

1 Introduction

- 1.1 These Contract Procedure Rules (CPRs) explain how Reading Borough Council purchases and procures all goods, services, works, and concessions. They also set out the rules for making contract arrangements to ensure the Council meets its needs.
- 1.2 The CPRs (also known as Standing Orders) guide the Council in procuring and awarding contracts. They provide a clear framework to ensure the Council establishes all contracts lawfully, transparently, and accountably. The Council created these rules to uphold key principles, comply with legislation, protect public money, promote competition, and advance strategic objectives. Everyone involved in buying or commissioning services must follow these rules to maintain high standards of governance and public trust.
- 1.3 All procurements must follow these CPRs, the Council's Financial Regulations, and all current procurement and relevant legislation. Procurement activity must also align with corporate policies (such as Net Zero and Social Value) and follow any guidance the Council issues to help meet these policies and deliver corporate objectives.
- 1.4 If any conflict arises between these CPRs and legislation, the Council must follow the legislation.
- 1.5 Executive Directors, Deputy Directors, Directors and Cost Centre Managers must ensure their services follow these CPRs during procurement. They must also appoint a suitable Officer to plan procurements, start them on time, allow enough time for competitive procurement, follow governance procedures, formalise contracts into signed agreements, and manage them through delivery.
- 1.6 Officers¹ must notify and engage key stakeholders early in the process to support resource planning, starting from budget setting or business case drafting. Officers must identify which stakeholders they need advice from across all Departments within the Directorate of Resources.
- 1.7 Managers must ensure that Officers involved in procurement have the necessary skills. When needed, they must arrange support from a fully skilled and qualified member of the Procurement Team.
- 1.8 Failing to follow these CPRs may result in disciplinary action and could be considered serious misconduct.
- 1.9 If someone does not fully follow these CPRs, the Council will treat it as a breach. The Council will record the breach in a corporate register, analyse lessons learned, and report findings to the Monitoring Officer. The Council must apply remedial measures to the affected contract, which may include early termination and reprocurement through a compliant process.

Legislation

- 1.10 Various laws govern procurement activities. For procurements that begin on or after 24 February 2025, the Procurement Act 2023 and Procurement

¹ Officer means any person employed directly by the Council regardless of seniority

Regulations 2024 apply. If the Council awarded contracts or used national frameworks or dynamic purchasing systems before this date, it must follow the Public Contracts Regulations 2015 or the Concession Contracts Regulations 2016. For certain health-related contracts, the Provider Selection Regime Regulations 2023 may be relevant.

- 1.11 Before starting any procurement project, Officers must identify which laws apply and ensure full compliance. If they are unsure, they must consult the Procurement Team ² or Legal Services.
- 1.12 Contracting authorities must also consider the National Procurement Policy Statement (NPPS) and follow guidance in Procurement Policy Notes (PPNs) issued by the Cabinet Office. Officers must also take into account key legislation such as the Best Value Duty (Local Government Act 1999), the Local Government Act 1972 and 2000, and statutory service laws including the Care Act 2014, Children Act 1989, and Children Act 2004.
- 1.13 The Council's Procurement Manual provides practical guidance on applying these laws and policies during procurement and contract management. Officers must read the manual alongside any service-specific guidelines and operating procedures.

Additional Legislation and Guidance

- 1.14 Other laws may influence procurement decisions and contract-related actions. For example:
 - • Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) affects employee rights during service transitions.
 - • Subsidy Control Act 2022 governs financial assistance and requires public authorities to assess and justify subsidies.
 - • Care Act 2014 impacts procurement in adult social care, especially regarding market oversight, provider failure, and person-centred commissioning.
- 1.15 While the Procurement Team and Legal Services offer guidance on these laws, the Officer leading the procurement must ensure compliance and understand how each law affects decision-making. Officers must also seek advice from legal and technical specialists when necessary.

