

REPORT TO: STATUTORY MEETING OF THE COUNCIL - 21ST MAY 2012

REPORT ON: REVIEW OF SCHEME OF ADMINISTRATION ON FINANCIAL REGULATIONS AND TENDER PROCEDURES

REPORT BY: DIRECTOR OF CORPORATE SERVICES AND HEAD OF DEMOCRATIC AND LEGAL SERVICES

REPORT NO: 185-2012

1.0 PURPOSE OF REPORT

1.1 To Review the Scheme of Administration on Financial Regulations and Tender Procedures.

2.0 RECOMMENDATIONS

It is recommended that the Council approve the proposed amendments appended hereto and remit to the Director of Corporate Services and Head of Democratic and Legal Services to amend the Scheme of Administration on Financial Regulations and Tender Procedures accordingly.

3.0 FINANCIAL IMPLICATIONS

None.

4.0 MAIN TEXT

4.1 Amendments have been necessary to reflect changes to legislation and to enhance the efficient and effective handling of the Council's financial affairs and Tender Procedures.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major implications.

6.0 CONSULTATIONS

The Chief Executive has been consulted.

7.0 BACKGROUND PAPERS

None.

MARJORY STEWART
DIRECTOR OF CORPORATE SERVICES

DATE: 10th May, 2012

ROGER MENNIE
HEAD OF DEMOCRATIC AND LEGAL SERVICES

DATE: 10th May, 2012

FINANCIAL REGULATIONS

1. Introduction

- 1.1 The Director of Corporate Services being the Proper Officer for the purpose of Section 95 of the Local Government (Scotland) Act 1973, shall be responsible to the ~~Finance Committee~~ Policy and Resources Committee for the proper administration of the Council's financial affairs. The Local Authority Accounts (Scotland) Regulations 1985 require that officer to determine the system of accounting control and form of accounts and supporting records and to ensure that the accounts and records are kept up-to-date by the relevant Chief Officer.
- 1.2 The Director of Corporate Services shall report to the Policy and Resources Committee with respect to the level of financial resources proposed to be utilised in each financial year by the Council, shall keep the Policy and Resources Committee informed as to the detailed administration and application of such resources, and shall keep other Committees informed with respect to the financial implications of their activities.
- 1.3 The Director of Corporate Services shall be entitled to report upon the financial implications of any matter coming before the Council, spending Committees or other Committees, and shall further report to the Policy and Resources Committee, if necessary, in the interests of the financial affairs of the Council.
- 1.4 Any Chief Officer who intends to submit a report, which has financial implications to the Council, Committee or Sub-Committee must forward a copy of the report to the Director of Corporate Services no later than fourteen days before the meeting. Any observations on the report made by the Director of Corporate Services shall be incorporated in the Chief Officer's report.
- 1.5 Under the Local Government in Scotland Act 2003, it is the duty of each local authority to make arrangements which secure best value. The Council shall at all times endeavour to secure the best value for the money it spends, make full use of all common supplies and services provided by the Council and encourage the use throughout Council departments of the best management techniques.
- 1.6 The Council and all Council officials shall observe the Council's Financial Regulations in relation to expenditure, income etc falling within its sphere of responsibility. The Chief Executive as the Head of the Paid Service will receive regular reports from the Director of Corporate Services on the Revenue and Capital spending of the Council. The Director of Corporate Services will report any significant under or overspending to the Policy and Resources Committee.
- 1.7 The Director of Corporate Services is responsible for ensuring that financial systems exist to ensure proper financial control is exercised throughout the Council. The Director of Corporate Services is also responsible for ensuring that financial management systems exist to enable Chief Officers to make financial decisions, and take corrective action to deal with under or overspending, in order to achieve value for money and best value.

2. ~~Annual and Three Year~~ Revenue Budgets

- 2.1 The detailed form of the ~~three year and~~ annual Revenue Budgets shall be determined by the Director of Corporate Services in accordance with the general directions of the Policy and Resources Committee.
- 2.2 Chief Officers shall prepare ~~an three year annual~~ annual Revenue Budgets of income and expenditure and, for this purpose, Chief Officers shall furnish the Director of Corporate Services timeously with all necessary information regarding requirements of their departments.
- 2.3 The annual budgetary procedure will include a review of charges for all users of Council services for which charges apply and for which the Council has discretion over, with proposals where appropriate to increase these charges and the anticipated additional revenue which would accrue if implemented.

- 2.4 Decisions relating to the Revenue Budget and Council Tax shall be taken by the Policy and Resources Committee. The Director of Corporate Services shall submit the draft Revenue Budget, direct to the Policy and Resources Committee for detailed consideration in the light of any relevant decisions of the Council and the corporate objectives of the Council.
- 2.5 The Policy and Resources Committee shall consider all proposals, together with a report from the Director of Corporate Services containing all other relevant information, for the purposes of determining the Council Tax to be levied in respect of the forthcoming financial year, including the position on reserves and balances (see paragraph 26). The Policy and Resources Committee shall also take any decisions, as required, relating to the Revenue Budget and Council Tax for other future financial years.
- 2.6 Where in accordance with any statutory provision the First Minister indicates that he is considering reducing the Council Tax of the City Council, the Director of Corporate Services shall submit to the Policy and Resources Committee a report reviewing the financial position of the Council. Thereafter any appropriate adjustments to the Revenue Budget shall be considered by a special meeting of the Policy and Resources Committee on a redetermination and lowering of the Council Tax already fixed by the Council for that financial year.
- 2.7 Following the Policy and Resources Committee's consideration and adoption of the Housing Revenue Budget, the Director of Housing shall submit a report to the Housing Committee concerning details of the budget as approved, together with all other available information for the purposes of determining the housing rents to be levied in respect of the financial year to which Revenue Budget concerned relates.

3. Revenue Monitoring

- 3.1 The primary responsibility for detailed monitoring and control of departmental revenue expenditure lies with each relevant Chief Officer in accordance with the Revenue Budgetary Control Manual issued to all Chief Officers by the Director of Corporate Services.
- 3.2 Revenue expenditure shall be restricted to that included in the Revenue Budget, unless proposals for revision of expenditure have been approved by the Policy and Resources Committee.
- 3.3 Notwithstanding paragraph 3.2, the Director of Corporate Services may approve any revenue expenditure which, after consultation with the Depute Convener of the Policy and Resources Committee and the appropriate Finance spokesperson from other groups and the Chief Executive, he/she considers essential in the interest of the Council and being of an emergency nature cannot await consideration by the Policy and Resources Committee.
- 3.4 The Director of Corporate Services shall furnish each Chief Officer with periodical statements of income, expenditure and commitments under each approved budget head and such other relevant information as he/she requires. It will, however, be the responsibility of each Chief Officer to ensure that he/she has all the relevant financial information to control the actual expenditure and income against the budget.
- 3.5 The Director of Corporate Services has a responsibility to ensure that revenue monitoring by Chief Officers is carried out and that relevant financial information is provided in a format and within a timetable suitable to allow such monitoring.

4. Virement

- 4.1 Virement may be employed as a means of funding desirable or essential expenditure through identified budget underspendings. Virement may only be applied in respect of material values and subject to agreement with the Director of Corporate Services. It should be noted, however, that no virement proposal should be used to finance a new service or change an existing Council policy decision without the agreement of the Service Committee and Policy and Resources Committee. Virement proposals ~~Proposals~~ should not add to the permanent establishment of the authority without the approval of the Chief Executive. Virement proposals ~~Proposals~~ cannot affect the amount to be paid to another department of the authority without the agreement of the Chief Officer of that other department. No revenue budget virement proposals may be made for Capital Funded from Current Revenue (CFCR), capital programmes or central service recharge to departments (subject to paragraph 3.2).

