Council is exposed to sufficient risk, the Sponsor shall consider whether the Council should require security for its due performance. He shall either certify that no such security is necessary or will decide what form of security may be appropriate. Forms include Parent Company Guarantees, Escrow Agreements, or Performance Bonds for the due performance of the contract. Note: "On Demand" Bonds are deemed unfair and should not be used. Where bonds are required, they should be from reputable UK based issuers.
- (viii) Staged Payments and Retentions: In accordance with Financial Regulations, no Supplies, Services or Works should be paid for until they have been formally accepted and any required testing carried out. In the event that stage payments are required for each phase of a project, formal acceptance and any required testing of that phase must be complete prior to payment being made.

11 QUOTATIONS

- (i) Where the estimated value of a requirement falls between the prescribed sum for the invitation of quotations and the prescribed sum for formal tendering, it will be appropriate to request quotations rather than to undertake a formal tendering process. The detailed minimum procedure applicable is set out at <http://ntintra1/fin/purchasing/quotation-guidance-and-process.pdf>. Quotations may be obtained via the Public Contracts Scotland Quick Quote system.
- (ii) The procedures for dealing with quotations must be as rigorously fair and open as those for dealing with tenders, the only differences being that the requirement owner is not obliged to use a sealed bid procedure, may advertise in a more restricted manner, or may rely upon at least three reputable providers known to be competent to provide quotations. Reliance on the same providers for the provision of quotations may not be continued for any longer than two years without documented evidence that no other potential providers exist at the end of any such two year period.

12 CONTRACT DOCUMENTS

- (i) Every contract subject to these Orders shall be in writing in an approved form, and shall specify all the applicable terms and conditions, drawn from the Highland Council standard terms and conditions of contract or other specialist or professional bodies' terms and conditions as appropriate including a statement to the effect that
 - (a) Those terms and conditions shall apply, and that no others shall apply unless issued as a formal variation by the Council, and;

- (b) that the Contract constitutes the entire agreement between the Parties relating to the subject matter of the Contract and supersedes all prior negotiations, representations and undertakings, whether written or oral, except that such Condition shall not exclude liability in respect of any fraudulent misrepresentation;

13 TERMINATION AND VARIATION OF CONTRACTS

- (i) No contract may be terminated, or materially varied, on behalf of the Council without the prior approval of the Sponsor.

14 ENGAGEMENT OF CONSULTANTS

- (i) Consultancy is subject to the full rigour of public procurement regulations. In all cases a formal Statement of Requirements and Terms of Engagement must be developed, and in all cases requiring the conduct of quotation or tender exercises, a formal Statement of Requirements and Terms of Engagement must be agreed by the Director of Finance prior to the engagement of the Consultant. Where it is likely that a former employee of the Council may be interested in undertaking the work, then in addition to the safeguards outlined in these Standing Orders, quotations or formal tenders shall be invited regardless of contract value. No contract shall be awarded to a former employee in receipt of a Council pension without the specific approval of the Chief Executive
- (ii) It will be a condition of the engagement of the service of any architect, engineer, surveyor or other consultant who is to be responsible to the Council for the supervision of a contract on its behalf, that in relation to that contract they will –
 - (a) Comply with these Contract Standing Orders as though they were a Service Director of the Council;
 - (b) at any time during the carrying out of the contract, produce to the Director of Finance on request, all relevant records or copies maintained in relation to the contract; and
 - (c.) on completion of a contract, transmit appropriate records or copies to the appropriate Service Director.

15 PROCEDURES FOR THE PROCUREMENT OF RESIDUAL (“PART B”) SERVICES

- (i) **Procurement of services**
 - (a) The Council may not enter into a negotiated contractual agreement with a provider in respect of the Services listed as falling into this category at Annex 4 to these Orders without seeking competition unless one of the Exemptions or Exceptions set out within these orders can be demonstrated to apply
 - (b) Wherever possible the use of free and open competition shall be taken up.

- (c) Where negotiated contracts are implemented, they shall be continuously monitored and amended as necessary and shall be approved annually by the appropriate Committee.
- (d) No provider shall be contracted unless their:-
 - (i) Technical ability is certified as satisfactory by the Sponsor;
 - (ii) Financial standing is satisfactory;
 - (iii) Compliance with Health and Safety legislation has been evidenced.

(ii) Exemption

- (a) There will be no requirement to tender for care or housing support services or other forms of self directed service where the service user has the freedom to determine the identity of the service provider.