Exclusions

- 1.16 These CPRs do not apply to:
 - i. Contracts³ where the Council unconditionally⁴ sells or purchases land – including leasehold interests

² Procurement Team includes any service procurement lead ("spoke") or central ("hub") member – this definition applies throughout this document

³ Only the actual sale or purchase of land (including leasehold interests) is excluded. Any advice or services to support these transactions are still in scope including commissioning agents

⁴ Conditional sales require a formal procurement process

- i. Contracts where the Council appoints employees
 - ii. Grant Agreements that the Council issues to external parties
 - iii. Services procured by schools within the Council's boundaries using their own budgets
 - iv. Contracts that residents award when they receive direct payments
 - v. Works or services⁵ that the Council provides to another party
 - vi. Urgent niche legal advice⁶
 - vii. Any other circumstances defined by the Procurement Act
- 1.17 In emergencies that require immediate action to protect life (as defined by the Procurement Act) or resolve emergency planning incidents (e.g. severe weather), Officers may award contracts before completing full governance, in line with the approval limits in the Financial Regulations. However, they must ensure retrospective compliance. An Executive Director, Deputy Director, or Director must approve this action, and notify both the Section 151 Officer and the Monitoring Officer as soon as possible.
- 1.18 Even in the cases listed above, Officers must still consider value for money, comply with any grant conditions, and conduct general supplier due diligence.

CPRs Relevant to Individual Placements

- 1.19 Officers must follow all regulations and legislation outlined in this section when arranging individual placements⁷; these are designed to consider social care, education or emergency homelessness services. Due to the unique nature of these arrangements, Officers may instead follow the Appendix to the CPRs ("Placement Standing Orders") to ensure equitable governance and outcomes.

2. Scheme of Delegation and Approvals

- 2.1 This section explains who holds the authority to start procurement processes, make procurement decisions, sign contracts, and approve variations or extensions.
- 2.2 The Council uses a Gateway process to assess and monitor procurement at key stages. The four stages of the Gateway Process are:
- i. Planning
 - ii. Gateway 1 – Approval to Procure
 - iii. Gateway 2 – Approval of Tender Pack
 - iv. Gateway 3 – Approval to Award

⁵ When appointing a supplier/contractor to deliver services/works, the appointment remains within scope of the CPRs

⁶ Counsel or barrister appointment relevant to uncommon areas of law to respond to litigation, injunctions, judicial review where a formal procurement or exemption would not be possible – this must be evidenced. General Counsel, Barristers and legal advice for all other proceedings and needs must follow the full CPRs.

⁷ Any individual or group forming a household, such as a single person, couple, or family in any form

- 2.3 The Gateway process, along with the Dashboard, tracks progress and approvals throughout the procurement pipeline.
- 2.4 Before moving to the next stage of any procurement, an authorised Officer must seek approval for the action and save the approval for audit purposes. The Council's Scheme of Delegation (referred to here as 'Contract Delegations') sets out who holds this authority.

Contract Values

- 2.5 Officers must determine the contract value both inclusive and exclusive of VAT. Officers will use the VAT-inclusive value to decide the sourcing strategy and the VAT-exclusive value for publishing notices and applying the correct delegations and internal processes.
- 2.6 If the contract includes potential extensions or optional extras, Officers must include those in the total value.

Key Decisions

- 2.7 Key Decisions require formal approval through a Committee report and must go to a Standing Committee. Officer must refer to the Key Decision thresholds in the Constitution to determine if they require Committee approval to proceed. Examples of specific procurement scenarios are outlined in the Procurement Manual for ease of reference.
- 2.8 A Standing Committee may delegate a Key Decision to an Executive Director, allowing them to make the decision without returning to Committee for final approval or for variations/extensions.

Non-Key Decisions

- 2.9 Executive Directors, Deputy Directors, or Directors may make non-Key Decisions in line with the Constitution.
- 2.10 If none of these Officers are available, an Officer with equivalent or greater authority—such as the Section 151 Officer or Monitoring Officer—may make the decision.

Low Value Purchases

- 2.11 Cost Centre Managers may authorise purchases and contract awards below £5,000 (excluding VAT). They must prioritise using existing corporate contracts before selecting new suppliers. Cost Centre Managers must also monitor repeated purchases of similar items and consolidate them into a single contract to improve value for money. The Procurement Team will help identify opportunities for joint purchasing across departments.

