



CITY OF LONDON PROCUREMENT CODE PART ONE: RULES

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A. INTRODUCTION

The Procurement Code (“the Code”) is a fundamental component that governs procurement and assists the implementation and delivery of the City of London Corporation’s (the Corporation) strategic goals. Procuring (buying) goods, works and services in the right way is essential to ensure value for money is achieved. The Procurement Strategy and service performance is ultimately overseen and authorised by elected members and governed by the Strategic Resources Group.

The Code constitutes the rules that must be followed when any procurement is undertaken by the Corporation and are designed to ensure that risks are minimised and procurement complies with the Public Contracts Regulations 2015 and other relevant legislation.

Guidance and templates to underpin each of the rules and assist officers with undertaking procurement can be found in Part Two of this Code.

The Code also applies to the Corporation for all procurement activities regardless of funding stream. The Code applies to procurements funded by City Fund, City’s Cash, Bridge House Estates and externally funded or collaborative projects where the Corporation is the contracting authority conducting the procurement and signing the contract.

Officers must seek Line Manager approval to undertake a procurement exercise regardless of contract value.

The Corporation’s financial procedures and guidelines contained in the [Financial Regulations](#), Standing Orders, [Project Procedures](#), and [Scheme of Delegations](#) should also be taken into account when undertaking a procurement.

B. GOVERNANCE AND PRINCIPLES

1. External Regulations

- 1.1.** Public Procurement is subject to a regulatory framework which directly impacts the Corporation in its capacity as a local and police authority. These include Public Contracts Regulations 2015, Concessions Contract Regulations, the Social Value Act, Small Business Enterprise and Employment Act 2015, Local Government Act 1999 and other UK legislation.
- 1.2.** All processes above and below OJEU threshold contracts are regulated where they are undertaken in the Corporation's capacity as a local and police authority.

2. Public Contracts Regulations 2015

- 2.1.** Public Contracts Regulations 2015 (PCR 2015) apply as a matter of law to the Corporation when it acts in its capacity as local authority (including as port health authority) or police authority (i.e. City Fund activities). The Corporation's procurement policy reflected in this Procurement Code is that, unless C&CS has advised in writing to the contrary or Members have resolved otherwise, the PCR 2015 will be applied to ALL the Corporation's procurement activities without distinguishing between the Corporation's various capacities or functions. Therefore, the PCR 2015 will also be applied when the Corporation acts in its general corporate capacity, whether in respect of City's Cash funded functions or as a corporate trustee (e.g. in respect of Bridge House Estates or any other charity); or otherwise acts (in whatever capacity) as an accountable/contracting body for collaborative or jointly-funded projects where the Corporation undertakes the procurement and enters into the contract.
- 2.2.** PCR 2015 applies to all public supplies, services and works contracts. Failure to comply with PCR 2015 could expose the Corporation to the risk of a successful legal challenge. Therefore, all procurements subject to PCR 2015 must be undertaken by City Procurement.

3. Governance

- 3.1.** The Chamberlain is responsible for City Procurement, which is the central service for the Corporation's procurement operations.
- 3.2.** The Finance Committee are responsible for overseeing the performance and development of City Procurement. However, major decisions regarding policy and financial approval will be referred to Policy and Resources, Court of Common Council or other Committees for approval wherever necessary.
- 3.3.** Strategic Resources Group is the leadership and Senior Officer Board that oversees procurement performance and policy development.
- 3.4.** Category Boards are decision making forums that are responsible for approving and overseeing procurement strategy and performance monitoring in major areas of related expenditure, such as construction or information technology. This includes approval of non-project related procurements and prioritisation of procurements within spend categories. Category Boards report into Strategic Resources Group (SRG) and relevant Spend Committees.

4. Monitoring

- 4.1.** City Procurement is responsible for monitoring and reporting on all of the Corporation's procurement expenditure and activities. Procurement is subject to scrutiny by the Corporation's Internal Audit Service and the Policy and Compliance team which may undertake audits, issue reports and make recommendations on any of its activities.

- 4.2.** The Corporation's procurement activities and processes are also subject to external audit reviews and the Crown Commercial Service [Public Procurement Review Service](#). The Public Procurement Review Service allows suppliers to raise concerns anonymously about potentially poor public sector procurement practice. Their role is to investigate suitable cases referred to them and to highlight improvements that could be made to procurement practices and potential conflicts with best practice or PCR 2015.

