

## DRAFT PROCUREMENT CONTRACT AUTHORISATION GUIDANCE

### VERSION 1 (SEPTEMBER 2017)

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#### 1. **INTRODUCTION**

- 1.1 This document is intended to give an overview of procurement authorisation guidance and processes within the Council. All guidance is based on the latest London Borough of Bromley Financial Regulations and Contract Procedure Rules (which can be found in the Procurement section of the Managers Toolkit on OneBromley). **This guidance document is not comprehensive and is not intended to replace, or be read instead of, those documents.** All Officers are required to place and manage contracts in compliance with the full Contract Procedure Rules.
- 1.2 This guidance covers the authorisation process for:
  - Gateway Reviews / Commissioning Strategy / Procurement Strategy / Proceeding to Procurement;
  - Contract Award;
  - Contract Extensions – both formal and beyond term;
  - Exemption from Competitive Tendering and Waivers;
  - Variations;
  - Additional Resources.
- 1.3 ***Agreement*** in this guidance refers to a written record (such as the Contract Authorisation templates) signed by the relevant Officers. Written agreement can include e-mails although it is expected that the Contract Authorisation templates are used where relevant to ensure a clear audit trail.
- 1.4 ***Approval*** in this guidance refers to a formal written record such as the Contract Authorisation templates or a report in the Committee format for approval by Members via a formal minute of the decision.
- 1.5 ***Authorisation*** in this guidance refers to Agreement or Approval as appropriate.
- 1.6 This guidance replaces all previous versions. Previous versions should be deleted.

- 1.7 Although it should not need to be said, this guidance is for the authorisation process for a contract action. **Obtaining the authorisation does not mean the contract action has been completed.** If it is an award of contract following tender or as a result of exemption, the contract still needs to be put in place with the provider. If it is an extension or a variation, the contract with the provider still needs to be updated via a Variation / Change Control procedure.

## **2. SUMMARY**

- 2.1 **If in doubt, ask.** Contact the Corporate Procurement Team or your Lead Commissioner for advice. If the arrangement under consideration is subject to the requirements of the Public Contract Regulations 2015, then the Head of Procurement must be consulted. **(See Appendix 1)**
- 2.2 **All** key contract actions, as outlined in 1.2, need to be authorised appropriately. Failure to do so could be a disciplinary matter.
- 2.3 The authorisation, particularly in relation to Extensions and Exemptions, needs to be done **in good time**. For Gateway Reviews, sufficient time should be available to ensure the tender or contract action can be carried out in the time available. For extensions and exemptions, sufficient time should be available to allow for alternative action, such as a retender, if an extension/exemption request is turned down. Requests for authorisations for extensions and exemptions that need Member approval **must** be submitted at least six months before the current contract comes to an end.
- 2.4 Requests for authorisations for extensions and exemptions that would normally only need approval from the Director of Finance, the Director of Corporate Services and the Director of Commissioning (between £50k and £100k in value) will not be signed off if less than six months is remaining on the contract when the request is made. Instead, such requests will need to be submitted to the relevant Member for approval via a formal committee report to Members before Chief Officers will sign off on the request.
- 2.5 Late notified requests for extensions and exemptions will be challenged; and it is possible the budget holder will be required to attend Audit Sub-Committee to explain how this came about.
- 2.6 The authorisation needs to be **evidenced** – see the relevant sections on each contract action for further details. Contract authorisations are generally expected to be evidenced as follows:
- Through completion and appropriate sign-off of the Corporate Contract Authorisation templates; or
  - Through a minuted decision from the Portfolio Holder following completion of a formal report with PDS scrutiny (where relevant) and call-in; or
  - Through a minuted decision from Executive following Executive scrutiny and call-in.

- 2.7 The authorisation requirement differs depending on the type of contract action and the associated contract value.