Officer Approval Levels

- 2.12 The following approval levels apply under the Contract Delegations for awarding contracts:

Value/Type of Contract	Approver
Below £30,000	Budget Holders
£30,000–£100,000 revenue (per annum) or capital (total)	Deputy Director or Director
Revenue: £100,001–£500,000 per annum or Capital: £100,001–£2.5m total	Deputy Director / Director, in consultation with their Executive Director
Revenue: Over £500,000 per annum or Capital: Over £2.5m total	Formal decision by Council or Committee, or delegated authority to an Executive Director

Where a contract has both capital and revenue funding, if any part of the contract exceeds a threshold mentioned above, Officers must treat the entire contract as falling under the higher authorisation level.

- 2.13 Officers must seek authorisation for the creation of frameworks, DPS, and Dynamic Markets that the Council has designed itself based on their aggregate value, in line with Contract Delegations.
- 2.14 If the Council created or is a named member of a framework, DPS or dynamic market, a Director (or Deputy Director) may approve call-offs from it regardless of value. However, if the call-off itself qualifies as a Key Decision, the Officer must consult their Lead Member to determine if Committee approval is needed.
- 2.15 When using national frameworks or equivalent arrangements (e.g. Crown Commercial Service), the Head of Procurement may approve and sign access to such agreements. All Officers must still follow the rules in Contract Delegations to approve the contract procured via that arrangement in line with its individual value.

Extensions and Variations

- 2.16 If a proposed extension or variation qualifies as a Key Decision, a relevant Committee must approve it. If the change has already been approved through the Medium-Term Financial Strategy or another formal Member review, no further Committee sign-off is needed. Similarly, if the Council has delegated the decision to an Officer, no additional approval is required.
- 2.17 Deputy Director, Director and Budget Holders may authorise all other variations under the Contract Delegations.
- 2.18 If a contract includes an extension option, the authorised Officer in line with the Contract Delegations may approve it, provided they confirm budget availability and satisfactory supplier performance.

- 2.19 For any other extensions or variations, Officers must seek a Waiver and demonstrate value for money and compliance with CPRs and applicable legislation.

3. Procurement Procedures and Thresholds

- 3.1 Officers must initiate all procurements within the scope of the CPRs—regardless of route—by submitting a Procurement Instruction Form. For contracts outside the scope of the CPRs, the Deputy Director or Director may decide whether a Procurement Instruction Form is necessary, but they should still assess whether combining similar purchases could deliver better value.
- 3.2 Officers must only submit a Procurement Instruction Form after confirming spending approval which may include approval secured through the budget-setting process or authorisation to apply for external grant funding. Before starting any procurement activity, Officers must provide evidence of proper authorisation, including cost centre details. Once ready, Officers must send the form to the Procurement Team to obtain a Unique Reference Number, which allocates resources and officially starts the procurement process.

Record Keeping

- 3.3 Officers must retain copies of all procurement documentation using the standard filing structure under the relevant URN in the Procurement and Contracts Document Centre.
- 3.4 They must also store any supplementary notes that explain decision-making in line with the Council's document retention policy:
- • Retain documents related to unsuccessful bids for 12 months from the tender award date, following the filing protocol in the Procurement Manual.
 - • Retain documents related to successful bids and the associated contract for the legally required period:
 - 6 years from final payment for signed contracts
 - 12 years for sealed contracts
 - 30 years for building works completed before 28 June 2022
 - 15 years for building works completed after that date
- 3.5 Officers must manage conflicts of interest throughout the entire project and contract lifecycle. They must conduct checks when reviewing bidder submissions, including for Waivers and Direct Awards, and at every stage of decision-making, including approvals and contract management. If someone new takes on a key role, they must confirm any conflicts of interest before assuming responsibilities.
- 3.6 Officers must complete a risk management assessment and lessons learned assessment at the start of the Gateway process and continue it through contract delivery. This assessment must reflect the nature and

value of the contract, as guided by the Procurement Manual. Officers must assign an owner and mitigation for each identified risk.