5. Best Value

- 5.1.** Officers undertaking procurement on behalf of the Corporation have a duty to apply Best Value principles in accordance with section 3 of the Local Government Act 1999. The Best Value principles are relevant to the entire procurement process and this Code and must always be taken into account.
- 5.2.** The duty to achieve best value for the Corporation requires us to consider and investigate economic, environmental and social aspects and outputs in relation to the purchasing decisions we make. Through our procurement processes and activities, we aim to minimise the negative impacts associated with goods, services and works and their associated supply chains and maximise potential benefits including social value. This commitment is regulated in public services contracts by the Public Services (Social Value) Act 2012 and the Responsible Procurement Policy.
- 5.3.** Section 3 of the Local Government Act 1999 and the Public Services (Social Value) Act 2012 applies to the Corporation without distinguishing between its various functions. When acting in a capacity other than as a local or police authority, Section 3 of the Local Government Act 1999 and the Public Services (Social Value) Act 2012 will be considered as applicable, unless C&CS has advised in writing to the contrary.
- 5.4.** The Corporation intends to award contracts based on quotes or tenders which represent the most economically advantageous tender to the Corporation in terms of price and quality for the provision of goods, services and works. A contract may be awarded based on "price only" or "quality only" in those circumstances contained in Part Two of the Code.

6. Codes of Conduct

- 6.1.** The Corporation expects all persons involved in procurement to behave with the highest levels of probity and integrity in accordance with the Bribery Act 2010, this Code, The Employee Code of Conduct and The Fraud Awareness Policy. Failure to adhere to these conditions may result in disciplinary action and in the most serious cases criminal investigation and prosecution.
- 6.2.** All external persons involved in a procurement process will need to complete a non-disclosure agreement and maintain confidentiality throughout the procurement process including any standstill periods.

7. Conflicts of Interest

- 7.1.** All persons involved in a procurement exercise must declare immediately any personal interest arising from the procurement exercise in accordance with the process contained in Part Two of the Code.

8. Transparency

- 8.1.** City Procurement is responsible for publishing procurement information required by the

Local Government Transparency Code 2015 and for managing Freedom of Information Requests relating to procurement. The requirements do not extend to the Corporation's non local authority functions including the Police and Crime Commissioners for whom a separate transparency framework applies.

9. Collaboration

- 9.1.** Procurement will be undertaken in a spirit of collaboration between City Procurement, officers and Members of the Corporation as whole, our external partners and suppliers and the communities it serves. In many cases this will involve working jointly for the corporate good across the organisation and in collaboration with external partners.

10. Equal Treatment

- 10.1.** All procurement undertaken by the Corporation must accord equal treatment and consideration to all organisations competing for its contracts. This involves undertaking the procurement in accordance with the rules, procedures and guidance we publish and applying them equally to all participants without favour.

11. Proportionality

- 11.1** The processes to be followed by the Corporation should be proportionate to the value, strategic and operational importance, statutory obligations, contractual and related risks (including reputational and uninsurable risks) and commercial benefits of the procurement being undertaken.

C. OPERATIONS

12. Annual Sourcing Plan

- 12.1.** Chief Officers must provide the Assistant Director Category Management & Sourcing with a forecast, for the next financial year, every February of all procurements valued at £100,000 or more for supplies or services and £400,000 or more for works, to enable City Procurement to plan and allocate resources for the following financial year. Procurements over £100,000 for goods and services or over £400,000 for works that are not included in the Annual Sourcing Plan, will go to the Category Board for prioritisation.

13. Section 20 Consultations and the use of Nominated Suppliers

- 13.1.** Procurements relating to supplies, services and works for residential properties leased by the Corporation may be subject to statutory requirements for the Corporation to consult with leaseholders under Section 20 of the Landlord and Tenant Act 1985 (as amended).
- 13.2.** Officers responsible for managing the properties for which the procurements are being undertaken are also responsible for undertaking the consultation with leaseholders and will need to factor in the longer lead-in times for procurement processes in cases of leaseholder consultation.
- 13.3.** Below the OJEU threshold, procurements relating to supplies, services and works for residential properties leased by the Corporation may also be subject to Section 20 which allows leaseholders to nominate suppliers to be considered for inclusion in tenders.
- 13.4.** During section 20 consultations, tenders will be made available for inspection to leaseholders.

14. Estimating Contract Values

- 14.1.** Officers estimating contract values for the purposes of complying with the procurement

thresholds should calculate the whole estimated contract value over the life of a contract including provision for subsequent phases of a project, appropriate contract extensions and options.

- 14.2.** Officers must not deliberately sub-divide or disaggregate procurements for the purpose of avoiding the thresholds in this Code.
- 14.3.** City Procurement must be consulted regarding all procurement estimates above £50,000. Officers may consult City Procurement on contracts under £50,000.

