Police and Crime Commissioner for Greater Manchester

Contract Standing Orders
STANDING ORDER IMPLEMENTED: 1st April 2014

REVIEW DATE: 31 March 2015

PROCEDURE OWNER: Chief Finance Officer to the Police and Crime Commissioner

APPROVED BY: Police and Crime Commissioner

PROTECTIVE MARKING: Not Protectively Marked

IS THE PROCEDURE ☐ New ☑ Revised

IF REVISED, PLEASE COMPLETE TABLE BELOW

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1. Introduction and Background

The purpose of these Contract Standing Orders is to:

- Ensure value for money is obtained through GMP's procurement activity;
- Provide a framework for employees and police officers to ensure open, fair and transparent processes;
- Protect employees and police officers from any allegations of acting unlawfully or unfairly in the procurement of goods, works and/or services; and
- Ensure compliance with relevant legislation on the procurement of goods, works and/or services.

Procurement is the process by which GMP manages the acquisition of all its goods, works and services. It includes the identification of need, consideration of options, the actual procurement process and the subsequent management and review of contracts.

A contract is an agreement between two parties for the supply of goods, works and/or services. Employees should avoid giving verbal commitments to suppliers as this can constitute a contract.

The terms and conditions applied to the contract provide clarity and protection for all parties involved and the specification of the requirement should be clearly understood by everyone. The length and complexity of a contract is likely to depend on the extent of the cost and complexity of the goods, works or service to be supplied.

As a large public sector organisation, all contracts must comply with statutory requirements including, but not limited to:

- EU Treaty;
- Any relevant EU Directive in force in the United Kingdom, including any requirement for aggregation;
- Any laws of the United Kingdom, including any Act of Parliament requiring the letting of contracts by competitive tendering or relating to Best Value;
- Regulations for the provision of certain equipment or services for police purposes; and
- The requirement of the Code of Practice for Local Authorities on Data Transparency to publish copies of contracts and tenders to businesses, the voluntary community and the social enterprise sector on the website.

Under no circumstances can the procurement of goods, works and/or services be deliberately or artificially divided into a number of separate contracts in order to avoid the obligations set out in these orders, or any statute or EU Directive. However, contracts can be divided into lots (within the total contract value) to allow GMP and Office of the Police and Crime Commissioner business to be more accessible to small and medium size enterprises or third sector organisations.

All orders and contracts must be in the name of the Police and Crime Commissioner for Greater Manchester and made in accordance with these Standing Orders. Any dispute regarding the interpretation of these orders will be referred to the Chief Finance Officer to the Police and Crime Commissioner whose decision shall be final.
2. Scope

These Contract Standing Orders support the financial governance arrangements of the Police and Crime Commissioner for Greater Manchester and Chief Constable of Greater Manchester Police. They provide clear rules for all employees and police officers to ensure all procurement activity is undertaken in an open, transparent, fair and competitive manner. Compliance with these orders will ensure that value for money is achieved and will give the public confidence that GMP and the Office of the Police and Crime Commissioner are meeting their fiduciary responsibilities.

All employees, police officers and others responsible for ordering goods, works and services and/or managing or supervising a contract must adhere to these Standing Orders and the Police and Crime Commissioner’s Financial Regulations. These Standing Orders shall apply irrespective of whether the contract is financed with monies provided by the Police and Crime Commissioner or any other person or body (i.e. grants from local government organisations or partnership monies). Failure to comply with these requirements could result in disciplinary proceedings.

Every effort should be made to ensure that best value for money is achieved for the acquisition and delivery of all:

- Goods or materials;
- Services and consultancy;
- Building works; and
- The supply of goods or services to third parties which provide GMP with an income.

Contract monitoring should continue throughout the lifetime of any contract (to ensure that best value for money is maintained in the quality and standard of all goods, works and services supplied) and in the review of proposals to change or vary any feature of any contract during its lifetime.

3. Changes to the Contract Standing Orders

These Contract Standing Orders will be reviewed at least on an annual basis. Amendments not seeking to increase any authority levels and which have no reputational risk for the Police and Crime Commissioner and/or Chief Constable can be authorised by the Chief Finance Officer to the Police and Crime Commissioner and the Chief Finance Officer to the Chief Constable. Any amendments will be reported monthly to the Police and Crime Commissioner and Chief Constable via the Finance Governance Group.

