

<b>Full Council</b>	<b>Agenda Item: 12</b>
<b>Meeting Date</b>	Wednesday 22 October 2014
<b>Report Title</b>	Changes to Contract Standing Orders
<b>Cabinet Member</b>	Cllr Dewar-Whalley, Cabinet Member for Finance
<b>SMT Lead</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Head of Service</b>	Dave Thomas, Head of Commissioning & Customer Contact
<b>Lead Officer</b>	Alan Marolia, Contracts Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open
<b>Forward Plan</b>	<b>Reference number:</b>
<b>Recommendations</b>	1. That amendments to Contract Standing Orders be considered and approved.

## 1 Purpose of Report and Executive Summary

- 1.1 It is occasionally necessary to review and amend Contract Standing Orders (CSO) to ensure they are maintained in line with revised legislation and organisational requirements. In this case amendments are proposed to assist local Small, Medium Enterprises (SMEs) in bidding for lower value Council procurements, up to the value of £15,000.
- 1.2 The proposals contained in this report and detailed in **Appendix I** are intended to provide a 'lighter touch' for the benefit of local SME's, making it easier for them to do business with the Council, while maintaining the principles of the EU Directive. They generally lift the lower financial thresholds to enable a smoother and more simplified process to lower value procurements as well as increasing the transparency of forthcoming tenders.
- 1.3 Current Contract Standing Orders can be found on the Swale Borough Council website. <http://www.swale.gov.uk/contract-standing-orders/>

## 2 Background

- 2.1 Contract Standing Orders ensure that the Council's procurement activity is carried out in a compliant manner, meeting both legislative requirements and our own corporate objectives, including Social Value. The amendments proposed will further assist local SMEs in bidding for Council procurement opportunities, whilst according with the principles of the EU Treaties.
- 2.2 When a tender process is not required to conform with EU procurement directives, for example because the estimated value of a contract falls below the relevant threshold, some EU Treaty-based principles may still apply. These include non-discrimination, equal treatment, and transparency, some degree of advertising and mutual recognition. These should be proportionate to the scale of the contract. This is in line with the UK objective of achieving value for money in all public procurements, not just those which

are covered by the EU procurement Directives. The proposed amendments recognise and therefore comply with the principles of the EU Treaties.

- 2.3 A report was taken to the General Purposes Committee on 6 October 2014 outlining the proposals and Members of that Committee approved the recommendation “*That the amendments to Contract Standing Orders be approved.*” The recommendation was approved on the proviso that Officers would investigate the possibilities of implementing a select list of SME’s that Officers could use to identify who to seek quote or quotations from.
- 2.4 Select lists and advertising were investigated in 2011 when the Council had engaged an independent Procurement Consultant to assist with a fundamental review of our approach to procurement. It was concluded and agreed by Members for transparency purposes, that advertising was the most advantageous route.
- 2.5 KCC administer a select list and the Council may be able to use this list which comprises regional suppliers. Investigative work is being undertaken with the Business and Skills Officer that a local select of SME’s list may be able to be achieved and administered impartially for procurements below £5,000.

### **3 Proposal**

- 3.1 That clauses 7.3, 7.4, 11.1, 13.1, 13.3.3 and 13.3.4 of CSOs are amended as proposed.

### **4 Alternative Options**

- 4.1 Contract Standing Orders not amended and remain as present.

### **5 Consultation Undertaken or Proposed**

- 5.1 Consultation with the Procurement Group in July 2014 has been undertaken and agreement reached that amendments contained in Appendix I of this report be recommended and approved.
- 5.2 Feedback from SMEs who wish to do business with the Council has also been considered.

### **6 Implications**

<b>Issue</b>	<b>Implications</b>
Corporate Plan	Open for Business – supporting local SMEs.
Financial, Resource and Property	There are no financial or resourcing implications related to the approval of the proposed amendments.
Legal and Statutory	There are no legal or statutory implications as all proposals according with procurement legislation.

Crime and Disorder	No crime and disorder implications.
Sustainability	Acceptance of the proposal will benefit SME's in enabling better opportunities for lower value procurements.
Health and Wellbeing	There are no health or wellbeing issues.
Risk Management and Health and Safety	The proposal significantly reduces bureaucratic requirements making way for a simpler and quicker procurement process for lower value procurements.
Equality and Diversity	Procurement opportunities are open to all.

## 7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Proposed amendments to Contract Standing Orders

## 8 Background Papers

None