15. Procurement Thresholds and Procedures

- 15.1.** The quotation and tender thresholds apply to all procurement including the procurement phases of capital projects. All financial thresholds in the Procurement Code are exclusive of VAT or any other taxes.
- 15.2.** All contracts valued £100,000 or more for supplies or services, and £400,000 or more for works, must be advertised except where an existing approved Corporate Contract or framework is being used.
- 15.3.** The following thresholds apply:

Table 1 Procurement Thresholds

Type of Procurement	Supplies & Services Threshold	Works Threshold	Basis and Guidance
Operational Purchasing	Up to £50,000	Up to £50,000	Officers may seek quotations directly from suppliers in accordance with the process outlined in Part 2. Once a quotation has been obtained, a requisition must be created on iProcurement and submitted to City Procurement who will issue a Purchase Order to the selected supplier. Where a Corporate Contract for the supplies and services exists, it must be used.
One-off Purchasing	More than £50,000, but less than £100,000	More than £50,000 but less than £400,000	Request for Quotation must be undertaken by City Procurement through the eTendering portal. A minimum of three firms to be invited to submit written quotations one of which should be a local firm, SME, or a Social Enterprise.
Strategic Purchasing	£100,000 or more	£400,000 or more	Options Appraisal must be undertaken by City Procurement. Any resulting procurement must go through the eTendering portal.

- 15.4.** All procurements above the EU threshold for goods and services and works must be

advertised in accordance with Public Contracts Regulations 2015. The use of the Negotiated Procedure without Prior Publication may only be recommended in very specific circumstances contained in Part Two of the Code and with the approval of the Commercial Director for City Procurement.

- 15.5.** For supplies, services and works below the EU threshold which are subject to Section 20 of the Landlord and Tenants Act 1985, please refer to 'Section 20 Consultations and the Use of Nominated Suppliers' Rule in this Code and associated guidance in Part Two of this Code.

16. Contract Letting Thresholds

- 16.1.** The approval thresholds below set out the levels of approvals required by officers to proceed with the various phases of non-project related procurements and the award of contracts.

- 16.2.** The following thresholds apply to the total contract value:

Table 2 Contract Lettings Thresholds

Total Contract Value	Approval Process
£50,000 and below	Options – Chief Officer Contract Award - Relevant Chief Officer/or an Officer with Delegated Authority from the Chief Officer.
More than £50,000 – less than £100,000	Options – Procurement Operations Team and Departmental Officer Contract Award: Relevant Chief Officer/or an Officer with Delegated Authority from the Chief Officer.
£100,000 - less than £2,000,000	Options - Relevant Category Board Contract Award - Relevant Category Board
£2,000,000 or more, but less than £4,000,000	Options (Stage 1): Report for Relevant Category Board and Procurement Sub (Finance) Committee for approval to proceed with a procurement and for the procurement strategy. Contract Award (Stage 2): Report for Relevant Category Board and Procurement Sub (Finance) Committee which receives final recommendation on contract award.
£4,000,000 and above	Options (Stage 1): Report for Relevant Category Board, Procurement Sub (Finance) Committee, and Finance Committee for approval to proceed with a procurement and for the procurement strategy. Contract Award (Stage 2): Report for Relevant Category Board, Procurement Sub (Finance) Committee, and Court of Common Council which receives final recommendation on contract award.

Different approval processes and thresholds apply to the procurement phases of projects. The project approval thresholds can be found on the [Project pages of COLNET](#).

17. Corporate Contracts

- 17.1.** City Procurement maintains a range of [Corporate Contracts](#) for supplies, services and works that are commonly required by all or a wide range of the Corporation's departments. Officers must use Corporate Contracts to ensure value for money, efficiency and best practice.

