



Amendments to Financial Regulations and Standing Orders Relating to Contracts

Date of meeting 9 December 2016

Date of report 1 December 2016

Report by Assistant Chief Executive (Business Support)

1. Object of report

To obtain the Partnership's approval to the attached revised Financial Regulations and Standing Orders Relating to Contracts.

2. Background

Both the Financial Regulations and Standing Orders Relating to Contracts form a significant part of SPT's overall governance arrangements and require periodic update to ensure they remain relevant to changing legislation and best practice.

All members have a copy of the existing documents within their SPT Governance Manual.

3. Outline of Proposals

The proposed amendments to Financial Regulations are detailed in Appendix 1, 'Financial Regulations 2016 Change Log'. The main driver for the amendments is to reflect updated best practice.

The proposed amendments to Standing Orders Relating to Contracts are detailed in Appendix 2, 'Standing Orders Relating to Contracts 2016 Change Log'. The main drivers for the amendments are to reflect the Procurement Reform Act (Scotland) 2014 and updated best practice.

Changes to both of these key governance documents can impact on the contents of the Scheme of Delegated Functions. To ensure efficient and consistent governance, it is recommended that the ACE (Business Support) utilises existing administrative authority to update the Scheme of Delegated Functions to reflect these changes as well as recent organisational change.

4. Partnership action

The Partnership is recommended to:

- approve the amendments to the Financial Regulations and Standing Orders Relating to Contracts as detailed in Appendices 1 and 2; and
- agree that the ACE (Business Support) utilises existing administrative authority to update the Scheme of Delegated Functions.

5. Consequences

Policy consequences	<i>None directly</i>
Legal consequences	<i>Compliance with the Procurement Reform (Scotland) Act 2014</i>
Financial consequences	<i>Effective governance arrangements are key to SPT achieving its financial goals.</i>
Personnel consequences	<i>None</i>
Equalities consequences	<i>None</i>
Risk consequences	<i>The recommended revisions will ensure best practice in key areas of governance and compliance with the Procurement Reform Act (Scotland) 2014</i>

Name Valerie Davidson
Title **Assistant Chief Executive (Business Support)**

Name Gordon MacLennan
Title **Chief Executive**

For further information, please contact *Valerie Davidson, Assistant Chief Executive (Business Support)* on telephone number 0141 333 3281.

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
Page 3 'Responsibilities'	Internal Audit	Audit & Assurance	To reflect updated department title
Page 4 'Review'	Annually	Bi-ennially	To reflect practical timescale for updates
Page 4 'Accessibility'	Directors and Managers should remind staff that Financial Regulations are available on the Intranet and a copy retained in every office.	Directors and Managers should remind staff that Financial Regulations are available on the Intranet and each Director & Manager will be issued with a personal copy.	To reflect ease of intranet access and individual responsibility for managers
Page 7 (6)	N/a	How will this decision portray the Partnership? This question considers the impact on the reputation and standing of the Partnership.	Insertion of a trigger to consider the reputation of the Partnership in a decision making context
Page 9 (2)	Liaise with the Governance & Risk Officerin accordance with the Partnership's Risk Management Strategy	To reflect revised operational responsibilities
Page 9 (8)should be sought from the Governance & Risk Officershould be sought from the Audit & Assurance Manager	To reflect revised operational responsibilities
A1 (3)	Delegated responsibility for the implementation and monitoring of the treasury management policies and practices is given to the Director of Finance & HR	Delegated responsibility for the implementation and monitoring of the treasury management policies and practices is given to the ACE (Business Support) and the Director of Finance & HR	To reflect the Treasury Management Practices

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Original paragraph ref	Previously	Revised	Rationale
A3, A4, A6	N/A	N/A	No change to wording. Order revised. To reflect annual cycle
A14	Blank cheques (i.e. cheques with no amount or detail completed) must not either be pre-signed or counter signed.	Blank cheques (i.e. cheques with no amount or detail completed) must be held in a locked, secure location e.g. a safe.	To reflect established practice
A15	Where a cheque-printing machine is used, access to it must be properly controlled and the person having access must not be an authorised signatory. The paper used in the cheque-printing machine must be treated as controlled stationery and access to it properly restricted. The paper must be of a security standard that complies with clearing bank standards (e.g. APACS 3).	Deleted	To reflect discontinuation of practice
A19	In respect of the Partnership's main payment and receipt bank accounts, bank statements must be obtained on a daily basis and promptly reconciled to the Partnership's records of transactions, and reconciled to ledger postings at least monthly.	In respect of the Partnership's main transactional bank accounts, bank statements are accessed via the bank's secure website, promptly reconciled to the Partnership's records of transactions, and reconciled to ledger postings at least monthly.	To reflect established practice
A21	In accordance with the Local Authorities (Borrowing) Regulations 1990 and the Local Authorities (Capital Finance)(Approved Investments) Regulations 1990	In accordance with the Local Authorities (Borrowing) Regulations 1990 and the Local Authorities (Capital Finance) (Approved Investments) Regulations 1990; and the Local Government in Scotland Act 2003	To reflect relevant legislation
A21	Within the borrowing limits and policy approved by the Partnership, as detailed in the Treasury Management Strategy, with a party in the agreed	Within the borrowing limits and policy approved by the Partnership. Detailed approval limits are contained within the Treasury Management Practices.	Tidy up

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	counter party list.		
A23	Any staff who suspect money laundering is taking place must report it immediately to the ACE (Business Support).	See revised section F15 and F16 relating to money laundering.	Replaced by enhanced money laundering section
B1	This will be done having due regard to likely available funding and the funding to be made available following both comprehensive spending reviews centrally and the local government 3 year settlement.	This will be done having due regard to likely available funding and the funding to be made available following both comprehensive spending reviews centrally and the local government settlement.	To reflect current practice
B2	The process for developing the framework will be in accordance with the "Budget Preparation Framework Procedure Rules" issued and reviewed annually by the Director of Finance & HR.	The process for developing the framework will be in accordance with the "Budget Guidance Notes" issued and reviewed annually by the Director of Finance & HR.	Tidy up
B6	In circumstances where such decisions are to impact on the resources of the Partnership in the short and longer term, this decision requires to be approved by members and in line with the terms of reference relating to Chairs decisions.	In circumstances where such decisions are to materially impact on the resources of the Partnership in the short and longer term, this decision requires to be approved by members and in line with the terms of reference relating to Chairs decisions.	Tidy up to reflect practical application
B7	The Director of Finance & HR will, if he/she is of the opinion that it will materially affect the estimates, report the matter to the full Partnership meeting advising of any remedial action to resolve the situation or recommending a form of action to facilitate a resolution. To facilitate robust monitoring estimated outturn reports will be produced regularly, and no less frequently than 4 weekly.	The Director of Finance & HR will, if he/she is of the opinion that it will materially affect the Partnership's year-end outturn position, report the matter to the full Partnership meeting advising of any remedial action to resolve the situation or recommending a form of action to facilitate a resolution.	Tidy up
B11	Medium term (three years') budget plans must be	Medium term (three years' where possible) budget	Tidy up to reflect