- 4.2 Capital financing costs can only be vired upon the decision of the Director of Corporate Services. The Director of Corporate Services will have authority to vire expenditure from any contingency provision or cash-backed fund or reserve.
- 4.3 All virement proposals should be notified to the Director of Corporate Services, who will monitor the overall use of virement and its effect on Revenue Budget performance.
- 4.4 Chief Officers shall consider the implications on future years' budgets when viring funds to finance purchases which have ongoing revenue implications.
- 4.5 All virement proposals shall be recorded on the appropriate pro-forma documentation, a copy of which shall be submitted to the Finance-Corporate Services Department for approval.
- 4.6 Any virement proposals to fund expenditure on IT equipment or software must be submitted in the first instance to the Head of Information Technology and Director of Corporate Services for approval.

5. Annual and Three Year Capital Budgets

- 5.1 Chief Officers, in conjunction with the Director of Corporate Services, City Architect and City Engineer, shall prepare long term capital plans, to be financed from either:-
- borrowing;
 - combination of borrowing and capital receipts;
 - borrowing, but where the additional revenue costs (capital financing costs, mainly), are funded from revenue savings.
- 5.2 The Director of Corporate Services will prepare a report to the Policy and Resources Committee, which will detail the Council's proposed capital programme and how it is to be financed.
- 5.3 The level of prudential borrowing utilised by the Council will be based on a set of prudential indicators prepared by the Director of Corporate Services and approved by the Policy and Resources Committee.
- 5.4 The Director of Corporate Services will submit a report annually to the Policy and Resources Committee comparing the actual prudential indicators against those pre-determined earlier and referred to in paragraph 5.23 above.
- ~~5.5 A Chief Officer shall not incur capital expenditure, which has not been included in the Capital Plan/Capital Budget, without prior approval from the Chief Executive/Director of Corporate Services. The Chief Officer must identify the source of funding for the project and, where necessary, ensure virements are approved and passed to the Corporate Services Department to adjust the Capital Budget.~~
- ~~5.5 The Director of Corporate Services, in conjunction with the City Architect and City Engineer, shall monitor and manage income and expenditure on capital projects during the year in accordance with the Capital Budgetary Control Manual issued to all Chief Officers by the Director of Corporate Services.~~
- ~~5.7 A Committee report shall be prepared by the Director of Corporate Services for the Policy and Resources Committee, reporting on actual income and expenditure to date, vis-à-vis projected outturns.~~
- 5.67 Capital expenditure shall be restricted to that included in the Capital Budget, unless proposals for revision of expenditure have been approved by the Policy and Resources Committee.

~~5.8 A Chief Officer shall not incur capital expenditure, which has not been included in the Capital Plan/Capital Budget, without prior approval from the Chief Executive/Director of Corporate Services. The Chief Officer must identify the source of funding for the project, and where necessary, ensure virements are approved and passed to the Finance Department to adjust the Capital Budget.~~

5.79 No tender will be invited for an individual project estimated to cost over £1,000,000 unless and until the project has been subject to a report to the appropriate Committee by the Chief Officer. The report will include a financial appraisal of all additional revenue and capital costs and any resultant savings.

5.840 At the same time as tenders are reported to Committee, the appropriate Chief Officer will submit a report to the relevant Committee showing the annual income and expenditure (including capital financing costs) that will arise from the project. The report will include a financial appraisal of all additional revenue and capital costs and any resultant savings.

6.0 Capital Monitoring

~~6.1 The Director of Corporate Services, in conjunction with the City Architect and City Engineer, shall monitor and manage income and expenditure on capital projects during the year in accordance with the Capital Budgetary Control Manual issued to all Chief Officers by the Director of Corporate Services.~~

~~6.2 A Committee report shall be prepared by the Director of Corporate Services for the Policy and Resources Committee, reporting on actual income and expenditure to date, vis-à-vis projected outturns.~~

~~6.3 This report will highlight any individual projects with an overspend of 10% of the approved cost of the project or £100,000, whichever is the higher, and approval will be sought for the overspend.~~

6.7. Capital Financing

~~67.1 The Director of Corporate Services will borrow sufficient funds to meet the approved capital expenditure and will ensure that the amounts borrowed are written off over the useful life of the asset. The Director of Corporate Services will maintain, for audit purposes, appropriate records showing the amount borrowed and the amount repaid each year.~~

~~67.2 The Code of Practice on Local Authority accounting in Great Britain requires the Council to adopt a system of accounting for capital assets. The arrangements will be based upon generally accepted accounting practice, practicality and the need to avoid impact upon the levels of locally raised taxes and Council house rents.~~

78. Accounting

~~78.1 Under Section 14(1) of the Local Government in Scotland Act 2003, the Council has a statutory duty to observe proper accounting practice. All accounting procedures and records of the Council and its officers shall be determined by the Director of Corporate Services and all accounts and accounting records of the Council shall be compiled by the Director of Corporate Services or under his/her direction.~~

~~78.2 The following principles shall be observed in the allocation of accounting duties:-~~

(a) Duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them.

(b) Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

- 78.3 The Director of Corporate Services shall submit to the Council and to the Controller of Audit not later than 30 June of each year copies of an Abstract of Accounts for the previous financial year. The audited copy of the abstract together with the audit report, shall be laid before a meeting of the Council held not later than two months after receipt of certification.

89. Internal Audit

- 89.1 ~~The Internal Audit Service is an assurance function that provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. The control environment comprises the systems of governance, risk management and internal control.~~~~independent appraisal and review function set up within Dundee City Council as a service to the Audit and Risk Management Sub-Committee, Chief Executive, Director of Finance, and all levels of management.~~ The remit of the service is to objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources throughout the Council's activities.

- 89.2 The existence of Internal Audit does not diminish the responsibility of management to establish the extent of internal control in the organisation's systems and management should not depend on Internal Audit as a substitute for effective controls.

- 89.3 Internal Audit ~~is should be~~ independent of the activities ~~it reviews to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations. Internal Auditors should therefore not have any operational responsibilities which it audits. This is essential to ensure that the service provides unbiased judgements and impartial advice to management.~~

- 89.4 ~~Given the scope of internal audit work covers the organisation's entire control environment, Internal Audit is required to have unrestricted access to all records, assets, personnel and premises and the authority to obtain such information and explanations it considers necessary to discharge its responsibilities. The role of Internal Audit is to understand the key risks faced by the Council and to examine and evaluate the adequacy and effectiveness of the system of risk management and internal control as operated by the Council. Internal Audit has unrestricted access to all activities undertaken within the organisation in order to review, appraise and report on the areas detailed below:-~~

- 9.5 ~~The primary purpose of internal audit reporting is to communicate to management and Elected Members information that provides an independent and objective opinion on the control environment and risk exposure and to prompt management to implement the agreed actions. They key stages within the reporting cycle are summarised below:-~~

- ~~• All draft Internal Audit Reports shall be issued to the relevant Officer of the area that has been subject to review for provision of a formal management response to points arising. A copy of the draft report will also be circulated for information to the Director of Corporate Services and any other party as deemed appropriate.~~

- ~~• All finalised Internal Audit Reports which incorporate the management response to the points arising, will be issued to the relevant Officer who has responsibility for ensuring the action plan is implemented within the agreed time frame. A copy of the finalised report will also be issued for information to the Chief Officer of the Department where the review has been undertaken, Chief Executive, Director of Corporate Services, External Auditor and any other relevant party.~~