(iii) Requirements for Adequate Publicity

- (a) In circumstances relating to “Part B” requirements, the terms of EU Commission Interpretive Communication 2006/C179/02 on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives shall be adhered to:
http://www.govopps.co.uk/guidance_db_files/ec_directives/communication_en.pdf

(iv) Procurement of Care and Support Services

- (a) These orders have been designed to accord with Scottish Government Guidance on the procurement of these services, however detailed information can be found at

<http://www.scotland.gov.uk/Resource/Doc/325109/0104824.pdf>

- (b) It shall be a requirement that any contract award procedure relating to the procurement of care and/or support services complies in full with this guidance.

**ANNEX 1
CONTRACT STANDING ORDERS
PRESCRIBED SUMS:**

	£000
Exemption limit for contract using formal tender documents.	(Below) 50
Exemption limit for contract using quotations	
Supply (including lease) of goods, services and materials	(Below) 5
Maintenance/works contracts.	(Below) 15
Exemption limit for financial vetting	(Below) 500
Exemption limit for leases to be approved by the Director of Finance	(Below) 100
Contract limit for performance bonds	(Over) 500
EU tendering threshold in respect of goods and services	156
EU tendering threshold in respect of works	3,900
Minimum value for employers' liability insurance	5,000
Minimum value for public liability insurance	5,000
Minimum value for professional indemnity insurance (professional services and consultancy only)	1,000

Annex 2

**CONTRACT STANDING ORDERS
DIRECTOR OF FINANCE DELEGATED AUTHORITY TO PARTICIPATE IN
PROCUREMENT TASKS**

It shall be a condition of exercising the undernoted duties that each Officer entitled to do so shall have this form completed and authorised by the Director of Finance prior to doing so.

OFFICER'S NAME:		JOB TITLE:	
SERVICE:		SECTION:	LOCATION/ AREA:
Contract and/or any Value Limits to which Authority extends :			
Date Authorisation Limited Until:			
Works (Y/N) : (requires CDM training)		Supplies and All Services (Y/N):	

PLEASE COMPLETE BY TICKING THE RELEVANT BOXES BELOW:

ACTIVITY: QUOTATIONS (UP TO £49,999)	
Administration of Quotation Procedures	
Draw up Specifications and Statements of Requirements	
Utilise Standard Templates to Create Quotation Documents	
Prepare Lists of Prospective Suppliers	
Award Contracts at Less Than Formal Tender Value	
ACTIVITY: TENDERS (£50,000 or over)	
Select Method of Tendering	
Draw up Specifications and Statements of Requirements	
Formulate Contractual Terms and Conditions	
Determine Evaluation Criteria	
Draft Contract Notice (Advert)	
Draft Contract Specific PQQ Questions	
Evaluate PQQ / SAQ Submissions	
Issue Invitations to Tender and Contract Documents (Works / Care Contracts Only)	
Participate in SAQ / PQQ / Tender Evaluation	
Recommend Award of Contract	
Award Contracts (Works / Care Contracts Only)	
Obtain Committee / Committee Chair Approval	

Accepted by:	(Authorised Officer)	Date:
Authorised By:	(Service Line Manager)	Date:
Approved by:	(for Director of Finance)	Date:

Contract Request Form

- 1. Services/Goods/Works required** (*outline of the type of Services/Goods/Works you require a contract for and attach your specification as per Contract Standing Orders section 9*)

- 2. Project Sponsor** (*State the name of the project sponsor who has approved the business case and budget, Contract Standing Orders 3ii, 4i*)

- 3. Lead service** (*the Service or Services acting as the lead for the project - to be the Service or Services from which the budget is available*)

4. Estimated Value / Budget Approval / Contract Duration

- a. *State the estimated value of the tender over the full contract period; and*
 - b. *confirmation that the budget has been approved by the appropriate budget holder; and*
 - c. *The duration of the contract to be tendered, including any proposed extensions. This should usually be between two to four years with potential for one or two year's extension.*
- (*Contract Standing Orders section 7*)

5. Risk

- a. *State the risks to service provision of the project failing or not being taken forward (e.g. failure to deliver statutory duties); and*
 - b. *Mitigating actions proposed for managing those risks*
- (*Contract Standing Orders Applicable Standard section 11*)

6. Approved Business Case (*Enclose a copy of the approved business case for this tender as required in The Highland Council Contract Standing Orders 4i. Also, sustainability and Equal Opportunities Impact Assessment as per Contract Standing Orders section 10 if applicable*)