- 17.2.** Information relating to Corporate Contracts may be commercially sensitive and officers must not communicate it directly or indirectly to other external suppliers.
- 18. Concession Contracts**
- 18.1.** Concession contracts must be undertaken in consultation with City Procurement, City Surveyor's, and Comptroller & City Solicitor's in accordance with the procedures set out in Part Two of this Code.
- 19. Creating a City of London Framework**
- 19.1.** The procurement of frameworks are subject to the Procurement Thresholds Rule and the award decision is subject to the Contract Letting Thresholds Rule. Mini competitions or call-offs from such frameworks should be administered through City Procurement.
- 19.2.** All tenders for the creation of Corporation frameworks must be undertaken by officers in City Procurement.
- 20. Using Frameworks created by External Contracting Authorities**
- 20.1.** Before using an external framework for the first time, City Procurement will undertake a due diligence assessment of the benefits and risks, adopting a proportionate approach in accordance the guidance set out in Part Two of this Code.
- 20.2.** The award of contracts arising from the use of external frameworks is subjects to the Contract Letting Thresholds and Project Approval process where applicable.
- 21. Access Agreements**
- 21.1.** Where use of a framework is conditional upon the Corporation first signing an Access Agreement (or similar) with the external contracting authority, such an agreement must be reviewed by City Procurement in accordance with the procedures Part Two of this Code and signed by the Commercial Director or delegated officer.
- 22. Police Collaborative Agreements**
- 22.1.** Comptroller & City Solicitor's, City Procurement and the Chamberlain's Risk Management and Insurance Team must be consulted in relation to any police collaboration agreements. The terms and conditions for any proposed collaboration agreements must be vetted by the Comptroller & City Solicitor's department in accordance with provisions of Rule 36 'Contract Terms and Conditions'.
- 22.2.** Approval for any collaboration will require approval from the Police Authority Board and the Commissioner of the City of London Police. Any agreement must be signed by the Commissioner and the Comptroller and City Solicitor or an Assistant City Solicitor on behalf of the Corporation in it's capacity as Police Authority.
- 23. Appointment of External Procurement and Legal Consultants**
- 23.1.** Officers wishing to appoint external consultants to assist with procurement projects must consult the City Procurement before all such appointments are made.
- 23.2.** The appointment of external legal counsel including solicitors and barristers is also subject to Comptroller & City Solicitor's department consultation and procedures.
- 23.3.** Any resulting appointment must comply either with this Code in respect of a procurement in line with services thresholds or via the Human Resources Recruitment and Selection policy in respect of short- t e r m contracts of employment or the appointment of temporary staff.

All external consultants and companies appointed by the Corporation to assist with procurements must be advised of their obligation to comply with this Code's rules on Codes of Conduct and Conflicts of Interest.

24. Communication with Suppliers

- 24.1.** City Procurement is responsible for managing all communications with suppliers during procurement projects via the Corporation's e-tendering portal. Officers should follow the advice and instructions of the City Procurement's Sourcing and Category Management team. Failure to do so may compromise confidentiality and data protection obligations; give rise to a conflict of interest; and jeopardise the procurement.

25. Waivers

- 25.1.** In special or exceptional circumstances identified in Part Two of the Code, the requirements of this Code may be waived provided one of the following authorisations has been received:

Table 3 Waiver Approval Thresholds

	Approval Required by
£50,000 or Less	No City Procurement Waiver necessary with the exception of a decision not to use a Corporate Contract where a City Procurement Waiver approved by Chief Officer will be required.
More than £50,000 Compliant	To be considered as part of an options report in accordance with the Contract Letting Thresholds Rule
More than £50,000 Non-Compliant	Relevant Spend Committee for the department requesting the City Procurement Waiver (and Projects Sub-Committee for contracts let as part of projects).

- 25.2.** Waivers that cannot wait for the next committee date can be approved via the urgent committee report process which is the Town Clerk in consultation with the Spend Committee Chairman and Deputy Chairman. All urgent waivers must come through City Procurement before going to committee clerks.
- 25.3.** The award of a contract arising from a non-compliant waiver must be issued by City Procurement through the eTendering portal.
- 25.4.** All non-compliant waivers granted will be reported quarterly to Finance Committee and annually to relevant spend committees for information.
- 25.5.** The requirement to obtain waivers for not using Corporate Contracts applies to all procurement values including purchases below £50,000.
- 25.6.** Procurements over the EU thresholds cannot legally be waived when the Corporation is acting in its capacity as a local authority or police authority. When acting in a capacity other than as a local authority, waivers for procurements over the EU thresholds will not be considered unless the Comptroller & City Solicitor has provided written advice in accordance with rule 2.1.

26. Competitive Procurement Exemptions

- 26.1.** There are limited instances where it is not necessary to seek a competitive tender or quotations. The approved list of exemptions to procurement is included in [Competitive Procurement Exemptions Policy](#).
- 26.2.** The award of a contract arising as a result of Competitive Procurement Exemption may be subject to the approvals as per Contract Letting Thresholds rule. Please consult the Competitive Procurement Exemptions Policy for more information. Contracts issued as a result of an exemption should be included on City Procurement's Contract Register.