- ~~• The Executive Summary from all Internal Audit Reports will be submitted to the Scrutiny Committee for consideration.~~

8.59.6 The Council's Fraud Guidelines detail the approach and procedures in relation to the investigation of fraudulent activities. A summary of the key points within the Fraud Guidelines are provided below:-

- Managing the risk of fraud and corruption is the responsibility of management. It is therefore a management responsibility to maintain the internal control system and to ensure that the Council's resources are properly applied in a manner and on the activities intended.
- There is a requirement for each department to report all cases of suspected fraud to Internal Audit, who have a duty to record, monitor and formally report on such matters to the Council's External Auditor.
- As the nature and complexity of fraudulent activities varies considerably, the approach to an investigation will be decided on a case by case basis. The Chief Executive, the Chief Officer concerned, Head of Human Resources and Director of Corporate Services may be consulted, as deemed appropriate, as to the approach to be adopted.
- It is the responsibility of the Chief Officer of the department to ensure that the Chief Executive and the Head of Human Resources are advised of any suspected irregularities.
- It is the responsibility of the Chief Internal Auditor to advise the Director of Corporate Services of any suspected irregularities and provide updates during the investigation as deemed appropriate.

~~□The adequacy and effectiveness of the systems of financial, operational and management control and their operation in practice in relation to the business risks to be addressed.~~

~~•The extent of compliance with, relevance of, and financial effect of, policies, standards, plans and procedures approved by Committee and the extent of compliance with external laws and regulations, including reporting requirements of regulatory bodies.~~

~~•The extent to which the assets and interests are acquired economically, used efficiently, accounted for and safeguarded from losses of all kinds arising from waste, extravagance, inefficient administration, poor value for money, fraud or other cause and that adequate business continuity plans exist.~~

~~•The suitability, accuracy, reliability and integrity of financial and other management information and the means used to identify, measure, classify and report such information.~~

~~•The integrity of processes and systems, including those under development, to ensure that controls offer adequate protection against error, fraud and loss of all kinds and that the process aligns with the organisation's strategic goals.~~

~~•The adequacy of the framework of the units audited for carrying out their functions, to ensure that services are provided in a way which is economical, efficient and achieves Council policy objectives.~~

~~•The follow-up action taken to remedy weaknesses identified by Internal Audit, ensuring that good practice is identified and communicated widely.~~

~~•The operation of the Council's corporate governance arrangements.~~

- ~~It is a management responsibility to maintain the internal control system and to ensure that the Council's resources are properly applied in a manner and on the activities intended. This includes the responsibility for the prevention and detection of fraud.~~

~~8.6 All draft Internal Audit reports shall be submitted to the Chief Officer of the area that has been subject to review in order to provide formal management responses to points arising. A copy of the draft report will also be circulated for information to the Director of Finance and any other party as deemed appropriate.~~

- ~~The finalised Internal Audit report which includes the management responses to the points arising, will be issued to the Chief Officer who has responsibility for ensuring the action plan is implemented within the agreed time frame. A copy of the finalised report will also be issued, for information to the Chief Executive, Director of Finance, External Auditor and any other relevant party.~~

- ~~All reports from either the Internal Auditor or External Auditor, with significant recommendations, shall be submitted to the Audit and Risk Management Sub-Committee of the Policy and Resources Committee for its consideration.~~

10. Banking Arrangements and Control of Cheques

- 10.1 All arrangements with the Council's bankers shall be made by the Director of Corporate Services who shall operate such banking accounts including national giro accounts as the Director of Corporate Services may consider necessary.
- 10.2 All cheques including national giro payment forms shall be ordered only on the authority of the Director of Corporate Services who shall make proper arrangements for their safe custody.
- 10.3 Cheques on the Council's banking accounts, including national giro accounts, shall be of the facsimile signature of the Director of Corporate Services or other authorised signatories approved by the Director of Corporate Services. ~~be signed by the Director of Finance, Chief Accountant, Head of Accounts and Benefits or Head of Income and Recovery.~~
- 10.4 The Director of Corporate Services shall be responsible for arranging any payments through the Bankers Automated Clearing System (BACS) and shall ensure that proper security control procedures are affected and reviewed.
- 10.5 Where a department, for operational reasons, has to operate a subsidiary bank account, then the Director of Corporate Services will issue guidance on how that department's staff are to operate these subsidiary bank accounts.

11. Treasury Management

- 11.1 The Director of Corporate Services and his/her staff shall ensure that all the Council's borrowing and lending transactions and practices comply with the CIPFA Code of Practice on Treasury Management in the Public Services.
- 11.2 The Director of Corporate Services shall prepare a Treasury Policy Statement which will be approved by the Policy and Resources Committee and reviewed at least every three years.
- 11.3 The Director of Corporate Services shall prior to the commencement of each financial year submit a report to the Policy and Resources Committee on the Treasury Management Strategy for that year.
- 11.4 The Director of Corporate Services shall submit a report to the Policy and Resources Committee twice yearly reviewing the Council's Treasury Management activities. One of these reports will be an annual report on the Treasury Management activities of the previous financial year.

12. Orders for Works, Goods and Services

- 12.1 Each Chief Officer shall be responsible for all orders issued by his department and for ensuring that the cost is allocated to an appropriate budget head and covered within the approved estimates.
- 12.2 Official orders shall be in a form approved by the Director of Corporate Services. Printed or electronic orders shall be approved only by officers authorised by the appropriate Chief Officer; electronically submitted orders shall be issued only by officers authorised by the appropriate Chief Officer. Each Chief Officer shall be responsible for any official orders issued from his department. The number of officers so authorised shall be determined, in agreement, with the Director of Corporate Services.
- 12.3 Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies of public utility services, for periodical payments such as rent and rates, for petty cash purposes or such other exceptions as the Director of Corporate Services may approve.
- 12.4 The procedures for obtaining competitive tenders and Committee approvals for all supplies and works as detailed in the Council's tendering procedures should be followed at all times.
- 12.5 Guidance issued by the Director of Corporate Services under Efficient Government on how Council Officers order and procure goods and services including e-procurement must be adhered to.
- 12.6 Orders and payments by credit card shall be processed in accordance with procedures issued by the Director of Corporate Services.

13. Payment of Accounts

- 13.1 The Chief Officer issuing an order is responsible for the examination, verification and certification of the related invoices and similarly for any other payment vouchers, documents or accounts arising from sources in his department.
- 13.2 Where possible, arrangements should be made by each Chief Officer for the separation of the authorisation of orders as distinct from goods received notes or any other process which involves the certification of invoices. Variations to these arrangements are subject to the approval of the Director of Corporate Services. Each goods received note or electronic version should be approved by the appropriate receiving officer and should be authorised by the appropriate authorised signatory. The authorised signatory shall always be different from the receiving officer.
- 13.3 Before certifying invoices, payment vouchers, goods received notes, documents or accounts the certifying officer shall, except to the extent that the Director of Corporate Services may otherwise determine, have satisfied himself/herself with regard to:-
- (a) the receipt of goods being in accordance with the order;
 - (b) correctness of prices, discounts and arithmetic;
 - (c) non-duplication of payments;
 - (d) expenditure being within the Estimates;
 - (e) allocation to the appropriate head of expenditure;
 - (f) appropriate entries having been made in inventories, stores records etc as required;
 - (g) work having been carried out to a satisfactory level.
- 13.4 The payment of all certified invoices etc, shall be made by the Director of Corporate Services under arrangements approved and controlled by him/her.
- 13.5 Payment will not be made on duplicate invoices, statements, or photocopy invoices unless the Chief Officer, in consultation with the Director of Corporate Services, certifies in writing that the amount in question has not previously been paid.

