

Commissioning and Procurement Plan

2020/21 – 2023/24

Lead Member's Foreword

We are Proud, Fair and Ambitious for Newcastle.

Our Commissioning and Procurement Plan is a key part of our work to ensure that Council spending has the biggest possible positive impact on city communities. We are proud to deliver goods, works and services directly through our own workforce and with public sector partners; it is our priority to create and protect good quality jobs that contribute to the success of our city.



Councillor Joyce McCarty
Deputy Leader of the Council and
Cabinet Member for Resources

We are also passionate about working effectively with private and third sector partners to deliver a wide range of contracts on our behalf worth over £300m¹ each year. Approximately 46% of this spend has been with North East based SMEs and 16% with VCS organisations. We champion the impact these organisations have in building economic and community wealth for Newcastle and want this Plan to support our increased investment in the work they do in the city.

In our Plan for the coming three years, we have focused even more sharply on how our commissioning and procurement practice generates Social Value – benefits to city residents that go beyond the purely financial, to take in wellbeing, employment and a wealth of other gains. Commissioning and procurement plays a major part in our ambition to address Climate Change² by ensuring that organisations delivering goods, works and services on our behalf actively reduce their emissions. This Plan sets out how Social Value design processes will drive this activity, leading providers to reduce the city's carbon footprint.

Some development and improvement themes from our previous Plan have been carried forward into the life of this new Plan, but we are also introducing a new focus on sub-category management to help us find new opportunities to support local growth. By balancing social value with a keen commercial awareness that drives financial efficiency, we are able to ensure that commissioning and procurement underpins the [Council's Medium-Term Financial Plan](#) and responds to the financial challenges we face.

All commissioning and procurement activity is delivered within a legal and constitutional framework of rules to ensure the highest levels of transparency at all stages. These regulations include: European directives; UK legislation; our own Financial regulations; our Commissioning and Procurement Procedure Rules; and the policy decisions that we make as a Council. This Plan should be read in conjunction with our Commissioning and Procurement procedure Rules as a handbook for the Council and Your Homes Newcastle, explaining what we need to do during the commissioning and procurement processes, when and why, so that everyone can participate fairly.

¹ This figure reflects the Council's influenceable spend. That is, spend the Council can influence through its decision-making processes. It does not include spend that the Council cannot directly influence.

² [Climate Change \(Mitigation Strategy\) 2018](#)

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Part One: Objectives

1. Who should read this document?

This plan has been written for three groups of people:

- people in organisations who wish to provide goods, works or services to the Council;
- people in local communities and organisations who want to influence the Council's commissioning and procurement activity and understand how it benefits them and their neighbourhood; and
- people who work for the Council or Your Homes Newcastle who need to commission or procure.

Although these interests are very broad, we have chosen to incorporate the information about each perspective into one Plan, so that whichever group you belong to you can also understand the rules and procedures that other people you may come across are following.

As well as describing the improvement actions that we intend to take this year and our direction of travel up to 2023/24, this plan is intended as an accessible guide to how commissioning and procurement in the Council works. Underpinning it is a legal and constitutional framework of rules that ensure the highest level of transparency at all stages. These regulations include: European directives; UK legislation; our own Financial regulations; our Commissioning and Procurement Procedure Rules; and the policy decisions that we make as a Council. Please note that the terms of these legal documents and the Council's legal obligations at any given time must take precedence over the contents of this plan.

2. Our objectives

Commissioning and procurement are two sides of the same 'value' coin: both are fundamentally about generating value for city residents. Responding to political priorities, our commissioning is all about securing Social Value. The technical process of procuring goods, works and services that often follows brings the question of financial value to the table, ensuring that we secure the right price for everything we buy.



The aim of the Commissioning and Procurement Team is therefore to efficiently identify, deliver and measure social and financial value from Council spending.

3. Our resources

We have organised our dedicated commissioning and procurement resources so that our structure supports our objectives in the most effective way:

- Commissioning and procurement functions are delivered by a single team with a common operating model, to make sure that our thinking about what to buy and how to buy it is joined up, and to balance the two sides of the

value coin – social and financial. During the last year, Your Homes Newcastle have chosen to join up their commissioning and procurement function with the Council's team, ensuring consistency and maximum impact across all Council spending.

- our category and sub-category management approach – fully embedded over the life of our last Plan, and developed to support collaboration between Council and Your Homes Newcastle staff - increases efficiency, prevents duplication and gives partners in every part of the market clarity about who to talk to;
- a life course approach to commissioning leadership for people services helps make sure we consider service design and market shaping from a citizen's perspective.

You can read more about category and sub-category management in section 12 and view our detailed structure chart at [Appendix 2](#).

In some cases, the Commissioning and Procurement Team takes responsibility for the whole of the commissioning and procurement cycle, but in others the team supports officers across the Council to commission, procure and contract manage.

There are also different arrangements in place to support budget managers with purchasing goods, works and services costing under £25k – Council officers can read more about this on our internal [Buy It](#) pages.

If you have any questions about commissioning and procurement, please contact the lead [Commissioner](#) for the relevant category or sub-category.

4. Our planned improvements

We have set ourselves three improvement areas for the life of this Plan, which are aimed at maximising the value of Council spending and improving the transparency and experience of the commissioning and procurement cycle internally and externally:

Table 1: Our Planned Improvements

| Our Improvement Priorities | In 2020/21 we will: |
|--|---|
| <p>a) We want to increase the amount and quality of the Social Value we deliver by understanding how opportunities differ across categories, and by shaping links between businesses and communities.</p> | <ul style="list-style-type: none"> • Implement a broad framework of Social Value outcomes and measures for Newcastle that: <ul style="list-style-type: none"> ✓ supports organisations and commissioning and procurement staff to define and maximise the Social Value that is achieved through our contracts; ✓ enables provider organisations to evidence their response to local social value priorities; ✓ shapes sustainable links between Newcastle’s marketplace and communities by reflecting their strengths and skills; ✓ demonstrates the collective impact of Social Value activity on the lives of Newcastle residents; ✓ influences other anchor organisations in Newcastle to prioritise Social Value. • Develop an awareness-raising programme with internal and external stakeholders to support the effective implementation of the framework • Report focused data on the climate change implications of commissioning and procurement activity |
| <p>b) We want to improve the way we use digital technology to make our processes more transparent and accessible</p> | <ul style="list-style-type: none"> • Embed our online workflow across commissioning and procurement, enabling officers to organise and track their activity easily • Report focused data from our online workflow system improve understanding and control among key internal stakeholders |
| <p>c) We want to maximise the benefits of category and sub-category planning to ensure the best</p> | <ul style="list-style-type: none"> • Develop a standard format for Category Plans and Sub-category Plans and establish a timetable for rolling these out across our category areas. • Enable sub-category leads to shape and support sub-category markets by: |

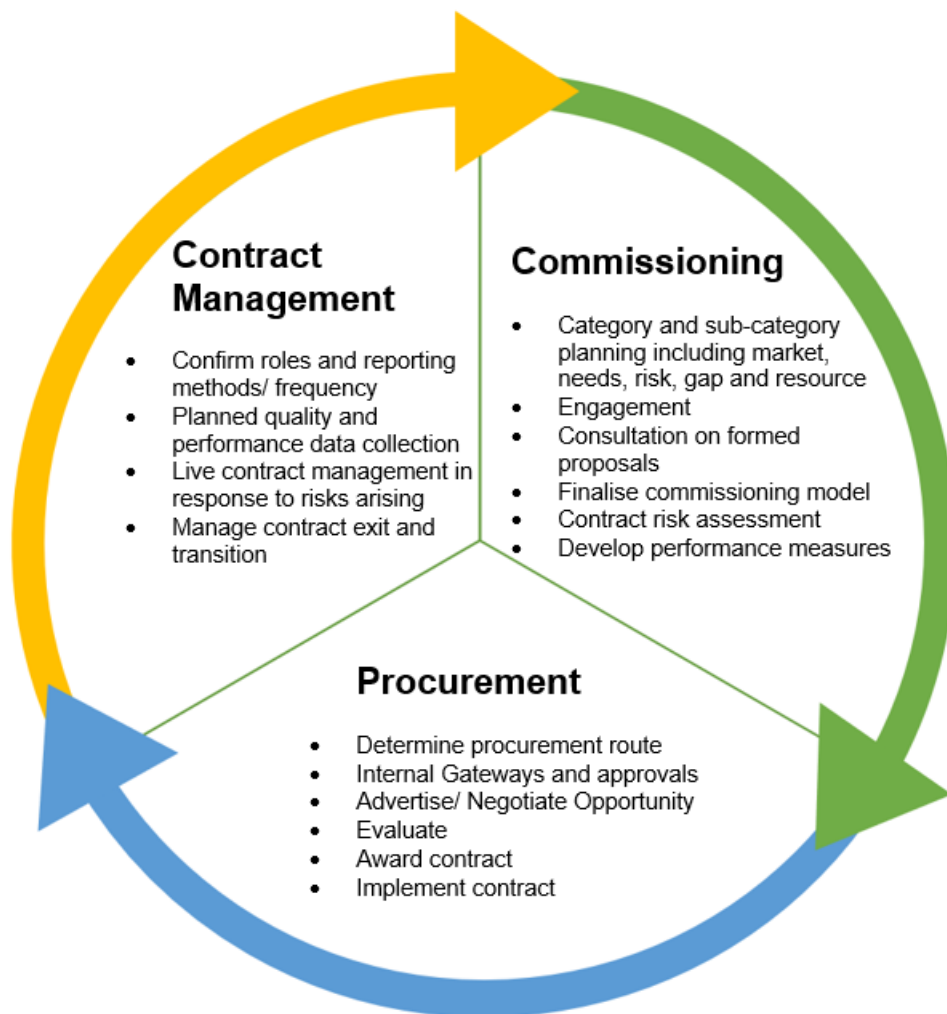
| | |
|-----------------------------------|--|
| <p>quality of decision making</p> | <ul style="list-style-type: none"> ✓ improving visibility of intelligence about local market participation ✓ establishing a mechanism to support opportunities for partnership innovation within and across sub-category markets |
|-----------------------------------|--|

These improvement priorities are about how commissioning and procurement works in the Council. You can find out about our upcoming commissioning and procurement activity in our [Commissioning Intentions](#) and in our [live Category Plans and Market Position Statements](#) (see section 12).

5. About the Commissioning and Procurement Cycle

This plan looks at three different but interrelated stages in the commissioning and procurement cycle: strategic planning and commissioning; procurement; and contract management. Activity to create and deliver Social Value is embedded in each stage, reflecting the Council’s commitment. You can read more about how we do this in Part Two: How we create and deliver Social Value.

Figure 2: Commissioning and Procurement Cycle



6. About Goods, Works and Services

The requirements that we commission and procure can be divided into three overarching types:

- **Goods**, by which we mean goods, materials and related services (that is, services which are integral to the provision of these goods or materials, such as installation, servicing and maintenance);
- **Works**, by which we mean the execution of building, engineering and other works;
- **Services**, by which we mean all other services.

These terms are commonly used in procurement across the public, private and voluntary sectors and in law. You will find these terms used throughout this Plan.

7. How we save money

We save money through our commissioning and procurement activity in a number of different ways, depending on the nature of the requirement and the way in which it is to be funded.

7.1 Securing efficiencies

We seek to identify all opportunities for efficiency every time we commission or procure. An efficiency is a saving that we can make without damaging the outcomes that can be achieved by the resulting product or activity.

Efficiencies can be designed in by us, drawing on intelligence we gather from the market and from stakeholders, or can be identified by providers responding to either competition or negotiation (see section 15 on procurement routes). Good examples of efficiencies include condensed or shared management arrangements and re-engineering of the nature or usage of consumables; these can be driven throughout the supply chain.

When we think about efficiency opportunities, we also consider the work the Council must do to implement contracts once they are procured, and how this can be done in the most efficient way. For example, particularly where specialist skills in fast moving markets are involved, we may procure 'managed solutions' (where the provider manages implementation and ongoing troubleshooting) if our market intelligence suggests that this will be more cost effective than providing this ourselves.

We also secure efficiencies by commissioning and procuring collaboratively with other public sector organisations. See section 8 on the North East Procurement Organisation (NEPO) for more information.