D. CONTRACT MANAGEMENT

27. Contract Management

- 27.1.** Contracts awarded following procurements undertaken by City Procurement will be managed by appropriate officers in each department directly for their own department, on behalf of a group of departments or, in the case of Corporate Contracts, the Corporation as a whole including any external organisations using the contract.
- 27.2.** The Corporation's key suppliers known as Category A contracts are subject to regular assessments against the City's Corporate Supplier Performance Scorecard. City Procurement's Commercial Contract Management team must be engaged to assist with completion of the scorecard and contract management for category A suppliers. Further information about contract categories is contained in Part Two of the code.

28. Contracts Register

- 28.1.** City Procurement is responsible for managing and maintaining an electronic register of all contracts awarded including those contracts awarded via a waiver or a framework by the Corporation or assigned to the Corporation by third parties.
- 28.2.** After a contract has been awarded the officers and department responsible for managing the contract are also responsible for notifying City Procurement of any changes to the status of the contract including but not limited to contract extensions, contract value, scope, terminations and changes to contract management arrangements. Please note the following rules – Contract Extensions, Contract Variations, Changes in Identify of Suppliers and Contract Terms and Conditions.

29. Document Retention

- 29.1.** The Corporation's regulations for the retention of tenders, quotations and contracts are set out in Part Two of the Corporation's Financial Regulations.
- 29.2.** City Procurement is responsible for maintaining a register of tenders and quotations and will keep records for six years.
- 29.3.** Contracts awarded under seal for supplies and services at £250,000 or above and for works at £400,000 or above must be kept for 12 years from the date of final delivery or completion of the supply, services or works to which they relate. Contracts not under seal must be kept for six years from the date of final delivery or completion of the supply, services or works to which they relate.
- 29.4.** Where the Comptroller & City Solicitor's (C&CS) have not prepared contracts for execution or signature, City Procurement must provide to the C&CS Business Systems & Information Manager original or digitally signed copies of every contract it awards within 14 days of the

contract being exchanged and signed by the parties. The 14 days will also apply to all contract variations, extensions and change requests which are prepared at a local level. The C&CS has its own internal procedures for those contracts and other documents it prepares. C&CS is responsible for the storage and archiving of the original contracts.

30. Contract Extensions (Non-projects where contract terms allow for extension)

30.1. Officers have the right to extend non-project related contracts if the contract terms allow for an extension and the requisite approval was obtained in accordance with the Contract Letting Thresholds (see rule 16 above). However, before exercising the right to extend, officers must also undertake a formal contract review for all contracts valued £50,000 or more in conjunction with City Procurement to evaluate contract performance, value for money and alternative procurement opportunities.

30.2. The following thresholds and procedures apply to the review

Table 4 Contract Extensions Approval Thresholds

Total Contract Value	Contract Review Procedure	Approval Procedure
Over £50,000 but less than £100,000	Departmental Contract Manager and City Procurement Commercial Contract Manager undertake a joint review and produce a brief report with appropriate recommendations. The review should take place 4 months before the expiry of the minimum term.	Chief Officer and Commercial Contract Management Team
£100,000 but less than £2,000,000	Departmental Contract Manager and City Procurement Commercial Contract Manager undertake joint review and produce a report with appropriate recommendations. The review should take place 6 months before the expiry of the minimum term.	Relevant Category Board or Commercial Contract Management Team as delegated
£2,000,000 but less than £4,000,000	Commercial Contract Manager and Departmental Contract Manager undertake joint review and produce a report with appropriate recommendations. The review should take place 9 months before the expiry of the minimum term.	Category Board and Procurement Sub Committee
£4,000,000	Commercial Contract Manager and Departmental Contract Manager undertake joint review and produce a report with appropriate recommendations. The review should take place 9 months before the expiry of the minimum term.	Category Board, Procurement Sub Committee, Finance Committee, and Court of Common Council

31. Contract Variations

31.1. Variations to Specification

Variations to specifications shall not take place after a contract award unless:

- There is scope within the contract (specification, terms and conditions or other schedule) to enable it to be modified
- the changes are compliant with Regulation 72 of PCR 2015; and or
- changes in law arise which place new statutory duties upon the Corporation of obligations upon the contractor which must be provided for within any specification;

- and or
- changes in policy arise which must be provided for within the specification.

Where a variation does not give rise to a change in contract value, City Procurement must be consulted who may undertake further consultation with C&CS before any variation to contract may be issued.

Where the variation gives rise to a change in contract value, the approval process contained in Increases in Contract Value rule will apply.

31.2. Increases in Contract Value

Contract expenditure that will exceed the approved provision (not including existing extensions) after allowing for inflation by more than 20% or £400,000, whichever is the lowest, must be reviewed by the Commercial Contract Management Team. Contracts awarded below OJEU thresholds cannot legally be increased over the relevant thresholds.