- 13.6 Each Chief Officer shall, as soon as possible after 31 March and not later than a date to be intimated by the Director of Corporate Services, in each year, notify the Director of Corporate Services of all outstanding expenditure relating to the previous financial year.

14. Payroll Administration

- 14.1 The payment of all salaries, wages, pensions, compensation and other emoluments to all employees or former employees of the Council shall be made by the Director of Corporate Services or under arrangements approved and controlled by him/her.
- 14.2 Each Chief Officer, as determined by the Director of Corporate Services, shall keep records of all matters affecting the payment of such emoluments and, in particular:-
- (a) appointments, promotions, resignations, dismissals, suspensions, secondments and transfers;
 - (b) absences from duty for sickness, holidays or other reason;
 - (c) changes in remuneration, other than normal increments and pay awards and agreements of general application;
 - (d) information necessary to maintain records of service for superannuation, income tax, national insurance and the like.
- 14.3 The Director of Corporate Services will, through the payroll system, provide such management information as he or she, the Chief Executive, or any Chief Officers decide is necessary for the achievement of best value.

15. Income

- 15.1 Except as otherwise determined by the Council the rate of charge for goods or services supplied by the Council to the public and external organisations shall be approved by the Policy and Resources Committee and Service Committees and shall not be altered without the approval of these Committees.
- 15.2 It shall be the duty of the Director of Corporate Services to make adequate financial and accounting arrangements to ensure the proper recording of all monies due to the Council and for the proper collection, custody, control and banking of all cash in all departments of the Council.
- 15.3 Particulars of all charges to be made for work done and services rendered or for goods supplied by the various departments of the Council and of all other amounts due to the Council shall be promptly notified to the Director of Corporate Services in a form approved by him/her and all accounts due to the Council shall be rendered by or under arrangements approved by the Director of Corporate Services.
- 15.4 All receipt forms, books, tickets and other such items shall be in a form approved by the Director of Corporate Services who shall satisfy himself/herself as to the arrangement for the ordering, supply and control by each department. It will be a requirement that all such records, forms etc aforementioned shall be retained by each department for a period stipulated by the Director of Corporate Services.
- 15.5 All monies received on behalf of the Council in any department shall be deposited promptly with the Director of Corporate Services or the Council's bankers in accordance with the arrangements made with the Director of Corporate Services. No deduction may be made from such money except to the extent that the Director of Corporate Services may specifically authorise.
- 15.6 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 15.7 All transfers of money from one member of staff to another will be evidenced in the records of the departments concerned by the signature of the receiving officer.

15.8 It shall be the responsibility of each Chief Officer to ensure that all his/her departmental income is billed expeditiously.

15.9 The Money Laundering Reporting Officer (MLRO) nominated to receive disclosures about money laundering activity within the Council is the Incomes Manager. Any employee who suspects money laundering activity must report their suspicion promptly to the MLRO, using the relevant documentation (provided with policy and guidance). The employee must follow any subsequent directions of the MLRO, and must not themselves make any further enquiries into the matter. They must not take any further steps in any related transaction without authorisation from the MLRO. The employee must not disclose or otherwise indicate their suspicions to the person or others of the suspicion of money laundering and no note is to be made within their records of this disclosure to the MLRO.

It is the responsibility of the MLRO to promptly evaluate any AML Reporting form received and determine whether it should be reported to the Serious and Organised Crime Agency (SOCA) and to make relevant report if required on behalf of the Council. It is a criminal offence for the MLRO to know or suspect, or have reasonable grounds to do so, through a disclosure being made to them, that another person is engaged in money laundering and they do not disclose this as soon as practicable to SOCA.

16. Insurance

16.1 The Director of Corporate Services shall effect as necessary insurance cover and negotiate all claims in consultation with other officers as necessary. Such insurances as required can be placed either with insurance companies or the risk carried in the Council's General Insurance Fund. This fund was established by the former Dundee Corporation and confirmed by the Dundee Corporation (Consolidated Powers) Order Confirmation Act 1957.

16.2 Each Chief Officer shall give prompt notification to the Director of Corporate Services of potential liabilities, property or vehicles which require to be insured or which may affect the Council's insurance or self-insurance arrangements.

16.3 Chief Officers shall as soon as practicable notify the Director of Corporate Services of any loss of property or any action or event which may give rise to an insured or self-insured claim.

16.4 All appropriate employees of the Council shall be included in a fidelity guarantee insurance.

16.5 The Director of Corporate Services shall annually or as necessary, review all insurances and self-insurance arrangements, in consultation with Chief Officers where necessary.

16.6 All investments of monies for the General Insurance Fund shall be made by the Director of Corporate Services in the name of the Council. Any investments made will be made in accordance with the policy determined by the Policy and Resources Committee.

17. Stores and Inventories

17.1 The safe custody of stores and equipment shall be the responsibility of the Chief Officer concerned and the Chief Officer shall make a return of all stocks and stores to the Director of Corporate Services at the end of each financial year. Chief Officers shall submit to the Head of Information Technology at the end of the financial year details of all computer equipment held and the Head of Information Technology will collate this into a verified list for the Director of Corporate Services. An inventory list of all furniture and fittings, vehicles, plant and equipment should be maintained by departments in a format determined by the Director of Corporate Services and shall be submitted by Chief Officers to the Director of Corporate Services when requested.

17.2 The Chief Officer, in consultation with the Director of Corporate Services, shall be responsible for maintaining an efficient system of stores accounting including stock control. Stores accounting systems must be approved by the Director of Corporate Services. Stock reconciliation will be carried out in a continuous basis within the department and a full stocktaking done at the request of the Director of Corporate Services.

- 17.3 No adjustments in respect of stocks and stores shall be made to write-off deficiencies or to bring surpluses into charge unless authorised by the Director of Corporate Services.
- 17.4 All surplus plant, vehicles, tools, equipment, furnishings, materials or commodities in excess of £10,000 in value to be disposed of by any department or division of the Council shall be advertised for sale either by the invitation of sale offers or by public auction unless in special circumstances of which the Committee concerned shall be the sole judge it is otherwise decided.
- 17.5 The Council's property shall not be removed otherwise than in accordance with the ordinary course of the Council's business or used otherwise than for the Council's purposes except in accordance with specific directions issued by the Chief Officer concerned.

18. Security

- 18.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stock, stores, furniture, equipment, cash, records etc under his/her control. They shall consult with the Director of Corporate Services in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 18.2 Maximum limits for cash holdings shall be agreed with the Director of Corporate Services and shall not be exceeded without his/her express permission.
- 18.3 Keys to safes and similar receptacles are the responsibility of the keyholder who shall make suitable arrangements for their security at all times. The loss of any such keys must be reported to the Director of Corporate Services immediately. For insurance purposes, keys should be removed from premises overnight.
- 18.4 Each Chief Officer shall be responsible for ensuring proper security and confidentiality on information held in the computer installations and in the use to which such information may be put. The Chief Executive shall make such arrangements as may be required to ensure confidentiality of information under the terms of the Data Protection Act.