7.2 Competition on price

Efficiencies and other price reductions such as reduction in profit margin can also be offered by providers in response to competition. Some requirements, including most goods contracts and some works and services, lend themselves to competition on price, although we are conscious of the risk that unsustainable price reductions may have supply chain and workforce

consequences. We do not use price only competition for services that look after vulnerable people.

7.3 Fee setting

For some services, particularly those which are delivered as part of the Council's statutory duties, we may be obliged to set fee levels for individual units of service. We do this in consultation with the market and with stakeholders, taking account of market forces, to arrive at reasonable and commercially informed fees that protect service users' interests and meet any specific statutory requirements. The resulting fees are generally placed within overarching framework contract agreements.

7.4 Defining financial envelopes

For some services, often those which are non-statutory, 'block' contracts are offered (contracts where a total annual amount of funding is agreed at the outset, rather than fees being paid case by case). Where we are letting block contracts, our consultation with the market and with stakeholders will help inform a decision about the appropriate level of funding that should be committed to achieve positive outcomes in the context of the Council's overall financial position. Through either competition or negotiation, we then secure the maximum value that can be derived from this agreed level of commitment, which in the current climate is often less than has been offered previously.

7.5 Prevention and 'investing to save'

The Council is committed to intervening early to stop problems escalating wherever possible. Given the financial pressures we face, it is important that these opportunities are defined to a level of detail that enables us to predict what level of financial benefit will accrue, in which financial year(s), and in which part of our budget. This applies both in relation to new opportunities, and where we are recommissioning existing preventative interventions. We know that cause and effect is difficult to prove absolutely, and we are keen to work with providers to establish what data would help create a convincing business case. We also recognise that savings arising from Council funded interventions may accrue to other public sector bodies.

7.6 Payment by results - or 'payment by compliance'

A payment by results (PBR) contract requires the Council to pay for an intervention only where an expected outcome has been achieved. We recognise that providers will expect to be recompensed for the risk involved in this type of arrangement, and that the objective of PBR is to focus resources on achieving the right outcomes, rather than on overall cost saving. We are involved in some Social Impact Bond contracts supported by central government which rely on PBR.

More recently, we have consultatively explored the potential to introduce a more limited 'payment by compliance' approach in some sub-category areas, where a portion of the total contract value is paid on completion of transactional tasks such as data submission. These more bounded approaches are less risky to providers, particularly smaller organisations, as

the action required to achieve full payment is within the provider's direct control.

7.7 Active contract management

Once a contract is let, we work with colleagues Council-wide to deliver effective and active contract management, ensuring that the specified contract is achieving agreed outcomes in a way that delivers value for money. You can find out more about this in [Part 5](#).

All Council officers have a general duty to ensure that the Council and city residents obtain good value for money under the terms of the Procurement Procedure Rules appended to [Financial Regulation 8 within the Newcastle Charter](#).

8. About NEPO

The North East Purchasing Organisation (NEPO) is a collaboration between the 12 North East local authorities which carries out and facilitates collaborative procurement through a 'hub and spoke' arrangement. The objectives of the collaboration are to deliver financial savings, generate social value, maximise opportunities for providers and act as a sounding board and centre of expertise for procurement professionals in the region.

The NEPO collaboration is politically led by the NEPO Collaborative Sub-Committee, currently chaired by Newcastle City Council's Cabinet Member Cllr Veronica Dunn. The Collaborative Sub-Committee provides strategic direction for collaborative procurement across member authority areas. The regional Director of Resources Group (DRG) advises the committee and manages performance across the regional work programme.

The NEPO member authorities have agreed which sub-categories will benefit from collaborative working (see section 13 for more on our local structure of sub-categories). Procurement in these sub-categories is led either by NEPO directly, or on a hub and spoke basis by the member authorities working on each other's behalf.

An officer group called Collaboration North East (CNE) advises DRG on technical procurement matters and identifies opportunities for the regional procurement work programme along with potential leads to undertake the work.

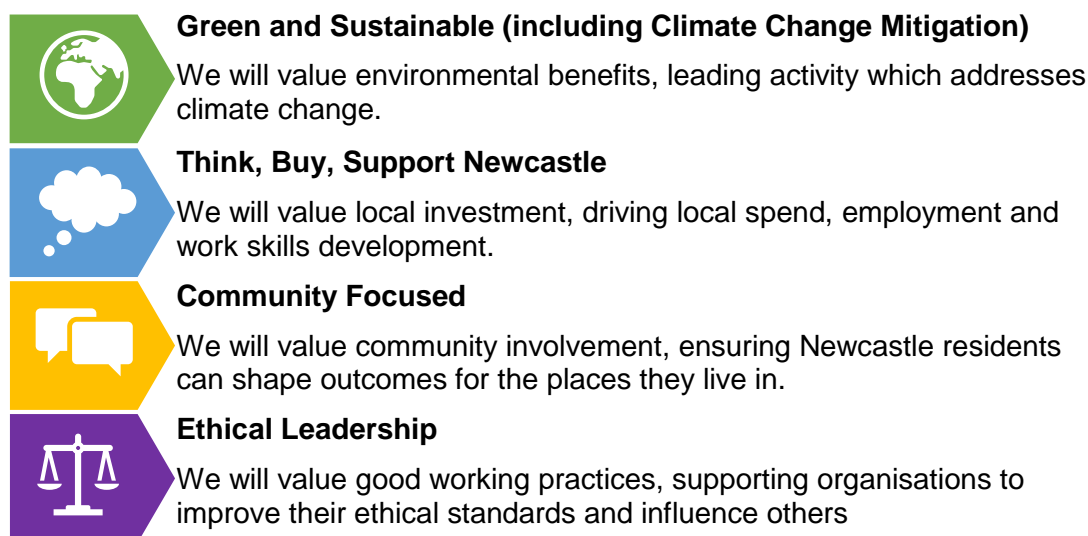
For more information about NEPO visit the NEPO webpage [here](#).

Part Two: How we create and deliver Social Value

9. Social Value in Newcastle

Social Value is, simply, value that accrues in our local communities. It is what city residents say is valuable to them, like a clean and safe place to live, fair and sustainable employment, or equal access to good quality local services. This definition of Social Value was developed in consultation with local stakeholders in a Social Value working group at the start of our development journey. From this understanding, the group applied Social Value to commissioning and procurement in the following areas

Figure 3: Social Value Commitment Themes

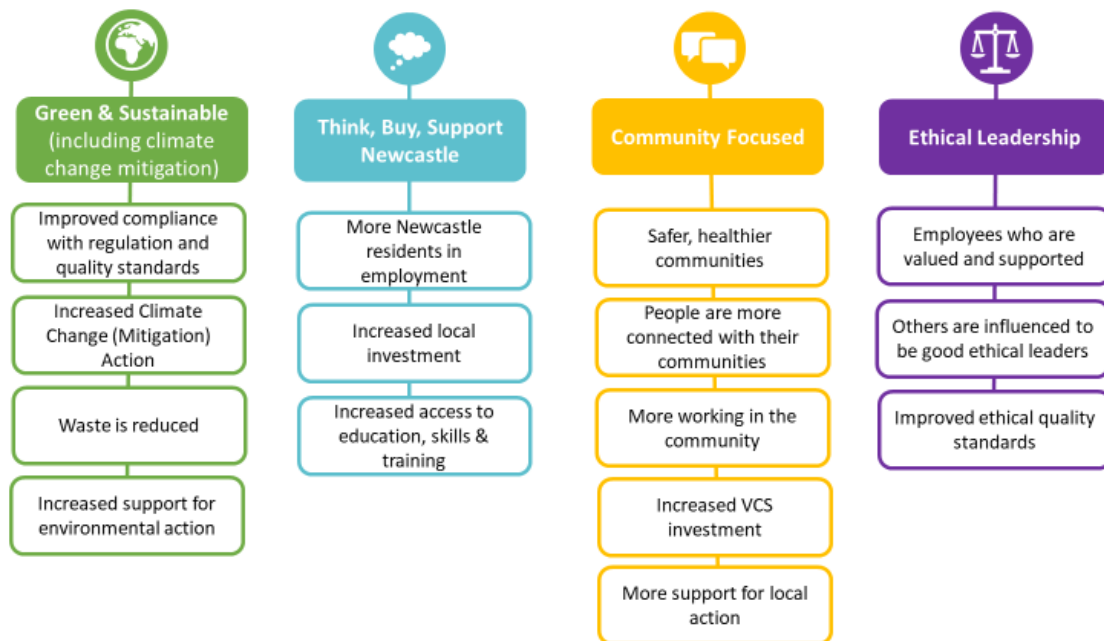


Social Value is not an add-on to our core business; it is fundamental to the way we think and the way we act. The principles in our Social Value Commitment support us to develop Social Value that is meaningful to city residents through all our Council activities, including in our roles as a major employer, as service deliverer and as a city anchor organisation. Our Social Value approach supports Community Wealth Building and public sector local investment objectives, providing practical tools and processes for shaping our local economy.³

With support from local stakeholders, we have developed a Social Value Outcomes Framework for Newcastle that aligns our local priorities with the skills and ambition of our partners to achieve more for our communities. The framework reflects the diversity of activity that contributes to our Social Value themes and challenges providers to achieve more for Newcastle. It sets out the high-level outcomes that we are seeking to achieve within our four themes and goes on to identify some of the activity measures that could help us understand the progress we are making towards these outcomes.

³ [Labour Community Wealth Building Unit](#)
[Locality - Keep it Local Campaign](#)
[North of Tyne Good Work Pledge](#)

Figure 4: Social Value Outcomes Framework summary



You can read our full Social Value Commitment, including more about how the Framework was developed and the performance and activity measures we have identified supporting each outcome, at [Appendix 3A](#).

10. Social Value in commissioning and procurement

Although our ambition is to create Social Value through all Council activity, we recognise that the way we buy goods, works and services for the city is a very important lever for Social Value. In this Plan, therefore, we particularly focus on how Social Value is identified, delivered and measured within our commissioning and procurement processes.

Our approach to Social Value complies with the requirements of the Public Services (Social Value) Act 2013 to consider: *how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area [Newcastle]; how, in conducting the process of procurement, we consider only matters relevant to what is proposed to be procured and, in doing so, consider the extent to which it is proportionate in all the circumstances to take these matters into account.*⁴

This means that by designing opportunities for Social Value during the entire commissioning and procurement cycle, we ensure that stakeholders are actively involved in shaping the way it strengthens contract delivery.

This section provides a summary; you can read more about how we work in the rest of this Plan.

⁴ The Public Services (Social Value) Act 2012 <http://www.legislation.gov.uk/ukpga/2012/3>

10.1 Commissioning for Social Value

The goods, works and services we buy are divided into categories and sub categories (see section 12) according their connection by a common market, user group or policy agenda. We consider ways to maximise the Social Value generated in each sub-category and category by prioritising key outcomes and facilitating the sharing of skills and resources.

When we first look at a category or sub-category to analyse needs, strengths, gaps or risks, we also consider how the skills, knowledge and resources of organisations in that marketplace can contribute to the Social Value outcomes we want to achieve. We consider contract lengths, lots and geography to respond to readiness of our local markets, ensuring that Social Value can be incorporated in the procurement phase.

In engagement and consultation with potential providers, we focus not only on what we intend to buy from them, but also on the ways they run their organisation. By understanding their ethos, processes, local connections and plans for the future, we can make the strongest connections between what they can achieve and who will benefit.

During engagement and consultation, we also include voluntary and community sector representation by inviting organisations to participate in sessions that build awareness of community action and explore relationships that develop community skills and assets.

When we finalise a commissioning model and define contract opportunities, we may if appropriate include performance and activity indicators drawn from our Social Value outcomes framework or include Social Value focused special requirements in the contract documents.

10.2 Procuring for Social Value

The chosen route for procurement incorporates consideration given to local markets during the commissioning phase. Tender evaluation questions are included to assess a potential provider's contribution to Social Value opportunities identified in the tender specification and evaluation of Social Value responses is conducted in line with the award criteria set out in the procurement documentation.

Weighting for Social Value criteria in tender evaluation is allocated in proportion to the requirements of the contract, considering the opportunities for Social Value identified during the commissioning phase. Scoring also includes Social Value innovation offered by organisations in their response to Social Value priorities defined in the tender specification.