### **3. WHO CAN AUTHORISE A CONTRACT ACTION?**

- 3.1 Only **Chief Officers** or **officers with specific departmental delegated authority (Directors or budget holders)** can authorise contracts. The **Director of Finance**, the **Director of Corporate Services** and the **Director of Commissioning** will be required to authorise above certain financial thresholds, depending on the proposed contract action. Similarly, the **Portfolio Holder** and/or **Executive** will be required to authorise above certain thresholds, depending on the proposed contract action. In some circumstances, decisions on contract actions may need to be referred to a full Council meeting.
- 3.2 **When setting delegated authority arrangements within your Department, it is recommended that delegated authority is given to relevant officers for Gateway Reviews and Contract Awards for up to £200k only.** Above that, the Chief Officer should approve. The £200k value is suggested as this is the threshold by which formal consultation with the Commissioning Board is required for these actions. For exemptions and extensions, the Chief Officer must approve regardless of value (these cannot be delegated to other Officers).
- 3.3 See the relevant sections on each contract action for further details on who can authorise for what threshold and for what contract action.
- 3.4 Please note the following additional information:
- **Officers** and **Chief Officers** can only authorise contracts if they are directly employed by the Council. Agency workers, contractors and contracted consultants cannot authorise.
  - The **whole life value** of a contract is the contract value for the duration of the contract including any extension options built into the contract.
  - Authorisation for an **exemption** to competitive tendering is based on the whole life value of the proposed contract plus any **cumulative** value (cumulative being the sum total of all previous contracts awarded to the same contractor for the service since the last time it was competitively tendered, inclusive).
  - Authorisation for an **extension** is based on the cumulative value of the contract, including the proposed extension. Delegated authority (for example, by the Portfolio Holder to the Director) for future extensions can be sought at the time of Contract Award on a contract by contract basis – this must be formally minuted in the relevant PDS or Executive meeting at which Contract Award was authorised.
  - Authorisation for a variation is based on the value of the original contract plus the value of the proposed variation where this involves a proposed increase in the contract value.

- The proposed contract duration and contract value to be authorised must match the actual contract duration and contract value awarded.
- Any contract authorisation (proceeding to procurement/gateway review; award; exemption; extension) for contracts that require agreement from the Director of Commissioning or approval from the Portfolio Holder or Executive **must** be reviewed by the **Commissioning Board** prior to implementation of the contract action or finalisation of the Committee report. This should take place three months before the report is considered by Members. This also includes extensions where delegated authority has previously been granted.

#### **4. THE AUTHORISATION PROCESS**

- 4.1 Where a Contract Authorisation or Gateway Report Officer template is being used, the requester of the authorisation should complete and send an electronic draft of the authorisation request to the relevant contact in the Procurement team, the Finance lead and to the relevant Lead Commissioner. The Procurement Team, Finance Team and the Lead Commissioner will review the draft and provide feedback on any required amendments or additions; or seek clarification where this is required. Input from Legal and Human Resources may also be required.
- 4.2 Once finalised, the requester of the authorisation manages the process of review (including attendance at departmental leadership meetings and/or the Commissioning Board as required) and sign off, obtaining all relevant signatures as indicated on the document. They are also responsible for ensuring the Contract Database is kept up to date.
- 4.3 Where Portfolio Holder / Executive Approval is required then the normal Committee Report or Gateway Report Member template is used and the normal process for Member decision followed via Democratic Services. In addition, the sign off page **only** of the relevant Contract Authorisation template must be signed off by the relevant officers and held on file together with the minuted decision from the Committee. All reports going to Committee for decision must be reviewed by the Commissioning Board prior to finalisation of the report at least three months beforehand. This includes contract extensions where delegated authority has previously been granted to the Portfolio Holder or Chief Officer.

#### **5. COMPETITION REQUIREMENTS FOR PROCUREMENT**

**Corporate Procurement Contract Authorisation Guidance**  
**V1 September 2017**

5.1 The table below summarises the basic competition requirements for procurement. See the Contract Procedure Rules, Section 3, paragraph 8.1 to 8.5 for full detail. **See also the section on Additional Resources / Consultants for the different thresholds that apply.**

5.2 Further advice should be sought from the Procurement Team on EU thresholds for the type of tender approach that should be used.

**Table 2: Competition Requirements**

<b>Estimated Whole Life Value</b>	<b>Requirement</b>
Up to £5,000	One written quote (oral quote if less than £1000)
£5,000 to £25,000	Three written quotes. The Due North ProContract system should be used to manage the process.
£25,000 to £100,000	Request for Quotes to minimum of three candidates. The Due North ProContract system should be used to manage the process.
£100,000+	Invitation to Tender, either: a) by an open advertisement in Contract Finder (seek advice from Corporate Procurement) OR b) by a mini-competition from a pre-authorised Framework  Where the contract value exceeds the EU Threshold, the appropriate EU/Public Contract Procedure applies.

