

Extract from Contract Management Guidelines

- *Non-discrimination* in selecting any contractor. This includes not unfairly discriminating against a potential contractor outside the Council's geographical area.
- *Equal Treatment* – this involves treating all contractors and potential contractors equally when letting a contract, for example imposing the same set of standards on all contractors and not unfairly favouring a particular contractor or any in-house provider.
- *Being Fair* – although self-explanatory this can be hard to define. You should always consider how a contractor would feel about a particular process. Have they been prejudiced in any way or might they reasonably fear that they have been?
- *Good Value for Money* – best value. This does not just mean price but also includes commercial and non-commercial considerations relevant to the contract for example onerous terms and conditions and user group interests.
- *Auditable Process* - this involves keeping a paper trail of the whole process which should include notes of meetings, telephone calls, correspondence (emails as well as letters), minutes of meetings and decisions, reasons for decisions, contract and tender documents.
- *Competent Contractor* - before placing any contracts or orders for work to be undertaken you must be satisfied that the contractor is technically competent and can produce the work, supplies or services to the required quality and standard. To state the obvious, you should always check that the works supplies, or services provided are what you want and what was contracted for. In the case of supplies, no payment should be authorised before checking that you have actually received the specified goods.
- *Financial Standing* - before placing any contracts or orders for work to be undertaken you must be satisfied that the contractor has sufficient financial standing to carry out the work, supply the goods, provide the services. You need to look at this on a case by case basis. A services and/or works contract worth a lot of money or where money is paid in advance will require more security that the contractor has sufficient financial standing to fulfil the requirements under the contract e.g. a 5 year service contract or building contract will require more security than a contract for a one off purchase for example of specialist stationery. In the latter case, payment is made after satisfactory delivery and may require a lesser degree of scrutiny of the contractor's financial standing since the associated risk may be less.
- *Aggregation* - It is not acceptable to split orders or a contract into smaller parcels to avoid the application of certain Standing Orders and Financial Regulations. It is also illegal to split orders into small parcels to avoid the application of EU Regulations.

- *Risk* - It is important when commencing a procurement exercise to consider any potential risks to the Council. The degree of risk involved will depend on the value and nature of the contract. Risks may include not only the financial risk to the Council but also considerations such as Health and Safety risks particular to the contract (see below) and whether what is to be undertaken is novel or unfamiliar.

When commencing a procurement exercise you need to give consideration to:

- (a) what is the risk to the Council if there is no contract in place?
 - (b) what is the risk to the Council if the contractor/service provider/supplier goes into receivership/bankruptcy or does not perform the contract to a satisfactory level?
 - (c) are there any special risks involved in the procurement process?
- Risk assessment is an essential part of planning your procurement process.
 - *Health and Safety* - Under the Health and Safety at Work Act, it is the Council's duty as an employer and service provider to ensure that employees, service users and the general public are not exposed to inadequately controlled risks to their health and safety from its activities. Specific considerations apply to health and safety during a formal tendering process and these are dealt with later. However, even where such a process is not being undertaken health and safety issues may well exist and need to be addressed.
 - *Data Protection* - The Data Protection Act 1998 sets out the data protection principles which govern the processing of data. Processing, in relation to information or data, means obtaining, recording or holding the information or data such as alteration, retrieval, disclosure or destruction. This covers both manual and computer data. So, for example, both the collection and destruction of application forms for Council Tax benefit and printouts of lists of residents are subject to data protection principles.

The Council will generally retain responsibility as the data controller and must decide the purposes for which personal data are, or will be, processed and the way personal data are, or will be, processed. The data processor is the person or body which processes data on behalf of the data controller and it is important that you ensure that any Organisation processing data on behalf of the Council complies with the requirements of the Act.