19. Imprest Accounts

- 19.1 The Director of Corporate Services shall make appropriate imprest advances and determine accounting periods in connection with the payment of expenses and petty outlays chargeable to the Council.
- 19.2 The limit for any one payment from petty cash shall be such sum as the Director of Corporate Services may from time to time determine.
- 19.3 The Director of Corporate Services shall arrange to his or her satisfaction the proper security for money advanced in this way.
- 19.4 The recipient of any advance of petty cash or imprest shall account for this money to the Director of Corporate Services when required and shall repay the money on leaving the City Council's employment or when required by the Director of Corporate Services.

20. Staff Travelling, Subsistence and Financial Loss Allowances

- 20.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted, duly certified, in a form approved by the Director of Corporate Services to him/her at such regular intervals as are agreed. The names of officers authorised to sign such records shall be sent to the Director of Corporate Services by each Chief Officer together with specimen signatures and shall be amended on the occasion of any change. The number of officers so authorised shall be determined in agreement with the Director of Corporate Services.
- 20.2 The certification by or on behalf of a Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were properly authorised, the expenditure properly and necessarily incurred and that the allowances are properly payable.

- 20.3 Employees' claims submitted more than two months after the expenses were incurred will not be paid unless the Director of Corporate Services is satisfied with the reasons given for the delay.

21. Members' Allowances and Expenses

- 21.1 Prior to the commencement of each financial year the Director of Corporate Services **if necessary** shall prepare a scheme of members' allowances in accordance with the regulations approved by the Scottish Parliament, which shall be submitted for approval to the Policy and Resources Committee and members will be paid in accordance with the approved scheme.
- 21.2 Payment to members of the Council in respect of expenses incurred by members will be made on receipt of the prescribed form duly completed. All claims for a financial year must be submitted within ten working days of the end of that financial year.

22. Grants/Subscriptions - Following the Public Pound

- 22.1 All applications for grants or subscriptions to charitable societies, associations or institutions must comply with the Accounts Commission/COSLA Code of Guidance on Following the Public Pound.
- 22.2 A report by the relevant Chief Officer shall be considered for approval by the appropriate Service Committee except where the Chief Officer has been granted delegated authority. The Chief Officer must ensure that in all material respects, the Code has been complied with, including receipt by the authority of the organisation's latest audited accounts.
- 22.3 A formal agreement must be entered into for each of the organisations and submitted to the Head of Democratic and Legal Services. This should be drawn up with reference to the requirements of the Accounts Commission/COSLA Code of Guidance on Following the Public Pound. In particular, the agreement must refer to the financial and performance requirements expected of the organisations.
- 22.4 Chief Officers are also required to identify all arrangements where a substantial funding relationship exists or is to be entered into and make a submission of such arrangements to the Director of Corporate Services. This information must be updated on an annual basis.
- 22.5 Grants, payments and subscriptions etc will be submitted to the appropriate Committee subject to the undernoted directions.

The following grants, payments and subscriptions etc will be considered by the Committee shown.

City Development Committee

- Grants and loans or guarantees to industrial or commercial undertakings or, where appropriate, to other bodies provided that where such assistance is to be given under the powers contained in Section 171A of the Local Government (Scotland) Act 1973 the Committee shall act within the terms of such guidance as shall be provided by the Policy and Resources Committee and the Council.
- Grants and loans to business co-operatives subject to the following limits:-
 - (1) Grants to new co-operatives of up to £1,000 per new job created subject to a maximum grant of £5,000;
 - (2) Grants to existing co-operatives up to £5,000; and
 - (3) Loans of up to £10,000 on terms as to interest rates and repayment periods to be determined.
- Grants from the Vacant and Derelict Land Fund to help improve vacant and derelict land and property.

- Grants from the Community Regeneration Budget and the Community Regeneration Fund for facade enhancements.

Education Committee

- Grants to new registered childminders of up to £200 to support the purchase of essential resources.
- Payments to bodies providing training and support to those working in childcare across Dundee.
- Grants to Out of School Care Clubs.
- Grants to Voluntary Sector Partners for the delivery of Dundee's Early Years and Childcare Strategy.

Housing Committee

- Administrative Grants to Registered Tenant Organisations.

Policy and Resources Committee

- Grants from the Community Regeneration Fund targeted at the most deprived 15% of areas of Dundee identified by the Scottish Index of Multiple Deprivation 2004.
- Grants from Common Good.
- Grants and other forms of assistance to Community Councils as may be appropriate under Section 55 of the Local Government (Scotland) Act 1973.
- Grants and other forms of assistance under the Education (Scotland) Acts and Regulations made thereunder to voluntary organisations (including youth organisations) promoting social, ~~cultural and/or recreational~~ activities unless the grant is under £500, in which case the Director, Leisure and Communities has authority to approve an application to any one group in any financial year subject to (i) the details of any award being reported to Committee for information and record purposes, and (ii) any award made meeting criteria laid down by the Policy and Resources Committee.
- Grants from the Community Safety Fund to promote community safety, support community safety initiatives and diversionary youth work, as above.
- Grants from the Equality and Diversity Grant Fund to promote social inclusion and contribute towards equal opportunities within the City, as above.

Social Work and Health Committee

- Grants in terms of Section 10 of the Social Work (Scotland) Act 1968 to promote social welfare and targeting voluntary organisations which provide assistance and promote social inclusion amongst the most vulnerable members of the community.
- Payments to voluntary organisations in accordance with Service Level Agreements with the Social Work Department.
- Payments from Choose Life funding to local groups who have an important role in preventing suicide.

In addition, the undernoted grants, payments and subscriptions etc, have been delegated to the officers shown.

The Director of Education has authority to make a revenue grant up to £500 to support playgroups.

The Director of Corporate Services has authority to make a grant to the Royal British Legion Scotland to meet the costs of hiring the Caird Hall complex for the Dundee Festival of Remembrance and authority to make a grant to the Blood Transfusion Service to meet the costs of hiring the Caird Hall Complex as necessary.-

The Director of Housing has authority to process applications for improvement grants, repairs grants and improvement loans and to approve such applications where they meet the criteria laid down by the Housing Committee from time to time.

The Director of Social Work has authority:-

- to defray expenses of parents, relatives or other connected persons in respect of visiting a person, other than a child, in the care of the authority or receiving assistance from the authority or a child who is being looked after by the authority, or attending the funeral of such a person in terms of Section 29 of the Social Work (Scotland) Act 1968 as amended by paragraph 15(13) of Schedule 4 of the Children (Scotland) Act 1995;
- to make direct payments under Section 12B of the Social Work (Scotland) Act 1968;
- to pay adoption allowances in terms of Section 51 of the Adoption (Scotland) Act 1978 and the Adoption Allowance (Scotland) Regulations 1996;
- to have the power to provide financial assistance towards expenses of education or training of a young person, under the age of 21, formerly looked after by the local authority, including contributions to accommodation and maintenance in terms of Section 30 of the Children (Scotland) Act 1995;
- to agree funding for care packages subject to the agreed financial guidance Social Work Committee, 26 June 2006, (Article II refers).

23. Common Good

- 23.1 The Director of Corporate Services will submit a Revenue Budget to the Policy and Resources Committee each year. The Director of Corporate Services will have authority to incur expenditure within the approved budget.
- 23.2 All investments of money shall be made by the Director of Corporate Services in the name of the Council. Any investments made will be made in accordance with the policy determined by the Policy and Resources Committee.
- 23.3 All securities which are the property of, or in the name of the Council, shall be held in custody under the supervision of the Director of Corporate Services.

