

### Contract Extension Outside of Advertised Contract Term

Contracts can be extended for longer than the total duration (initial term plus optional extension periods) detailed in the original Contract Notice but only with additional considerations.

The Procurement Officer must be able to provide robust justification for the Contract Extension to allow the Approval Board to make an informed judgement on whether to approve the extension recommendation. The Recommendation for Contract Extension (STS701-113.03) should include justification for the extension for Inconvenience, Economic, Technical and Regulatory reasons. The following table provides guidance on each reason and should be included in the extension recommendation paper.

Inconvenience
e.g. Significant inconvenience to NSS due to multiple and concurrent resource challenges ( <u>see attached Category plan</u> ) And / or Significant inconvenience to NHSS Boards to release critical evaluation staff to agree specification, evaluation criteria and evaluate bids due to multiple and concurrent resource challenges brought about by (e.g. covid/brexit/flu/NHSS recovery) NOTE: best practice would require email evidence from clinicians confirming
Economic
e.g. current contract supports existing equipment installation, new contract may necessitate new installations, services and procedures which will require substantial associated investment to implement alternative product usage NOTE: best practice would require email evidence from clinicians / med physics / estates outlining potential additional cost considerations
Technical
e.g. current contract supports existing equipment installation, new contract may necessitate new installations which are not interoperable with existing products and consumables, leading to challenging interoperability testing and validation NOTE: best practice would require email evidence from clinicians / med physics / estates confirming
Regulatory Considerations
Confirmation that the cost increase is less than 50% of original contract value
Confirmation that this extension could not have been foreseen due to (unexpected and ongoing event impact)
Confirmation that this extension does not alter the overall nature of the contract or framework

Note – Not all reasons need to be completed, however if only one reason this should be robust enough on its own to meet with Approval Board's requirements. It is likely that technical hurdles will have an associated economic impact, so many of the following reasons can be tweaked slightly as evidence.

Note – it is acceptable to state that evidence can be provided on request.

In addition to this reasoning the Procurement Officer should also include detail of the following NP Governance considerations in the Recommendation for Contract Extension:

Critical Checkpoint
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Does the request critically impact on Secured savings Target?*
Is this the first extension requested for this project?
Will contract pricing being maintained for the duration of extension?***
Is the extension limited to 12 months?

\*Critical is defined as >£250K, or if there is an alternative, unforecasted benefit to mitigate loss of opportunity

\*\* If a price change is requested this would have to be accompanied by Price Variation (STS701-113.07) request to evidence validity of increase

**Voluntary Ex-Ante Transparency Notice & Modification Notice**

In line with NP guidance a VEAT Notice should be published using Public Contracts Scotland (PCS) prior to confirming the Contract extension with suppliers. Where a positive outcome is received from the Approval Board the Procurement Officer should arrange for publication of the VEAT notice, with an associated voluntary 10 days' standstill. Where no challenges are received during this standstill period the Contract extension can be confirmed with suppliers and an associated modification notice published using PCS.

The Procurement Officer should confirm successful completion of the Contract extension and update the NP Governance team to allow an updated category plan and contract register record.

Standard notice wording is contained in the following table and should be used in conjunction with justification wording specific to the contract.

Permissible modifications up to half the original value	VEAT Notice Wording	Modification Notice Wording
<p><b>Additional goods, services or works</b> The modification is where it is necessary for more of the same from the same supplier <b>and</b> a new supplier could be disruptive to services, goods provision or works <b>and</b> would be inconvenient or would add to costs Note: a contract award notice must be published. regulation 72(1)(b)</p>	<p>This VEAT notice is to advise the need for modification to meet the additional demands of the Scottish Health and Social Care sector during the current Covid-19 pandemic and to maintain necessary supply and remove unnecessary disruption from the Authority at this time in line with Regulation 72(1)(b) of the Public Contracts (Scotland) Regulations 2015</p>	<p>This modification is to meet the additional demands of the Scottish Health and Social Care sector during the current Covid-19 pandemic and to maintain necessary supply and remove unnecessary disruption from the Authority at this time in line with Regulation 72(1)(b) of the Public Contracts (Scotland) Regulations 2015</p>

<p><b>Unforeseeable circumstances</b>  It was not possible to predict the circumstances which gave rise to the need for the change to the contract or framework <b>and</b> the modification does not change the overall nature of the contract  Note: a contract award notice is must be published.  regulation 72(1)(c)</p>	<p>This VEAT notice is to advise the need for modification to meet the additional demands of the Scottish Health and Social Care sector during the current Covid-19 pandemic and to maintain necessary supply due to circumstances unforeseen by the Authority in line with Regulation 72(1)(c) of the Public Contracts (Scotland) Regulations 2015</p>	<p>This modification is necessary to meet the additional demands of the Scottish Health and Social Care sector during the current Covid-19 pandemic and to maintain necessary supply due to circumstances unforeseen by the Authority in line with Regulation 72(1)(c) of the Public Contracts (Scotland) Regulations 2015</p>
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