7. Evaluation Team Members (*As per Contract Standing Orders 11ii, 7 and 9. Evaluators must have suitable technical skills and be suitably knowledgeable or qualified in relation to the subject matter of the tender. All evaluators must also have procurement authorisation*)

8. Intended Date of Commencement of Full Operations (*State the target date of the commencement of full operations for the Services/Goods/Works being tendered. If appropriate, please indicate any reasons as to why this date must be achieved.*)

9. Any Period required for Setting up Operations

10. TUPE Issues (*State whether or not members of council staff or staff of the existing contractor may be affected by a transfer to an new service provider*)

11. Service Contact Name and telephone number

Tender Request form Received/Approved by

Name _____

Date _____

Procurement Office Use

Allocated Procurement Team:-

- Corporate
- Facilities Management
- Technical

Annex 4 Business Case Template

Business Case Template ³	
Stage Outline	Detail
The Business Objectives of the Project - including how it meets wider Council objectives	
The Critical Success Factors – and how they will be measured including the cost, time and quality standards	
What the Business Case should cover	
Expected Benefits <ul style="list-style-type: none"> • Efficiency savings from rationalisation and joining up of processes • Productivity improvements • Improvements in user and management information • How the savings and improvements in services will be monitored and realised 	
Analysis of the Options – for meeting the business objectives ensuring the preferred option is affordable, achievable and is supported by stakeholders	
Assessment of Risk –which should cover the risks to the project and their impact on wider business objectives and services to citizens, taking into consideration mitigation and how risks will be managed	
Skills - experience and competencies needed to implement the project	
The Roles and Responsibilities of Key Stakeholders	

³ Adapted from the National Audit Office Report: Better Public Services through e-Government

Annex 5 Tendering FAQs

	How long does a tender process take?
	This will depend very much upon how prepared service staff are for the process, and how much time they are able to allocate to it. Most of the time taken is in the development of the specification and ensuring it is something suppliers can understand and price.
	Can I talk to any potential suppliers who contact me during the tendering process?
	No. It is very important that all suppliers are treated fairly and equitably. If you receive a query, please take a note of it and pass it to Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement, who will deal with it accordingly and in consultation with you. Do not allow yourself to be drawn into discussion with individual suppliers
	Who keeps what documentation at the conclusion of a tender process?
	Procurement in the case of the Director of Finance remit or the project manager for devolved areas of procurement will keep digital copies of all documents relating to the tender procedure. Digital copies of the tender documents will be supplied to the Project Sponsor who has a responsibility to take ownership of these and store according to the document retention schedule set out in the Contract Standing Orders.
	What do I do if I receive any complaints about a tender process or its conclusion?
	You should make no comment on the complaint, and pass it to Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement immediately who will deal with it on your behalf and in consultation with you.
	I'm part of an Evaluation Panel – what does this mean and what do I have to do?
	<p>As part of an Evaluation Panel, you must have some technical expertise in the subject matter of the contract, and to be able to score submissions accordingly. The responsibilities are as follows:-</p> <p>Technical Evaluation: Specifiers/Requirement Owners supported by Procurement or Service contracting teams where the Project is covered by delegated procurement. The technical evaluation panel must consist of at least two staff. Procurement staff will not carry out technical evaluation, but will ensure fair, equal, and justified application of the evaluation criteria</p> <p>Financial Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements, supported by Finance as appropriate (e.g. for complex evaluations)</p> <p>Contract Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other</p>

Annex 5 Tendering FAQs

	<p>requirements with reference to Legal Services as appropriate</p> <p>Sustainability Evaluation (where relevant): Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements with reference to Specifiers/Requirement Owners supported by Policy as appropriate (e.g. for complex evaluations)</p> <p>You will be given an evaluation matrix to complete and guidance upon how to score, which will be individual to the contract.</p> <p>Evaluation meetings will be chaired by Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement who will advise if there are uncertainties, and ensure a level playing field for suppliers</p>
	What happens once a contract is awarded?
	<p>Once awarded the contract is operational and it is up to the staff purchasing from the contract to manage it on a day to day basis. Procurement may be involved at a strategic level depending on the reporting and management provisions agreed in the contract, and if any problems become apparent in the operation of the contract, these should be raised with Procurement who will advise or take action as required.</p>
	I've become involved in a tendering process but don't know much about it.
	<p>Any staff involved in procurement must complete a Procurement Authorisation Form as set out in the Contract Standing Orders, have it approved by their line manager and passed to the Director of Finance for final approval. On conclusion of this process your details will be passed to the Employee Development Unit as Procurement training is mandatory for all those involved in Procurement</p>
	Procurement have asked for a copy of my Business Case for my project. I don't have one. Why have I been asked for this?
	<p>The Council requires to have clearly set out rationale for all projects, and the Chief Executive has instructed that for all contracts over the EU thresholds, the Project Sponsor must ensure that a Business Case has been prepared which examines all possibilities for meeting the requirement. In respect of a project with a value in excess of the OJEU tendering threshold the additional advice available in Treasury or OGC Guidance such as that relating to Options Appraisals, Joint Ventures, VFM and Project Models must be used as appropriate.</p>
	Further advice and detail is available in the Contract Standing Orders and supporting Procurement Manual, all available through the intranet at http://ntintra1/fin/purchasing/rules.htm