24. Trusts and Charitable Funds

- 24.1 The Director of Corporate Services shall ensure the proper and safe custody and control of all charitable funds held by the Council and shall ensure that all expenditure is in accordance with the conditions of the trustees etc.
- 24.2 All officers acting as trustees by virtue of their official position shall deposit all securities etc relating to the trust or charitable fund with the Director of Corporate Services.
- 24.3 All investments of money shall be made by the Director of Corporate Services in the name of Council. Any investments made will be made in accordance with the policy determined by the Policy and Resources Committee.

24.4 The Director of Corporate Services and other relevant officers shall ensure compliance with the requirements of the Office of the Scottish Charities Regulator (OSCR).

24.5 Director, Leisure and Communities in the capacity of Managing Director, Leisure and Culture Dundee shall ensure safe custody and control of the administration of grant funds allocated to Leisure and Culture Dundee for the promotion of cultural and/or recreational activities.

25. Superannuation Funds

- 25.1 The Policy and Resources Committee (or delegated Sub-Committee) shall be responsible for the supervision and control of the Tayside Superannuation Fund and the Tayside Transport Superannuation Fund, including the review of investments and the investments of new funds. This will include ensuring full compliance with the Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations ~~1998~~2010.
- 25.2 The Policy and Resources Committee shall provide a full remit to the Superannuation Sub-Committee detailing the powers delegated to it regarding the supervision and control of the operations and investments of the Superannuation Funds.
- 25.3 The Director of Corporate Services shall ensure the proper and safe custody of the Superannuation Funds investments.
- 25.4 The Director of Corporate Services shall provide regular reports to the Superannuation Investment Sub-Committee (including quarterly review of performance) on all areas covered by its remit.
- 25.5 The Director of Corporate Services shall ensure that in respect of the Superannuation Funds all expenditure is in accordance with the conditions of the Policy and Resources Committee (or delegated Sub-Committee) and all income is correctly received.

26. Expenditure on Departmental Inspections, Hospitality etc

- 26.1 Requests or proposals for the provision of hospitality or entertainment of persons visiting the area of the Council, and functions considered necessary or desirable for maintaining the dignity of the Dundee City Council shall be dealt with by the Head of Democratic and Legal Services in consultation with the Lord Provost. The Head of Democratic and Legal Services shall be authorised to incur expenditure not exceeding the sum of £5,000 on any event, subject to the amount allowed in the Estimates in any one financial year not being exceeded. A record of all hospitality or entertainment granted shall be kept and shall be open to inspection by any member of the Council.
- 26.2 The Chief Officer of any division or department may, in consultation with the appropriate Convener, authorise the provision of hospitality to an amount not exceeding £2,000 in any one financial year and £300 on any one occasion where members and/or officers of the Council are meeting with members or officers of other local authorities or public bodies, Members of Parliament, firms, consultants or others who are assisting or co-operating with the Council in carrying out its functions. A record of all hospitality or entertainment granted shall be kept, and shall be open to inspection by any member of the Council.
- 26.3 When persons or bodies are attending meetings with members and/or Principal Officers (or their Deputies) in connection with the functions and operations of the Department of Economic Development, the Chief Executive may authorise expenditure on the provision of hospitality to an amount not exceeding the amount allowed in the Estimates in any one financial year.
- 26.4 Any expenditure in terms of paragraph (2) 25.2 of this financial regulation shall be a charge on the department concerned.

27. Reserves and Balances

- 27.1 The Policy and Resources Committee shall receive a report from the Director of Corporate Services to consider the establishment of any new reserve or fund, be they for capital or revenue expenditure purposes.
- 27.2 The Director of Corporate Services has a fiduciary duty to the local taxpayers and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds. The Director of Corporate Services and his/her staff shall therefore observe the guidance laid down in the CIPFA Guidance Note on Local Authority Reserves and Balances.

- 27.3 The Director of Corporate Services shall include within the Revenue Budget report submitted to the Policy and Resources Committee at which the Council Tax is to be determined, a statement showing the estimated opening and closing and General Fund balances for the financial year ahead. This report will also include a statement by the Director of Corporate Services on the adequacy of the General Fund and other reserves balances in respect of the forthcoming financial year and the Council's medium term financial strategy.
- 27.4 The Director of Corporate Services shall also undertake an annual review of all earmarked revenues and report accordingly to the Policy and Resources Committee meeting which determines the Council Tax.

28. Trading Operations and Accounts

- 28.1 The Director of Corporate Services in conjunction with the appropriate Chief Officer shall determine which activities within their departments constitute significant trading operations under the Local Government in Scotland Act 2003.
- 28.2 The appropriate Chief Officer for each significant trading operation shall, in conjunction with the Director of Corporate Services prepare annual and three year Revenue Budgets. These budgets to reflect the statutory requirement under the Local Government in Scotland Act 2003 that in relation to every three year period and taking every year with the two previous years' revenue is not less than expenditure.
- 28.3 The Director of Corporate Services shall submit on a monthly basis trading statements for each significant trading operation to the appropriate Chief Officer. That officer will provide any information timeously which is required for the purpose of the preparation of these trading statements. These trading statements will monitor the financial performance of each significant trading operation.
- 28.4 In accordance with statutory requirements for significant trading operations under the Local Government in Scotland Act 2003, the Director of Corporate Services shall prepare the annual accounts for each trading activity. In order to prepare these accounts the appropriate Chief Officer will provide timeously the information required by the Director of Corporate Services in order to complete the accounts. These accounts or a summary will be incorporated into the Council's Statement of Accounts and Public Performance Report.

29. Revision of Financial Regulations

- 30.1 The foregoing Financial Regulations may be altered or revoked by the Council at the ordinary meeting of the Policy and Resources Committee, if the motion for alteration or revocation is supported by a majority of the Committee present and voting.

DUNDEE CITY COUNCIL

TENDER PROCEDURES OF THE COUNCIL

1. Commencement

- 1.1 These Tender Procedures may be altered or revoked by the Policy and Resources Committee at any ordinary meeting provided such proposals are supported by a majority of the Committee present and voting.

2. Financial Regulations

- 2.1 The financial arrangements shall be governed by the Council's Financial Regulations which may be altered or revoked by the Policy and Resources Committee at any ordinary meeting provided such proposals are supported by a majority of the Committee present and voting.

3. Invitation of Tenders for Goods and Services

- 3.1 Where any plant, vehicles, tools, equipment, furnishings, materials or commodities in excess of £50,000 in value and which are to be financed from revenue are required by any division/department of the Council tenders shall be invited unless the Chief Executive in any particular case because of special circumstances, decides that would not be justified or appropriate in that particular case. All such offers, by tender or otherwise, shall be reported to the appropriate Committee for approval.
- 3.2 Where any plant, vehicles, tools, equipment, furnishings, materials or commodities below £50,000 in value and which are to be financed from revenue are required by any division/department of the Council tenders shall be invited unless the Chief Executive in any particular case because of special circumstances, decides that would not be justified or appropriate in that particular case. All such offers, by tender or otherwise, need not be submitted to Committee for approval if specific provision has been made in the approved estimates.
- 3.3 Notwithstanding the terms of paragraph 3.2 above, where the items to be purchased are below £10,000 in value, and which are to be financed from revenue it shall be in order for the tender procedure as outlined herein to be dispensed with provided that the items are not part of a series of purchases the aggregate cost of which, would exceed EU Public Procurement Threshold Levels. However, at least three competitive quotations should be obtained, unless otherwise directed by the Chief Executive with the most advantageous quotation being accepted direct by the Chief Officer concerned.
- 3.4 Where any project is to be financed from Capital, or Capital financed from revenue, tenders shall be invited unless the Chief Executive in any particular permissible case because of special circumstances, decides that would not be justified or appropriate in that particular case. All such offers by tender or otherwise, shall be reported to the appropriate Committee for approval.
- 3.5 Where any project is proposed to be carried out under a partnering arrangement the Chief Officer of any division of the Council requiring tenders to be invited shall obtain the approval of the client department and the Chief Executive for the project to proceed under a partnering arrangement. Notwithstanding 3.1 to 3.4 above, contractors shall be selected in accordance with the Council's Partnering Guidelines for Construction Contracts.
- 3.6 Where any works not included in any existing contract the estimated value of which is in excess of £25,000 are required by a division or department of the Council, and where such works or services may appropriately be carried out by the Council, an offer shall be invited in the first instance from the appropriate Council department and will be accepted if the client department is satisfied that the price equates to current market prices obtained in the last three months and represents best value to the Council.