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Original paragraph ref	Previously	Revised	Rationale
	drawn up for each service, based on stakeholder consultation and taking into account foreseeable resource requirements, and these must be reviewed each year.	plans must be drawn up for each service, based on stakeholder consultation and taking into account foreseeable resource requirements, and these must be reviewed each year.	practical application
B16	Classifications should be consistent with CIPFA standard form and BVACOP to enable out-turn comparisons to be made with other organisations.	Classifications should be consistent with CIPFA standard form and SeRCOP (Service Accounting Code of Practice) to enable out-turn comparisons to be made with other organisations.	To reflect revised standard
B18	All financial report formats must be agreed by the Director of Finance & HR.	All financial report formats must be agreed by the Director of Finance & HR and all actual against budget reporting must be consistent with the corporate finance reports.	Tidy up
B19	All financial reports must comply with any statutory requirements and contain the relevant legal basis for the expenditure/income, together with the financial effect of the proposed outcome.	All financial reports to any committee must comply with any statutory requirements and contain the relevant legal basis for the expenditure/income, together with the financial effect of the proposed outcome.	Tidy up
N/A	N/A	Insertion of new section C8 to C15 in respect of corporate procurement cards.	To reflect established practice
C8 to C34	N/A	N/A	Order revised to reflect process cycle
C13	Staffing budgets must be managed to enable the agreed level of service to be provided in accordance with business objectives.	Deleted	Requirement included within C10
C16	All pay documents must be in a form prescribed by the Director of Finance & HR, and submitted within the agreed timescales. Delayed information can	Deleted	Requirement included within C19

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	result in delays to employees' salary payments and additional cost to the organisation.		
C26	All claims for payment of travelling, subsistence, car and petrol allowances and incidental expenses must be submitted, duly certified, to the Director of Finance & HR, in a form approved by the Director of Finance & HR, and in accordance with approved rates.	Deleted	Requirement included within C19
C33	Financial Services, Payroll Section will issue complete staff lists to all budget holders periodically for verification, but no less than 2 per annum. This verification exercise should be completed within approved timescales.	Deleted	Requirement included within C10
C34	Financial Services, Payroll Section will issue overtime reports, 4-weekly listing those approaching the overtime payment ceiling to the Executive Team.	Deleted	Requirement included within C27
C37	Under no circumstances should petty cash be used to circumvent an alternative method of payment e.g. payroll, internal journal.	Under no circumstances should petty cash be used to circumvent an alternative method of payment e.g. payroll, creditors.	Tidy up
C39	Individual payments are limited to £100 maximum. This amount can only be exceeded with the prior written approval from the ACE (Business Support) or Director of Finance & HR. All travel and subsistence claims must be on the prescribed form and paid through the payroll so that information is captured for eventual disclosure to the Inland Revenue. Use of	Individual payments are limited to £250 maximum. This amount can only be exceeded with the prior written approval from the ACE (Business Support) or Director of Finance & HR. All travel and subsistence claims must be on the prescribed form and paid through the payroll so that information is captured for eventual disclosure to HMRC. Use of petty cash accounts for this purpose is	To reflect updated requirements

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	petty cash accounts for this purpose is not allowed. However, where value for money can be evidenced, the direct purchase of rail tickets by the procurement team for client departments is permitted.	not allowed except in relation to minor cash advances for foreign travel. However, where value for money can be evidenced, the direct purchase of rail tickets by procurement card is permitted.	
C40	Petty cash accounts must be balanced and evidenced, as a minimum, on a quarterly basis and discrepancies recorded, monitored, and appropriate action taken to remedy them. Any material discrepancies should be reported to Director of Finance & HR/Internal Audit (discrepancies greater than £10) Petty cash account holders must also complete and sign the certificate of petty cash proforma, annually, as required by the External Auditor.	Petty cash accounts must be balanced and evidenced, as a minimum, on a quarterly basis and discrepancies recorded, monitored, and appropriate action taken to remedy them. Any material discrepancies should be reported to Director of Finance & HR/Audit & Assurance (discrepancies greater than £10) Petty cash account holders must also complete and sign the certificate of petty cash proforma, annually, as required by the External Auditor.	To reflect updated requirements
C41	Reimbursement requests must be made at periods not exceeding one month.	Reimbursement requests must be made at periods not exceeding one quarter.	To reflect updated requirements
C42	Security arrangements should include details of where it is kept, who has access to the funds, and the maximum amount to be kept at anyone time. This should not exceed £100.	Security arrangements should include details of where it is kept, who has access to the funds, and the maximum amount to be kept at any one time. This should not exceed £400.	To reflect updated requirements
C47	The Construction Industry Taxation Scheme (CITS) requires the Partnership to deduct tax at the standard rate from labour elements of contractors' invoices in respect of work involving construction, installation, repairs, fitting, decoration and demolition work unless; The labour element of the contract is less than £250;	The Construction Industry Taxation Scheme (CITS) requires employers to deduct tax at the standard rate from labour elements of contractors' invoices in respect of work involving construction, installation, repairs, fitting, decoration and demolition work unless; The labour element of the contract is less than £250; The contractor holds a valid 714 Tax exemption	Clarification of SPT's responsibilities

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Original paragraph ref	Previously	Revised	Rationale
	The contractor holds a valid 714 Tax exemption certificate which allows payment to be made in full.	certificate which allows payment to be made in full. SPT currently does not participate in CITS as all construction operations relate to property used for the purpose of the organisation.	
C48	It must be a condition of the engagement of the services of any contractor / Consultant who is to be responsible for the supervision of a contract on the Partnership's behalf, that in relation to those duties he/she will comply with these Regulations, Guidelines and Contract Standing Orders, as though he/she were an officer of the Partnership.	It must be a condition of the engagement of the services of any contractor / consultant who is to be responsible for the supervision of a contract on the Partnership's behalf, that in relation to those duties he/she will comply with these Regulations, Guidelines and Standing Orders Relating to Contracts, as though he/she were an officer of the Partnership.	Tidy up
C51	Each variation to the original contract must be priced or estimated and authorised on an official, serially numbered document, issued and signed by the officer named in the contract, or in the case where outside professional services are engaged, by the employer.	Each variation to the original contract must be priced or estimated and authorised in accordance with Standing Orders Relating to Contracts, referenced, issued and signed by the officer named in the contract, or in the case where outside professional services are engaged, by the employer.	Tidy up
C58	Manual orders can only be used in an emergency or where there is no alternative.	Other orders, in the form of verbal or email orders, can only be used in an emergency or where there is no alternative and can only be issued by authorisers defined in the financial management system. As soon as practicably thereafter, a confirmation order will be created and authorised in the corporate financial management system.	To reflect established practice
C59	Stocks of any blank pre-printed orders must be kept securely by a responsible officer.	Deleted	To reflect discontinuation of practice

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
C60	Manual orders must be authorised and signed by the delegated authoriser. See Regulation C57.	Deleted	Requirement included within C58
C61	A list of officers authorised to sign manually issued orders must be given to the Director of Finance & HR together with any limits imposed. These must be the same authorisers as set up in the Purchase Order system.		Requirement included within C58
C62	Written records must be kept of price testing and any negotiations.	Written records must be kept of price testing and any negotiations in accordance with Standing Orders Relating to Contracts.	Tidy up
C63	Where an item is available through a corporate contract then the corporate contract must be used. If it is not available then consultation must take place with Procurement to obtain the best price.	Where an item is available through a corporate contract then the corporate contract must be used except in the case of emergency. If it is not available then consultation must take place with Procurement to obtain the best price.	Tidy up
C64	One off Items of £100 or less, not on a corporate contract, can be purchased outside the corporate catalogue. Repeated purchases must be submitted to Procurement to source the best supplier.	One off items of £100 or less, can be purchased outside a corporate contract, where no such corporate contract exists. Repeated purchases must be submitted to Procurement to source the best supplier.	Tidy up
C65	Purchases must not be made unless the cost is covered by the approved annual estimates or within the overall budget (subject to any Virement rules).	Purchases must not be made unless the cost is covered by the approved annual estimates or within the overall budget.	Tidy up
C71	Invoices must be paid in accordance with the payment terms agreed with the supplier and	Invoices must be paid in accordance with the payment terms agreed with the supplier and Government	To reflect current public sector