Annex 6 Procurement Tasks Responsibilities and Timescales

No	Task	Who is responsible?	How Long does it Take, and are there any Special requirements?
1	Obtain Business Case approval and draft Specification/Statement of Responsibilities	Service	This depends. Anything from a day or two to a month or two depending on the complexity of the contract
2	Discuss and Agree Specification, Evaluation Criteria, Procedure, staff to be involved, and timescales	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement and Service	This depends. Anything from a day or two to a month or two depending on the complexity of the contract
3	Prepare Contract Documents, Pre-Qualification Questionnaires, Invitation to Tender and Draft Contract	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	Procurement will have 10 working days to provide draft documents. These will be returned to the Service, whose staff will have 5 working days to request any alterations and return to Procurement. Procurement will finalise the documents within another 5 working days
4	Advertise Contract	Procurement	This will not take place until all contract documents are ready for issue.
5	Deal with enquiries from Suppliers	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement will receive and answer all queries, with reference to Service for Technical details	This takes place throughout the process from the time the contract is advertised. It is important that all suppliers are treated equally, hence Service staff should not deal with queries themselves, but pass them onto Procurement who will ensure all suppliers have the same information made available at the same time
6	Receive PQQ submissions for Restricted (2 stage) procedures	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	No less than 30 days for projects advertised in OJEU, whatever is agreed to be reasonable in terms of the effort required to complete them by bidders for lower value projects.
7	Obtain any missing or incomplete documents and pass to Service once complete	Procurement in the case of the Director of Finance remit,	Often policies or other required documents are missing; Procurement will check the completeness of all submissions and chase any missing

Annex 6 Procurement Tasks Responsibilities and Timescales

		or the project manager for devolved areas of procurement	documentation as appropriate. A week is generally allowed for this
8	Read and draft score PQQ submissions (Restricted Procedure)	Service and Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	Time take will depend on the number received, hence will vary from tender to tender. It is important Services recognise that this is a time consuming process and factor resources in accordingly. See 9 below for the detail of who does what.
9	Evaluate PQQ submissions (restricted Procedure)	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement will organise and Chair, Service to provide staff to advise	<p>Generally 2 days are allowed for this, though depending on the number to be evaluated it may not take as long.</p> <p>Technical Evaluation: Specifiers/Requirement Owners supported by Procurement or Service contracting teams where the Project is covered by delegated procurement. The technical evaluation panel must consist of at least two staff. Procurement staff will not carry out technical evaluation, but will ensure fair, equal, and justified application of the evaluation criteria</p> <p>Financial Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements, supported by Finance as appropriate (e.g. for complex evaluations)</p> <p>Sustainability Evaluation (where relevant): Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements with reference to Specifiers/Requirement Owners supported by Policy as appropriate (e.g. for complex evaluations)</p>
10	Invite Tenders	Procurement in the case of the Director of Finance remit, or the project	Restricted or two stage Procedure: no less than 40 days for projects advertised in OJEU, whatever is agreed to be reasonable in terms of the effort required to complete them by