Selection of Strategy Procedure

- 3.7 Officers may use Visa or Government Purchasing Cards for low-value one-off purchases, but only in circumstances defined by the Financial Regulations.
- 3.8 Officers must secure all recurrent purchases through a contract. The following procedures apply relevant to different contract values. Procurement Specialists may choose to exceed these minimum procedures if doing so adds value.

Total Contract Value	Procedure
Below £5,000	One written quote
£5,000 to <£30,000	<p>Where the requirement is not complex and can be assessed purely on the basis of price or price and simple quality requirements:</p> <ul style="list-style-type: none"> • Seek at least three and obtain at least one written proposals (via email or e-tendering portal). • Call-off from an established framework, dynamic purchasing system or dynamic market <p><i>Note: Where award of the Contract is subject to complex quality requirements one of the options from £30,000 to Threshold (as below) should be used.</i></p>
<p>£30,000 up to the Public Procurement Threshold for Goods and Services (£207,720 inc. VAT or £663,540 inc. VAT for Light Touch Regime) OR £30,000 up to £1m for Works</p>	<p>One of the following should be selected:</p> <p>A. Seek at least three and obtain at least one written proposals through the Council’s e-tendering portal; wherever possible the invitation should include at least one local⁸ Supplier</p> <p>Or B.</p> <ul style="list-style-type: none"> • An open invitation to tender through the Council’s e-tendering portal • Competitive call-off from established framework, dynamic purchasing system or dynamic market <p>Or C.</p> <ul style="list-style-type: none"> • Direct award to another contracting authority or via an established framework where best value is demonstrated

⁸ “Local” will be defined within the Council’s Corporate Strategy

Over £1m up to £2.5m for Works	<p>One of the following should be selected:</p> <p>A. Seek at least four and obtain at least two written proposals through the Council's e-tendering portal; wherever possible the invitation should include at least one local Suppliers</p> <p>Or B.</p> <ul style="list-style-type: none"> • An open invitation to tender through the Council's e-tendering portal • Competitive call-off from an established framework, dynamic purchasing system or dynamic market <p>Or C.</p> <ul style="list-style-type: none"> • Direct award to another contracting authority or via an established framework where best value is demonstrated
Over £2.5m Works up to Works Public Procurement Threshold (£5,193,000 inc VAT)	<p>One of the following should be selected:</p> <p>A. Seek at least five and obtain at least two written proposals through the Council's e-tendering portal; wherever possible the invitation should include at least two local Suppliers</p> <p>Or B.</p> <ul style="list-style-type: none"> • An open invitation to tender through the Council's e-tendering portal • Competitive call-off from an established framework, dynamic purchasing system or dynamic market <p>Or C.</p> <ul style="list-style-type: none"> • Direct award to another contracting authority or via an established framework where best value is demonstrated
Above the Public Procurement (FTS) Threshold – all Categories	A compliant tendering procedure fully in line with legislation and regulations

- 3.9 When procuring a concession contract for works or services, Officers must apply the same procedures and financial thresholds used for works contracts.
- 3.10 If the procurement involves a Light Touch Regime contract, Officers can apply the flexibilities permitted in the Regulations. Before developing the strategy, Officers should confirm whether the Light Touch Regime applies to the subject matter.
- 3.11 Similarly, Officers should determine whether the Provider Selection Regime applies. If it does, Officers may follow the procedures outlined in that legislation.

Pre-Used Equipment

- 3.12 To achieve cost efficiencies, Officers may consider purchasing second-hand equipment when appropriate.
- 3.13 Regardless of the value, Officers must follow all CPR requirements and guidance in the Procurement Manual to ensure best value when purchasing pre-used equipment.

Procurement Strategies

- 3.14 For most contracts, Officers must agree on a strategy (or Waiver) in collaboration with a dedicated Procurement Specialist and the nominated contract manager. The Gateway Process and Contract Delegations will guide the approval of this strategy.
- 3.15 Low-value, low-risk purchases do not require a documented strategy, as defined in the Procurement Manual.
- 3.16 The Procurement Lead must publish all relevant notices in compliance with legal requirements. The contract manager must meet equivalent obligations throughout the contract's lifetime.
- 3.17 When calling off from an external Framework, DPS, or Dynamic Market, Officers must include any associated costs (e.g. access charges) in the cost analysis of the strategy.

