

Contract Standing Orders Update

25th Sept 2023

Tim Robbins - Head of Procurement

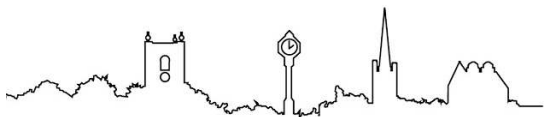


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Objectives & Contents

- The objective today is to get your agreement to the changes proposed to the Contract Standing Orders
- Contents:
 - Why change now
 - Fundamental Changes: Simplifying & Expanding Exemptions
 - Fundamental Change: Social Care
 - Moving Forward

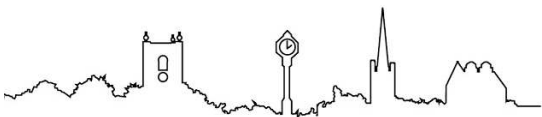


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Why Change Now

- Update to £values in line with legislative & statutory changes
 - To simplify the text to ensure compliance is made as easy as possible
 - Drive down administration whilst ensuring compliance
 - Some minor corrections
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- These changes are **not** driving up costs or driving down compliance



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Fundamental Changes: Simplifying & Expanding Exemptions

1. An **unforeseeable emergency** involving danger to life or health or serious damage to property, in which the work, goods or services are required more urgently than would be possible if a procurement procedure was followed;
2. For **justifiable technical reasons**, the works, goods or services can be obtained from only one supplier;
3. Acquiring goods or services from a different supplier would result in **incompatibility with existing goods or services** or disproportionate technical difficulties;
4. Additional works or services are required which, through **unforeseen circumstances**, were not included in the original contract and which either are **strictly necessary for the completion of the contract** or, for technical or economic reasons, cannot be carried out separately and the original contract was let in compliance with Public Contracts Regulations (2015). **Such additional works or services must not exceed 50 per cent of the value of the original contract**;
5. Additional works or services are required which, through **unforeseen circumstances**, were not included in the original contract and which either are **strictly necessary for the completion of the contract** or, for technical or economic reasons, cannot be carried out separately and the original contract fell below the relevant thresholds to fall in scope of the Public Contract regulations (2015). In this case **the revised total value of the contract must not exceed the relevant threshold**.
6. The purchase of **used vehicles, plant or materials** that does not exceed the relevant threshold;
7. Where **no tenders, no suitable tenders, no requests to participate** or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the **initial conditions of the contract are not substantially altered**.

Fundamental Change: Residential Social Care

11. Exemptions for Residential Social Care Contracts

11.1 It is recognised that either because of **service user choice** or the **nature of the market for specialist placements** that for some types of residential social care contracts competitive procurement processes cannot be undertaken and Sections 13-26 of the CSO do not apply.

11.2 Contracts awarded under this exemption may not surpass the Light Touch Regime Threshold (currently £663,000).

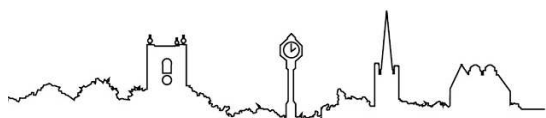
11.3 Only contracts for the above have specific exclusions from these CSOs all other elements are covered by Procurement Legislation.

11.4 The Council will contract with Residential Care Providers using a standard contract. The contract will set out a breakdown of the price. Any deviations from this standard contract must be approved in advance by the relevant Director.

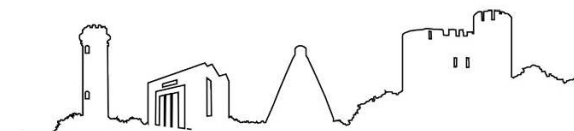
11.5 If an annual fee for a placement is higher than in the table below then approval must be gained from the relevant Director prior to agreeing the placement with the Provider and the Primary Care Need Fee per annum;

Type of placement	Fee per annum
Disability (Adults)	£74,999
Adults	£74,999

11.6 For out of area placements the annual fee must be either the Council standard rate as set out in 11.5 or the standard rate for the relevant local authority area. For out of area placements with a fee per week above this approval must be gained from the relevant Director.

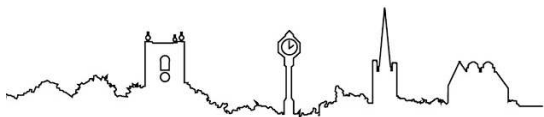


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Moving Forward

- In the next 12-18 months a wider review of the Contract Standing Orders will be conducted by Procurement
 - This will take place once the Procurement Bill is enacted (expected Oct 2024) which will be the most significant change to the Public Contract Regulations since 2015
 - The exemptions will be amended by procurement, as per the Procurement Bill, to ensure continued compliance with legislation
 - Contract Management will feature more evidently in the Contract Standing Orders (Procurement are rolling out a Contract Management framework this quarter)
 - The Government are expected to (but may not) provide further guidance on Adult Social Care contracts to provide clarity around the current conflict between patient choice and competitive tendering.



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