**6. GATEWAY REVIEW / PROCEEDING TO PROCUREMENT**

- 6.1 Officers should ensure they have followed the Gateway Review process and consulted appropriately before proceeding to procurement, obtaining authorisation to proceed where required. This could be with Corporate Procurement, the Commissioning Board, the Director / Chief Officer, the Portfolio Holder via PDS or Executive as appropriate. This is to ensure that potential issues or concerns about the proposed procurement are dealt with prior to the procurement process taking place.
- 6.2 For contracts between £50k and £500k, a Gateway Report using the **Gateway Report Officer template** must be completed on the proposed procurement. For all contracts above £100k and up to £500k, consultation with the Director of Finance, the Director of Corporate Services and the Director of Corporate Commissioning must take place before proceeding to procurement (for contracts above £200k, consultation with the Director or Commissioning must be done via the Commissioning Board). For all contracts above £500k, the Portfolio Holder must give Approval, via a Gateway Report using the **Gateway Report Member template**. For contracts above £1m, Executive must give Approval using the same template.
- 6.3 **Extensions and exemptions of £50k or above should also use the Gateway Report templates.**
- 6.4 Evidence of authorisation is as follows:
- For contracts below £50k, written records of the procurement strategy must be kept;
  - For contracts above £50k and below £500k, the **Gateway Review Report Officer Template** must be completed. Approval to proceed must be evidenced via sign off of the template by the relevant officers;
  - For contracts above £500k, the **Gateway Review Report Member Template** must be completed. Approval to proceed must be evidenced by a minuted Member decision. In addition, agreement by the relevant officers should be evidenced by using the sign off page from the Officer template.
- 6.5 See the Contract Procedure Rules Section 1, paragraph 1.3 and Section 2, paragraphs 5 and 6 for more details.
- 6.6 The following table summarises who needs to approve and at what threshold.

**Gateway Review (Proceeding to Procurement)**

A formal Gateway Review report must be completed for all proposed contracts of £50k or higher. The **Gateway Report template** (found on the Corporate Procurement website) must be used. There is a version of the Gateway Report template for Officer decision; and one for Member decision. Where it is a Member decision, the agreement of the relevant officers should still be evidenced using the sign off page of the Gateway Report Officer template.

Where there is a proposed extension, or where there is a planned exemption from competitive tender for a single tender action, the Gateway Review template should also be used (see guidance on extension and exemptions for detailed guidance and the thresholds for authorisation).

Threshold	Template	Delegated Authority in Department	Chief Officer	Director of Corporate Commissioning	Director of Corporate Services	Director of Finance	Portfolio Holder	Executive
<£5k	N/A	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A	N/A
£5k to £50k	N/A	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A	N/A
£50k to £100k	Gateway Report Officer	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A	N/A
£100k to £200k	Gateway Report Officer	<b>Approval</b>	N/A	Agreement	Agreement	Agreement	N/A	N/A
£200k to £500k	Gateway Report Officer	Agreement	<b>Approval</b>	Agreement via the Commissioning Board	Agreement	Agreement	N/A	N/A
£500k to £1m	Gateway Report Member	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
£1m+	Gateway Report Member	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	Agreement	<b>Approval</b>