4. Roles & Responsibilities

4.1 Police and Crime Commissioner

The Police and Crime Commissioner owns all assets regardless of whether they are used by the Office of the Police and Crime Commissioner or GMP and all contracts will be entered into in his/her name. He/she is responsible for approving the overall framework of accountability and control, ensuring that effective delegations are in place and monitoring compliance.
4.2 Procurement Section

The Procurement Section must be advised at the outset of any procurement activity or contract negotiation with an estimated value of £50,000 or above and will be responsible for managing all procurement activities for these contracts. The Procurement Section can also provide advice and guidance on procurement activities for contracts with an estimated value under £50,000.

The Head of Procurement is responsible for ensuring that a Procurement Activity Report is maintained and appropriate policies and procedures are in place and adhered to for:

- The whole tendering process (i.e. initial tender, specifications and standards, evaluation and appointment of contractors and consultants);
- The use of sub contractors;
- Contract variations;
- The novation of an existing contract, in consultation with Legal Services;
- Cancellation of existing contracts;
- Declarations of interest in a contract;
- Collaborative contracts;
- The adoption of Framework Agreements;
- Exemptions; and
- Recording and retention of information in relation to procurement activity.

Failure to engage the services of the Procurement Section at the outset of any procurement exercise with an estimated value of £50,000 or above may delay or prevent the award of any contract.

4.3 Authorised signatories

The Scheme of Financial Delegation contains a list of those staff that have been granted specific authority to carry out procurement activities on behalf of the Police and Crime Commissioner. These authorised signatories will ensure that purchases are compliant with all financial instructions and sufficient resources are available.

4.4 All employees and police officers

All those responsible for ordering goods, works and services and/or engaged in any activities or processes leading up to the award of a contract or in its subsequent delivery should:

- Ensure contracts are let in accordance with these Standing Orders;
- Show no undue favour to or discriminate against any contractor or potential contractor;
- Carry out their work in accordance with the highest standards of propriety and proper practice, including respecting the confidentiality of commercial information; and
- Not breach the gifts, services, discounts and hospitality policy.

4.5 Declaration of Interest

All those responsible for ordering goods, works and services and/or engaged in any activities or processes leading up to the award of a contract or in its subsequent delivery must declare any personal interest which may affect, or be seen by others to affect, their impartiality in any matter relevant to their duties. The procedure to be followed is detailed in Section 6.3 – Declarations of Interest.
5. Terms and Definitions

Assignment
The transfer of rights held by one party (the assignor) to another party (the assignee).

Contract
A legally abiding agreement (including purchase orders, leases and service level agreements) to acquire, purchase or sell goods, services or building works.

Declaration of Interest
Any personal interest which may affect or be seen by others to affect your impartiality in any matter relevant to your duties must be declared.

Framework Agreement
A contract set up by a public sector organisation for some or any public sector organisations to use. It will specify the terms and conditions under which purchases can be made throughout the term of the agreement.

Goods
Physical items that can be purchased (for example, food, clothing and equipment).

Lease
A contract which allows one party to use the property or other assets belonging to another party for a specified period in exchange for payment.

Novation
An act of either replacing an obligation to perform with a new obligation or replacing a party to the agreement with a new party. Novation creates a new contract and is valid only with the consent of all parties to the original agreement.

Option to Extend Contract
An agreement with the opportunity to increase the length of time specified in the contract at the end of the original term (for example, a two year contract with the option to extend for a further two years).

Purchasing Consortium
Where two or more public sector bodies (i.e. Local Authorities, police forces and Police and Crime Commissioners) join together for the purpose of procuring goods, works or services at a better price than could be obtained if each purchased them alone.

Purchase Order
An agreement between two parties for the supply of goods, works and/or services. In legal terms it is classed as a form of contract.

Quotation
A document that a vendor or service provider gives to a customer to describe specific goods, works and services that can be provided and their cost.

Select List
A list of suppliers for a specific contract where the pool from which realistic or competitive bids is limited.

Sensitive Issues
Any issues that arise from procurement activities which may have a potential reputational risk for the Police and Crime Commissioner and/or the Chief Constable must be reported to the Police and Crime Commissioner before any decision can be made.
**Services**
The performance of specific duties, work or professional activities for a fee (for example, the maintenance of equipment and consultancy).

**Standing List**
A list of suitable contractors or suppliers for a particular type of work, goods or services.

**Tender**
A formal sealed bid, written or electronic offer to carry out work, supply goods or buy assets at a stated fixed price. It will usually contain detailed information on requirements and terms associated with a potential contract.