Annex 6 Procurement Tasks Responsibilities and Timescales

		manager for devolved areas of procurement	<p>bidders for lower value projects.</p> <p>Open or one stage Procedure: no less than 45 days for projects advertised in OJEU, whatever is agreed to be reasonable in terms of the effort required to complete them by bidders for lower value projects.</p>
11	Receive and Open Tenders	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement with Service Representation	A Service representative requires being present for the opening unless wholly electronic tenders are received. Should be scheduled to take place as soon as practically possible after closure of the tendering period and should be completed within one day.
12	Obtain any missing or incomplete documents and pass to Service	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	A week is generally allowed for this. Often policies or other required documents are missing, Procurement will check the completeness of all submissions and chase any missing documentation as appropriate
13	Read tender submissions and score in draft	Service	This is essential so that Service staff are prepared for the Evaluation panel meeting. Time take will depend on the number received, hence will vary from tender to tender. It is important Services recognise that this is a time consuming process and factor resources in accordingly.
14	Undertake Financial and Legal checks where required	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	Any required supplier checks will be co-ordinated by Procurement during both the PQQ and Tender stages. Time taken will depend on the number and level of detail required.
15	Tender Evaluation Panel Meeting	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement will organise	<p>Generally 2 days are allowed for this, though depending on the number to be evaluated it may not take as long.</p> <p>Technical Evaluation: Specifiers/Requirement Owners supported by Procurement or Service contracting teams where the Project is covered by delegated procurement.</p>

Annex 6 Procurement Tasks Responsibilities and Timescales

		and chair, Service to provide staff to evaluate	<p>The technical evaluation panel must consist of at least two staff. Procurement staff will not carry out technical evaluation, but will ensure fair, equal, and justified application of the evaluation criteria</p> <p>Financial Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements, supported by Finance as appropriate (e.g. for complex evaluations)</p> <p>Contract Evaluation: Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements with reference to Legal Services as appropriate</p> <p>Sustainability Evaluation (where relevant): Procurement staff in respect of the Head of Procurement's remit, or the project manager in respect of other requirements with reference to Specifiers/Requirement Owners supported by Policy as appropriate (e.g. for complex evaluations)</p>
16	Write Tender Report	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement, with Service staff checking final draft	A week is allowed for this
17	Organise Tender Board Meeting	Service	This generally takes place the week after 16 above
18	Award of contract and debriefs	Procurement in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	This takes place following 17 above, and for over the OJEU threshold contracts requires a week to draft the letters and debrief information followed by a 10 day standstill period

Annex 6 Procurement Tasks Responsibilities and Timescales

		with Service input as required	
19	Post award contract management	Service with Procurement support as appropriate in the case of the Director of Finance remit, or the project manager for devolved areas of procurement	Throughout the life of the contract

ANNEX 7 DOCUMENT RETENTION SCHEDULE

Note: These records may be electronic or digital rather than hard copy. Note also that these are minimum standards. In some cases, for example in respect of EU funded projects, the funding authority may require longer retention periods, or the contract itself may contain long term liability conditions which will require them to be retained for the period of the liability. Care should be taken in each case to ensure that the correct period is used.

Document	Retention Period
Contract documents (per Limitations Act 1980)	Current + 5 Years
Evaluation reports	"
Hire/Rental Agreements	"
HM Revenue and Customs Import documentation	"
Maintenance/Software licence agreements	"
Purchase Orders	"
Specifications	"
Successful Tenders	"
Successful Quotations	"
Variation Orders	"
Unsuccessful Quotations	Current + 1 Year
Unsuccessful Tenders	"
Pre-Qualification/Supplier Appraisal Questionnaires	"
Tender Envelopes (from award) All procurement documentation relating to projects benefiting from European funding.	1 Month 10 years from the date of final payment of any related account

ANNEX 8 DEFINITIONS OF SUPPLIES, SERVICES, AND WORKS

For the avoidance of doubt, the scope of works/construction contracts and services contracts is broken down as follows, in line with definitions set out within the Consolidated Procurement Directive

CONSTRUCTION

Construction of new buildings and works, restoring and common repairs including

Site preparation

Demolition and wrecking of buildings; earth moving:

Demolition of buildings and other structures

Clearing of building sites

Earth moving: excavation, landfill, levelling and grading of construction sites, trench digging, rock removal, blasting,

Site preparation for mining including overburden removal and other development and preparation of mineral properties and sites

Building site drainage

Drainage of agricultural or forestry land

Test drilling and boring including test drilling, test boring and core sampling for construction, geophysical, geological or similar purposes

General construction of buildings and civil engineering works including

Construction of all types of buildings

Construction of civil engineering constructions:

Bridges, including those for elevated highways,

Viaducts, tunnels and subways

Long-distance pipelines, communication and power lines

Urban pipelines, urban communication and power lines;

Ancillary urban works

Assembly and erection of prefabricated constructions on the site

This class excludes:

Erection of complete prefabricated constructions from self-manufactured parts not of concrete,

Erection of roof covering and frames including erection of roofs roof covering waterproofing

Construction of highways, roads, airfields and sports facilities including

Construction of highways, streets, roads, other vehicular and pedestrian ways

Construction of railways

Construction of airfield runways

Construction work, other than buildings, for stadiums, swimming pools, gymnasiums, tennis courts, golf courses and other sports installations