## **7. PROCUREMENT AND CONTRACT AWARD**

- 7.1 **DueNorth** (ProContract) should be used for all Requests for Quotes and tenders above £5k. The Corporate Procurement Team should be consulted for advice and support in managing the process. The Director of Finance, the Director of Corporate Services and the Director of Corporate Commissioning should be consulted for all tenders above £100k – this should have already happened via the Gateway Review process.
- 7.2 Evidence of authorisation for Contract Award following tender is as follows:
- For contracts above £5k and below £500k, the relevant Contract Authorisation template can be used to evidence approval;
  - For contracts above £500k and below £1m, a Committee Paper with a minuted decision by the Portfolio Holder should be used to evidence approval. The Commissioning Board must review before the paper is submitted. In addition, agreement by the relevant officers should be evidenced by using the sign off page from the Contract Authorisation template.
  - For contracts above £1M, a Committee Paper with a minuted decision by Executive should be used to evidence Approval. The Commissioning Board must review before the paper is submitted. In addition, agreement by the relevant officers should be evidenced by using the sign off page from the Contract Authorisation template.
- 7.3 Contracts should not be sub-divided where they could reasonably be treated as a single contract. Cumulative values of previous contract awards should be taken into account where necessary. For example, it would be highly questionable to award multiple contracts of £5k or less on the basis of only one quote being required where the contracts are repeatedly awarded to a single contractor for similar pieces of work
- 7.4 The details of all contracts awarded of £5k or higher must be notified to the Contract Database Team for inclusion in the Contract Database. The table on the Contract Authorisation template can be used to pass the required information on.
- 7.5 Retrospective authorisation cannot be obtained. Authorisation must be obtained in advance of contract commencement.
- 7.6 See the Contract Procedure Rules, Section 3 for further information.
- 7.7 The following table summarises who needs to approve and at what threshold.

**Contract Award (following tender)**

The Contract Authorisation template (**Form 01\_Award of Contract**) must be completed for all proposed contracts of £5k up to £500k. The Contract Authorisation template can be found on the Corporate Procurement website.

Where a formal report to Members is required, the agreement of the relevant officers should still be evidenced using the sign off page of the Contract Award template.

Threshold	Template	Delegated Authority in Department	Chief Officer	Director of Corporate Commissioning	Director of Corporate Services	Director of Finance	Portfolio Holder	Executive
<£5k	N/A	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A	N/A
£5k to £100k	Contract Award	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A	N/A
£100k to £200k	Contract Award	<b>Approval</b>	N/A	Agreement	N/A	N/A	N/A	N/A
£200k to £500k	Contract Award	Agreement	<b>Approval</b>	Agreement via the Commissioning Board	N/A	N/A	N/A	N/A
£500k to £1m	Committee Report	Agreement	Agreement	Agreement via the Commissioning Board	N/A	N/A	<b>Approval</b>	N/A
£1m+	Committee Report	Agreement	Agreement	Agreement via the Commissioning Board	N/A	N/A	Agreement	<b>Approval</b>

## **8. EXEMPTIONS, EXTENSIONS AND VARIATIONS**

8.1 There are two main types of **extension**:

- A formal extension option built into the contract (Contract Procedure Rule 23.7.3 bullet point 1);
- An extension beyond the term of the contract for up to a maximum of one year (Contract Procedure Rule 23.7.3 bullet point 2). This cannot be applied to a contract that has already been extended.

8.2 There are two main types of **exemptions** (or waivers):

- A planned exemption, identifying as part of the Gateway Review procurement strategy the rationale for a single tender action or negotiated agreement (Contract Procedure Rules Section 13);
- An exemption due to an unforeseeable emergency involving immediate risk to persons, property or damage to the reputation of the Council. This should be exceptional – different thresholds of authorisation are required (Contract Procedure Rules 3.2).
- Where a contract with a potential value of over £50k has gone to tender but the minimum number of responses have not been received, this can proceed to contract award subject to consultation with the Director of Finance and the Director of Corporate Services on the validity of the tender process. This is not treated as an exemption. See 14.10 of the Contract Procedure Rules for detail. For contracts below £50k, the Chief Officer may decide, on a Value for Money basis, what actions are required to proceed.

8.3 It has been noted that the extension beyond term and exemption procedures have been used in the past due to officer failure to take action in good time to retender the contract – this is not an acceptable rationale for an extension or exemption.

8.4 All authorisations for exemptions and extensions below £50k must be evidenced by use of the Contract Authorisation template. Authorisations above £50k must, in most cases, be evidenced by use of the Gateway Report. Where Portfolio Holder/Executive approval is required, the Gateway Report Member template with a formal minuted decision evidences the approval. In addition, agreement by the relevant officers should be evidenced by using the sign off page from the Officer template.

8.5 When seeking authorisation for an exemption or extension, there needs to be clear justification for the reasons for the request with suitable evidence provided.

8.6 The threshold for authorisation for an **extension** is the value of the proposed extension plus the cumulative value of any previous contracts with the same provider for the same service since the last time it was competitively tendered.