10.3 Contract managing for Social Value

During the life of the contract, we maintain an open dialogue with providers about the Social Value they are achieving and how we can support them to make further impact. If we have included performance or activity measures drawn from our outcomes framework in the contract these will be evaluated in line with our contract

management matrix (see [table 5](#)). We also gather qualitative information from providers, such as case studies, to illustrate the impact of their Social Value activity.

10.4 Working collaboratively for Social Value

When we commission and procure in collaboration with partners, we consider how Social Value can be designed to meet the requirements of all parties and maximise impact. Where we lead collaborative projects, we can demonstrate the efficacy of embedding Social Value from the start of the process to partners and influence them to adopt our approach.

11 Social Value Opportunity Identification

Our Social Value Opportunity Identification questions (SVOI tool) is used in conjunction with our [Social Value Outcomes Framework](#) to discover and create opportunities for Social Value with stakeholders during the commissioning and procurement process and indicate how these opportunities will be delivered. In larger commissioning exercises, the SVOI questions may be used to engage stakeholders in co-design at events. For lower value or less sensitive exercises, we may use a Let’s Talk consultation, direct communication with relevant providers and stakeholders, or answer the questions by talking to relevant Council officers only. The approach to SVOI will be determined by the lead Commissioner, and a template which can be used for summarising the findings can be found in [Appendix 3B](#).

Table 2: Social Value Opportunity Identification questions

| Social Value Priority | Questions we will ask |
|--|---|
| Green and Sustainable (including Climate Change Mitigation) | How can organisations account for the impact of their activity on the environment and act to improve it? How can their activity contribute to Climate Change mitigation? How does this affect Newcastle residents? – Think about resources used and improvement action, local and sustainable sourcing of materials, training and awareness raising within the organisation and in the wider community, investment in green spaces and the local built environment <i>Answers may influence: Service design and our requirements; contract clauses; evaluation questions and methodology; performance and activity indicators; and the procurement process including elements of the SQ.</i> |
| Think, Buy, Support Newcastle | How can the local or regional market deliver increased benefit to Newcastle residents? – Think about local supply chains, use of local resources, employment, training and social benefits. <i>Answers may influence: Service design and our requirements; evaluation questions or methodology; performance or activity indicators</i> |
| Community Focused | How can the wider community* be involved in delivery? How can the strengths of community groups, buildings, knowledge and resources be supported through both contract design and delivery? – Think about community data (and what it tells us about community needs and strengths). Think about how sustainable links between delivery organisations and communities can be built. * communities can be defined by place, interest, need, identification <i>Answers may influence: Contract geography decisions linked to Lot Structure; performance or activity indicators</i> |

Ethical leadership

How can organisations demonstrate good ethical leadership in the way they operate and the way they influence others? – Think about quality standards, policies and initiatives to reduce inequality and improve health and wellness, quality of employment practices and participation in social action.

Answers may influence: Service design and our requirements; contract clauses; evaluation questions and methodology; performance and activity indicators; and the procurement process including elements of the SQ.

Part Three: Commissioning Process

This phase of the overall commissioning and procurement cycle includes strategic analysis, engagement, consultation and finalisation of a commissioning model.



12 Category and Sub-category planning

We approach our strategic planning in category and sub-category areas⁵.

At its most basic level, the purpose of using categories in commissioning and procurement is to group together similar requirements from across a business in order to take a combined, more competitive contract to market. However, working through categories and sub categories also helps us to better understand and act on opportunities for Social Value that are common to organisations in a particular part of the market, and to identify areas where we can help to improve local market participation to increase local spend. The category and sub-category structure also gives our staff clarity about their responsibilities and priorities and will help us to report effectively on commissioning and procurement activity within the Council's governance structures.

In our local arrangements, a sub-category can be understood as a part of the market that delivers like goods, works or services, whilst a category can be understood to cover a range of commissioning that responds to a particular policy agenda. Our local structure of categories and sub categories - our 'Category Tree' - is shown on page 18.

One of our improvement actions for this year is to develop and introduce a new standard document format to support category and sub-category planning. This will replace our existing Market Position Statement format for public-facing category planning documents and will introduce a standard sub-category level document format for internal use.

12.1 Category Plans

Our Category Plans will set out the Council's vision and objectives for the category in the same way as our existing Market Position Statement format, including key information such as:

- **Opportunities for Social Value** – generated through application of our Social Value Commitment and outcomes framework supported by our SVOI tool.

⁵ A note on classification methodology: Our category structure draws on two independent categorisation methodologies: [Proclass](#), a spend analysis classification system owned by and prevalent throughout local government in the UK, and the [United Nations Standard Products and Services Code](#). Linking local category planning to these frameworks enables us to accurately compare our spending with that of other organisations. However, there are some areas of these frameworks, particularly in social care, where a more granular categorisation is needed to reflect actual market conditions and manage risks.

- **Outcomes** – what outcomes we are seeking to achieve in the Category area, how we want to achieve them and how will we know we are achieving our goals.
- **Policy and partnership context** – including any legislative frameworks, statutory duties and /or key national and local policy drivers which must be taken into account.
- **Needs analysis** – for example population projections, demographics, prevalence, demand data and information about how these factors are likely to change over time. This may include information about the wellbeing and health needs of our residents and communities, or requirements arising from new technology or changing public expectations.
- **Finances and funding** – including opportunities to join up resources and activity with other partners to maximise our impact.
- **Stakeholder feedback** – what practitioners, service users, residents and partners are telling us.
- **Market analysis** – the shape of the sub-category market and how is this likely to change, including any particular strengths weaknesses or gaps.
- **Priorities and risks** – our commissioning priorities and how we plan to implement them and manage any risks.

For categories including adult social care services, Category Plans will include information required by section 5 of the Care Act 2014.

Developing a Category Plan is an important way in which we establish communication with the local market about our commissioning intentions. We will often begin developing a Category Plan in the engagement phase and continue to develop and refine it through consultation (see below for definition of these terms).

You can read existing Market Position Statements and in due course Category Plans at <https://www.newcastle.gov.uk/business/doing-business/provider-information>

12.2 Sub-category Plans

Analysis by sub-category enables us to identify efficiency opportunities and areas where commissioning and procurement action is needed to align arrangements to business needs. Category analysis includes examination of:

- suitability of contractual commitments within the sub-category
- purchasing patterns
- benchmarking of financial and social value with comparators
- performance and quality of current contracts (see also Part 4: Contract Management).

Table 3: Our category tree

Category Lead: Angela Jamson

| | |
|--|-------------------------|
| Looked after children Published: 2017 (Looked after Children) | |
| Adoption and Post Adoption services | Collaborative (RAA) |
| Independent fostering services | Collaborative (NCC led) |
| Residential homes | Collaborative (NCC led) |
| Residential short breaks and respite | Collaborative (NCC led) |
| Supervised contact | Collaborative (NCC led) |
| Supported lodgings | Social Care |
| Unregulated accommodation and support for 16-17 year olds | Inclusion |
| Specialist social care services Published: 2016 (LD & Autism Adults), 2015 (MH) | |
| Learning disability and autism services | Social Care |
| Mental health services | Social Care |
| Specialist Home Care | Social Care |
| Shared lives | Social Care |
| Residential Care Adults under 65 | Social Care |
| Support at home for older people Published: 2016 (Domiciliary Care), 2015 (HWC) | |
| Home care | Social Care |
| Aids and adaptations | Social Care |
| Housing with care | Social Care |
| Residential care for older people Published: 2016 (Residential and Nursing Care) | |
| Residential care for older people | Social Care |
| Community opportunities for older people Published: 2015 (Community Opportunities) | |
| Community based services | Social Care |
| Day services | Social Care |
| Supporting carers Published: 2015 (Young Carers) | |
| Services for carers | Social Care |
| Information, advice and advocacy Published: 2016 (Info, Advice and Advocacy) | |
| NHS complaints advocacy | Collaborative |
| Statutory advocacy for children | Collaborative |
| Statutory information, advice and advocacy for adults | Social Care |
| Direct payments | Social Care |

Category Lead: Louise Lane

| | |
|---|---------------|
| SEND Published: 2016 (LD and Autism Children), Draft 2018 (SEND) | |
| Independent residential schools | Collaborative |
| Therapies | Inclusion |
| SEN transport | T&R |
| Services for children with disabilities | Social Care |
| Early help and family support | |
| Family support services | Inclusion |
| Parenting support | Inclusion |
| Youth | |
| Targeted youth services | Inclusion |
| Education | |
| Adult education | Inclusion |
| Alternative provision | Inclusion |
| Creche provision | Inclusion |
| Early education and childcare (2, 3 and 4-year-old provision) | Inclusion |
| Education equipment and supplies | T&R |
| Education services | T&R |
| Domestic violence and abuse | |
| Domestic violence and abuse services | Inclusion |
| Perpetrator programme | Inclusion |
| Rape and sexual abuse services | Inclusion |
| Active Inclusion Published: 2013 (Crisis Response) | |
| Financial inclusion services | Inclusion |
| Migration and asylum services | Inclusion |
| Crisis response and homelessness prevention services | Inclusion |
| Public Health Published in 2013: PH Drugs and Alcohol, PH Tobacco Control, PH Sexual Health, PH Obesity, Nutrition and Physical, PH Fluoridation and Oral Health, PH Health Checks, PH Wellbeing and Health Improvement | |
| Children and young people's public health services | Inclusion |
| Drug and alcohol services | Inclusion |
| Public Health mental health services | Inclusion |
| Obesity, nutrition and physical activity services | Inclusion |
| Sexual health services | Inclusion |
| Stop smoking services | Inclusion |
| Wellbeing and health improvement | Inclusion |
| Supporting community action | |
| VCS infrastructure and volunteering support | Inclusion |
| Newcastle fund and grants management | Inclusion |