For contracts originally awarded over OJEU any increases in price cannot exceed 50% of the original contract value.

In addition to the Commercial Contract Management team review the following authorisation is required:

Table 5 Increases in Contract Value Approval Thresholds

New Total Contract Value*	Approval
Over £50,000 but less than £100,000	Chief Officer
£100,000 but less than £2,000,000	Relevant Category Board
£2,000,000 but less than £4,000,000	Procurement Sub Committee and any Committee(s) which considered the Contract Letting Report
£4,000,000 +	Procurement Sub Committee, any Committee(s) which considered the Contract Letting Report and Court of Common Council

For contracts where known risks have been included on the project risk register and the additional budget has already been approved via the Project Gateway Approval Process, further approval must be sought via the Gateway Approval Process.

31.3. Alterations to contract terms and conditions

A substantive alteration of the terms and conditions or the suspension or abrogation (cancellation) of the proper performance of any contract, or part or parts thereof, to which the Corporation is a party, shall be subject the same approval as laid out in Contract Letting Thresholds Rule.

31.4. Contract Termination

City Procurement and C&CS must be consulted regarding termination of contracts over £50,000. Please see part two of the Code for more information.

32. Contracts procured by third parties, assigned or novated to the Corporation

32.1. This Code does not apply to contracts which have been procured by a third party and assigned or novated to the Corporation following the acquisition by, or reversion to, the Corporation of long leasehold interests or the acquisition of freehold interests.

32.2. These contracts will be handled directly by the City Surveyor who shall ensure in consultation

with C&CS that the required due diligence on the contracts is undertaken on any contracts which are to be assigned or novated to the Corporation following the completion of the commercial transaction.

32.3. The City Surveyor should advise City Procurement of such contracts to ensure they are included in the Contracts Register.

32.4. On the expiry of contracts procured by third parties which have been assigned or novated to the Corporation, where a Corporate Contract exists, the Corporate Contract must be used.

33. Changes in identity of Suppliers

33.1. City Procurement must be consulted regarding the assignment or novation of contracts in accordance with the guidance and procedures in Part Two of this Code.

33.2. No novation agreement must be entered into until:

- (a) the terms have been agreed in consultation with Comptroller & City Solicitor's (C&CS);
- (b) the Chamberlain's department have been consulted on Financial Standing and Risk Management in accordance with rule 35;
- (c) where applicable the new contractor meets the mandatory qualitative selection criteria and there are no material modifications made to the original contract;

If the novation satisfies A-C, no further approval is required. Commercial Contract Management team and C&CS will draft the necessary novation agreement. If there is a significant change to the risk profile due to the change of the supplier, approval will need to be obtained in accordance with Contract Letting Thresholds Rule.

33.3. Where it is established that no assignment or novation has taken place but only a rebranding exercise following a company merger or acquisition, then a copy of the Change of Name Certificate must be provided to C&CS to place with the original contract.

34. Contract Signatures

34.1. Chief Officers are authorised to sign contracts in accordance with Corporation's Scheme of Delegations having regard for approval requirements outlined in the Contract Letting Thresholds and any requirement for the contract to be executed as a deed. The signatory must ensure that there is an approved budget established before entering into a contract in accordance with the Corporation's Financial Regulations.

34.2. C&CS is responsible for signing all contracts awarded of £250,000 or more for supplies or services and £400,000 or more for works. These contracts must be sealed by the Corporation and executed as a deed unless C&CS advise otherwise.

35. Financial Standing and Risk Management

35.1. City Procurement in conjunction with the Chamberlain's Financial Division are responsible for ensuring that appropriate steps have been undertaken to appraise the financial standing of the contractor and any other risks for contracts with an estimated value over the current OJEU threshold for supplies or services and valued £400,000 or more for works. The process for this is outlined in Part 2 of the Procurement Code.

36. Contract Terms and Conditions

- 36.1.** C&CS maintain standard templates of conditions of contract. In the absence of a suitable template, or in cases that are complex or novel, C&CS will advise on appropriate terms. All proposals involving non-Corporation standard terms and conditions must be submitted to C&CS for vetting in good time to enable C&CS to amend terms or substitute as necessary.
- 36.2.** Where a contractor will be responsible for processing personal data on behalf of the Corporation, contract terms should meet the requirements of Article 28 of the General Data Protection Regulation (GDPR) as defined in Part 2 of the Procurement Code.

37. Standard Procurement Documents

- 37.1.** City Procurement is responsible for developing and maintaining standard procurement documents to be used when conducting tenders or requests for quotations. Where a standard document exists, it must be used to ensure consistency and reduce the risk of a legal challenge.