8.7 The threshold for authorisation for an **exemption** is the value of the proposed contract plus the cumulative value of any previous contracts with the same provider for the same service since the last time it was competitively tendered.

Where there has been a significant gap in time between award of contracts then guidance should be sought as to whether the cumulative value is relevant.

- 8.8 Retrospective authorisation cannot be obtained (for example, you cannot extend a contract that has already officially come to an end). Authorisation must be obtained at least six months in advance of contract commencement or extension. Contracts between £50k and £100k that have not met the requirement for authorisation six months in advance will be required to submit the request for Member decision.
- 8.9 A **Variation** or **Change Control** can take many forms, for example:
- A change to the terms and conditions of the contract;
  - An increase or decrease in the scope of the contract;
  - A change to the duration of the contract;
  - A change to the value of the contract.
- 8.10 Where it is proposed to extend the contract, i.e. extending the end date of the contract with a corresponding increase in contract value, then this should be treated as an extension and the normal rules apply.
- 8.11 Where it is proposed to vary a contract that results in an **increase** in contract value (for example, by raising the unit price or increasing the unit volume, or by adding additional work to the contract) then this must be authorised appropriately. The threshold for authorisation is the value of the original contract (including any relevant cumulative value) plus the value of the variation.
- 8.12 All authorisations for variations with an increase in contract value of up to £100k must be evidenced by use of the Contract Authorisation template. For variations above £100k, a Committee Paper with a minuted decision by the Portfolio Holder (Executive if over £1m) should be used to evidence approval. The Commissioning Board must review before the paper is submitted. In addition, agreement by the relevant officers should be evidenced by using the sign off page from the Contract Authorisation template.
- 8.13 Where a variation decreases the value of a contract, or has no impact on the value of the contract, then this can be authorised by the contract owner.
- 8.14 The thresholds for authorisation, and the process, are largely identical for all types of extension, exemption and variations for increase in contract value, with the exception of an exemption due to unforeseeable emergency.
- 8.15 The details of all extensions and variations must be updated on the Contract Database by the contract owner; contract awards via exemption must be notified to the Contract Database team for inclusion in the Contract Database. All extensions, exemptions and variations over £50k must be notified to the Finance team for reporting to Audit Sub-Committee.
- 8.16 All extensions and variations (of whatever type) once authorised must be followed up with a Change Control procedure for the contract with the provider, i.e. the contract must be varied and agreed between the provider and the Council.

- 8.17 At the contract award stage, when it is a Member decision, **delegated authority** may be sought to authorise any future formal planned extensions or expected variations. Delegated authority is usually either to the Portfolio Holder (if Executive approval for award) or Chief Officer (if Portfolio Holder approval for award) in consultation with the Director of Commissioning, the Director of Corporate Services and the Director of Finance. If delegated authority has been given, the authorisation process for the agreed level of delegated authority must be used (i.e. using the relevant Contract Authorisation template or Member report as applicable with review from the Commissioning Board where required).
- 8.18 See the Contract Procedure Rules, section 1, paragraphs 3.1 to 3.8, Section 3, paragraphs 13.1 to 13.5, Section 5, paragraphs 23.7 to 23.7.3 for further information.
- 8.19 The following tables summarises who needs to approve the different types of extensions and exemptions and at what threshold.

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**Contract Extension Formal (where there is a formal extension option built into contract)**

The Contract Authorisation template (**Form 02\_Contract Extension (Formal)**) must be completed for all proposed extensions up to £50k. The Contract Authorisation template can be found on the Corporate Procurement website.

For extensions above £50k (cumulative value), the **Gateway Report template** (found on the Corporate Procurement website) must be used. There is a version of the Gateway Report template for Officer decision for extensions from £50k up to £100k; and one for Member decision for extensions over £100k. Where it is a Member decision, the agreement of the relevant officers should still be evidenced using the sign off page of the Gateway Report Officer template.

Approval for extensions of £50k or higher (cumulative value) must be obtained no later than six months before contract end date. Where this has not been achieved for contracts over £50k and below £100k, Portfolio Holder approval must also be sought.