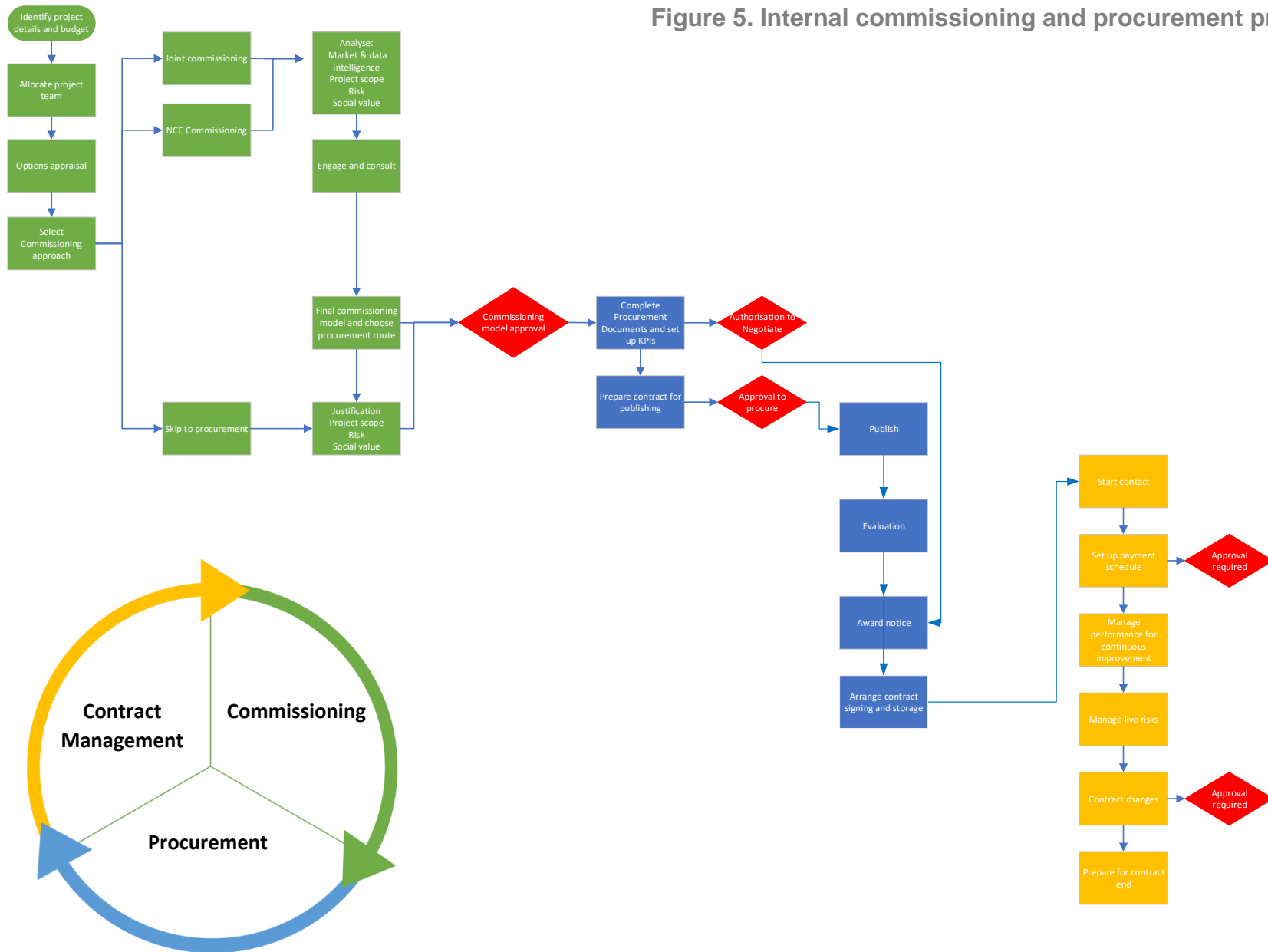
Category Lead: Michael Page

| | |
|---|---------------|
| ICT and telecoms | |
| ICT services | T&R |
| ICT hardware | T&R |
| ICT software | T&R |
| ICT telecoms | T&R |
| Procurement Systems | Collaborative |
| Environment and neighbourhoods | |
| Environmental services | T&R |
| Horticultural equipment and services | T&R |
| Hygiene services | T&R |
| Public and product safety | T&R |
| Waste and recycling | T&R |
| Housing and facilities management | |
| Catering and banqueting | T&R |
| Cleaning and janitorial materials | Collaborative |
| Cleaning and janitorial services | T&R |
| Domestic goods | T&R |
| Furniture, commercial, domestic, educational and office | Collaborative |
| Housing and facilities management | T&R |
| Property management | T&R |
| Security equipment and services | T&R |
| Communications and marketing | |
| Document archiving and storage | T&R |
| Interpreting and translation | T&R |
| PR and image | T&R |
| Post and mail room services | T&R |
| Print and design | T&R |
| Building construction | |
| Building construction works, repairs and maintenance - commercial | T&R |
| Building materials, repairs and maintenance - commercial, residential and housing | T&R |
| Building construction works, repairs and maintenance - residential and housing | YHN |
| Landscaping design works and services | T&R |
| Culture and sport | |
| Arts and leisure services | T&R |
| Events | T&R |
| Sports and playground works, equipment and maintenance | T&R |
| Burials and crematoria | |
| Burials and crematoria | T&R |

Category Lead: Rhonda Eagle

| | |
|--|-------------------------|
| Legal services | |
| General and specialist legal services | Collaborative (NCC led) |
| Barrister services | Collaborative (NCC led) |
| Election services | Collaborative |
| Finance | |
| Audit, accountancy, banking, credit and pre-paid cards | Collaborative |
| Cash collection | T&R |
| Debt collection | T&R |
| Insurance services | Collaborative |
| Civils Engineering and highways | |
| Aggregates and concrete | Collaborative (NCC Led) |
| Civil engineering works, repairs and maintenance | Collaborative |
| Highways works, repairs and maintenance | Collaborative |
| Highways and civil engineering materials | Collaborative |
| Highways services and equipment | Collaborative |
| Traffic management | Collaborative |
| Travel and transport | |
| Cycling | T&R |
| Parking | T&R |
| Passenger transport | Collaborative |
| Urban and transport planning | T&R |
| Taxis | T&R |
| Vehicle management and heavy plant | Collaborative |
| Staff services | |
| Agency staff | Collaborative |
| Consultancy, Professional Advisory and Training Services | Collaborative |
| Technical consultancy | Collaborative |
| Staff Travel | Collaborative |
| Occupational Health | T&R |
| HR services and conferences | T&R |
| Organisational supplies | |
| Clothing and uniforms | T&R |
| Office supplies | Collaborative |
| Subscription and periodical services | T&R |
| Care consumables | Social care |
| Library literature and school books | Collaborative |
| Lifts and Escalators | |
| Lift installations and maintenance services | Collaborative |
| Escalator installations and maintenance services | Collaborative |
| Asbestos and Demolition | |
| Asbestos removal services | Collaborative |
| Asbestos analytical services | Collaborative |
| Demolition services | Collaborative |
| Energy | |
| Energy efficiency | Collaborative |
| Gas | Collaborative |
| Electricity | Collaborative |
| Water | Collaborative |
| Fuels | Collaborative |

Figure 5. Internal commissioning and procurement process



13 How commissioning works

Every commissioning exercise is unique, and we develop each process as we gather feedback from stakeholders. In this section we have described the stages and products that stakeholders can expect to see, in different combinations, in commissioning exercises that we carry out. The balance of activity in each exercise varies depending on many factors, including the scale and scope of the expected changes, the complexity of the stakeholder group and available time.

We will use the terminology in this section consistently, so that stakeholders understand what they can expect from our communications and events in each stage.

13.1 Initiating commissioning, Commissioning Intentions and the Contracts Register

There are two primary routes through which we initiate commissioning exercises: due to the ending of an existing contractual arrangement in the context of a continued need; and due to identification of a new requirement.

Every six months we publish a [Commissioning Intentions](#) statement which allows stakeholders to engage in the very early stages of the commissioning design process. The statement identifies the most significant commissioning and procurement exercises that we expect to carry out, including when we anticipate beginning a commissioning conversation with the market.

Our Commissioning Intentions are derived from our wider [Contract List](#) where you can see details of all existing contracts which we expect to come to an end for the next three years. The information in the Contracts Register is only ever indicative but gives a good sense of what is likely to be happening when.

13.2 Identifying opportunities for joint commissioning

In each exercise we will consider whether there are benefits in commissioning with partners. We seek to work with a range of city and regional partners, including other public sector commissioning organisations. By working together with other commissioners, we can identify opportunities for social and financial value and improved user experience. Joint commissioning does not necessarily equate to joint procurement; aligning procurement is only one of many ways that we can jointly commission, including:

- developing arrangements for packages of service to individual people to be jointly designed, drawing from a range of macro commissioning arrangements;
- aligning commissioning plans for the same or complementary requirements (for example, services within a single 'service system')
- pooling funding for a particular requirement or service user group, from which either joint procurements or single organisation procurements may draw;

- agreeing a shared specification and running a single procurement process which one partner organisation oversees.

These steps may be used in various combinations as appropriate to the requirements.

13.3 Identifying opportunities for co-production

Co-production is not the same as either engagement or consultation; it is a process of joint development and design that, crucially, is based on and grows out of an equal partnership between stakeholders. Experts acknowledge that true co-production is very difficult to achieve, both because true equality of partnership is hard to create and maintain and because the process of co-production places additional time and capacity burdens on all parties involved. Despite these challenges, we are keen to work with partners to develop opportunities for true co-production where it is viable and appropriate. If you are interested in co-production you may also want to read our [joint Compact](#) with the voluntary community and social enterprise sector.

13.4 Engagement and consultation

When seeking stakeholder views and contributions we may use either or both engagement or consultation, which are two distinct tasks. Our stakeholder groups may include:

- the market, to test whether our proposal is likely to be successfully procured and to check delivery risks;
 - people who are or will be direct users of the goods, works or services we are commissioning, in a way that is proportionate to the changes they are likely to experience, and that takes their individual needs into account;
 - relevant workforce and Trade Union representatives
 - broader city and community stakeholders, to check for broader risks or issues.
- **Engagement** – at the engagement stage, we will be talking to stakeholders about our likely future requirements and how we should define them. At this stage there is no formed proposal, and stakeholders are asked to contribute their expertise and ideas, for example in response to the Social Value Opportunity Identification process described above. We may support this process by bringing forward relevant information about existing arrangements. Engagement can take place digitally or face to face, depending on what is most appropriate and proportionate to the requirements.

Within the broad phase of engagement, we do particular work to engage the market – the organisations which are or which may become our providers. This helps us to understand where we have a strong market able to innovate, or where markets may be less developed and need some further support (see also section 14 on procurement readiness). In some areas, particularly in adult social care, we are statutorily obliged to take steps to ensure market sustainability. In other areas, whilst we may not have a duty set down in law, it is nonetheless important that we respond to

providers' interests and concerns, balancing these with the Council's drivers and priorities, so that the goods, works and services that we require can be procured successfully and sustainably.

- **Consultation** – at the consultation stage, we will have developed one or more formed proposals, and stakeholders are asked to consider the impact of these particular ideas.

The format of a consultation proposal will vary depending on the subject matter and audience. Where appropriate, it will include an Equality Impact and Needs Assessment (EINA) to formally capture feedback on equality and diversity implications. The Council combines the legal requirements of an EINA within a broader range of socio-economic impact factors within its standard Integrated Impact Assessment (IIA).

The engagement and consultation process is iterative in nature; consultation may lead to further engagement and consultation, and we may undertake several exercises within a single commissioning exercise where required.

14. Establishing a Commissioning Model

When consultation ends, we consider all the feedback to inform our final plan – our 'commissioning model'. For significant or complex activities that are identified in our [Commissioning Intentions](#), we may use a Delegated Decision to formalise the choice of the commissioning model prior to any necessary procurement exercise, and to communicate this Decision to all stakeholders. See [Part 6](#) for more on Decision-making.

The commissioning model will define the nature of goods, works or services that we need to procure (but may also include elements that the Council intends to deliver itself), and will set out the structure of contract opportunities that we will propose to the market.

For each contract opportunity we must consider the following points:

- Is the proposed contract a 'critical contract'?
- What level of risk is inherent in the nature of contract?
- What performance and activity measures should be built in?
- For service contracts, should a service quality framework be built in, and if so what it should cover?
- Should any other special terms and conditions be included in the contract?
- What information is or will be required to support contract exit?

The next sections explain these considerations in more detail.

14.1 Critical Contracts

The Council defines a critical contract as "a contract that is significant to the Council in terms of fulfilling its statutory and service delivery obligations" ([Financial Regulations](#); page 44).

Determination of whether a contract is critical contributes to the overall risk score for the contract (see below). However, critical contracts may be assessed as high, medium or low risk.

The 'critical' label must be applied thoughtfully, as the purpose of it is to enable immediate identification of the Council's most important contracts. Critical contracts will be subject to:

- identification as critical in the Council's Contract Register (the Council's financial regulations oblige officers who are aware of critical contracts to alert the Commissioning and Procurement team to these);
- obligatory identification of a Commissioner within the Commissioning and Procurement Team as the Authorised Officer;
- additional business continuity planning and review arrangements (see section 21.1 on business continuity at procurement stage and section 25.1 on business continuity assurance as part of contract management);
- more frequent risk reporting into Directorate Management Teams and Directors Team;
- potential scrutiny by Audit Committee.