**Works**
Infrastructure projects to construct, improve, demolish, repair or maintain buildings.

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### 6. Procedure

#### 6.1 Use of Existing Contracts

Where the Police and Crime Commissioner has implemented a contract for the supply of goods, works and/or services **you must use that contract.** An existing contract also includes Regional and National arrangements, where the Police and Crime Commissioner or GMP are not the lead authority but have committed to use them. The Police and Crime Commissioner’s and Chief Constable’s Financial Instructions contain the procedures you will need to follow in order to establish whether an existing contract is in place.

Where best value for money can be substantiated, the acquisition of goods and materials, or provision of services may be made through an appropriate framework contract awarded by another force or public body where the conditions of contract allow the Police and Crime Commissioner or GMP to be a contract participant.

#### 6.2 Competitive Procurement

Where works, goods or services are not available from an existing contract, competition should be encouraged from potential providers. The procedure to be followed is determined by reference to the estimated value of the purchase. The estimated value is the aggregate cost that is reasonably anticipated over the lifetime of the provision. If the lifetime is unknown, then the aggregate cost should be based on 48 months. For option to extend contracts, the lifetime will be the maximum length of the contract, including the term of the extension.

All tendering procedures, including obtaining quotes, from planning to the award and signing of a contract, shall be undertaken in a manner so as to ensure:

- Sufficient time is given to plan and run the process;
- Equal opportunity and equal treatment;
- Openness and transparency;
- Probity; and
- Outcomes which deliver sustainability, efficiency and cost savings (where appropriate).

Most contract awards should be in the basis of the ‘most economically advantageous tender’ which means the tender that offers the best combination of price, quality, technical merit, aesthetic and functional characteristics, environmental characteristics, running costs, cost effectiveness, after sales service, technical assistance, delivery date, delivery period and period of completion.
The procedures to be followed at each level are summarised below:

### 6.2.1 Quotations

For contracts under £50,000 employees and police officers should apply the general principles of these Standing Orders. However, the procedures used to obtain quotations will be:

- **Less than £5,000**
  - **A minimum of one quote** (by e-mail, catalogue or price list) must be obtained in advance from a reputable supplier. The employee or police officer should be able to provide a rationale for why they selected the provider used.

- **£5,000 - £10,000**
  - **Three competitive quotations** (by e-mail, catalogue or price list) must be obtained in advance from reputable suppliers. The employee or police officer should be able to provide a rationale for why they selected the provider used.

- **£10,000 - £49,999**
  - **Three formal written quotations** (in writing or by e-mail) must be obtained in advance from reputable suppliers. The employee or police officer should be able to provide a rationale for why they selected the provider used.

Please note:

- No formal advertising of quotations under £50,000 is required.
- Where possible local suppliers should be made aware of the opportunity to quote.
- The award criteria will either be the most economically advantageous tender (MEAT) or the lowest price.
- If the award is to a new supplier to GMP, a Supplier Request Form should be completed and a purchase order should be raised to place the order.
- All documentation to be retained by Divisional or Branch Administration for three years or the life of the contract, whichever is the longer.
- Compliance with Section 6.3 – Declarations of Interest should be adhered to.

### 6.2.2 Tenders

For contracts over £50,000 but less than the Public Procurement EU Threshold, a public notice should be placed by inviting tenders for the contract via GMP’s e-tendering system, bluelight.

The public notice should be placed to encourage competition, but also ensure local suppliers are made aware of the opportunity. The local newspaper can also be used where there are a high number of local suppliers who could fulfil the requirement. The Small Business Service (SBS) New Opportunities Portal: supply2.gov.uk should also be used to advertise requirements more widely. Local trade or other groups may also be notified.

For contracts over the Public Procurement EU Threshold, the procedures in the Public Contracts Regulations must be followed.

The award criteria will either be:

- The most economically advantageous tender; or
- The lowest price.

Wherever possible, the most economically advantageous tender should be used as the award criteria.

Where contracts are of a type and value which means that they are subject to the EU Rules then there are four main types of EU procedures available. These are open, restricted,
competitive dialogue and competitive negotiated procedures. Care must be taken to ensure that the correct and most appropriate procedure is used and assistance on the choice and use of EU procedure should be sought from the Procurement Section.

6.3 Declarations of Interest

6.3.1 Police Officers and Employees of the Police and Crime Commissioner or Chief Constable

All those responsible for ordering goods, works and services and/or engaged in any activities or processes leading up to the award of a contract, or in its subsequent delivery, are required to declare a personal interest which may affect, or be seen by others to affect, their impartiality.

