

**Working Paper: General Purposes Committee 29 September 2016: Proposed changes to Contract Standing Orders.**

1. As part of the review of the Constitution it is necessary to consider whether it is appropriate to amend Contract Standing Orders (CSO) to ensure the content reflects current legislation and requirements. In this case amendments are also proposed to assist local Small, Medium enterprises (SME's) in procuring lower value opportunities between £0 - £25,000.
2. This report provides information with regard to the proposed amendments that are contained within Appendix I of the report. It sets out in Appendix I the detailed changes to CSO together with the rationale for such changes as the basis for consideration by the Committee of any changes to be recommended to Council for approval
3. Purchasing decisions and processes are important because the money involved is public money. The purpose of Contract Standing Orders is to provide a structure within which purchasing decisions are made and implemented and which ensure that the Council furthers its corporate objectives. One such objective is Social Value and the amendments proposed will further assist local SME's in successfully procuring council services while keeping in line with the principles of the EU Treaties.
4. Even when a tender process is not required under the Directives, for example because the estimated value of a contract falls below the relevant threshold, EU Treaty-based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality apply and some degree of advertising, appropriate to the scale of the contract, is likely to be necessary to demonstrate transparency. This is in line with the UK objective of achieving value for money in all public procurement, not just that which is covered by the procurement Directives. The proposed amendments recognise and comply with the principles of the EU Treaties.
5. Members are asked to refer to Appendix I for detail of the proposed amendments. The proposals contained in Appendix I are intended to provide a 'lighter touch' for the benefit of local SME's while maintaining the principles of the EU Directive and are generally aimed at lifting the lower financial threshold to enable a smoother and more simplified process to lower value procurements.
6. Consultation with the Procurement Group in July 2016 followed by Legal and Finance has been undertaken and agreement reached that amendments contained in Appendix I of this report be recommended and approved.

**RECOMMENDATION:** It is proposed that the amendments are made to CSO as set out in Appendix I are recommended to Council