14.2 Inherent risk

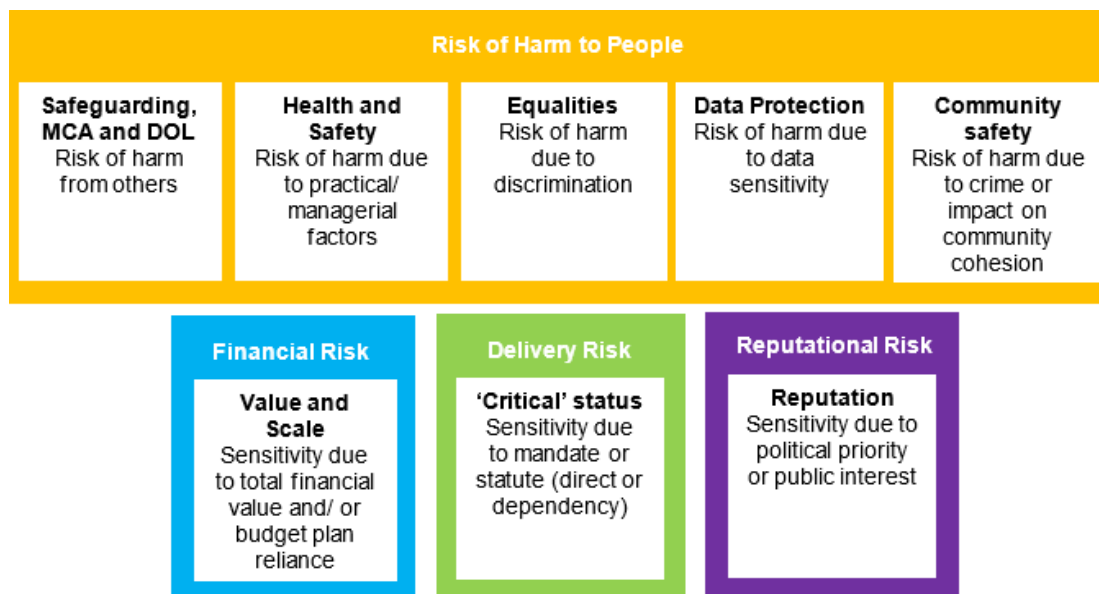
Before we procure any goods, works or services we need to understand the risks inherent in the proposed activity. Understanding this inherent risk is different from managing the risks arising during delivery, which is considered in the contract management phase (see [Part 5](#)).

We group risk into four broad themes: risk of harm to people (which has several components), financial risk, delivery risk, and reputational risk. Assessing each aspect of risk enables us to make informed decisions about:

- the terms and conditions that should be part of the contract, including whether we need to introduce any special terms;
- the performance and activity indicators we should use to measure delivery;
- what, if any, quality framework should be used;
- inclusion of proportionate tests in the procurement process;
- the provider insurance levels required.

Figure 6 sets out these themes and the considerations that need to be taken against each:

Figure 6: Aspects of contract risk assessment



Our [Risk Summary Tool](#) combines these individual risk assessments to calculate an overall risk score: high; medium or low. This score is used to determine the frequency and intensity of contract management actions during the life of the contract – see section [25.1](#) for more on the contract management matrix.

14.3 Performance and activity indicators

We use an outcomes-based accountability model for designing activity and performance indicators for all contracts. This means considering what quantitative evidence should be gathered to assess:

- **how much** has been delivered
- **how well and safely** it has been delivered
- and **whether anyone is better off** as a result.

We use performance and activity indicators to understand the efficacy of contract delivery and to shape our planning in the wider sub-category area.

Performance indicators are used to measure the extent to which a contract is meeting its specified aims. In each contract, performance indicators are carefully designed to measure compliance with contract specification, scale of activity that contributes towards intended outcomes, and the impact of that activity. Performance indicators should be small in number and proportionate to the contract, both in terms of the nature of the contract and the capacity of providers to supply the information required.

Activity indicators can help us to understand the bigger picture surrounding contract delivery by identifying context. By measuring activity that is

influenced by external trends, we can better understand the performance of providers to deliver the aims of the contract.

These indicators require a mixture of quantitative and qualitative reporting to measure:

Inputs - the resources drawn upon and the activity delivered to achieve an objective

Outputs - the immediate results of those inputs

Outcomes – the benefits, impact or longer-term results of inputs and outputs

Together, this information helps us to understand how contracts achieve their intended outcomes and provide insight to support continuous improvement.

Where Social Value activity has been designed into contract delivery, indicators are also set to measure how it is achieved. These indicators can be selected from our Social Value Outcomes Framework or may include bespoke information requirements to measure activity that is unique to a contract.

14.4 Quality frameworks for service contracts

We use a modular Service Quality Framework SQF, which has a core module that should be built into all service contracts. The core module specifies the key policies and procedures that we expect all service providers to have in place (for example a current whistleblowing policy and evidence of insurance). Most of the items that are checked through the core module are also required within the contract terms. Review of the core module can be completed as a desktop exercise.

Additional SQF modules can be added as relevant to the contract; some of these modules require both desktop review and a verification visit.

14.5 Prepare for contract exit

Consider what information will be required to develop and implement an exit plan, and make sure that this is secured either in the performance and activity indicators or via the contract terms and conditions (see section 27 for more on contract exit and transition).

14.6 Standard and special terms and conditions

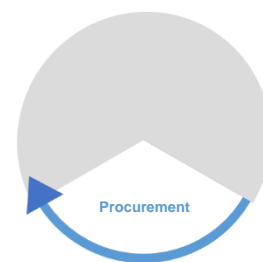
The council utilises a set of standard terms and conditions which form the basis of our contracts for goods, works and services. Where there is a specific requirement for goods and works or the delivery of services, the Council will supplement our standard terms and conditions with a set of special terms and conditions specific to the requirements of individual Contracts.

Part Four: Procurement

15. Procurement principles

'Procurement' means the process of purchasing the requirements that we have identified in the commissioning stage. When conducting a procurement exercise, we will comply with any relevant legal requirements as well as the Council's own Financial Regulations.

Where there is a requirement to undertake a formal procurement process, we will also seek to balance the essential and interrelated principles below:



15.1 Transparency

Transparency is a key principle within procurement law. To ensure transparency we will set out our requirements and what is expected of a bidder in advance of any procurement exercise. This will include the criteria against which we will score bids, and how the resulting scores will be used to make a procurement Decision. We will also respond to a broader interpretation of what transparency means by making information about procurement decisions that is not commercially sensitive available for public examination.

15.2 Fairness

Fairness is a key principle within procurement law. Among other things it means we will only score bids based on criteria that are related to the subject matter of the contract. Our [Social Value Opportunity Identification Tool](#) will help to inform us and structure these criteria. This resonates with the broader principle of 'Fair Play' one of the four principles of fairness identified by the Newcastle Fairness Commission, through which we commit to ensuring fair process.

15.3 Equal treatment

Equal treatment has a particular meaning within procurement law. It means that all bidders must be given the same opportunity to bid, have access to the same information from us, and have their bids evaluated against the same criteria in a non-discriminatory way. Additionally, we recognise our legal duty to ensure equal treatment of individuals under the Equality Act 2010, and we will use contractual levers to help ensure that these principles are met throughout our supply chain. These meanings fit with the broader principle of ensuring everyone has a 'Fair Go', one of the four principles of fairness identified by the Newcastle Fairness Commission.

15.4 Proportionality

We recognise the importance of proportionality and are aware that deciding what is proportionate depends on our having an understanding of all partners' needs and expectations, as well as other relevant factors.

15.5 Commerciality

We recognise that our commissioning and procurement activity can only be effective if we take into account the market forces and other commercial parameters within which provider partners are working. These include

national legislation and also market standards, common practice and factors that affect or create competitive advantage.

All Council officers have a general duty to ensure that the Council obtains good value for money, and that competition is true and fair without discrimination, is transparent and free of corruption under the terms of the Commissioning and Procurement Procedure Rules appended to Financial Regulation 8 within the [Newcastle Charter](#).

15.6 Responsibility

We provide a wide range of goods, works and services directly and through contracts with partners. We are committed to improving practices to prevent slavery and human trafficking in compliance with the Modern Slavery Act 2015. Our Modern Slavery and Human Trafficking Statement defines our arrangements and procedures for the eradication of slavery and human trafficking, including the requirement for all tendering organisations to confirm their own compliance and that of their subcontractors with the Act.

16 The law and the Council's Rules

Commissioning and procurement in the Council is carried out in compliance with both relevant legal obligations and the Council's own Financial Regulations, particularly the Commissioning and Procurement Procedure Rules appended to Financial Regulation 8. The Council's Regulations and Rules are determined by the Council itself in the context of the law, and set out how officers must act.

You can find the Commissioning and Procurement Procedure Rules at: <https://www.newcastle.gov.uk/local-government/newcastle-charter>

16.1 EU thresholds and the Council's Rules on competitive procurement

The Public Contracts Regulations require that where set threshold values for goods, works and services contracts are exceeded, the Council must competitively tender via an OJEU⁶ compliant procurement process.

From 1st January 2020 the EU Procurement Thresholds³ are:

- **Goods** with a total estimated value of **£189,330** or more;
- **Works** with a total estimated value of **£4,733,252** or more;
- **Services (General)** with a total estimated value of **£189,330** or more;
- **Services (Social)** with a total estimate value of **£663,540** or more

Any update to these thresholds will be published within the Council's Commissioning and Procurement Procedure Rules which are normally reviewed by Cabinet and Full Council annually. Note that the values

⁶ Official Journal of the European Union <http://www.ojeu.eu/whatistheojeu.aspx>

³ A further threshold for Social and Other Specific Services was introduced to the Public Contracts Regulation in February 2015, following a comprehensive legislative review; service types covered by the 'light touch regime' within this new strand can be found [here](#) (pages 17-18). Services not covered by the Social and Other Specific Services strand will adhere to the general service threshold.

quoted represent the expected lifetime (i.e. multi-year where applicable) value of the contract, including any options to extend.

16.2 About contracts, including options to extend

There are many possible ways to structure the requirements of a contract. Our Social Value considerations and the findings of our engagement and consultation during the commissioning phase help us to define reasons for a particular contract structure - for example, whether contracts should include Lots (subdivisions within the contract which can be awarded to different organisations).

The length of time that a contract runs is a key question. This is influenced by the availability and certainty of funding, intelligence about what is likely to be acceptable to the market and therefore result in acceptable bids, and our expectation of the timing, value and scope of likely future changes. Contract length is also influenced by social value considerations.

A contract will always have an initial term, and it may also include one or more options to extend. The total length of any options should normally not exceed the length of the initial term. Including and using options helps us to avoid running procurement processes which are unlikely to add value. Factors that might influence a decision not to take up an available option to extend include stakeholder dissatisfaction with delivery or outcomes which is not serious enough to warrant a contract default, changes in availability of funding, availability of new information that supports a change in the commissioning model or changes in the context within which the contract is operating.

17 Procurement readiness in the local market

Ensuring that local organisations are 'procurement ready' is essential for delivering Social Value. It not only helps to create the conditions for a thriving and sustainable marketplace from which high-quality goods, works and services can be drawn, but is also a key part of the local economic development of the city.

In recognition of this, the Council's Business and Intellectual Property Centre, along with NEPO and B2B North, currently deliver the NEPO Business Club, a programme of procurement support events aimed at increasing the competitiveness of local organisations, including tender readiness. Most of these events are free to attend and details are available on www.nepoportal.org.

These sessions and networks play an important part in supporting local market readiness, however we recognise that each market has different characteristics, and that this type of support may work better for some markets than others. Our improvement priority on embedding and supporting sub-category leadership and planning will help us to identify opportunities to support our local marketplace in targeted ways.

18 Procurement routes

Where we have the skills and capacity to do so it is our policy to deliver services directly. In these cases, there is no procurement process and arrangements are simply made for the relevant part of the Council to deliver the requirements.

This section looks in detail at the different ways we can procure goods, works and services right across our business, and when these choices may apply.

18.1 Use of pre-existing procurement solutions (local, regional and national)

If we have established that we cannot provide the requirements directly, we first consider whether we have an existing contractual arrangement through which we can secure them. Council officers must check whether there is a relevant existing arrangement prior to embarking on a procurement exercise, regardless of its value. Council officers can access information about existing arrangements through our intranet page [‘Buy It’](#) (internal link only), and all stakeholders can view this information on the [NEPO portal](#).

Sometimes we or other public sector bodies may competitively procure Framework Agreements and other procurement solutions. These are agreements between one or more commissioners and one or more providers which set out the terms on which future contracts will be awarded. The terms of a Framework Agreement or other procurement solutions typically set the price and the quality of the relevant goods, works or services, and the solution lasts for a defined period of time. The initial procurement will appoint providers to the solution and individual contracts may subsequently be awarded to these providers, usually via a further ‘mini competition’. This is known as a ‘Call-off Contract’. You can read about the decision-making required to enter into a Call-off Contract in [Table 8](#).