All declarations of interest will be reviewed by Procurement Governance Group to determine if there is a conflict of interest. These reviews will also consider the appropriate course of action in all the circumstances. Failure to make such a declaration, or making a false declaration could result in disciplinary proceedings. A register of all declarations received and the action taken will be held by Procurement.

6.3.2 Persons or Organisations Providing Quotations or Tenders

Every person or organisation that provides a formal quotation or tender must be told to make a declaration, in writing, if any of their directors, partners or employees directly involved in the tender process is:

- A current or former officer and/or employee of the Police and Crime Commissioner or the Chief Constable; or
- Related to an officer or employee of the Police and Crime Commissioner or GMP who has powers of influence or control over the award of the contract.

These declarations will be reviewed by Procurement Governance Group to determine if there is a conflict of interest and whether it would be appropriate to award the contract. These reviews will also consider the appropriate course of action in all the circumstances. A register of all declarations received and the action taken will be held by Procurement.

If any person or organisation providing a formal quotation or tender fails to make such a declaration, or makes a false declaration, that quotation or tender may not be considered for approval. If it is determined after the award of a contract that a false declaration has been made the Police and Crime Commissioner has the power to terminate that contract.

Suppliers, potential suppliers and any person or business that is likely to engage in a tender process, or other negotiations regarding the provision of goods and services, should be made aware that a policy exists in relation to gifts, services, discounts and hospitality. They must not offer any gift or hospitality to an officer or employee that if accepted would result in a breach of this policy.

The Police and Crime Commissioner may cancel a contract and recover any resulting loss if the contractor, or any person employed by or acting for them, has done the following (this is a non-exhaustive list):

- Offered, given or agreed to give someone a gift or consideration of any kind in return for them doing or not doing any action relating to a contract with the Police and Crime Commissioner;
- Committed any offence under the Prevention of Corruption Acts 1889 to 1960; or
- Given any fee or reward which it is an offence to receive.
6.4 Tender Process

All contracts with an estimated value above £50,000 will be required to use the following formal tender process, which will be managed by the Procurement Section.

6.4.1 Specification

Once a need has been identified a detailed specification must be drawn up. The specification must identify the goods, works or services to be supplied in sufficient detail to allow suppliers to respond on an equal basis.

The specification must detail which elements are considered essential and which elements are considered desirable.

6.4.2 Selection of the Procurement Route

The e-tendering system, which places advertisements on the bluelight website, should be used in all cases. Although not mandatory, it is also recommended when using a standing list, select list or government framework that has been approved by the Police and Crime Commissioner. This will ensure that the contract gets entered onto GMP’s Contracts Register and provides a full auditable process of contracts being entered into.

Significant (with an estimated value of £500,000 or above) or sensitive contracts require approval of the Police and Crime Commissioner for the procurement route and award criteria before being advertised.

6.4.3 Selection Criteria

The aim of any procurement exercise should be to achieve Value for Money. The Police and Crime Commissioner, therefore, has a standard approach to defining the price and quantity ratio for the selection criteria. Individual clients are responsible for ensuring the optimum combination of whole life cost and quantity. Indicative ranges of price/quality ratios for various types of project are given below and a different cost/quantity ratio will only be considered in exceptional circumstances.

The proposed selection criteria must be approved by the Procurement Governance Group in advance of the invitation to tender.

Risk and Value Matrix

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<th>Risk</th>
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<th>Strategic (Ratio Range 60:40 to 50:50 to 40:60)</th>
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| High | • Few Sources of Supply and alternatives available  
      • Complex specifications  
      • If supply fails, impact on organisation could be significant.  
      E.g. Tasers; Speed Cameras | • Strategic to Operations  
      • Limited Supply Base  
      • High Value Spend Area  
      • Specification may be complex  
      E.g. IS Strategic Development Partner |
| Low  | Routine (Ratio Range 90:10 to 80:20) | Leverage (Ratio Range 70:30 to 60:40) |
|      | • Low Value  
      • Many Existing Alternatives  
      • Standard specification  
      • Low value to switch suppliers | • High spend area  
      • Many Sources of Supply  
      • “Buying Power” |
6.4.4 Invitation to Tender Document

The invitation to tender (ITT) must state the deadline for receiving bids from potential suppliers and must allow at least 10 working days from the publication of the ITT for the return of completed tenders. If the estimated value of the goods, works or services is in excess of the EU thresholds, the EU Procurement Directives and associated timescales must be followed.