3.7 The Chief Officer of any division of the Council requiring tenders to be invited for the purchase or sale of plant, vehicles, tools, equipment, furnishings, materials or commodities, or for the carrying out of any works, or for the procurement of any services shall, with exception of those obtained in terms of paragraph 3.3 above, advise the Chief Executive of their particular requirements; and

(a) Ensure that ~~any the~~ requirements of the European Union in respect of ~~the insertion of advertisements in their Official Journal for tenders for~~ the procurement of services; the execution of works or the supply of plant, vehicles, tools, equipment, furnishings, materials, or commodities are met, as these requirements are set out in:-

- (i) The Public Services Contracts Regulations 1993 (SI No 3228);
- (ii) The Public Works Contracts Regulations 1991 (SI No 2680);
- (iii) The Public Supply Contracts Regulations 1995 (SI 1995/2001);
- ~~(iv)~~ The Public Contracts (Scotland) Regulations 2012

~~(iv)~~ and any legislation amending, consolidating or substituting.

(b) Allocate a title (eg Equipment) and serial number to that contract. The serial number shall comprise the department's code as appended hereto for the purposes of the tendering procedure eg ENV, the year in which the tenders are being invited (or the year the project is initiated) and the particular number allocated to that contract. Thus if, for example, Environment Department are inviting tenders for the twentieth contract in the year 2011, the serial number of that contract shall be ENV/11/20.

(c) In order to advertise the contract on behalf of the Council, officers must:-

(a) register on the National Advertising Portal - Public Contracts Scotland; and

(b) advertise the invitation bids or quotations through the Portal.

Officers must complete the appropriate training to allow them to invite tenders and enter into contracts on behalf of the Council.

~~(c) Forward all press advertisements inviting tenders to the Chief Executive for insertion in the press and in addition, a~~ Advise him the Chief Executive in writing of the details of the contract and the closing date for submission of offers. The latter shall include the appropriate serial number of the contract of the Committee concerned, the estimated value of the contract and the source of finance (Revenue Capital, Capital financed from current revenue). If in any instance selected tenderers are invited to tender by letter and there is no public advertisement of the proposed contract the same information shall be forwarded to the Chief Executive.

~~(d) All~~ Any additional press advertisements inviting tenders must contain the following information "Sealed offers using the official label issued by this department and endorsed (insert the title of the particular contract) must be lodged with the Chief Executive, Dundee City Council, 21 City Square, Dundee, DD1 3BY on or before 10 am on Failure to use the official label in the manner prescribed may at the discretion of the City Council result in the offer not being considered. The label must be affixed to the front of the envelope". In instances where there is no public notice and invitations are sent to selected tenderers then the foregoing information must be included in the invitation.

(e) The official labels referred to immediately above shall be issued to all inquirers and selected tenderers with tender documents. Before issuing a label, it shall be completed to show the title and serial number of the particular contract the department's name and the closing date for the lodging of tenders.

(f) Contract documents issued shall, where necessary, include reference to the undernoted:-

- (i) Contract documents issued by and contracts made with the Council in connection with the execution of works to the value of £1,000,000 or above shall provide that the contractor shall be required to enter into a Bond with a Bank or Insurance Company for a sum equal to 10% of the contract sum for the due performance of the contract or such other sum as is stipulated by the Director of Corporate Services and/or in such circumstances as the Council may decide, a Parent Company Guarantee and/or a Minute of Agreement in respect of Window Warranty.
- (ii) All contract documents issued by, and all contracts made with the Council in connection with the carrying out of works, procurement of supplies or the provision of services shall provide that the contractor shall be insured with an ~~approved~~ insurance company authorised by the FSA to underwrite against liability to work people under statute and at common law; and liability to third parties-Employers Liability, Public Liability (and where required) Professional Indemnity Insurances.
- ~~(iii)~~ Where the Contract with the Council exceeds £50,000, tenderers must provide satisfactory evidence within their tender return that they have adequate Business Continuity arrangements in place to ensure the services provided to the Council can be maintained.
- ~~(iii)~~(iv) The ~~relative-relevant~~ policy or policies and premium renewal receipts shall be produced by the contractor whenever required for inspection by any officer authorised by the Council for that purpose.
- ~~(iv)~~(v) All contract documents issued by, and all contracts made with the Council shall provide that the contractor shall observe safe working practices, including the requirements of the Construction Design Management Regulations, whilst working on or within the confines of any Council properties.
- ~~(v)~~(vi) All contract documents issued by, and all contracts made with the Council shall, in appropriate cases, provide that if any provider of services, contractor or supplier of plant, vehicles, tools, equipment, furnishings, materials or commodities to the Council shall offer or give (either directly or through the medium of any person employed by him or acting on his behalf) any gratuity, bonus, discount, consideration, or bribe of any kind whatsoever to any member of the Council or any officer or employee of the Council, the Council may forthwith terminate the contract and may hold that provider, contractor or supplier (as the case may be) liable for any loss or damage which the Council may thereby sustain.
- ~~(vi)~~(vii) All contract documents issued by and all contracts made with the Council shall provide that the conditions and obligations thereof to be observed by contractors shall likewise apply to any sub-contractor and the contractors shall be responsible for the observance of such conditions by any sub-contractor.
- ~~(vii)~~(viii) All contract documents issued by the Council shall include a questionnaire in terms of Section 18(5) of the Local Government Act 1988 to ascertain whether the requirements of the Race Relations Act 1976 are being met by contractors or such questionnaire shall be submitted with the application form for the Select Tender List.

3.8 Chief Officers shall retain until after completion of each contract, a list showing the name and address of each inquirer to whom documents have been issued, allocating to each inquirer an individual number. Before an official label to an inquirer is issued, the number allocated to that inquirer shall be inserted at the end of the serial number on the label. Thus ENV/11/20 the third inquirer for that contract would have the serial number ENV/11/20/3 shown on the label issued to him. This is important since the numbered list shall enable the Chief Executive to return, unopened, to the appropriate tenderer any tender which is received late.

- 3.9 Ensure that the closing time for receipt of all tenders to be submitted is fixed at 10.00 am on a weekday excluding public holidays.
- 3.10 All late tenders shall be returned, if possible, unopened to the tenderer and shall not be reported to Committee or taken into account unless otherwise agreed with the Chief Executive. In the event of the Chief Executive accepting such a tender, the reason will be detailed in the Tender Book.