Threshold (Cumulative Value)	Template	Delegated Authority in Department	Chief Officer	Director of Corporate Commissioning	Director of Corporate Services	Director of Finance	Portfolio Holder	Executive
<£5k	Contract Extension Formal	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
£5k to £50k	Contract Extension Formal	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
£50k to £100k	Gateway Report <b>Officer</b>	Agreement	<b>Approval</b>	Agreement via the Commissioning Board	Agreement	Agreement	N/A	N/A
£100k to £500k	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
£500k to £1m	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
£1m+	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	Agreement	<b>Approval</b>

**Contract Extension Beyond Term (where there is no formal extension option built into contract)**

The Contract Authorisation template (**Form 03\_Contract Extension (Beyond Term)**) must be completed for all proposed extensions up to £50k. The Contract Authorisation template can be found on the Corporate Procurement website. An extension of up to one year may be sought where there are no formal extension options built into the contract. **Contracts cannot be extended in this way more than once** and cannot be used for contracts that have already been extended.

For extensions above £50k (cumulative value), the **Gateway Report template** (found on the Corporate Procurement website) must be used. There is a version of the Gateway Report template for Officer decision for extensions from £50k up to £100k; and one for Member decision for extensions over £100k. Where it is a Member decision, the agreement of the relevant officers should still be evidenced using the sign off page of the Gateway Report Officer template. Approval for extensions of £50k or higher (cumulative value) must be obtained no later than six months before contract end date. Where this has not been achieved for contracts over £50k and below £100k, Portfolio Holder approval must also be sought.

Threshold (Cumulative Value)	Template	Delegated Authority in Department	Chief Officer	Director of Corporate Commissioning	Director of Corporate Services	Director of Finance	Portfolio Holder	Executive
<£5k	Contract Extension Beyond Term	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
£5k to £50k	Contract Extension Beyond Term	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
£50k to £100k	Gateway Report <b>Officer</b>	Agreement	<b>Approval</b>	Agreement via the Commissioning Board	Agreement	Agreement	N/A	N/A
£100k to £500k	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
£500k to £1m	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
£1m+	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	Agreement	<b>Approval</b>

**Contract Exemption (Planned)**

The Contract Authorisation template (**Form 04\_Contract Exemption (Planned)**) must be completed for all proposed exemptions up to £50k. The Contract Authorisation template can be found on the Corporate Procurement website. As part of the procurement strategy, an exemption to competitive tendering to undergo a single tender action or negotiated agreement may be sought.

For exemptions above £50k (cumulative value), the **Gateway Report template** (found on the Corporate Procurement website) must be used. There is a version of the Gateway Report template for Officer decision for exemptions from £50k up to £100k; and one for Member decision for exemptions over £100k. Where it is a Member decision, the agreement of the relevant officers should still be evidenced using the sign off page of the Gateway Report Officer template. Approval for exemptions of £50k or higher (cumulative value) must be obtained no later than six months before contract end date. Where this has not been achieved for contracts over £50k and below £100k, Portfolio Holder approval must also be sought.

<b>Threshold (Cumulative Value)</b>	<b>Template</b>	<b>Delegated Authority in Department</b>	<b>Chief Officer</b>	<b>Director of Corporate Commissioning</b>	<b>Director of Corporate Services</b>	<b>Director of Finance</b>	<b>Portfolio Holder</b>	<b>Executive</b>
<b>&lt;£5k</b>	Contract Exemption (Planned)	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
<b>£5k to £50k</b>	Contract Exemption (Planned)	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
<b>£50k to £100k</b>	Gateway Report <b>Officer</b>	Agreement	<b>Approval</b>	Agreement via the Commissioning Board	Agreement	Agreement	N/A	N/A
<b>£100k to £500k</b>	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
<b>£500k to £1m</b>	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
<b>£1m+</b>	Gateway Report <b>Member</b>	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	Agreement	<b>Approval</b>

**Contract Variation (Change Control)**

The Contract Authorisation template (**Form 05\_Contract Variation**) must be completed for all proposed variations up to £100k. The Contract Authorisation template can be found on the Corporate Procurement website. Variations without an increase in contract value can be authorised and managed by the contract owner.

For variations above £100k (cumulative value), the normal Committee Report template for Member decision must be used. The agreement of the relevant officers should still be evidenced using the sign off page of Contract Authorisation template.