6.4.5 Receipt and Opening of Tenders

Only tenders that are received before the stated deadline will be considered. The Police and Crime Commissioner supports the use of e-tendering as the standard system for the invitation and receipt of tenders. This electronically records tender activity, provides an electronic seal facility and provides a full audit of all transactions associated with the process. If either Chief Finance Officer authorises that the e-tendering system will not be used (e.g. due to a technical difficulty), tenders must be stored in a secure and confidential manner as required by the following sealed bid procedure.

The opening of tenders not received through the e-tendering system must be agreed with the Head of Procurement and recording of these details shall be subject to the following regulations:

- They shall not be opened before the appointed time;
- They shall be opened at one time by not less than two persons approved by the Head of Procurement for the purpose, including at least one who will not be involved in the direct management of the contract;
- The appropriate tender details shall be recorded on the Tender Opening Records form which shall be ruled off (to prevent the addition of further entries) and then signed by each member of the tender opening panel; and
- Once the tenders have been opened they must be circulated only to those directly involved in tender evaluation and contract letting activities.

A record of all tenders received and all the tender documentation or an audit trail of the electronic submission must be kept for three years.

If a tender is received after the deadline has passed, bluelight will automatically record the submission as a late tender. Any tender received on the bluelight e-tendering portal and/or in the post room or reception after the closing date and time, will not be accepted unless the circumstances cannot be attributed to the tenderer, such as mail strikes, e-tendering portal downtime or adverse weather conditions.

If a tender appears to contain a mistake or discrepancy which may affect the tender figures, the tenderer must be given the opportunity to confirm, withdraw or correct the offer (the correction of genuine errors is permitted for tenders which are compliant in all other aspects). Details of this must also be recorded. Tender documents should state the method for dealing with errors.

If suppliers are bidding against each other online (by ‘reverse auction’) a member of the procurement team must be present when the bids are received.
6.5 Evaluation of Quotations and Tenders

The evaluation of quotations for all goods, works and services should be based on the principle of best overall value for money (covering cost, quality and effectiveness). The evaluation process must be objective, systematic, thorough and fair.

The evaluation of tender submissions must be carried out by an evaluation team based on the most economically advantageous tender or the lowest price. Wherever possible, the most economically advantageous tender should be used as the award criteria.

The tender documents must state the award criteria that will be used. Where the award criteria is the most economically advantageous tender, the tender documents must list the evaluation criteria along with the score or importance that is attached to each of them. The evaluation team must contain the appropriate stakeholders (including a representative of the Office of the Police and Crime Commissioner where appropriate) and cover all the skills required to consider the tender bids fairly, transparently and consistently.

Where appropriate, before specific tenders are evaluated the Police and Crime Commissioner or persons authorised to act on his/her behalf may request the Chief Finance Officer to the Police and Crime Commissioner to approve financial standing of the firm’s or, if the contract value is more than £500,000, to carry out a detailed financial appraisal of the proposed contractors.

6.6 Acceptance of Quotations and Tenders

Prior to accepting a quotation or tender a due diligence exercise should be undertaken to ensure that the contract has been properly procured in accordance with the relevant legislation and with particular reference to these Standing Orders.

The following procedures shall be applied for the acceptance of a quotation or tender:

- Quotations and tenders must only be accepted by the persons authorised in the Scheme of Financial Delegation;
- Acceptance of a quotation must be made in writing, this can be by e-mail or by raising a purchase order;
- On accepting a tender, notification must be given to the successful supplier and the unsuccessful suppliers. The notification must state the basis of the acceptance of the winning tender. Unsuccessful suppliers must be given the reason why their individual tender was unsuccessful and be offered feedback on their tender submission;
- Tenders subject to EU Procurement Regulations must observe a 10 day standstill period between notification of award and entering into a contract;
- The notification of award must make clear that it is subject to a formal contract and that any challenge may negate the ability of GMP to enter into such a contract;
- The Police and Crime Commissioner’s terms and conditions shall apply unless otherwise agreed by the Police and Crime Commissioner; and
- The Police and Crime Commissioner’s standard conditions should apply for common contracts.