We regularly procure and re-procure solutions for goods, works and services in many areas of our business. Procurement Sourcing Officers within the Commissioning and Procurement Team support officers across the Council and Your Homes Newcastle to undertake call-off processes across all category and sub-category areas. This enables them to award work to providers under our pre-existing procurement solutions.

You can find details of the Council’s current procurement solutions in our Contracts Register on our website [here](#), or on the [NEPO website](#).

In addition, the Council is able to award work under solutions procured by NEPO and its member authorities, or by other public sector organisations, if these were stated as open for such use when originally procured. Cabinet must be asked to make a decision to ‘opt-in’ to the NEPO arrangements or to use any other existing procurement solution. We can then award work to a provider in accordance with the rules of the that procurement solution – this often involves further competition.

There may be occasions where direct award to a single provider on an existing procurement solution is allowed within the conditions of that

solution. In this case, officers must ensure they follow the details set out in the Cabinet opt-in decision. Generally, such direct awards must be supported by a business case approved by the relevant Commissioner prior to award.

If there are no existing procurement solutions available, we will go to market. There are a number of procurement routes outlined below that can be taken.

18.2 Selection based on price and quality using competitive tender routes
Competitive tender means we describe our requirements to the market and invite potential providers to bid for the opportunity.

You can read more about the various different forms that a competitive tender process can take, and the timescales involved, in [Appendix 4](#).

18.3 Selection based on best price using ‘Quick Quotes’
For contracts where the lifetime value is up to £100k, we may select on price only. This route is suitable where the way that the contract is delivered is fairly standard or the quality requirements have been incorporated fully into the specification. If we choose to use this route, we use our online [Quick Quotes](#) module on the NEPO electronic tendering portal to select four possible providers from those registered. Our Quick Quote rules, which have been redesigned in response to our Social Value Commitment, mean that three of these four will be local providers, if there are enough local providers registered within the category on the system.

18.4 Selection based on price and quality using quotations
For contracts where the lifetime value is up to £100k, but where the nature of the contract means we need to test both quality / method of delivery and price, we may seek quotations from at least three providers.

18.5 Negotiating with a single provider beneath the EU thresholds
Negotiation means that we talk to a particular organisation to agree that they will deliver the goods, works or services that we need and at what price. If we negotiate, we do not open up the opportunity to competition and therefore do not advertise these opportunities until they are awarded. Such negotiation is only permitted where it is in the best interests of the Council to do so and where the total value of the contract over its duration including any potential extensions does not exceed the relevant EU threshold. These values are set every two years and can be found in the Commissioning and Procurement Procedure Rules within the [Newcastle Charter](#). We recognise that there are some situations where negotiating with either a new or an existing provider is in the best interests of the Council and city residents.

We report on all negotiations with lifetime values over £25k to the Directorate Management Teams responsible for them annually, so that senior officers can check that negotiation is being used appropriately and effectively.

18.6 Grant giving

The Council may give grants to organisations to enable them to achieve particular objectives. A significant number of Council grants are awarded through the Newcastle Fund. Criteria for grant giving through the Fund are set and reviewed regularly and are outside the scope of this document.

Funding provided under grant giving arrangements, as distinct from under contract, is a gift of funds for a specified purpose. The specified activities are defined by the recipient in their application, rather than the funder. The assumption underlying a grant is that it is subsidising an activity that the funder considers necessary, but which the recipient does not otherwise have the resources to deliver on a self-sustaining basis at the required standard.

19 Advertising, including use of the NEPO portal

Where we are inviting tenders (for open opportunities over £25k), these are advertised on the [NEPO electronic tendering portal](#). The e-Tendering system used by NEPO and the 12 North East local authorities ensures we carry out a fair and transparent, auditable online procurement process, whilst offering providers easy access to new contract opportunities.

On the portal, you will be able to see a list of live contract opportunities published by NEPO and the 12 local authorities. You will also be able to see when these contracts are awarded by accessing the public Contracts Register within the site. This information is also updated on central Government's national site [Contract Finder](#) where you can search for contract opportunities from across the country.

Our Quick Quotes system is also held within the NEPO electronic tendering portal but contract opportunities using the Quick Quote facility can't be seen publicly by the market as they are not generally advertised. The system invites a set number of providers to bid as detailed in Part 3 above.

Depending on the procurement route that is selected, different minimum timescales will apply for the advertising of our tender opportunities. Typically these will be:

- Quick Quotes – 3 to 7 days
- Requests for Quote – 14 days
- Tenders below the European threshold – 21 days
- Tenders above the European threshold – 35 days (including OJEU dispatch)

You can find out more about our procurement routes in [Appendix 4](#).

For contracts over the European threshold, we advertise contract opportunities in the Official Journal of the European Union (OJEU) in line with the Public Contracts Regulations.

To be able to bid for these contract opportunities, you will need to register your organisation on the NEPO electronic tendering portal within the categories of interest to you. You will then automatically receive notifications about any new contract opportunities, and you can then register your interest in any of the contract opportunities so that you can view and download the procurement documents and submit a bid online.

There are a range of [help guides](#) and video tutorials provided in the portal site's help centre, including:

- [How to register](#)
- [Searching for opportunities](#)
- [How to complete a response](#)

For further help and support you can contact the NEPO [helpdesk](#).

For any other access problems or queries about local arrangements you can [contact the Council directly](#).

20 Evaluation

Once the submission deadline has passed for a contract opportunity, bids are downloaded by the Council via the NEPO electronic tendering portal. The submissions are then evaluated to determine the intended winning provider(s) for the contract.

Evaluation is undertaken by a panel, normally made up of operational or technical experts and other contract stakeholders who will score the submissions. The evaluation is facilitated by a member of the Commissioning and Procurement Team (for contracts over £25k) who ensures that a fair and objective process is undertaken and that the panel evaluates in line with the award criteria set out in the procurement documentation.

Our rules mean that we cannot generally hand over decision making to third parties (see [Part 6](#) on governance and decision making), as the Council must be accountable for the contracts that it puts in place. However, we can create opportunities for relevant groups to participate in an advisory capacity in procurement exercises that we undertake, particularly where there are groups of individuals who will be personally and directly affected by a procurement decision (for instance tenants living in a building where a service is to be provided).

All panel members, whether internal or external to the Council, have a responsibility to score the submissions fairly and objectively against the award criteria published as part of the contract opportunity. Any conflicts of interest⁷ are declared at the start of the process, and any significant conflicts of interest would preclude a panel member from being part of the panel – this will be determined by the Commissioning and Procurement Team facilitator on a case by case basis in conjunction with Legal Services.

⁷ Read more about what a conflict of interest is and the rules around this in our [Staff Code of Conduct](#)

Scores and comments are recorded within an evaluation matrix which is maintained by the Commissioning and Procurement Team facilitator and will be kept as the single record of the evaluation in order to provide final scores and feedback.

You can find out more about the panel roles and responsibilities in [Appendix 5](#).

20.1 Provider specific risk assessment

Assessing risks associated with potential providers (as opposed to inherent in the nature of the contract) is part of evaluation. The Public Contract Regulations 2015 outline the way in which we should assess potential providers compliance with the risk mitigations that we build into contracts via the Selection Questionnaire (SQ). The SQ is a structured way of gathering information about compliance for contracts over threshold (see [Appendix 4: Procurement Routes Flowchart](#)) and is applied at the end of the evaluation process to confirm that the successful provider meets the requirements.

Contracts procured under threshold may be subject to ‘suitability’ questions to support evaluation of the providers ability to meet minimum standards of suitability, capability, legal status or financial standing.

See section 14.2 for information about how contracts are assessed for inherent risk.

21 Contract award

Once the evaluation is complete, appropriate approvals will be sought to enter into the contract. Our Intention to Award notifications will be sent to providers and if applicable, a standstill period observed. Following any required standstill period, the Council will communicate the final award to the successful provider. See [Part 6](#) for more on decision-making including standstill requirements.

At point of award the Authorised Officer (the officer named within the contract as the Council’s lead) should take a number of other actions:

- Ensure that each required contract management role has been allocated to an individual or team, and that these individuals or teams understand their role within the contract being let, including the contract start and end date, and any options there may be to extend it.
- If the contract is critical, review and feedback on the Provider Continuity Plan, develop the Council Continuity Plan, and store these documents with the contract.
- If a visit is required as part of a quality framework, ensure arrangements are in place to schedule it.
- Determine the point at which future commissioning intentions for the contract will be reviewed. Ensure that the provider is aware of this review date.

21.1 Business continuity requirements

Part of preparing for good contract management is understanding what could disrupt delivery of the contract and having a plan to deal with such disruptions. Having a well thought through, proportionate plan makes the Council's commissioning and procurement more resilient. This section also sets out continuity requirements for all other contracts, although no further action is required at this stage.

Provider Continuity Plans

The Council's standard contract terms and conditions for goods, works and services require the provider to produce a business continuity plan. Note that if Council officers use alternative documentation, for instance for a contract under £25k, this safeguard will not automatically be in place.

Provider plans assume the contract provider's continued participation and goodwill in the event of disruption. Provider plans should consider responses to whole community emergencies and disasters, as well as disruptions specific to the provider organisation, such as loss of workforce, disruption to essential IT systems, and supply chain failure.

Council Continuity Plans

Where a contract has been identified as critical (see 14.1), the Council cannot rely solely on the provider's business continuity plan. For these contracts, we also need to develop our own plan, which should cover:

- structured arrangements which will enable the Authorised Officer to become proactively aware of new or changing risks;
- our response in the event that the provider withdraws participation and goodwill.

Council Continuity Plans should consider and respond to any legislative or regulatory requirements specific to the contract activities. Effective continuity planning draws on all the available resources within a given market or activity area, and therefore may often focus on groups of contracts (such as service system) rather than individual providers or contracts.

On award of contracts that have been identified as critical (see 14.1) the Authorised Officer must obtain and review the Provider Continuity Plan and on receipt of this must develop the Council Continuity Plan. These documents must be stored with the contract documents.

Note also that the Council has a statutory duty to promote business continuity management among organisations in the city.

22 Contract implementation

Following award of contract there will be an appropriate period of implementation before the contract start date to support operational set-up for new providers. We

allow for implementation within our procurement timeframes; this is particularly important where system and/ or staff transfer is involved.

Generally (TUPE) arrangements between third parties are a matter for those organisations and will be subject to the provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006. We look to include protections for employees and workers within contracts where permissible and allow sufficient time between contract award and commencement to enable organisations to undertake their TUPE responsibilities properly. However, we cannot be involved in the negotiation of TUPE arrangements between third parties.

See also section 27 on contract exit and how this is planned for during the life of the contract.

Part Five: Contract Management



23 What is contract management?

Contract management provides the Council with an opportunity for dialogue with the provider to spot any issues or opportunities in a timely way, helps to assure the Council that contracts are being delivered safely and to the expected quality standards, and also provides a mechanism to check that the contract is delivering the expected positive outcomes for people in the city.

As well as being responsible for ensuring social and financial value, the Council remains legally and democratically responsible for the goods, works and services that we commission from others. Proportionate and thoughtful contract management helps make sure that these responsibilities are effectively discharged.

We monitor contracts to ensure that:

- The provider is delivering what they said they would deliver in the contract agreement
- The Council is delivering what it said it would deliver in the contract agreement
- Any risks that emerge during delivery and any modifications or variations required to the contract are identified, understood and monitored
- The Council and the provider share feedback and learning throughout the life of the contract—enabling both parties to build upon emerging good practice, and deal with issues in a timely manner while avoiding issues escalating
- All possible added value from the contract is being delivered
- We understand clearly whether the contract has met the Council's needs, which may include the needs of multiple internal and external stakeholders, as well as end users
- Lessons learned throughout the contract can be captured and used to inform future commissioning

Effective contract management relies on appropriate requirements being built in to the contract at the commissioning stage so that planned contract management can take place, and also on officers involved in the contract monitoring and responding to emerging risks to support 'live' contract management during contract delivery.

Having a strong working relationship with the provider is essential to both these aspects, and creating and maintaining this positive relationship is one of the most important jobs for anyone involved in contract management.

24 Contract management roles

Contract management is carried out by a combination of the Commissioning and Procurement team, officers across the Council, and partner organisations who have a designated role within the contract.