Collaboration

- 3.18 Officers must actively seek opportunities to run joint procurement exercises with other Council departments that may be planning similar procurements.
- 3.19 They should also explore opportunities to collaborate with other local authorities and public sector bodies.
- 3.20 When procuring a contract in collaboration with other public sector bodies, Officers must follow the CPRs of the lead organisation. They must confirm that the lead authority complies with its own CPRs.
- 3.21 Officers only need to seek approval for the Council's contribution to the collaboration agreement. The Contract Delegations apply to the Council's share of the cost, not the total value of the agreement.

4. Waivers

About Waivers

- 4.1 Waivers allow Officers to not follow specific CPR requirements when justified and permitted by procurement legislation. Officers may request a waiver under the following circumstances:

To resolve urgent situations not of the council's own making e.g. urgently imposed statutory changes

To prevent enforcement action against the Council for non-compliance with a relevant statutory provision

To extend a contract where the terms do not specify an extension and there is clear value for money benefit for doing so

To continue service where product compatibility issues exist

To achieve better value for money when a competitive route fails to secure the most advantageous offer

To engage with a supplier in a true monopoly or where limited supply options exist (e.g. patented goods), provided the Council did not cause the limitation

To apply a legal exemption not already listed in the CPRs

4.2 Officers must obtain authorisation from the Section 151 Officer before placing a contract or confirming arrangements with a supplier under a waiver.

4.3 Waivers cannot override any legislative requirements under any circumstances.

4.4 Officers must not request waivers:

After the fact (retrospectively)

Due to poor planning

To avoid or replace a written contract

Repeatedly for the same scope of requirements, especially to:

a. Retain a supplier beyond their contract end

b. Increase payments to a contractor beyond the tendered price, unless clear and justified grounds exist

4.5 If Officers misuse waivers in these ways, the Council may treat it as a potential breach of the CPRs. Officers must then explore alternative methods to meet contract requirements, which may include tolerating service delays or arranging interim solutions while running a compliant competitive process.

4.6 If Officers submit repeated waiver requests for similar requirements, the Monitoring Officer and Section 151 Officer will review and recommend if remedial action is needed.

4.7 Officers must follow the waiver process outlined in the Procurement Manual. They must demonstrate value for money and ensure the supplier delivers ongoing performance that benefits the Council and its residents.

4.8 Even when using a waiver, Officers must still:

Obtain all necessary authorisations

Prepare procurement documentation

Follow filing protocols

Conduct supplier due diligence

Assess conflicts of interest

Comply with internal governance

Secure a signed or sealed written contract

5. Process Compliance

5.1 Officers must run procurements and make award recommendations strictly according to the process outlined in the procurement documents.

5.2 Once the final tender submission deadline passes, Officers must not make any material changes to bid submissions.

- 5.3 Officers must award contracts based on the stated criteria and weightings. The authorised decision-maker must confirm that the evaluation followed the procedure, criteria, and weightings as set out in the procurement documents before approving acceptance and award under the Contract Delegations.

6. Contract Formation

- 6.1 Officers must put a written contract in place for all goods, services, or works, regardless of the procurement process used:
- For contracts below £5,000 that involve minimal complexity or risk, Officers may use a Purchase Order containing the Council's minimum standard terms and conditions as the written contract.
 - For contracts valued at £5,000 or more per annum, Officers must use a written contract in a format approved by the Director of Legal and Democratic Services or their deputy.
- 6.2 The Contract Manager must assess the financial and operational risks associated with the service and determine what protections—known as indemnities—the Council needs.
- 6.3 If financial risks exist, the Contract Manager must consider using a Bond, Parent Company Guarantee, or another financial guarantee. Legal and Financial Services must advise on this decision.
- 6.4 To determine the risks and insurance levels required, a Risk Management Assessment should occur. To manage operational risks, the Contract Manager must include appropriate tools in the contract, such as liquidated damages, service improvement mechanisms, and service credits. The Procurement Team can recommend suitable options.
- 6.5 Where regulations require it, Officers must include key performance indicators (KPIs) in the contract. As a minimum, all contracts should include KPIs for “on-time and in-full” delivery and “on budget” performance.