6.7 Exemptions

All employees and police officers are required to follow the quotation and tender requirements detailed in Section 6.2 – Competitive Procurement. Exemptions to these requirements will only be granted in exceptional circumstances and must be authorised in line with the approvals contained in the relevant Scheme of Financial Delegation. Failure to obtain a valid exemption before the goods, works or services are purchased may result in disciplinary proceedings.
The only circumstances that will be considered are:

a) Where it can be evidenced that only one supplier is able to undertake the work or service or supply of goods for technical or security reasons or because of exclusive rights;

b) The goods or services are required so urgently that competition is impractical (a genuine unforeseeable operational need arises). Failure to take action within appropriate timescales does not constitute grounds for an urgency exemption; or

c) Supply of goods, services or works where it can be evidenced that there is no valid commercial reason to obtain quotations or tenders.

Records of all exemptions that have been approved should be held and will be reported to the Police and Crime Commissioner via the Procurement Governance Group on a monthly basis or if a potential exemption is considered sensitive, guidance should be sought from the Police and Crime Commissioner before approval is granted.

The exemption should set out the background, the rule being exempted, the reason the exemption is required, how value for money will be demonstrated and the legal or financial risks or implications.

Exemptions may only be made where the relevant law is complied with.

6.8 Form of Contract

A contract is an agreement between two parties for the supply of goods, works and/or services. This includes formal written contracts, leases and purchase orders.

Contracts must be in writing, sealed with the Common Seal (where appropriate) and signed by the persons authorised by the Police and Crime Commissioner in his/her Scheme of Financial Delegation.

Each contract must state that the contractor cannot assign (transfer) any part of the contract without written permission from the Police and Crime Commissioner.

Proposed payment arrangements under a contract and payments in advance must be agreed by the relevant Chief Finance Officer before the contract is signed. Contracts with a value of more than £50,000 must provide for the contractor to pay damages if they fail to meet the terms of the contract. This provision should be in all contracts where possible.

6.9 Variations and Cancellations to Contracts

Where a significant change occurs to the specification during the course of the tendering process, that process should be stopped and, ordinarily, it will be expected that the entire process should be restarted.

Contract variations during the term of the contract will be undertaken through the evaluation of the terms and conditions of the variation and approval as appropriate. Prior to any contract variation being approved, the full cost, timing and other implications should be identified and agreed with the contractor. Variations which increase expenditure must have funding secured and approved prior to agreement.

Should it become clear that any contract variations would have led to the tendering process used being inappropriate (e.g. shortly after commencing the contract, additional terms are recognised which meant that an EU process should have been followed), guidance should be sought from the Head of Procurement as to whether the contract should be halted and re-tendered.

All contract variations should be notified to all relevant parties in writing and will require authorisation in advance and in accordance with the approvals contained in the relevant
Scheme of Financial Delegation. The contract should clearly identify appointed officers or staff of both parties who have the authority to agree variations. Should one party wish to novate a contract to a third party, approval to do so should be given in advance by the Police and Crime Commissioner. Where a contract manager becomes aware that a contract may be subject to novation, they should notify the Procurement Section. The Procurement Section will undertake a qualification questionnaire on the party to whom the contract will transfer, to identify any particular risks that the novation may present to the Police and Crime Commissioner, and take any necessary action as a result.

Other than at the natural expiry of an agreed term, no contract should be cancelled without having due regard to legal advice as to whether this is within the contractual terms and conditions.

Approval from the Police and Crime Commissioner should be sought, as only he/she may terminate or suspend a contract, in accordance with the express or implied terms of the contract. He/she may also take any further action with regard to any contract as GMP is legally entitled to take.

6.10 Contract Extensions

Any contract which provides for (an) extension(s) may be extended in accordance with its terms, subject to performance and value of money considerations.

The Chief Finance Officer to the Chief Constable may approve an extension to a contract provided that such extension is not contrary to the EU Regulations or GMP’s Standing Order obligations and that any consequent change in price does not exceed the approved budget for the contract. A contract should not be extended if not expressly permitted by the contract without seeking advice from the Head of Procurement or the Solicitor to the Police and Crime Commissioner. The EU rules on the aggregation of contracts will apply.

Where the terms of the contract do not expressly provide for an extension, an exemption will be required and is subject to approval. These should only be extended in exceptional circumstances. The Chief Finance Officer to the Chief Constable may approve an extension if:

- The total value of the contract (value to date plus the estimated value of the extension) does not exceed £500,000; and
- Any extensions (within the approved contractual terms) do not exceed the existing total contract value.

All proposed contract extensions that have been approved must be reported to the Police and Crime Commissioner on a monthly basis via the Procurement Governance Group. Where the total value of the contract exceeds £500,000 and the option to extend was not approved as part of the original contract, the extension must be authorised by the Police and Crime Commissioner.