The person with lead responsibility for contract management is the Authorised

Officer for the contract. Note that the Authorised Officer is not the same as the Delegated Officer who signs and enters into the contract. The Authorised Officer is named in the Contract Particulars of the Council's standard contract and is normally at Service Manager level or above.

However, the Authorised Officer cannot manage a contract on their own. We have defined six key roles within contract management which work together to ensure that a contract is delivered effectively.

Table 4: Contract management roles

| | Role | Responsibilities | |
|-----------------------|----------------------------------|---|--------------------------------|
| | 1. Authorised Officer (Contract) | <ul style="list-style-type: none"> Named as the Council's representative for the contract in the contract particulars Overall delivery of the contract Making decisions about extensions, suspensions and terminations, and planning for contract renewals | |
| Performance framework | 2. Senior User | <ul style="list-style-type: none"> Day to day relationship management and compliance checking Execution of the contract, for example, making referrals and placements, making call offs for projects etc Rapid response to immediate issues and escalating serious concerns to the Authorised Officer | Continuous contract compliance |
| | 3. Performance Collector | <ul style="list-style-type: none"> Collecting the performance information agreed within the contract, in line with the contract management matrix timescales Making performance information available to the Performance Reviewer for the contract | |
| | 4. Performance Reviewer | <ul style="list-style-type: none"> Analysing the collected performance information against the agreed outputs/outcomes identified within the contract Making performance analysis routinely available to the Senior User in line with the contract management matrix timescales Escalating significant performance issues to the Authorised Officer | Programmed contract compliance |
| Quality framework | 5. Quality Reviewer (Desktop) | <ul style="list-style-type: none"> Undertaking a desktop review for the contract and/or sample checks in line with the quality framework agreed in the contract. This may include checking copies of certificates, policies, product samples, and provider self-assessments Undertaking and maintaining the contract risk rating Escalating significant quality issues to the Senior User and Authorised Officer | |

| | Role | Responsibilities |
|--|-----------------------------|---|
| | 6. Quality Reviewer (Visit) | <ul style="list-style-type: none"> • Completing a verification visit for the contract, in line with the quality framework agreed in the contract • Informing the Quality Reviewer (Desktop) about the verification visit outcome • Escalating significant quality issues to the Senior User and Authorised Officer |

All roles have a responsibility to feed intelligence gathered throughout the life of the contract into any related future commissioning processes.

The decision about who will lead on each role depends on the nature of the contract, its category, value, risk level or a combination of these factors, and should be made as early as possible in the commissioning process before procurement begins. Depending on the application of these criteria there are two possible Authorised Officers who will have overall responsibility for contract performance, and who will determine who leads on each of the remaining contract management roles:

- *Commissioners in the Commissioning and Procurement Team*
The Commissioning and Procurement Team will generally act as Authorised Officer for contracts where overall risks are assessed as high, where contracts have been identified as critical (see below), and where multiple Council functions or partners are using a contract and coordination is required.
- *An identified manager or specialist*
For other contracts, a Council officer working in a related area of the business will normally be identified as the Authorised Officer.

For lifetime contract values over £25,000, Commissioning and Procurement will work with the Authorised Officer to ensure that there is a named lead for each of the contract management roles.

For lifetime contract values below £25,000 budget holders should follow the guidance on the Buy It pages before letting the contract. Budget holders should then record who will carry out each of the required contract management roles on the Contract Management Roles Checklist, and attach this to the front of the stored contract.

25 Planned and live contract management

There are two parts to effective contract management: planned contract management which includes checking compliance with the contract requirements; and live contract management which means monitoring and responding to changes and new risks that arise during delivery.

25.1 Planned contract management and the contract management matrix

As the contract progresses, teams with contract management roles must make sure that the agreed contract management mechanisms are being adhered to, by:

- collecting and analysing performance and activity data in line with the data requirements set out in the contract;
- testing against any quality framework that is included within the contract, via:
 - desktop review of the provider's self-assessment of compliance and document submission;
 - plus, in some cases, verification visit or sample check.
- review of provider continuity plan and, for critical contracts, of associated Council continuity plan;
- feedback of findings to the provider, with appropriate action planning and follow up;
- if necessary, escalation of issues in accordance with the role descriptors above.

The contract risk score which was measured in the commissioning phase (see section 14) determines the frequency and intensity of planned contract management actions during the life of the contract, as shown in the contract management matrix.

Table 5: Contract management matrix

| Contract Management Matrix | | | | |
|----------------------------|---|--|---|---|
| | Goods | Works | Services | Critical Contracts |
| Low | <ul style="list-style-type: none"> Collect and analyse KPI data annually Provider follow up by exception | <ul style="list-style-type: none"> Managed in line with JCT/ NEC* requirements for works that are deemed to be minor, or equivalent Provider follow up by exception | <ul style="list-style-type: none"> Collect and analyse KPI data annually Provider follow up by exception | <p>As per Low criteria (left), plus:</p> <ul style="list-style-type: none"> Review of Provider Plan on point of contract award Develop Council Continuity Plan |
| Medium | <ul style="list-style-type: none"> Collect and analyse KPI data 6 monthly Provider follow up by exception | <ul style="list-style-type: none"> Managed in line with JCT/ NEC* requirements for works that are deemed to be intermediate, or equivalent Provider follow up by exception | <ul style="list-style-type: none"> Collect and analyse KPI data 6 monthly Test delivery against contracted quality framework, using verification visit and/or desktop review at least once over the life of the contract. <i>(Note that this includes review of the Provider Continuity Plan, and Council Continuity Plan where appropriate)</i> Provider follow up by exception | <p>As per Medium criteria (left), plus:</p> <ul style="list-style-type: none"> Review of Provider Plan on point of contract award Develop Council Continuity Plan |
| High | <ul style="list-style-type: none"> Collect and analyse KPI data 3 monthly Test delivery against contracted quality framework, using desktop review and sample check, at least once over the life of the contract. <i>(Note that this includes review of the Provider Continuity Plan, and Council Continuity Plan where appropriate)</i> Provider follow up by exception | <ul style="list-style-type: none"> Managed in line with JCT/ NEC* requirements for works that are deemed to be major, or equivalent Provider follow up by exception | <ul style="list-style-type: none"> Collect and analyse KPI data 3 monthly Test delivery against contracted quality framework, using verification visit and/or desktop review annually over the life of the contract. <i>(Note that this includes review of the Provider Continuity Plan, and Council Continuity Plan where appropriate)</i> Provider follow up by exception | <p>As per High criteria (left), plus:</p> <ul style="list-style-type: none"> Review of Provider Plan on point of contract award Develop Council Continuity Plan |

* A review of works terms and conditions is currently underway and this is subject to change

25.2 'Live' contract management

Designing the contract in response to the initial risk assessment will have helped to ensure that the planned contract management actions in contracts are as effective as possible. However, risks may change and develop during the life of contracts due to legislative, technological, economic and societal changes which alter the context in which the contract is operating, as well as incidents and issues that arise in delivery.

For critical contracts (see 14.1), the Authorised Officer will have developed a proportionate Council Continuity Plan, which will define structured arrangements that support the proactive identification of new or changed risks.

Even where the contract is not critical and structured arrangements are not mandatory, intelligence arising during the life of the contract which indicates that there may be new or changed risks should be recorded, as well as general feedback received from stakeholders and end users, in a way that enables identification of any repeating issues or other patterns.

26 Making changes during the contract

Sometimes, contract management may identify issues with a contract that cannot easily be resolved through informal negotiation. Where this occurs, responsible Commissioners will work with Authorised Officers to support or lead escalation measures with the provider – which could include action plans for improvement, contract suspension, financial penalties, and in rare cases, contract termination.

The Council's [standard terms and conditions](#) include provisions for managing contract defaults. Note that contracts with a lifetime value of under £25,000 where standard terms and conditions have not been used will not automatically include these safeguards.

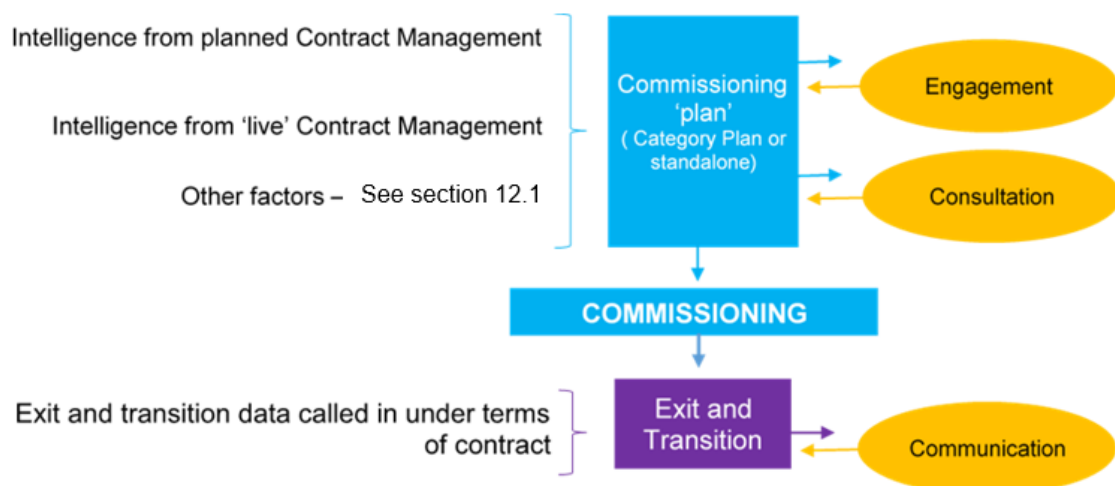
27 Contract exit and transition

The planned ending of contracts to make way for new arrangements that build on learning from contract management is fundamental to the commissioning cycle, and facilitating managed transition from existing to new contractual arrangements is one of the Council's key levers of positive change. Planning for and then actively managing the ending of a contract is particularly important in relation to critical contracts, but the principles in this section should be applied to every contract.

All Council contracts have an end date at which point they will naturally expire, although an **active commissioning decision needs to be made well in advance of this date**. A commissioning decision could mean moving to a like-for-like replacement contract, introducing a fully redesigned commissioning model, or sometimes cessation of delivery altogether. The diagram below shows how the contract management intelligence gathered during the life of the contract contributes to the next commissioning phase, from which exit and transition actions flow.

This section is about the contract management actions that are needed to support effective transition from existing contractual arrangements to a new status **after a commissioning decision has been made**.

Figure 7: Managing contract exit



Tasks to support contract exit and transition include:

- Calling in transition data to which the Council is entitled under the terms of the contract and ensuring that the existing provider is aware of its obligations relating to data control and if applicable TUPE.
- Supporting the existing provider to develop their own exit plan or, for more complex changes or critical contracts, developing a full transition plan including risk management actions.
- Developing a communications plan, taking account of existing providers, their sub-contractors, staff and wider supply chain, end users of the goods, works or services currently in contract (including if appropriate their family members, advocates, market/sector representatives or legal advisors), and if appropriate the wider public.

Part Six: Governance

28 Council governance of commissioning and procurement related Decisions

This section is about the formal decisions that the Council may make relating to commissioning or procurement: when they are required and who can make them. The basis of decision making is the [Newcastle Charter](#), the terms of which always take precedence; the simplified explanation below brings together Cabinet decision making financial thresholds with the EU threshold values (see section 16.1), and sets out in each case what type of decision is required at each of three key process points: establishing the commissioning model; determining the procurement route (negotiation or competition); and contract award.

28.1 Call-off decision-making

As explained in section 18.6, we may source ('call off') work from a range of Framework Agreements. Framework Agreements will already have appropriate Delegated Officer or Cabinet approval, and therefore to avoid duplication different decision-making requirements have been introduced for call-off contracts. These adjusted requirements are now incorporated in the commissioning and procurement decision-making chart on page 45.

To support accurate accounting, it is important that the purchase of call offs from Framework Agreements is recorded on the Council's Purchase Order Processing System (POPS) in line with the Council's Commissioning and Procurement Procedure Rules. The decision-making chart on page 45 notes where use of POPS is required, although it may be appropriate in other cases too.

28.2 YHN Decisions

The Council and Your Homes Newcastle follow the same commissioning and procurement principles and this Plan and its associated Rules apply where YHN is acting on behalf of the Council using Council resources. However, in situations where YHN is procuring on its own behalf, Decision-making routes are different – see separate chart in [Table 7](#).