Insurance Requirements

- 6.6 Officers must ensure contracts include the following recommended insurance cover levels:
- £10 million for employer's liability insurance
 - £10 million for public liability insurance
 - £5 million for professional indemnity insurance (when required)
 - £5 million for product liability insurance (when required)
- 6.7 If Officers propose lower insurance levels, they must confirm that the coverage is sufficient for the contract's risks and value by completing a risk management assessment. The responsible Officer under the Contract Delegations and the corporate Insurance Manager must authorise the reduced levels. Lower coverage is typically

appropriate only for small businesses, low-risk contracts, or third sector organisations such as charities.

- 6.8 Officers should complete draft contracts, include the successful organisation's details, and ensure the contract is signed or sealed before the contract starts and certainly before raising any purchase order.
- 6.9 For contracts exceeding £500,000 per annum, Officers must seal the contract with the Council's common seal. Alternatively, if the Director of Legal and Democratic Services confirms that the Council's interests are adequately protected, an authorised Officer may sign the contract. Legal Services will advise whether sealing is appropriate for contracts below this threshold, and the authorising Officer must consider this advice before proceeding.

Letters of Intent

- 6.10 Officers must not issue Letters of Intent before or instead of a contract award unless the Director of Legal and Democratic Services confirms that doing so serves the Council's interests.

Contract Transparency

- 6.11 Officers must record all contracts (or agreements that meet the Local Government Transparency Code requirements) valued at £5,000 or more on the centrally held Contract Register as soon as they sign or seal the contract.

7. Prevention of Corrupt Activity

- 7.1 Officers must immediately terminate a contract and take steps to recover any losses if, after consulting the Director of Legal and Democratic Services, they confirm that the supplier—or someone acting on their behalf—has:
 - i. Offered, promised, or given money or another benefit to a councillor, staff member, or consultant in connection with the contract or procurement
 - ii. Requested or accepted money or another benefit to perform an improper act related to the contract
- 7.2 If a bidder engages in any of these actions during the procurement process or contract delivery, Officers must exclude them immediately, following consultation with the Director of Legal and Democratic Services. Where permitted by law, the Council may also ban the bidder from future tender opportunities for a defined period.

8. Contracts and Contract Management

- 8.1 Officers must identify a Contract Management resource during the planning stage of the procurement process.

- 8.2 This resource must join the procurement project team and help design the contract's management tools and performance indicators.
- 8.3 Officers must carry out proportionate contract management activities throughout the contract's delivery, based on the contract's value and risk to Council operations. The Procurement Manual provides guidance on these activities.

Early Contract Termination

- 8.4 Officers may terminate contracts due to a change in business need / the contract is no longer required, seeking Procurement or Legal advice as required.
- 8.5 If Officers believe there are grounds to terminate a contract early for breach of contract, poor performance, or the application of Mandatory or Discretionary Exclusion Grounds—they must contact the Procurement Team and Legal Services as early as possible.
- 8.6 Officers must follow internal governance procedures before formally terminating the contract.
- 8.7 Authorisation to terminate must follow the Scheme of Delegation outlined in Section 2 of these CPRs.

Assignment and Novation

- 8.8 Officers may only assign or novate a contract after obtaining consent from the Head of Procurement, validation from Legal Services, and approval from the relevant authority under the Scheme of Delegation (Section 2).
- 8.9 All three parties must confirm that the vetting process for any subcontractors or assigned staff meets the expectations established during the original procurement.

9. Grants

- 9.1 The Council does not classify grants as contracts unless they include substantial conditions. However, Officers must still ensure that grants deliver best value during both award and management. Officers must apply the principles of these CPRs and follow Council guidance on grant distribution, including the Contract Delegations for approval. This may apply to each individual grant or to the total value of a distribution programme.
- 9.2 When the Council receives a grant, Officers must ensure compliance with the Financial Regulations and meet all related obligations and expectations.
- 9.3 Officers must also follow the terms of received grants, including any required processes for awarding the grant to a supplier. In some cases, these processes may require a more competitive approach than the CPRs typically mandate.