All contract extensions must be reported to the Police and Crime Commissioner in a timely manner to allow for the appraisal of options and the demonstration of value for money. The proposed extension should be for the same or a lesser value and period than the original contract and wherever practical, a contract should not be extended more than once.

6.11 Contracts Register

The Head of Procurement must maintain a central register of all contracts let with a value in excess of £50,000.

Anyone awarding a contract must notify the Procurement Section of the details of that contract if for any reason the tender has not been issued on bluelight or via the Procurement Section.
6.12 Contract Management and Monitoring

The lead contract officer must ensure that systems are in place to manage and monitor contracts at regular review meetings with the supplier in respect of:

- Compliance with specification and contract;
- Performance;
- Cost;
- User satisfaction; and
- Risk management.

Where the estimated contract value exceeds the relevant EU threshold, the lead contract officer should prepare a six-monthly monitoring report to the Procurement Governance Group.

Where the contract is corporate in nature or has an estimated contract value of £500,000 or more the lead contract officer should prepare an annual monitoring report to the Procurement Governance Group.

Where the contract terms provide for credits to be offset against payments due or otherwise enable payments to be reduced on account of failure by the contractor to deliver the contract to the specified standards, any decision to waive entitlement to the credit or reduced payment shall be authorised by the Police and Crime Commissioner.

6.13 Land and Property Purchases and Leases

The approval of the Police and Crime Commissioner is required before any land or property can be purchased or any lease is agreed, renewed or relinquished.

6.14 Other Leases

The lease of other assets required for operational policing must be approved by the Chief Finance Officer to the Chief Constable, in consultation with the Chief Finance Officer to the Police and Crime Commissioner. All leases must be in the name of the Police and Crime Commissioner for Greater Manchester.

7. Associated Documents

- Business Code of Conduct for Procurers of Goods and Services
- Chief Constable’s Financial Instructions
- Chief Constable’s Scheme of Delegation
- Directives of the European Community
- Financial Regulations
- Gifts, Services, Discounts and Hospitality Policy
- Police and Crime Commissioner’s Scheme of Delegation
- Procurement Policy and Procedures
- Scheme of Consent
- ACPO Portfolio guidance
8. **Statutory Compliance**

8.1 **Data Protection Act (1998)**

These Standing Orders have been reviewed for compliance with the Data Protection Act 1998 by Finance Branch, in consultation with the Information Compliance and Records Management Unit.


This document may be disclosable to the public, either on the Office of the Police and Crime Commissioner’s website or upon request.

8.3 **Equality Act 2010**

Finance Governance Group, as part of due diligence, has given due consideration to the protected characteristics and has detected no implications that need to be addressed as part of these Standing Orders.

Equality issues may arise in the exercise of specific functions (i.e. procurement of goods and the award of contracts) but these are subject to competition. Specific policies and procedures will need to be followed and it is expected that the Office of the Police and Crime Commissioner and GMP recognise its obligations arising from the Equality Act 2010.

9 **Terms of Reference**

9.1 **Audit and Accounts Committee**

**Accounts/Financial Reporting**

To review the financial statements and the external auditor’s opinions and reports and to monitor actions taken in response to issues raised by external audits.

To review the Statutory Statement of Accounts including:

- changes in compliance with accounting policies and procedures
- unadjusted miss-statements in the financial statements
- major judgemental areas
- significant adjustments resulting from the audit

**Internal Control Environment**

Be satisfied as to the effectiveness of the internal control framework in operation within the office and Greater Manchester Police (GMP) and advising them as appropriate.

Be satisfied that both organisations’ assurance statements, including the Statement on Internal Control, properly reflect the risk environment and any actions required to improve it.

**Corporate Risk Management**

Approve the office’s and GMP’s corporate risk management strategy and framework and provide assurance that an appropriate, effective framework is in place for assessing and managing the key risks (financial and non financial) to both organisations.
Compliance, Whistle blowing and Fraud

Review the adequacy of the Commissioner’s and Chief Constable’s arrangements for its employees and its contractors to raise concerns, in confidence about possible wrongdoing in financial reporting or other matters.

Ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Review the procedures for detecting fraud.

Internal Audit

Advise the office and GMP on the appropriate arrangements for internal audit and approving the Internal Audit Strategy.

To review (but not direct), the Internal Audit Programme of work and monitor performance against it.

To review summary Internal Audit reports and receive the Annual Report from the Commissioner’s Chief Finance Officer.