29 Types of Decision

The timeframe and record keeping of a decision depends on the means by which it is made:

29.1 Delegated Officer decisions can only be made by officers in a limited number of senior posts within Council and Your Homes Newcastle structures. A full list of the Delegated Officer posts at the time of writing is at [Appendix 6](#) and [Appendix 7](#).

Delegated Officers may make decisions up to defined thresholds which depend on whether the contract is for goods, works or services, and must consult the relevant Cabinet Member(s) before doing so.

Some Delegated Officer decisions are key decisions, based on a combination of factors including financial value. The intention to make a key delegated officer decision is published ahead of time on the Council's [Forward Plan](#) held by Democratic Services. Key delegated officer decisions are subject to a democratic standstill period of five days to allow for call in by Council Members or Scrutiny Committee before they can be actioned.

Delegated Officers may also be specifically delegated by Cabinet to make a decision subsequent to a Cabinet Decision. Where a subsequent decision has been delegated to a Delegated Officer, this will be recorded in the Cabinet report, and so the intention to make this decision is not published again on the Council's Forward Plan.

All Delegated Decisions, whether subsequent to Cabinet or not, are made based on formal Delegated Decision reports which are then made publicly available on our [Delegated Decisions schedule](#), except where an appropriate exemption applies (e.g. in the case of commercial sensitivity.)

29.2 Cabinet Decisions are made at Business Cabinet meetings based on formal Cabinet reports. Where possible, these reports are made public ahead of the Cabinet meeting, although in relation to procurement a substantial number contain commercially sensitive information and are therefore dealt with in the confidential part of the Cabinet agenda after the exclusion of press and public. All Cabinet decisions are subject to a formal standstill period of five days to allow for call in by Council Members or Scrutiny Committee before they can be actioned.

Commissioning and Procurement Decision Making Charts

Table 6 below will be used when the Council's / Your Homes Newcastle's Commissioning and Procurement Officers, commission and procure goods, works, social and non-social services **for the Council**. Award decisions where applicable will be recorded on the Council's Decision-Making System.

| Process Stage ? Decision Point ? | | | | Strategic Planning | Determining Procurement Route | Selecting Provider |
|-------------------------------------|-------------------------------|--------------------------------|--------------------------------|---|---|---|
| Lifetime Value ? | | Key? Revenue Expenditure | Key? Capital Expenditure | Commissioning Model | If seeking Authorisation to Negotiate (ATN) | Contract Award |
| | >£0 - £25k | No | No | If no framework agreement or contract exists, then budget holder proceeds | | |
| All | >£25k - £100k | No | No | n/a | Delegated Officer approves | Delegated Officer/nominated Officer proceeds |
| Goods | >£100k - c£189k | No | No | Delegated Decision Required if identified in Commissioning Intention Document (see section 11.6 of the C&P Plan) | Delegated Officer and Director of Resources jointly approve | Delegated Officer Decision |
| | c ¹ >£189k - £250k | No | No | | Exceptional circumstances only | |
| | >£250k - £1m | Yes | No | | | Cabinet Decision (unless already delegated) |
| | >£1m | Yes | Yes | | | |
| Services (Non-Social) | >£100k - c£189k | No | No | Delegated Decision Required if identified in Commissioning Intention Document (see section 11.6 of the C&P Plan) | Delegated Officer and Director of Resources jointly approve | Delegated Officer Decision |
| | c>£189k - £250k | No | No | | Exceptional circumstances only | |
| | >£250k - £1m | Yes | No | | | Cabinet Decision (unless already delegated) |
| | >£1m - £2m | Yes | Yes | | | |
| | >£2m | Yes | Yes | | | |
| Services (Social) | >£100k - £250k | No | No | Delegated Decision Required if identified in Commissioning Intention Document (see section 11.6 of the C&P Plan) | Delegated Officer and Director of Resources jointly approve | Delegated Officer Decision |
| | >£250k - c£663k | Yes | No | | Exceptional circumstances only | |
| | c>£663k - £1m | Yes | No | | | Cabinet Decision (unless already delegated) |
| | >£1m - £3m | Yes | Yes | | | |
| | >£3m | Yes | Yes | | | |
| Works | >£100k - £250k | No | No | Delegated Decision Required if identified in Commissioning Intention Document (see section 11.6 of the C&P Plan) | Delegated Officer and Director of Resources jointly approve up to £4.5m. Exceptional circumstances only over £4.5 | Delegated Officer Decision |
| | >£250k - £1m | Yes | No | | Exceptional circumstances only | |
| | >£1m - £4.3m | Yes | Yes | | | Cabinet Decision (unless already delegated) |
| | >£4.3m | Yes | Yes | | | |

¹ All c. values are based on the EU threshold values which may change, see section 16.1

Table 7 below will be used when Your Homes Newcastle’s Procurement Officer procures goods and non-social services for **Your Homes Newcastle**. Your Homes Newcastle’s Contract award decisions will be recorded on their Decision-Making System.

| Process Stage → | | | | Determining Procurement Route | Selecting Provider |
|-----------------------|-------------------------------|--------------------------|-----|---|--|
| Decision Point → | | | | If seeking Authorisation to Negotiate (ATN) | Contract Award |
| Lifetime Value ↓ | Key? Revenue Expenditure | Key? Capital Expenditure | | | |
| All | >£0k - £25k | No | No | Delegated Officer approves | Delegated Officer/nominated Officer proceeds |
| All | >£25k - £100k | No | No | Delegated Officer approves | Delegated Officer/nominated Officer proceeds |
| Goods | >£100k - c£189k | No | No | Delegated Officer and Director of Resources jointly approve | Delegated Officer Decision |
| | c ¹ >£189k - £250k | No | No | | |
| | >£250k - £1m | Yes | No | Exceptional circumstances only | Cabinet Decision (unless already delegated) |
| | >£1m | Yes | Yes | | |
| Services (Non-Social) | >£100k – c£189k | No | No | Delegated Officer and Director of Resources jointly approve | Delegated Officer Decision |
| | c>£189k - £250k | No | No | | |
| | >£250k - £1m | Yes | No | Exceptional circumstances only | Cabinet Decision (unless already delegated) |
| | >£1m - £2m | Yes | Yes | | |
| | >£2m | Yes | Yes | | |

¹ All c. values are based on the EU threshold values which may change, see section 16.1

Table 8 below will be used when Procurement Sourcing Officers source from procurement solutions that have already been created and are live for use for the **Council and Your Homes Newcastle**. A contract awarded under a pre-existing procurement solution is called a ‘Call-off’ Contract. Award of Call-off Contracts for the purchase for goods, works, social and non-social services, where applicable, will be recorded on the Council’s Decision-Making System

| Call-off Process Stage → | | | | Determining Procurement Route | | Selecting Provider |
|---|--------------------------|--------------------------|--|---|--|--|
| Call-off Decision Point → | | | | | | |
| Call-off Lifetime Value ↓ | Key? Revenue Expenditure | Key? Capital Expenditure | Ranked Framework Agreement / Flexible Procurement Solution or a Single Provider Contract | Further Competition / Direct Award under a Framework Agreement or Flexible Procurement Solution | Call-off Contract Award Decision | |
| If a Council or NEPO Contract / Framework Agreement exists for the Goods, Works, Social or non-Social Services, then it MUST be used in line with Appendix 10 of the Commissioning and Procurement Rules. If there is a need to go off contract, then it must be agreed by the Commissioner for the Sub-Category prior to award. If a Direct Award is required under a Framework Agreement / Flexible Procurement Solution, then the business case for the direct award should be submitted to the mini-competition mailbox for authorisation by the relevant Commissioner for the Sub-Category, prior to the Call-off award. | | | | | | |
| All | >£0 - £100k | No | No | Place Purchase Order on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Procurement Sourcing awards through Portal, then a Purchase Order is placed on POP unless listed on the exception list (Appendix 9 of the C&P Rules) | Delegated Officer/nominated Officer proceeds |
| Goods | >£100k - c£189k | No | No | Purchase Order on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Procurement Sourcing prepares a formal Contract following award decision and issues to Provider. Purchase Orders then placed on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Delegated Officer Decision recorded on the Councils Delegated Decision System |
| | c!>£189k - £250k | No | No | | | |
| | >£250k - £1m | Yes | No | | | |
| | >£1m | Yes | Yes | | | |
| Services (Non-Social) | >£100k – c£189k | No | No | Purchase Order on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Procurement Sourcing prepares a formal Contract following award decision and issues to Provider. Purchase Orders then placed on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Delegated Officer Decision recorded on the Councils Delegated Decision System |
| | c>£189k - £250k | No | No | | | |
| | >£250k - £1m | Yes | No | | | |
| | >£1m - £2m | Yes | Yes | | | |
| Services (Social) | >£100k – £250k | No | No | Purchase Order on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Procurement Sourcing prepares formal Contract or an Individual Placement Agreement. If applicable a Purchase Order is placed on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Delegated Officer Decision recorded on the Councils Delegated Decision System. Adult and Children Placements submit quarterly to Cabinet Portfolio Member for retrospective approval in line with section 11.7 of C&P Rules. |
| | >£250k – c£663k | No | No | | | |
| | c>£663k – £1m | Yes | No | | | |
| | c>£1m – £3m | Yes | Yes | | | |
| Works | >£100k - £250k | No | No | Purchase Order on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Procurement Sourcing in conjunction with Technical Officers prepares a formal Contract following award decision and issues to Provider. Payment Schedules or Purchase Orders are placed on POP unless listed on the exception list (Appendix 9 of C&P Rules) | Delegated Officer Decision recorded on the Councils Delegated Decision System |
| | >£250k - £1m | Yes | No | | | |
| | >£1m - £4.3m | Yes | Yes | | | |
| | >£4.3m | Yes | Yes | | | |

¹ All c. values are based on the EU threshold values which may change, see section 16.1

29.3 Cabinet Member Decisions are made by Cabinet Members within their portfolio area. There are no standard commissioning and procurement related decisions which must be made by Members. However, if the circumstances and interests of the Council require it, Cabinet may agree for the decision to be taken by a Cabinet Member. If such a delegation takes place, it will generally be recommended in the Cabinet paper, or otherwise will appear in the Cabinet minutes. All Decisions made by Cabinet Members are key decisions irrespective of value and are therefore subject to a democratic standstill period.

29.4 Authorisation to Negotiate (ATN) is given by a Delegated Officer up to £100k lifetime contract value, and with additional authorisation by the Director of Resources over £100k. Over £100k the relevant Cabinet Member is also consulted. [ATNs](#) record Legal Services' and the Commissioning and Procurement Team's confirmation that the negotiation approach is permissible and in the best interests of the Council.

29.5 Standstill periods and 'call in' there are two reasons for standstill periods in relation to commissioning and procurement activities: a democratic standstill period driven by the Newcastle Charter which allows for Cabinet or Officer key decisions to be called in for scrutiny by Council Members, or, a procurement standstill period driven by procurement law or the Council's Commissioning and Procurement Procedure Rules.

If a procurement standstill applies, this period commences only after any applicable democratic standstill period has expired and if the decision has not been called in.

Once the democratic standstill period has expired, we can begin the process of awarding the contract. This starts with the procurement standstill period starting on the day that bidders are notified whether or not their tender has been successful and the reasons for this. During this time bidders may object to the award of contract.

Procurement standstill periods can be either voluntary (determined by the Council's own Rules) or mandatory (determined in law).

The procurement standstill period is sometimes referred to as the 'Alcatel standstill period'.

Appendices

[Appendix 1: Progress and Development Plans](#)

[Appendix 2: Commissioning and Procurement Structure and Categories](#)

[Appendix 3A: Newcastle's Social Value Commitment](#)

[Appendix 3B: Social Value Opportunity Identification Report Template](#)

[Appendix 3C: Social Value Outcomes Framework](#)

[Appendix 4: Procurement Routes](#)

[Appendix 5: Evaluation Roles and Responsibilities](#)

[Appendix 6: Delegated Officers for Commissioning and Procurement Decisions](#)

[Appendix 7: Your Homes Newcastle Authorised Officers for Commissioning and Procurement Decisions](#)