38. Disposal of goods

- 38.1.** City Procurement are responsible for ensuring that the Corporation has a range of services to ensure that goods which have been purchased and are no longer required are disposed of in ways which support probity, value for money, health and safety and sustainability. Guidance on the Corporation's disposal of goods system is contained in Part Two of the Code.
- 38.2.** The disposal of any item of inventory shall comply with the Corporation's agreed disposals procedures.
- 38.3.** Goods with an estimated disposal value of in excess of £5,000 must be approved by the appropriate spend committee.

39. Complaints about Police Contractors

- 39.1.** Contracts awarded by or for the City of London Police must take into consideration this Code, the [Independent Office for Police Conduct \(IOPC\) statutory guidance](#) and [The Independent Police Complaints Commission \(Complaints and Misconduct\) \(Contractors\) Regulations 2015](#).

40. References and the Promotion and Marketing of Suppliers

- 40.1.** Officers must refer all requests for supplier references to City Procurement who will issue a response after consultation with the appropriate contract manager.
- 40.2.** Officers must also refer all requests for the promotion and marketing of suppliers to City Procurement who will decide whether the request should be approved.

E. ACCOUNTS PAYABLE

41. No PO No Pay Policy

- 41.1.** A valid purchase order (PO) must be issued to the supplier, in conjunction with Rule 15 Procurement Thresholds, before any work commences.
- 41.2.** In a limited number of circumstances, exemptions may apply and are listed in the Purchase Order Exemption Policy. In these instances, an exemption code will act in place of a PO when invoices are received. Where appropriate, Officers should inform suppliers when an

exemption to the No PO No Pay policy applies, so the exemption code can be included on the invoice.

42. Amendments to Purchase Orders

- 42.1.** Requests to amend Purchase Orders must be submitted to the Procurement Operations team in accordance with the guidance set out in Part Two of this Code. Where no separate contract is in place, regard must be had to Extension of Contract and Contract Variation Rules.

43. Prompt Payment

- 43.1.** The Corporation aims to pay undisputed invoices that quote a valid purchase order number (or approved exemption code) within 30 days of receipt of the invoice

44. Purchase Cards

- 44.1.** The Corporation provides a corporate Purchase Card (P-card) service for the procurement and payment of low value goods and services. The contract, associated systems, training and policy is managed by City Procurement but operated and administered by departmental managers.
- 44.2.** P-cards must be used and administered in accordance with the [Purchase Card Policy](#) and [user guide](#) in Part Two of this Code.

45. Supplier Creation (Oracle System)

- 45.1.** The Accounts Payable team in City Procurement is responsible for supplier creation on Oracle in accordance with the guidance contained in Part Two of this Code.

F. RESPONSIBLE PROCUREMENT

46. Responsible Procurement Policy

- 46.1.** The Corporation recognises its duty to procure products, services and works responsibly, leveraging spend to maximise social value and ensure environmental sustainability and ethical sourcing. The Corporation's approach should be tailored on a case by case basis in accordance with these Responsible Procurement Policy.
- 46.2.** Within all procurement procedures for goods, services or works with a total contract value of £50,000 or above the Corporation requires a minimum of 10% of the weighting for the technical (qualitative) element of the evaluation score to be allocated to responsible procurement, incorporating social, environmental, and/or ethical parameters. This includes contracts as a result of a framework call-off.
- 46.3.** Specifications or briefs must be developed with the aims of the Responsible Business Strategy in mind.
- 46.4.** All contracts below £50,000 must adhere to the relevant Responsible Procurement objectives and local responsible procurement initiatives.
- 46.5.** Officers must use the Government Buying Standards 'Mandatory' criteria and whenever practicable the 'Best Practice' criteria, in the technical specifications, evaluation criteria and/or contract clauses for all relevant product categories.

47. Local, SME and Social Enterprise Procurements

- 47.1** Officers are required to invite either a UK based SME, or Social Enterprise, or a local supplier

from one of the Local Procurement target boroughs to quote for all contracts £50,000 or more.

47.2 Although officers have authority to use their own discretion to decide from whom and how many suppliers they invite for procurements valued below £50,000, except where Corporate Contracts are in place, they are strongly encouraged to seek quotations from at least one UK based SME, Social Enterprises or local suppliers from one of the Local Procurement target boroughs.

47.3 The Local Procurement target boroughs, selected due to the high levels of multiple deprivation according to the English Indices of Deprivation 2019, ranked in order of the extent of deprivation are Barking & Dagenham, Hackney, Haringey, Tower Hamlets, Enfield, Newham, Islington, Lewisham and Southwark.