<b>Threshold (Cumulative Value)</b>	<b>Template</b>	<b>Delegated Authority in Department</b>	<b>Chief Officer</b>	<b>Director of Corporate Commissioning</b>	<b>Director of Corporate Services</b>	<b>Director of Finance</b>	<b>Portfolio Holder</b>	<b>Executive</b>
<b>&lt;£5k</b>	Contract Variation	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
<b>£5k to £50k</b>	Contract Variation	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
<b>£50k to £100k</b>	Contract Variation	Agreement	<b>Approval</b>	Agreement via the Commissioning Board	Agreement	Agreement	N/A	N/A
<b>£100k to £500k</b>	Member Report	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
<b>£500k to £1m</b>	Member Report	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	<b>Approval</b>	N/A
<b>£1m+</b>	Member Report	Agreement	Agreement	Agreement via the Commissioning Board	Agreement	Agreement	Agreement	<b>Approval</b>

**Contract Exemption (Urgency)**

An exemption to the Contract Procedure Rules may be sought on grounds of unforeseen emergency. Written approval (e.g. e-mail) must be obtained prior to any award of contract; for contracts above £1m, a report to Executive must be made to inform them of the action.

Threshold (Cumulative Value)	Template	Delegated Authority in Department	Chief Officer	Director of Corporate Commissioning	Director of Corporate Services	Director of Finance	Portfolio Holder	Executive
<£5k	Written Approval (prior to award);	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
£5k to £50k	Written Approval (prior to award);	Agreement	<b>Approval</b>	N/A	N/A	N/A	N/A	N/A
£50k to £100k	Written Approval (prior to award);	Agreement	<b>Approval</b>	N/A	Agreement	N/A	N/A	N/A
£100k to £500k	Written Approval (prior to award);	Agreement	<b>Approval</b>	N/A	Agreement	Agreement	Agreement	N/A
£500k to £1m	Written Approval (prior to award);	Agreement	<b>Approval</b>	N/A	Agreement	Agreement	Agreement	N/A
£1m+	Written Approval (prior to award); Executive Report post award	Agreement	<b>Approval</b>	N/A	Agreement	Agreement	Agreement	Information (post award)

## **9. ADDITIONAL RESOURCES / CONSULTANTS**

- 9.1 There is specific guidance on the use of additional resources / consultants which should be referred to whenever considering the [Procurement of additional resources / consultants](#):
- 9.2 The guidance states that self-employed consultants should be used exceptionally. Before considering the procurement of a consultant, the options of meeting the service need either via Agency staff (agency contract) or via Temporary staff (employment contract) should be explored first. As directed, Agreement for the use of self-employed consultants or any type of additional resources should be received from the Deputy Chief Executive, the Director of Finance and the Director of Human Resources **before** procurement takes place.
- 9.3 If the use of a consultant is appropriate, then this should be for a specific length of time working to a clearly defined project brief. The contract should normally be engaged on a fixed price on the project brief, rather than a day rate.
- 9.4 The thresholds for procurement, and therefore for authorisation, are different for consultants. Authorisation to proceed is evidenced by completion and sign off of the additional resources business case, as per the guidance linked above. Authorisation to award contract, following procurement, is via the ECHS Authorisation form (or PDS report where applicable).
- 9.5 If the value of the consultancy contract is greater than £1k but less than £25k, then only one quote is required. Authorisation for Contract Award can be given by the Deputy Chief Executive only. Below £1k, only one quote is required and can be signed off by a Budget Holder.
- 9.6 If the value of the consultancy contract is greater than £25k but less than £100k, then a three quote process is required to award the contract. Authorisation for Contract Award again must be obtained from the Deputy Chief Executive.
- 9.7 Over £100k and a full tender process should be carried out. Where the value of a consultancy contract is over £100k, then the Portfolio Holder must grant Approval for Contract Award.

## **10. REPORTING**

- 10.1 The details of all new contracts should be passed to the Contract Database Team for adding to the Contract Database. For all extensions or exemptions or variations, the Contract Owner should update the Contract Database. The Contract Authorisation template has an appendix that can be completed to provide the details of a contract to the Contract Database Team. **(See appendix 1).**
- 10.2 All exemptions and extensions and variations over £50k must be reported to the Finance Team for inclusion in the PDS Budget Monitoring Report and Audit-Sub Committee reports.