Ensure appropriate action is taken in response to audit findings, particularly in areas of high risk.

Ensure that there is an effective relationship between internal auditors, external auditors and other relevant bodies.

To receive reports from Internal Audit on the outcome of any work in relation to completed investigations and recommendations of the Independent Police Complaints Commission.

External Audit

Advise the office and GMP on the appointment of external auditors.

Endorse the external audit programme and associated fees.

Review the External Auditor’s Annual Governance Report and any other relevant reports including progress on the implementation of agreed recommendations.

Receive the Annual Audit Letter.

Other Matters

The Committee shall:

Have access to sufficient resources to undertake its duties, including access to assistance as required.

Be provided with appropriate and timely training, both in the form of an induction for new members and on an on-going basis for all members.

Arrange for periodic reviews of its own performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the office and GMP any changes it considers necessary.
9.2 Human Resources Governance Panel

Membership

6 x Independent Members
Chief Executive to the Police and Crime Commissioner
Chief Finance Officer to the Chief Constable or an Assistant Chief Constable

Appeals

To advise the Police and Crime Commissioner on employment appeals at the final stage.

To conduct the final stage of dealing with grievances relating to the Commissioner’s office staff.

To decide upon the Commissioner’s office staff appeals against being dismissed

Requests for Financial Assistance

To consider applications for financial help for police officers and staff involved in legal proceedings

To receive, consider and decide upon all applications and requests from special constables, Police Community Support Officers or their representatives for death or disability benefits.

General

To deal with negotiable matters recorded as a failure to agree from recognised trade unions.

To adhere to the provisions of the Equality Act 2010 including the public sector equality duty and the requirement to have due regard to equality as set out in the Act.

Other Matters

The panel shall:

Have access to sufficient resources to undertake its duties, including access to assistance as required.

Be provided with appropriate and timely training by the Office of the Police & Crime Commissioner, both in the form of an induction for new members and on an on-going basis for all members.

Arrange for periodic reviews of its own performance and at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend to the office any changes it considers necessary.
9.3 Justice and Rehabilitation Executive Board

Membership

Core
Tony Lloyd (Chair)  GM Police and Crime Commissioner
Jim Taylor  Chief Executive – Rochdale MBC (lead AGMA Chief Executive)
Peter Fahy  Chief Constable – GMP
Roz Hamilton  Chief Executive – GM Probation Trust
Geoff Little  Deputy Chief Executive – Manchester City Council (representing GM Public Service Reform)

Support
Alison Connelly  Head of Governance & Policy – GM PCC Office
Jeanette Staley  Chief Executive’s Office – Rochdale MBC
Chris Hankinson  GM Police
Jeff Pollard  Transforming Justice Programme Manager – GM PSR
James Binks  Strategic Lead – GM PSR
Jennet Peters  TR Lead – GM PSR

Others to be invited as required by the sequenced plan, including GM partners

- A strategic leadership group for the whole of the criminal justice system linking to wider public service reform, which brings together the Transforming Justice and Transforming Rehabilitation agendas

- Use the Public Service Reform methodology to strategically plan a GM-wide reform agenda for Justice and Rehabilitation, developing new delivery and investment models based on robust evaluation

- Prepare for Transforming Rehabilitation by providing leadership with:
  - GM’s overall ‘bid strategy’ and the basis for engaging potential primes
  - Engagement with MoJ on the design of the competition
  - Ensure we are identifying the right priority cohorts for working with primes
  - Engagement with all local public services to ensure services are integrated, coordinated and sequenced effectively
  - Future of Integrated Offender Management (IOM)

- Ensure there is a clear plan for spending Financial Incentive Mechanism payments effectively – the year 1 payment received and any year 2 payment

- Drive the development of multi-agency Investable Propositions for priority themes e.g. Intensive Community Orders, women offenders, and resettlement

- Understand the interactions, opportunities and risks for how Justice and Rehabilitation links with other reform themes, for example Troubled Families

- Receive reports and commission work from the Justice and Reform Programme Board, which is in turn supported by the Data & Design Group. Also receive reports and commission work from the IOM Futures Board

- Link to the GM Police & Crime Steering Group, which provides oversight of the wider police and crime agenda. Through joint membership of the PCC and Barbara Spicer. This will ensure effective alignment of TJ & TR with community safety and crime reduction activities, and integration with local partners including Police & Crime Leads Group
9.4 Ethics Committee

Insert
8.5.5 Local Advisory Panel for the Policing of Protests