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Original paragraph ref	Previously	Revised	Rationale
	Government Legislation on prompt payment. To optimise the Partnership's cash flow, invoices should not be paid before their due date. Invoices must be reviewed, approved and passed for payment as soon as possible to ensure that payment terms can be met.	Legislation on prompt payment. Invoices must be reviewed, approved and passed for payment as soon as possible to ensure that payment terms can be met.	payment processing guidance
C72	Where payment processing is not carried out "on-line", a list of authorised signatories must be sent to Director of Finance & HR together with their specimen signatures and any limits imposed by the Director concerned.	To enable payment processing, a list of authorised signatories must be sent to Director of Finance & HR together with their specimen signatures and any limits imposed by the Director concerned.	Tidy up
C74	Cheques must not be passed to the originator of the payment unless a specific request in writing is made to and approved by the Director of Finance & HR. This will be granted in exceptional cases only as it forms part of the financial controls on expenditure.	Deleted	To reflect current practice
C77	All Grant Awards for sums exceeding £50,000 but not exceeding £160,000 must be approved by the Strategy and Programmes Committee or Operations Committee as appropriate.	All Grant Awards for sums exceeding £50,000 but not exceeding £200,000 must be approved by the Strategy and Programmes Committee or Operations Committee as determined in the Committee Terms of Reference.	To match the Committee Terms of Reference
C78	All Grant Awards for sums exceeding £160,000 must be approved by the Partnership.	All Grant Awards for sums exceeding £200,000 must be approved by the Partnership as determined in the Committee Terms of Reference.	To match the Committee Terms of Reference
D2	All monies received must be banked as soon as practical and intact, in the Partnership's name. No deduction can be made from these monies unless specific written approval to do so has been sought	All monies received must be banked as soon as practical and intact, in the Partnership's name. No deduction can be made from these monies unless specific written approval to do so has been sought from	To reflect current practice

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	from and given by the Director of Finance & HR. (Refer D10). The levels of monies held prior to banking must not exceed the limits agreed by the Partnership's insurers.	and given by the Director of Finance & HR.	
D5	Receipts must be issued for all payments received, except payments made by electronic transfer or direct debit. Where till or other mechanised receipts are not available, an official Partnership pre-numbered receipt must be issued and all details completed.	Receipts will be issued for all payments received if requested by the payee.	To reflect established practice
D6	Cash and cheque receipts must be regularly reconciled to income due records and banked promptly. Supervising managers must review this process on a timely basis so that any discrepancies can be promptly followed up.	Receipts must be regularly reconciled to income due records and banked promptly.	Tidy up
D7	The Director of Finance & HR must review aged debtors analysis periodically but at least bi annually, in order to ensure that all debts are being pursued and also to make sufficient budget provision for likely default of payment.	The Director of Finance & HR must review aged debtors analysis periodically but at least quarterly, in order to ensure that all debts are being pursued and also to make sufficient budget provision for likely default of payment.	Tidy up
D10	All monies must be banked intact, unless prior written permission has been obtained from the Director of Finance & HR, Refer D2.	Deleted	Requirement included within D2
D13	Accounts for all sums payable to the Partnership shall only be raised on either forms ordered and controlled by the Director of Finance & HR or in an electronic format as agreed by the Director of	Accounts for all sums payable to the Partnership shall only be in an electronic format utilising the financial management system as agreed by the Director of Finance & HR.	Tidy up

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	Finance & HR.		
D18	In order to comply with VAT Regulations, accounts must be issued within two months of the supply of the goods or service, unless HM Customs and Excise grant specific dispensation.	In order to comply with VAT Regulations, accounts must be issued within thirty days of the supply of the goods or service, unless HMRC grant specific dispensation.	To reflect HMRC requirements
D19	Debts due to the Partnership may only be written off: a) Up to and including £1,000 by the Director of Finance & HR; and b) Over this sum AND UP TO £10,000 by the ACE (Business Support)	Debts due to the Partnership may only be written off: a) Up to and including £5,000 by the Director of Finance & HR; and b) Over this sum AND UP TO £20,000 by the ACE (Business Support)	To reflect updated requirements
D20	<i>All individual sums greater than £10,000 require to be approved for write off by the Partnership</i>	<i>All individual sums greater than £20,000 require to be approved for write off by the Partnership</i>	To reflect updated requirements
Financial Regulation E (Internal Audit)	N/A	N/A	Entire regulation updated to reflect current requirements
F8	All suspected irregularities must be reported to the Audit & Assurance Manager in accordance with the fraud response plan, who is responsible for advising the ACE (Business Support), Partnership, Director of Finance & HR and Director of Human Resources as appropriate.	All suspected irregularities must be reported to the Audit & Assurance Manager in accordance with the fraud response plan, who is responsible for advising the ACE (Business Support), Partnership, Director of Finance & HR and Head of HR and Organisational Change as appropriate.	Tidy up
F11	It will be for the Audit & Assurance Manager to advise the ACE (Business Support), Director of Finance & HR and Director of Human Resources as appropriate.	It will be for the Audit & Assurance Manager to advise the ACE (Business Support), Director of Finance & HR and Head of HR and Organisational Change as appropriate.	Tidy up

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
F14	The ACE (Business Support) and Audit & Assurance Manager will determine whether any matter should be referred to Strathclyde Police for investigation.	The ACE (Business Support) and Audit & Assurance Manager will determine whether any matter should be referred to Police Scotland for investigation.	Tidy up
N/a	N/A	Insertion of enhanced section on money laundering	To reflect current standards
Financial Regulation G	An up to date asset register is a prerequisite for proper fixed asset sound and accounting asset management.	An up to date asset register is a prerequisite for proper asset management.	Tidy up
G6	Assets must be valued by the appropriate officer i.e. land and buildings by the Director of Property and Strategic Asset Management, plant and vehicles by the manager responsible and in accordance with the <i>Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice</i> (CIPFA/LASAAC). Assets should be re-valued no less than every five years in accordance with the SORP.	Assets must be valued by the appropriate officer or a valuation obtained from an external expert in accordance with the <i>Code of Practice on Local Authority Accounting in the United Kingdom</i> . Assets and should be re-valued no less than every five years in accordance with the Code.	Tidy up
G8	Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Director of Property and Strategic Asset Management and the ACE (Business Support), with a view to its sale and generation of capital receipts.	Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the relevant Director and the ACE (Business Support), with a view to its sale and generation of capital receipts.	To reflect revised operational responsibilities
G12	The Head of Security must be consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.	The relevant Operations & Security Manager must be consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.	To reflect revised operational responsibilities