48. Social Value Panel

48.1. The Public Services (Social Value) Act 2012 requires the Corporation to consider how a procurement project might improve the economic, social and environmental well-being of the relevant area when procuring **public services contracts** above the OJEU threshold.

48.2. To satisfy this Act, the Corporation established a Social Value Panel to consult on the social value, environmental and ethical impacts in procurement. Officers should ensure that all public service contracts over the OJEU threshold for goods and services follow the procedure outlined in Part 2 of the Code.

49. Living Wage Policy

49.1. The Corporation is an accredited Living Wage employer. There are two rates of Living Wage: one for those based in Greater London (**London Living Wage**) and another rate for the rest of the UK (**UK Living Wage**).

49.2. The Corporation has a [Living Wage Policy](#). The Living Wage policy applies to all its employees and current and future contractors and their sub-contractors providing services for two or more hours of work to the Corporation.

50. Human and Labour Rights

50.1. All relevant contracts include the requirement for Contractors to abide by the requirements of the Modern Slavery Act 2015. City Procurement must ensure that a valid URL is provided to a Modern Slavery Statement on the websites of all businesses with a turnover of £36 million or more.

50.2. For contracts deemed to be at high risk of infringing human or labour rights through the supply chain, or of employing illegal workers, officers must inform contractors of the risk, seek their commitment to abiding by the UN Fundamental International Labour Organisation (ILO) Conventions and/or national law and request evidence of their commitment. Evidence required will depend on the nature, value, level of risk and strategic nature of the contract as highlighted in Part Two of the Code.

51. Noise Control

51.1. Officers must ensure suppliers are aware of and abide by the Corporation's [Noise Strategy and Policy](#). Relevant contractors must abide by the [Demolition & Construction](#) and [Street Works](#) Codes of Practice.

52. Air Pollution

- 52.1.** The City of London is an Air Quality Management Area as levels of air pollution exceed health based targets. Officers and contractors must observe and adhere to the current [City of London Air Quality Strategy](#).
- 52.2.** All officers must adhere to the [Procurement Policy to support the Air Quality Strategy](#) including the prohibition of diesel vehicles and consideration of alternative fuel vehicles.
- 52.3.** For all contracts involving the use of vehicles, including delivery or construction vehicles, Officers must now include a menu of air pollution mitigation options from the list contained in Part Two, within the specification. The contractor will be asked to select one commitment as part of their offer. The menu should be adapted according to the nature of the contract.

53. Road Danger Reduction

- 52.4.** The Corporation has agreed clear targets for reducing casualties on its streets. Contracts involving vehicles will need to include FORS accreditation as outlined in Part Two of the Code.

54. Health & Safety

- 54.1.** The Corporation has a legal responsibility ensure the health and safety of employees, contractor's employees, and members of the public when on our sites or delivering our contracts. All suppliers delivering a contract with a clearly identifiable Health and Safety risks will need to complete a Health and Safety questionnaire or be Safety Schemes in Procurement (SSIP) accredited.

55. Climate Change Mitigation

- 55.1.** The Corporation is continually strengthening its commitment to climate change mitigation by reducing carbon emissions associated with its energy supply, vehicles, buildings and equipment. The Corporation's current target is to reduce energy use by 40% by 2025 compared to 2008 levels but it is also establishing ambitious net zero carbon targets, which will be set out in the City Corporation's Climate Action Strategy 2020. Meeting these targets will require a step change in the way energy efficiency is considered as part of procurement approaches.
- 55.2.** When a procurement will result in the use of energy, all officers must seek energy efficient/ low carbon solutions which will help the Corporation meet these targets. Life cycle costing including the 'in-use' phases of buildings, vehicles, plant and other equipment alongside initial procurement costs must be used to make sure that longer term value as well as climate change i.e. energy/ fuel efficiency are factored into decision making.

56. Biodiversity

- 56.1.** Officers must ensure that contractors do not degrade habitats hosting existing biodiversity, especially those listed in the Corporation's [Biodiversity Action Plan](#).
- 56.2.** Interventions to create habitats or resources for targets species, including green roofs, living walls, suitable plants and/or water sources must be considered as part of works projects over the OJEU threshold. These interventions have the combined benefit of helping to meet the Corporation's BAP, but also help climate resilience in terms of mitigating the effects of severe heat and flooding.

57. Equality and Diversity

- 57.1.** Officers are required to adhere to the [Equality Duty](#) as part of the procurement activities. They are also encouraged to consider how aspects such as social inclusion and under-representation of people with protected characteristics may be addressed as part of procurement and contract

management techniques.