4. Opening of Tenders

- 4.1 Tenders, with the exception of these obtained in terms of paragraph 3.3, shall be opened in the offices of the Chief Executive by the appropriate Convener or Depute Convener, the Convener or Depute Convener of the Policy and Resources Committee or the Chief Executive or Head of Democratic and Legal Services.
- 4.2 The person assisting at the opening of tenders shall ensure that the Tenders Register is completed in the following manner:-
- (a) The names of all tenderers and the tender amounts shall be listed.
 - (b) Where the invitation to tender does not require a specific total to be stated eg "Cost plus" projects etc there should be inserted in the "Tender Amount" column words to that effect.
 - (c) Uncompleted tender documents returned using the official tender label must also be listed in the Tenders Register and the words "No offer" inserted under the Tender Amount. These shall not, however, be included in total of completed tenders received.
 - (d) Where tenderers submit alternative tenders for the same project in one envelope these should be entered separately in the Tenders Register with an explanatory note in the Register.
 - (e) In cases where tenderers submit offers for two or more different contracts in one envelope using the official tender label for one of the contracts then the Tenders Register must again include an explanatory note; and
 - (f) All tenders must be initialled by the person opening them and the Register must be signed by the person opening the tenders and the official receiving them.

5. Preparation of Tender Reports

- 5.1 The Chief Officer concerned shall prepare a report on tenders received for the purchase of plant, vehicles, tools, equipment, furnishings, materials or commodities, or for the carrying out of any works, or the purchase of any services, with the exception of those obtained in terms of paragraph 3.3 above.
- 5.2 The report shall include the following information:-
- (a) Whether the expenditure involved has been approved by the Policy and Resources Committee under a general or specific heading.
 - (b) A reference to the minute of meeting of the Committee approving an increase in the probable costs, if appropriate.
 - (c) In the case of Capital projects details of any Revenue implications.
 - (d) details, if any, of sub-contractors proposed by the contractor.
- 5.3 For reports on contracts below £50,000 to be met from revenue the following procedures shall be followed:-

- (a) The Chief Officer concerned shall prepare a report, in terms of paragraphs 5.1 and 5.2 above, for officer approval in respect of all contracts below £50,000 where specific provision has been made in the approved estimates with the exception of those obtained in terms of paragraph 3.3 and shall submit the report to the Head of Democratic and Legal Services and the offer recommended for acceptance. If no specific provision has been made in the Estimates the Chief Officer concerned shall follow the procedures in terms of paragraph 5.4 below.
- (b) The Head of Democratic and Legal Services shall thereafter submit the report to the Chief Executive and Director of Corporate Services for approval or otherwise.
- (c) At the same time as (b) above an acceptance letter shall be prepared by the Head of Democratic and Legal Services and issued to the department which assessed the tender documents for initialling and return.
- (d) The Head of Democratic and Legal Services shall issue the acceptance letter subject to the approval of the Chief Executive and Director of Corporate Services and a copy of the final dated acceptance forwarded to the relevant officers.
- (e) The person who assisted in the opening of the tenders shall place a copy of the acceptance together with the tender report and relative correspondence on a Register for inspection purposes.

5.4 For reports on contracts above £50,000 and all contracts to be met from capital or CFCR, the following procedures shall be followed:-

- (a) The Chief Officer concerned shall prepare a report, in terms of paragraphs 5.1 and 5.2 above, for Committee approval in respect of all contracts above £50,000 and shall submit same to the Chief Executive, Head of Democratic and Legal Services and Director of Corporate Services fourteen days prior to the Committee meeting.
- (b) On receipt of the report together with the offer recommended for acceptance the Head of Democratic and Legal Services shall prepare a draft acceptance letter.
- (c) The acceptance letter shall be issued by the Head of Democratic and Legal Services subject to Committee approval as soon as practically possible and a copy of the final dated acceptance forwarded to relevant officers.

6. Appointment of Sub-Contractors

6.1 The Principal Officer responsible for reporting on tenders shall report, for noting, the sub-contractors proposed by a contractor before any contract is entered into with such contractor and also report, for noting, any changes permitted, under the relevant contract, to this list.

7. Acceptance of Offers

7.1 Subject to the provisions of paragraph 3.3, all acceptances of offers for the purchase or sale of plant, vehicles, tools, equipment, furnishings, materials or commodities and for the carrying out of any works or the performance of services shall be signed on behalf of the Council by the Chief Executive or the Head of Democratic and Legal Services, or Legal Manager acting as agents for the client department unless otherwise directed by the Head of Democratic and Legal Services.

8. Payments to Contractors

8.1 All contracts for the carrying out of any works or the purchase of services on behalf of the Council, or for the supply of any plant, vehicles, tools, equipment, furnishings, materials or commodities to the Council will be recorded by the Principal Officer concerned, and such book shall show the amount of each contract and any payments made to account.

9. Alterations to Specifications

- 9.1 The specification of any works or services under contract and approved by the appropriate Committee shall not be altered to any substantial extent without the consent of the Council except in cases of urgency or where the nature of the services or works is such as to require deviation from the specification from time to time, but any such instance shall be reported to the appropriate Committee.

10. Determination of Contracts and Placing of New Contracts

- 10.1 If for any reason whatsoever the employment of any contractor or supplier of services, or of plant, vehicles, tools, equipment, furnishings, materials or commodities has been terminated, such contractor or supplier shall not receive any new contract from any Committee of the Council until such new contract has been approved by the Council.
- 10.2 While at all times observing the requirements of the relevant legislation, the Council shall whenever possible and commercially viable, seek to maximise the benefits to the local economy of using local companies and local labour.

11. Disposal of Surplus Plant, Materials etc

- 11.1 All surplus plant, vehicles, tools, equipment, furnishings, materials or commodities valued in excess of £10,000 in value to be disposed of by any division of the Council shall be advertised for sale either by the invitation of sealed offers or by public auction, unless in special circumstances of which the Committee concerned shall be the sole judge, it is otherwise decided. The arrangements for the disposal of surplus plant, vehicles, tools, equipment, furnishings, materials or commodities valued at less than £10,000 shall be delegated to the Chief Officer of the department concerned.

12. Select Tender Lists - Construction Contracts

- 12.1 Invitation to apply for inclusion on the Council's Select Tender List for construction contracts shall be made by advertising in the local and national press and European Journal. The list shall be renewed every four years.
- 12.2 All applicants are evaluated by the City Architect for their technical ability and by the Director of Corporate Services for their financial suitability prior to being recommended for inclusion on the list.
- 12.3 During the currency of the Select Tender List any contractor who fails to meet the technical or financial criteria required shall be deleted from the list. New contractors may be added to the list subject to the normal assessment by the City Architect and Director of Corporate Services.

13. Engagement of Consultants

- 13.1 It shall be a condition of the engagement of the services of any private, professional practitioner (not being an officer of the Council) who is to be responsible to the Council for a contract for the execution of works that, in relation to that contract he/she shall:-
- (a) At any time during the carrying out of the contract, produce on request, to the appropriate Chief Officer, all records maintained in relation to the contract.
 - (b) On completion of the contract, transmit all such records to the appropriate Chief Officer.

14. Trading Operations

- 14.1 The Council's trading operations will comply with the Council's tendering procedures and all applicable legislation in all estimates or tenders submitted to the Council as client.
- 14.2 It is recognised that as part of the preparation of a tender submission, it may be necessary to seek to enter into a contract with an outside party for the supply of goods or materials or the execution of works. This may be undertaken subject to the following provisos:-

- (a) written quotations are obtained from at least three persons competent to undertake the contract and these are recorded in a Register of Contract Quotations.
- (b) any such quotation may, after it has been confirmed in writing by the offerer, be accepted by the appropriate Chief Officer.
- (c) all quotations exceeding £50,000 in value which the respective Chief Officers have accepted under this paragraph shall, as soon as practical, be reported for information to the Environment Committee.