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
G13	Cash holdings on premises must be kept to a minimum and in accordance with the levels agreed between the Partnership and/or Insurers.	Cash holdings on premises must be kept to a minimum and in accordance with guidance issued by the ACE (Business Support).	Tidy up
G21	All asset write offs require to be reported periodically and no less frequently than 6 monthly.	All asset write offs require to be reported periodically and no less frequently than annually.	Tidy up
H1	All partners should be made aware of their responsibilities under the Partnership's Financial Regulations, Standing Orders, Code of Conduct, Data Protection and IT Security Policies, and the Code of Practice on Tenders and Contracts, where appropriate. The responsibility to ensure that Partners are made aware is that of the lead Director on the particular project.	All partners should be made aware of their responsibilities under the Partnership's Financial Regulations, Standing Orders Relating to Contracts, Code of Conduct, Data Protection and IT Security Policies, where appropriate.	Tidy up
H3	The relevant Director/Manager for each project must liaise with and ensure that appropriate insurance arrangements are made.	The relevant Director/Manager for each project must liaise with The Director of Finance & HR to ensure that appropriate insurance arrangements are made.	Tidy up
H7 (a)	a scheme appraisal for financial viability in both the current and future years	a scheme appraisal for financial viability in both the current and future years, including responsibility for any future revenue costs;	Tidy up
External Funding	However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Partnership overall plan.	Such funding is generally linked to tight specifications and may not be flexible enough to link to the Partnership overall plan.	To reflect current conditions
H14	The relevant Director/Manager that wishes to enter	The relevant Director/Manager that wishes to enter into	Tidy up

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	into any match funding arrangements/requirements must consult with the ACE (Business Support) and demonstrate that it has been given due consideration prior to entering long-term agreements and future revenue budgets reflect these requirements.	any match funding arrangements must consult with the ACE (Business Support) and demonstrate that it has been given due consideration prior to entering long-term agreements and future revenue budgets reflect these requirements.	
H18	The relevant Director/Manager must liaise with the Director of Finance & HR to ensure that the project is monitored and that it progresses in accordance with the agreed project plan that specific milestones have been met and that and that all expenditure is properly incurred and recorded.	The relevant Director/Manager must ensure that the project is monitored and that it progresses in accordance with the agreed project plan, that specific milestones have been met and that all expenditure is properly incurred and recorded.	Tidy up
H19	Work is only taken on to enable a unit to maintain economies of scale and existing expertise. Additional resources must not be required specifically to meet any third party contract work, unless specifically funded, and not at the expense of the Partnership unless approved by the ACE (Business Support).	Additional resources must not be required specifically to meet any third party contract work, unless specifically funded, and not at the expense of the Partnership unless approved by the ACE (Business Support).	Tidy up
H22	The relevant Director/Manager must check with the Director of Finance & HR that appropriate insurance arrangements are made.	The relevant Director/Manager must liaise with the Director of Finance & HR to ensure appropriate insurance arrangements are made.	Tidy up
J1	This should be done with reference to HM Customs and Excise Notice 700, the VAT guide and Notice 749, local authorities and similar bodies, further assistance can be obtained from the Accounting and Budgeting Team.	This should be done with reference to HM Customs and Excise Notice 700, the VAT guide and Notice 749, local authorities and similar bodies, further assistance can be obtained from Financial Services.	Tidy up
J6	In order to comply with VAT Regulations, accounts	In order to comply with VAT Regulations, accounts	To reflect HMRC

Financial Regulations 2016 change log

Original paragraph ref	Previously	Revised	Rationale
	must be issued within two months of the supply of goods or service, unless HM Customs and Excise grant specific dispensation.	must be issued within thirty days of the supply of goods or service, unless HMRC grant specific dispensation.	requirements
K1	Examples include receipt books, cheque printing stationery etc.	Examples include cheque printing stationery etc.	Tidy up
K3	The periods for retaining documents of a financial nature must be agreed with the Director of Finance & HR who will issue guidance notes from time to time.	The periods for retaining documents of a financial nature must be agreed with the Director of Finance & HR and in accordance with the Document Retention Policy, who will issue guidance notes from time to time.	To reflect relevant policy
K5	The duty to keep such records may be discharged by the preservation of the information contained in them by such methods specifically approved by the Tax Commissioners i.e. on microfilm, microfiche etc.	The duty to keep such records may be discharged by the preservation of the information contained in them by such methods specifically approved by HMRC. Any doubts should be raised with HMRC.	Tidy up
K6	Computer records may also be approved provided the storage media e.g. magnetic tape, disc etc. can readily be converted into a legible form. Any doubts should be raised with Her Majesties Revenues and Customs (HMRC).	Deleted	Requirement included within K5

Standing Orders Relating to Contracts 2016 change log

Original paragraph ref	Previously	Revised	Rationale
All refs	Chief Procurement Officer	Procurement Manager	The Job title is Procurement Manager
All refs	Contract Standing Orders	Standing Orders Relating to Contracts	The references made to the document should reflect the document name
1 The Contract Standing Orders should be read in conjunction with the SPT Procurement Strategy and the SPT Procurement Manual. A summary overview of procurement procedures can be found immediately prior to Appendix 1.	The Standing Orders Relating to Contracts should be read in conjunction with the SPT Procurement Strategy and the SPT Procurement Manual.	The procedure is listed in the contents
3.1	The EU Public Procurement Rules apply to the Partnership and they specify several methods by which the requirement to advertise and award contracts may be satisfied, these being Open, Restricted and Negotiated Procedures (including Competitive Dialogue and the creation of Framework Agreements).	The EU Public Procurement Rules apply to the Partnership and they specify several methods by which the requirement to advertise and award contracts may be satisfied.	The procedures vary and it is not necessary to detail them in the standing orders
5.1	Contracts that are subject to the EU Public Procurement Rules must comply with the provisions relating to advertising of contracts in these Rules. For all other contracts the Partnership must put in place procedures to meet its obligations with regard to advertising those contracts. Accordingly, the following procedures shall apply:	Contracts that are subject to the Regulated and EU Public Procurement Rules must comply with the provisions relating to advertising of contracts in these Rules. For all contracts the Partnership must put in place procedures to meet its obligations with regard to advertising those contracts. Accordingly, the following procedures shall apply:	To reflect Regulated regulation, and remove “other” as the best practice should apply to all contracts.

Standing Orders Relating to Contracts 2016 change log

Original paragraph ref	Previously	Revised	Rationale
5.1 a	The obligation to advertise tendering opportunities for contracts in terms of this standing order applies only to contracts with a value of £60,000 or more.	(a) The obligation to advertise tendering opportunities for contracts in terms of this standing order applies to contracts with a value of £50,000 or more.	To reflect Regulated regulation value over £50,000 and remove “only” as it is definite and applies
5.1b	(b) The Director of Finance & HR shall approve an internet based website or websites to be used by the Partnership to advertise contracts.	(b) The Public Contracts for Scotland website must be used for all advertising, as per legislative requirements.	To reflect Regulated regulation
5.1.c	(c) The Director of Finance & HR shall publish information on the tendering of any contract which must be advertised in terms of this standing order on the internet based website or websites approved for that purpose by the Director of Finance & HR. In addition to advertising on a website, the director may choose to advertise the contract in any other way such as in trade journals or newspapers.	(c) In addition to advertising on The Public Contracts for Scotland website, The Director of Finance & HR may choose to advertise the contract in any other way such as in trade journals or newspapers.	To reflect Regulated regulation
5.2	5.2 The Director of Finance & HR shall be responsible for determining whether information regarding any contract requires to be published on an approved website.	remove	To reflect revised legislation
NB	N.B. With regards to standing orders 6 to 8 inclusive and until such times as SPT fully adopt electronic tendering procedures the following procedures shall apply.	remove	Electronic tendering is implemented
6.1	6.1 Arrangements Where tenders are invited for contracts, tenders	6.1 Arrangements for Hardcopy tender Where tenders are invited for contracts, tenders	To reflect the two different procedures for hardcopy &

