

## **Meeting of the Council – 24<sup>th</sup> July, 2006**

### **Report of the Cabinet**

### **Revision of Contract Standing Orders**

#### **Purpose of Report**

1. To consider changes to the Council's Contract Standing Orders.

#### **Background**

2. As part of the work covered by the Procurement Steering Group a review of the Council's procurement procedures has taken place. The Contract Standing Orders have been reviewed by a group of officers from the Council's Directorates of Law and Property, Finance and Adult, Community and Housing Services and the recommended revisions comply with the key themes in the procurement strategy. All other Directorates have been consulted on the proposed revised Contract Standing Orders, a copy of which has been placed in the Members' Room and on CMIS.
3. There were a range of issues considered during the review, including the financial bands applicable to different procurement procedures. Partnering/Partnership contracts, contracts with voluntary organisations, the forward procurement plan, personal and prejudicial interests, guidelines such as those relating to quality and price, equality and diversity, value for money in respect of small value contracts and e-tendering.
4. The Council's's attention is drawn in particular to the proposed changes set out below:-
  - 4.1 Under existing Contract Standing Orders the estimated contract value bands for procurement procedure purposes are under £20,000, £20,000 - £100,000 and over £100,000. In order to take account of inflation, EU procurement rules and costs in the market place it is recommended that these change to under £40,000, £40,000 - £140,000 and over £140,000 respectively.
  - 4.2 Under revised Standing Order 7, each director shall produce a Forward Procurement Plan and include contracts where the Estimated Contract Value exceeds £140,000.
  - 4.3 Proposed Standing Order 12 (Arrangements for Partnerships/Partnering and Service Level Agreements) stipulates that only contracts with an estimated value of at least £1,000,000 are suitable for partnering arrangements. This proposed Standing Order also requires services being provided by the voluntary and community sector to be formalised by way of Service Level

Agreement and monitored in accordance with the Council's Code of Practice for Grants to Voluntary Organisations.

- 4.4 Proposed Standing Order 18 (Equality and Diversity) requires that all procurement must be undertaken in accordance with the Council's equality and diversity policy and the guidance issued by the Council's equality and diversity group and the Commission for Race Equality.
  - 4.5 Under proposed Standing Order 32 (Selection of Tenders) provision is made for the Council's electronic tendering system to be used.
  - 4.6 These Standing Orders are supplemented by guidelines, which can be easily modified as and when the need arises eg. Standing Order 9.4 refers to the Corporate Guidelines for Maintaining Quality and Standing Order 9.8 refers to the Guidance for Part Tender Negotiations. In all cases links have been inserted to provide members and officers with easy access to the relevant guidelines.
5. On consideration of the above, the Cabinet, at its meeting held on 14<sup>th</sup> June, 2006, resolved to recommend the Council to approve the proposals set out in paragraph 9 below.

**Finance**

- 6. There are no financial implications in this report.

**Law**

- 7. The Council are required to make Contract Standing Orders under Section 35 of the Local Government Act, 1972.

**Equality Impact**

- 8. The revised Contract Standing Orders which have introduced a Standing Order relating to Equality and Diversity should improve the position in relation to procurement by the Council.

**Recommendation**

- 9. That the revised Contract Standing Orders be approved.

*David Caunt*

.....  
**Leader of the Council**