ANNEX 8 DEFINITIONS OF SUPPLIES, SERVICES, AND WORKS

Painting of markings on road surfaces and car parks

This class excludes:

Preliminary earth moving,

Construction of water projects including

Construction of:

Waterways, harbour and river works, pleasure

Ports (marinas), locks,

Dams and dykes

Dredging

Subsurface work

Other construction work involving special trades including

Construction activities specialising in one aspect common to different kinds of structures, requiring specialised skill or equipment:

Construction of foundations, including pile driving

Water well drilling and construction, shaft sinking

Erection of non-self-manufactured steel elements

Steel bending

Bricklaying and stone setting

Scaffolds and work platform erecting and dismantling, including renting of scaffolds and work platforms

Erection of chimneys and industrial ovens

Building installation: Installation of electrical wiring and fittings including

Installation in buildings or other construction projects of:

Electrical wiring and fittings

Telecommunications systems

Electrical heating systems

Residential antennas and aerials

Fire alarms

Burglar alarm systems

Lifts and escalators

Lightning conductors

Insulation work activities including

Installation in buildings or other construction projects of thermal, sound or vibration insulation

Plumbing including

Installation in buildings or other construction projects of:

Plumbing and sanitary equipment

Gas fittings

Heating, ventilation, refrigeration or air-conditioning

ANNEX 8 DEFINITIONS OF SUPPLIES, SERVICES, AND WORKS

Equipment and ducts
Sprinkler systems

Other building installation including

Installation of illumination and signalling systems for roads, railways, airports and harbours
Installation in buildings or other construction projects of fittings and fixtures

Building completion

Plastering including:

Application in buildings or other construction projects of interior and exterior plaster or stucco, including related lathing materials

Joinery installation including:

Installation of non self-manufactured doors, windows, door and window frames, fitted kitchens, staircases, shop fittings and the like, of wood or other materials

Interior completion such as ceilings,

Wooden wall coverings, movable partitions

Floor and wall covering including:

Laying, tiling, hanging or fitting in buildings or other construction projects of:

Ceramic, concrete or cut stone wall or floor tiles

Parquet and other wood floor coverings

Carpets and linoleum floor coverings, including of rubber or plastic

Terrazzo, marble, granite or slate floor or wall coverings

Wallpaper

Painting and glazing including:

Interior and exterior painting of buildings

Painting of civil engineering structures

Installation of glass, mirrors,

Other building completion including:

Installation of swimming pools

Steam cleaning, sand blasting and similar activities for building exteriors other building completion and finishing work

PRIORITY SERVICES

Maintenance and repair services (excluding the fabric of buildings and other constructions)

Land transport services and courier services, except transport of mail

Air transport services of passengers and freight, except transport of mail

Transport of mail by land and by air

Telecommunications

Financial services:

(a) Insurance services

(b) Banking and investment services (4)

Computer and related services

ANNEX 8 DEFINITIONS OF SUPPLIES, SERVICES, AND WORKS

Research and development services

Accounting, auditing and bookkeeping services

Market research and public opinion polling services

Management consulting services and related services

Architectural services; engineering services and integrated engineering services;

Urban planning and landscape engineering services; related scientific and technical consulting services; technical testing and analysis services

Advertising services

Building-cleaning services and property management services

Publishing and printing services on a fee or contract basis

Sewage and refuse disposal services; sanitation and similar services

Also excluded: services involving the acquisition or rental, by whatever financial procedures, of land, existing buildings, or other immovable property or concerning rights thereon;

Annex II B (“Part B” or RESIDUAL SERVICES)

Hotel and restaurant services

Rail transport

Water transport services

Supporting and auxiliary transport services

Legal services

Personnel placement and supply services

Investigation and security services, except armoured car services

Education and vocational education services

Health and social services

Recreational, cultural and sporting services

Other services

ANNEX 9 INFORMATION REQUIRED FOR TUPE PURPOSES

Information on staff to be provided by the Highland Council or incumbent service provider to enable tender pricing

Information Item	Employee 1	Employee 2	Employee 3	Employee 4 etc
Date of Birth				
Age				
Continuous Service Start Date With Current Employer				
required periods of notice				
gender				
pensionable service in years/days as at DDMMYY				
employers contributions				
employees contributions				
job title				
salary				
hourly rate				
employment status				
contracted hours				
annual holiday entitlement				
holiday pay entitlement				
sick pay entitlement				
overtime allowance in last 12 months				