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Original paragraph ref	Previously	Revised	Rationale
	<p>should be submitted in the tender envelope provided which should be securely sealed. Such envelopes will bear the word “Tender” followed by the subject to which the tender relates. The envelope will also bear the name and address of the contractor or supplier and will be addressed impersonally to the Partnership's Director of Finance & HR, who will make suitable arrangements for its safe keeping until opened. All tenders will, as soon as they are received, be endorsed with the date and time of receipt. All tenderers must be advised of the absolute requirement to submit tenders in the envelope provided, or in an envelope/package with the return template affixed. Tenderers should also be advised of any requirements with regards to electronic tendering – partial or otherwise.</p>	<p>should be submitted in the tender envelope provided which should be securely sealed. Such envelopes will bear the word “Tender” followed by the subject to which the tender relates. The envelope will also bear the name and address of the contractor or supplier and will be addressed impersonally to the Partnership's Director of Finance & HR, who will make suitable arrangements for its safe keeping until opened. All tenders will, as soon as they are received, be endorsed with the date and time of receipt. All tenderers must be advised of the absolute requirement to submit tenders in the envelope provided, or in an envelope/package with the return template affixed.</p>	<p>electronic</p>
6.2	<p>No previous clause</p>	<p>6.2 Arrangements for Electronic tender</p> <p>Where tenders are invited for contracts, tenders should be submitted online on the designated procurement tender website.</p>	<p>To reflect electronic tendering</p>
7.1	<p>7.1 Arrangements for Opening</p>	<p>7.1 Arrangements for Opening hardcopy tender</p>	<p>To reflect the two different procedures for hardcopy & electronic</p>
	<p>No previous clause</p>	<p>7.2 Arrangements for Opening (electronic)</p> <p>The tender bids will only be accessible by the SPT</p>	<p>To reflect electronic tendering</p>

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Original paragraph ref	Previously	Revised	Rationale
		Procurement department after the deadline has passed. The tender will be accessed online after the deadline and the electronic signature will be recorded automatically on the system.	
7.2	7.2 Marking of Tenders	7.3 Marking of Tenders (Hardcopy)	To reflect the two different procedures for hardcopy & electronic
7.3	7.3 Recording of tenders	7.4 Recording of tenders (Hardcopy)	To reflect the two different procedures for hardcopy & electronic
	No previous clause	7.5 Recording of tenders (electronic) All tenders received will be recorded automatically on the system.	To reflect electronic tendering
8.1	8.1 Receipt after the time and date specified for receipt of tenders All tenders received after the time and date specified for the return of tenders to SPT, will be promptly returned unopened to the tenderer by the Partnership's Chief Procurement Officer or a Procurement Officer	8.1 Receipt after the time and date specified for receipt of tenders All tenders received after the time and date specified for the return of tenders to SPT, will only be accepted if there has been a verified system problem, otherwise it will be rejected through the system. If the hardcopy has been received late it shall be promptly returned unopened to the tenderer by the procurement department, and recorded as received late and rejected	To reflect electronic tendering

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Original paragraph ref	Previously	Revised	Rationale
9.1	<p>9.1 Arithmetical Checks</p> <p>The appropriate client department technical officer will examine all tenders for arithmetical errors, correct the tenders where necessary and notify the Tenderers (and the Procurement Section) concerned of any such corrections. A letter from the tenderer confirming and agreeing to the changes in erroneous rates shall be appended to the tender document. Any adjustments and recalculations for the tender price must be independently verified and evidenced by another SPT technical officer.</p>	<p>9.1 Arithmetical Checks</p> <p>The procurement department and the appropriate client department technical officer will examine all tenders for arithmetical errors; any errors shall be advised to the supplier through the clarification process and only after the clarification process shall a revised tender price be acceptable.</p>	<p>To reflect best practice. The procedures do not allow the client department to see the commercial response until after the quality evaluation. However, to avoid loss of time procurement needs to review and clarify errors.</p>
9.2	<p>9.2 Clarifications</p> <p>Between the last date and time for the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, the Partnership's Chief Procurement officer may permit staff or consultants to contact the tenderer in cases where the contact is necessary to confirm or clarify the terms of the tender. (A record of any such permission should be retained on file). No information concerning any tender other than their own will be disclosed to the tenderer so contacted. The relevant 'client department' must ensure that a full written record is kept of all such contact which will be retained with the original tender and enclosed with Appendix 6 when submitted to the Procurement Section.</p>	<p>9.2 Clarifications</p> <p>Between the date of the receipt of tenders and the date on which a decision is taken as to which, if any, tender is to be accepted, there shall be a process of clarification in order to confirm or clarify the terms of the tenderers offer. No information concerning any tender, other than their own, will be disclosed to the tenderer. A full written record will be retained of all such clarifications and held in the contract file.</p>	<p>To reflect best practice. The clarification log is kept on the contract file.</p>

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Original paragraph ref	Previously	Revised	Rationale
9.3	Furthermore, it is a recommended good practice that evaluation panels consist of no fewer than two officers – three is the ideal number	<p>Furthermore, it is a recommended good practice that evaluation panels consist of no fewer than two officers although the actual number should be dependent on the value and complexity of the contract in question. If the evaluation is completed offline each officer should sign and date their evaluation scoring to strengthen the audit trail. A copy scan of these scores will be retained in the file.</p> <p>The final consensus scores and comments form the final evaluation scores.</p>	To reflect best practice. There is no “ideal number” as long as the evaluation panel reflects the value and complexity
10.1 (a)	Where the contract value does not exceed £60,000 and where it is proposed to accept a sole quotation/tender or where it is proposed to accept the lowest priced quotation/tender, the Chief Executive, an Assistant Chief Executive or Director.	(a) Where the contract value does not exceed £50,000 approval is per the scheme of financial delegations held within the electronic procurement system.	To reflect the regulated value and make approval process reflect system approval
10.1 (b)	(b) Where the contract value does not exceed £60,000 and it is proposed to accept a tender/quotation other than the lowest priced quotation/tender because it represents better value for money, the Chief Executive or an Assistant Chief Executive or Director, in consultation with the Assistant Chief Executive (Business Support).	(b) Where the contract value does not exceed £50,000 and it is proposed to accept a tender / quotation other than the lowest priced quotation / tender, the Chief Executive, or an Assistant Chief Executive or Director in consultation with the Assistant Chief Executive (Business Support), can approve the award	To reflect the Regulated value
10.1 (c)	(c) Where the contract value exceeds £60,000 but does not exceed £160,000 (or the European Tendering Limit whichever is the greater) (except where it is proposed to accept a tender which is greater than the lowest priced tender by more than 10%), the Chief Executive, an Assistant Chief	(c) Where the contract value exceeds £50,000 but does not exceed £160,000 or the European Tendering Limit whichever is the greater (except where it is proposed to accept a tender which is greater than the lowest priced tender, the Chief Executive, an Assistant Chief Executive or the Director of Bus Operations in	To reflect the Regulated value

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Original paragraph ref	Previously	Revised	Rationale
	Executive or the Director of Bus Operations in respect only of subsidised public transport service contracts, in consultation with the Assistant Chief Executive (Business Support).	respect only of subsidised public transport service contracts, in consultation with the Assistant Chief Executive (Business Support) can approve the award	
10.1 (d)	(d) Where the value of the contract exceeds £160,000 or in the case of contracts exceeding £60,000, where it is proposed to accept a tender which is greater than the lowest priced tender by more than 10% because it represents better value for money, the Partnership or relevant committee.	(d) Where the value of the contract exceeds £160,000 or in the case of contracts exceeding £50,000, where it is proposed to accept a tender which is greater than the lowest priced tender, by more than 10%, the Partnership or relevant committee can approve the award	To reflect the Regulated value
10.2	<p>10.2 Acceptance Arrangements – Purchase Orders/Contract award letters</p> <p>Quotations/Tenders not exceeding £20,000 duly approved for acceptance under this Contract Standing Order will be accepted under the hand of the Chief Executive, the client Assistant Chief Executive or Director (by way of submitting a requisition to the Procurement Section – with copies of quotations and/or single source form (appendix 5) attached, which in turn will be responsible for the subsequent issuing of an official purchase order to the supplier/contractor concerned). Such acceptances are not to be issued until any necessary financial and technical clearances have been obtained.</p> <p>Tenders for contracts in excess of £20,000 duly approved for acceptance under this Contract Standing Order will be accepted under the hand of</p>	<p>10.2 Acceptance Arrangements – Purchase Orders/Contract award letters</p> <p>Contracts not exceeding £20,000 will be accepted by way of submitting a requisition to the Procurement Section – with copies of quotations and/or single source form (appendix 5) attached, which in turn will be responsible for the subsequent issuing of an Award letter, terms and conditions and the official purchase order to the supplier/contractor concerned.</p> <p>Tenders for contracts in excess of £20,000 will be accepted by way of an Award Letter, a signed contract and a purchase order issued from the Procurement Section – The agreed contract will include, the tender proposals and/or single source form (appendix 5) attached, clarifications, service level agreements, Terms and Conditions</p>	To reflect actual practice

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Original paragraph ref	Previously	Revised	Rationale
	<p>the Partnership's Assistant Chief Executive (Business Support), Director of Finance & HR or Chief Procurement Officer. (This financial threshold will also apply to the awarding of contracts from Frameworks).</p> <p>All such contract award letters shall also quote SPT's purchase order number relevant to the approval. Therefore, client departments are again required to submit a requisition to the Procurement Section in addition to using appendix 5 or 6 as appropriate.</p>		
10.3	<p>10.3 Financial and Technical Clearances</p> <p>No tender will be awarded unless the Chief Executive, the client Assistant Chief Executive or Director in consultation with the Partnership's Chief Procurement Officer and the Director of Finance & HR is satisfied:-</p> <p>....</p> <p>(See Appendix 7 for guidance purposes with regards to checking the financial standing of the tenderer).</p>	<p>10.3 Financial and Technical Clearances</p> <p>No contract will be awarded unless authorised approvers as per the 10.1 are satisfied as to the following</p>	<p>Tidy up</p> <p>It's a contract that is awarded</p> <p>10.1 refers to the scheme of financial delegations for low value</p> <p>Appendix 7 is not used</p>
10.5	<p>10.5 Reporting Arrangements</p> <p>No acceptance of a tender will be issued except on written confirmation by the Chief Executive, client Assistant Chief Executive or Director to the Director of Finance & HR that all necessary financial and</p>	<p>10.5 Reporting Arrangements</p> <p>The Assistant Chief Executive (Business Support) will arrange for quarterly reports on all contracts accepted with an estimated value exceeding £20,000 to be submitted to the Partnership for noting. The reports</p>	<p>To reflect actual practice</p> <p>To reflect regulation requirement for reporting in the annual report</p>

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Original paragraph ref	Previously	Revised	Rationale
	<p>technical clearances have been obtained and that the relevant approvals have been given. (The appropriate form is attached as Appendix 6)</p> <p>The Assistant Chief Executive (Business Support) will arrange for quarterly reports on all contracts accepted with an estimated value exceeding £20,000 to be submitted to the Partnership for noting. The reports (which will be in the form of a Register of Contracts awarded) will contain the following information:-</p> <ul style="list-style-type: none"> • the value of each contract awarded; • the identity of the contractor to whom it was awarded; • the numbers of contractors invited to submit a tender; • the number of tenders submitted; • the criteria adopted for awarding the contract; • such other information (if any) as may be necessary to provide a proper summary of the contract awarded. 	<p>(which will be in the form of a Register of Contracts awarded) will contain the following information:</p> <ul style="list-style-type: none"> •the value of each contract awarded; •the identity of the contractor to whom it was awarded; •the number of tenders submitted; •the criteria adopted for awarding the contract; •such other information (if any) as may be necessary to provide a proper summary of the contract awarded. <p>The annual procurement strategy and report shall be in compliance with the Scottish Government guidelines</p> <p>All variations shall be monitored and reported in the Annual report to ensure compliance with the regulations.</p> <p>All single sources shall be monitored and reported in the Annual report to ensure compliance with the regulations.</p>	
11	11. TENDERING PROCEDURES - CONTRACTS TO BE IN WRITING	11. TENDERING PROCEDURES – CONTRACT DOCUMENTATION	To reflect online contract files
11.1	<p>11.1 Specification</p> <p>Every contract will be in writing and will specify in the Requisition/Purchase Order or in the contract documentation:-</p>	<p>11.1 Specification</p> <p>Every contract will be in writing and will specify the following contract documentation:-</p> <p>(a)The purchase order number</p>	To provide documentation which can be utilised to assist in managing the contract

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Original paragraph ref	Previously	Revised	Rationale
	<p>(a) the work, materials, matters or things to be furnished or done (including any appropriate specification(s));</p> <p>(b) the price to be paid with a statement of discounts or other deductions;</p> <p>(c) the time or times within which the contract is to be performed; and</p> <p>(c) the conditions of contract applicable.</p>	<p>(b)The tenderers offer and SPT acceptance</p> <p>(c) the scope and specification of the required goods, works or services;</p> <p>(d) the price to be paid with a statement of discounts or other deductions;</p> <p>(e) the time or times within which the contract is to be performed;</p> <p>(f)Applicable Service Level Agreement;</p> <p>(g) the Terms Conditions of contract applicable.</p>	
	<p>12. EXCEPTIONS TO THE FULL TENDERING PROCEDURE (i.e. EU PUBLIC PROCUREMENT RULES)</p> <p>12.1 Exceptions</p> <p>Contract processing from tendering to award stage will not require the full (i.e. EU Public Procurement Rules) competitive tendering process to be complied with if, and subject to recording such contracts in a register of quotations/procurement file to be kept and maintained by the client Director:</p> <p>(a) the amount or value of the contract does not exceed £20,000. In such cases the Chief Executive, the Assistant Chief Executive or Director will have discretion subject to compliance with a Practice Note issued by the Assistant Chief</p>	<p>12. SINGLE SOURCE / NON-COMPETITIVE PROCUREMENT PROCEDURE</p> <p>12.1 Contract processing from tendering to award stage may not require the competitive tendering process but will still require the approval and acceptance to be compliant with the Standing Orders Relating to Contracts and a contract will be recorded in a register of contracts file to be issued by the Procurement Department, in the following circumstances:</p> <p>(a) exceptionally and subject to agreement with the Director of Finance & HR in the case of contracts for certain services or the supply of goods or materials:-</p> <p>(1) the goods or materials are proprietary articles</p>	<p>To streamline the guidance to reflect the regulations</p>

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Original paragraph ref	Previously	Revised	Rationale
	<p>Executive (Business Support) as to the extent to which the tendering procedures set out in Contract Standing Orders 5 to 11 will be applied. The procedure outlined in Appendix 1 may also be used if considered appropriate by the Chief Executive, relevant Assistant Chief Executive or Director;</p> <p>B the amount of the contract exceeds £20,000 but does not exceed £60,000. In such cases the procedure outlined in Appendix 2 requires to be carried out, which procedure may be supplemented by Practice Notes issued by the Assistant Chief Executive (Business Support) from time to time;</p> <p>(c) the amount of the contract exceeds £60,000 but does not exceed £160,000. In such cases the procedure outlined in Appendix 3 requires to be carried out, which procedure may be supplemented by Practice Notes issued by the Assistant Chief Executive (Business Support) from time to time</p> <p>(d) exceptionally and subject to agreement with the Director of Finance & HR in the case of contracts for certain services or the supply of goods or materials:-</p> <p>(1) the goods or materials are proprietary articles and are sold only at a fixed price and no reasonably satisfactory alternative is available; or</p> <p>(2) where for technical or artistic reasons connected with the protection of exclusive rights, the services to be provided may only be provided</p>	<p>and are sold only at a fixed price and no reasonably satisfactory alternative is available; or</p> <p>(2) where for technical or artistic reasons connected with the protection of exclusive rights, the services to be provided may only be provided by a particular person; or</p> <p>(3) the prices of the goods or materials are wholly controlled by trade organisations or Government Order and no reasonably satisfactory alternative is available.</p> <p>(b) the contract is for the execution of work or the supply of goods or services to meet any immediate need created by a sudden emergency</p> <p>(c) the work is to be executed to existing plant or equipment, and the Partnership is bound by the terms of an agreement, by insurance requirements or by the terms of a warranty to use a specified contractor. The use of such contracts should be avoided if at all possible;</p> <p>(d) the contract is for the commissioning of theatrical, musical, dramatic or other artistic performance</p> <p>Non Procurement contracts</p> <p>The following are examples of non-procurement contracts, where procurement regulations do not</p>	

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Original paragraph ref	Previously	Revised	Rationale
	<p>by a particular person; or</p> <p>(3) the prices of the goods or materials are wholly controlled by trade organisations or Government Order and no reasonably satisfactory alternative is available.</p> <p>(e) the contract is for the execution of work or the supply of goods or services to meet any immediate need created by a sudden emergency (e.g. 'temporary' subsidised local bus services and/or school transport contracts);</p> <p>(f) tenders had been invited on behalf of any consortium, collaboration or similar body, of which the Partnership is a member, in accordance with any method adopted by that body;</p> <p>(g) the work is to be executed to existing plant or equipment, and the Partnership is bound by the terms of an agreement, by insurance requirements or by the terms of a warranty to use a specified contractor. The use of such contracts should be avoided if at all possible;</p> <p>(h) the proposed contract related to supplies and services available under a framework agreement in which the Partnership is entitled to participate (N.B. the previously agreed tendering/selection process of each framework will apply however, and, by the way of guidance, the client departments will only be obliged to utilise the</p>	<p>apply, however other relevant regulation will apply to the contracting of these services</p> <p>(e) the contract relates to the transfer, acquisition or disposal of an interest in heritable property including a licence to occupy or use heritable property;</p> <p>(f) it is a contract of employment; including secondment agreements.</p> <p>Where no competitive process has been conducted (and taking cognisance of the above examples) Appendix 5 (Single Source Form) must be completed by the client department and passed to the Procurement Section for processing.</p>	

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Original paragraph ref	Previously	Revised	Rationale
	<p>services of the Procurement Section in the tendering process if the estimated value of the contract exceeds £30,000. For the formal approval to award contracts from frameworks the financial thresholds will be as outlined at Standing Order 10.1);</p> <p>(i) the contract relates to the transfer, acquisition or disposal of an interest in heritable property including a licence to occupy or use heritable property;</p> <p>(j) it is a contract of employment; and</p> <p>(k) the contract is for the commissioning of theatrical, musical, dramatic or other artistic performance.</p> <p>Where appropriate (and taking cognisance of the above examples) Appendix 5 (Single Source Form) should be completed by the client department and passed to the Procurement Section for processing.</p>		
14.2	<p>14.2 Delays</p> <p>Except if otherwise provided in the contract documents, where completion of a contract is delayed by more than two twelfths of the contract period, it will be the duty of the Client Department Technical Officer concerned, after consultation with the Assistant Chief Executive (Business Support) to take appropriate action in respect of any claim for liquidated damages.</p>	<p>14.2 Claims against Liquidated damages</p> <p>Except if otherwise provided in the contract documents, where completion of a contract is delayed or defaulted by more than two twelfths of the contract period or amount, it will be the duty of the Client Department Technical Officer concerned, after consultation with the Assistant Chief Executive (Business Support) to take appropriate action in respect of any claim for liquidated damages.</p>	<p>To reflect various scenarios</p>

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Original paragraph ref	Previously	Revised	Rationale
15.1	<p>15.1 Contract Levels</p> <p>Where a contract is estimated to exceed £160,000, or in exceptional cases is for the execution of works or for the supply of goods, materials or services by a particular date or series of dates, the Director of Finance & HR and the Partnership's senior legal advisor in consultation with the appropriate technical officer will either certify that no such security is necessary or, in consultation with appropriate Officers, will specify in the conditions of tender the nature and amount of the security to be given. In the latter event, the Partnership will require and take a bond or other sufficient security for the due performance of the contract.</p>	<p>15.1 Contract Levels</p> <p>Where a contract is estimated to exceed £160,000, or in exceptional cases is for the execution of works or for the supply of goods, materials or services where risk has been identified, the Procurement Manager or the Director of Finance & HR and the Partnership's senior legal advisor in consultation with the appropriate technical officer will either certify that no performance bond is necessary or, in consultation with appropriate Officers, will specify in the conditions of tender the nature and amount of the security to be given. In the latter event, the Partnership will require and take a bond or other sufficient security for the due performance of the contract.</p>	To reflect that low value contracts may be high risk
18.2 d	(d) if the contractor, or any person employed by him or acting on his behalf has committed any offences under the Prevention of Corruption Acts 1889 to 1916, or any amendment of them, or has given any fee or reward the receipt of which is an offence under Section 68 of the Local Government (Scotland) Act 1973.	(d) if the contractor, or any person employed by him or acting on his behalf has committed any offences under the Bribery Act 2010	To reflect updated legislation
19.2 c	No previous clause	c) If a conflict has been declared the person in question must not engage in the evaluation or approval of the tenders, or issue variations to the contract.	To reflect best practice
20.1	<p>20.1 Arrangements for Appointment</p> <p>It is essential that SPT makes the best use of its</p>	<p>20.1 Arrangements for Appointment</p> <p>It is essential that SPT makes the best use of its</p>	To be consistent with the Scottish Government

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Original paragraph ref	Previously	Revised	Rationale
	<p>resources. As such, consultants should be used sparingly, effectively and only where their use is unavoidable to deliver SPT's business objectives. 'Consultancy' can however mean different things to different people and so by way of guidance client departments should refer to the Scottish Procurement Directorate's document entitled 'Use of consultancy Procedures [Professional Services]', (See SPT Intranet- Departments-Finance-Procurement-Documents Download).</p>	<p>resources. As such, consultants should be used sparingly, effectively and only where their use is unavoidable to deliver SPT's business objectives. The Scottish Government guidance on use of consultancy procedures defines 'consultancy' as including a wide range of professional services such as management consultancy, IT consultancy, financial consultancy, construction or infrastructure related consultancy, research and evaluation and policy development (including feasibility studies). It should be noted that the definition applies to the services which are being procured, not the name of the supplier or the supplier's own description of the service. 'External consultancy' does not include outsourcing or buying in technical or specialist services such as legal advice and representation or recruitment services. http://www.gov.scot/Topics/Government/Procurement/buyer-information/standardformsanddocs/ConsultProc</p>	<p>guidance</p>
22.1	<p>22.1 Contract Register</p> <p>Where contracts provide for payment to be made by instalments, the Director of Finance & HR will arrange for the keeping of a contract register or registers to show the state of account on each contract between the Partnership and the contractor together with any other payments and the related professional fees.</p>	<p>22.1 Contract Register</p> <p>The Procurement Manager shall be responsible for publishing a contract register within the annual report, detailing all the active contracts for SPT. This shall be published on the SPT website</p>	<p>To reflect the regulation requirement for reporting</p>
22.2	<p>22.2 Contractors' Certificates</p> <p>Payments to contractors on account of contracts</p>	<p>22.2 Contractors' Certificates</p> <p>Certificates for payment will be issued for payment</p>	<p>To reflect actual practice and the Regulations with</p>

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Original paragraph ref	Previously	Revised	Rationale
	<p>will be made only on a certificate issued by the Chief Executive, the client Assistant Chief Executive or Director (or private architect, engineer or consultant, etc. where engaged by the Partnership) or by a depute or other nominated Officer.</p>	<p>after the application for payment has been validated by an authorised officer. The validation shall include ensuring all materials and labour applied for is accurate, and that the retention has been accrued. Any withholding advice notes must be issued to the contractor within 14 days upon receipt of the application for payment.</p>	<p>regard to contractor payments</p>
<p>22.3</p>	<p>Subject to the provisions of the contract in each case every extra or variation will, unless otherwise satisfactorily evidenced, be authorised in writing by the Chief Executive, client Assistant Chief Executive or Director (or private architect, engineer or consultant) as may be appropriate or by a depute or other nominated Officer. Variation letters to contractors (which affect the award price and/or contract payments) shall be issued by the Procurement Section on the instruction of the relevant client department (using Appendix 8) on the basis such variations can be contained within the approved budget. Variations which will result in a 'Significant' increase in the value of the contract should be approved in consultation with the Director of Finance & HR.</p> <p>Unless there are mitigating circumstances, variations should not increase the total value of an existing contract (or total annual value for a supply/service contract) by more than 20%. Proposed increases above this threshold should be considered as a possible new contract.</p>	<p>Subject to the provisions of the contract and the original tender specification, in each case every extra or variation will, unless otherwise satisfactorily evidenced, be authorised in writing by the Chief Executive, client Assistant Chief Executive or Director (or private architect, engineer or consultant) as may be appropriate or by a depute or other nominated Officer. Variation letters shall be issued by the Procurement Section on the instruction of the relevant client department (using Appendix 8) on the basis such variations can be contained within the approved budget. Variations which will result in a 'Significant' increase in the value of the contract should be approved in consultation with the Director of Finance & HR.</p> <p>Unless there are mitigating circumstances, variations should not increase the total value of an existing contract (or total annual value for a supply/service contract) by more than 20%. Proposed increases above this threshold should be considered as a possible new contract.</p> <p>For the avoidance of doubt all variations which cannot</p>	<p>To reflect the tighter regulations concerning variations</p>

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Original paragraph ref	Previously	Revised	Rationale
	For the avoidance of doubt all variations which cannot be contained within approved budgets require to be approved by the relevant committee.	be contained within approved budgets require to be approved by the relevant committee All variations will be recorded and reported.	
22.4	<p>Reporting of Variations</p> <p>For contracts which had an original contract award price of more than £20,000 all such extras or variations will be reported to the Partnership as soon as practicable if the cumulative effect of these is to increase or decrease the value of the contract by 20% of the contract price, or £50,000, whichever is the lesser.</p> <p>For contracts which had an original contract award price of £20,000 or less, variations need only be required to be reported to the Partnership if the total value of the contract increases to more than £20,000.</p>	<p>For contracts which had an original contract award price of more than £20,000 all such extras or variations will be reported to the Partnership as soon as practicable if the cumulative effect of these is to increase or decrease the value of the contract by 20% of the contract price, or £50,000, whichever is the lesser.</p> <p>All variations irrespective of value will be reported in the annual report.</p>	To reflect the tighter regulations for variations
26.1	<p>26.1 Variation</p> <p>These Contract Standing Orders may be varied or revoked subject to a report by the Assistant Chief Executive (Business Support) on any variations and revocations being approved by the Partnership and, where it affects the interests of the Partnership. The Contract Standing Orders will be reviewed no less frequently than annually</p>	<p>26.1 Variation</p> <p>These Contract Standing Orders may be varied or revoked subject to a report by the Assistant Chief Executive (Business Support) on any variations and revocations being approved by the Partnership and, where it affects the interests of the Partnership. The Standing Orders Relating to Contracts will be reviewed no less frequently than biennially</p>	To reflect actual practice
	Summary of procurement procedures	Add in defined procedure for under £5k, reflect Scheme of financial delegations for approvals	To reflect actual practice and change

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Original paragraph ref	Previously	Revised	Rationale
		<p>Explicitly state if an award letter is not required State EU threshold</p> <p>Define procurement responsibility for evaluation of tenders.</p> <p>Change £60,000 to £50,000</p>	due to regulation
<p>Appendix 1</p> <p>“Tendering Procedure for Contracts up to and Including £20,000”</p>		<p>Use of Corporate contracts or using pre-tendered Frameworks</p> <p>1.1 Where suitable corporate contracts or framework agreements exist the client department will use these contracts/agreements unless justification can be provided for not using them. Justification will be provided to the Procurement Manager.</p>	To ensure consideration of existing contract
<p>Appendix 2</p> <p>“Tendering Procedure for Contracts over £20,000 up to and including £50,000 (where no suitable corporate contracts/ framework agreements exist)”</p>		<p>1.2.2 Detail of future estimated requirements;</p> <p>1.2.5 Evaluation criteria to be established in consultation with the client department detailing the methodology to be utilised for the evaluation; and</p>	To reflect legislation and best practice
<p>Appendix 3</p>		<p>Various changes to Appendix to reflect regulated requirement and best practice. The major changes</p>	To reflect regulation requirement and

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Original paragraph ref	Previously	Revised	Rationale
<p>“Tendering Procedure for Contracts over £50,000 up to and including £160,000 (or the European supplies and services tendering limit, whichever is the greater) (where no suitable corporate contracts or framework agreements exist)”</p>		<p>are:</p> <p>Ensure MEAT evaluation is stated as a requirement</p> <p>Change £60,000 to £50,000</p> <p>Remove detail of individual regulation processes</p>	<p>best practice</p>
<p>Appendix 4</p> <p>“Tendering Procedure for Contracts over £160,000 (or the European Union supplies and services tendering limit, whichever is the lesser) (where no suitable corporate contracts or framework agreements exist)”</p>		<p>Various changes to Appendix to reflect EU requirement and best practice. The major changes are:</p> <p>Ensure MEAT evaluation is stated as a requirement</p> <p>Remove detail of individual regulation processes</p>	<p>To reflect EU requirement and best practice</p>
<p>Appendix 6</p>		<p>Removed</p>	<p>To reflect current practice</p>

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Original paragraph ref	Previously	Revised	Rationale
"Form Requesting Procurement Department to issue a Contract Variation Letter (excludes 'provision of transport' contracts)"			Procurement will know when they should issue an award letter
Appendix 7 "Form requesting authorisation to initiate tendering/sourcing procedures for the appointment of an external consultant"		Removed	Appendix not required as requests are processed directly
N/A		New Appendix 8 – "Transportation Services – Best Value Pro Forma for approval for Direct Award" Add details for Direct award criteria for Transport services	To reflect flexibility within the regulations