

Proposed changes to Contract Standing Orders

Summary of the key changes

Standing Order no.	Heading	Changes made
Content table		Amended to include the new and deleted standing orders. Also, replaced all references to EU and OJEU to 'National' and 'FTS'
Glossary		This is a new page added to the new CSOs
SO 1	Introduction	New wording added to clarify areas/activities covered or not covered by the CSO.
SO 2	Purpose & Principles	<ul style="list-style-type: none"> • Added social value to the council's corporate list of policies that the CSO seek to support. • Instead of referring to the procurement strategy for further guidance, the Head of Procurement will provide procurement guidance • Deleted the reference to the schedule for supplementary information and guidance
SO 3	Compliance	<ul style="list-style-type: none"> • Replaced 'EU law' with 'National law' • New wording/text added to require compliance with best value and social value • Replaced reference to equality, environment, sustainability and health and safety with '<i>all relevant and current policies</i>'
Old SO	Approved list	This standing order from the older version is deleted.
SO 4	Delegation	<ul style="list-style-type: none"> • Amended the numbering of some of the Standing Orders mentioned under 4.1 to reflect the new numbering • Replace Chief Executive with Director of Finance to receive the annual Chief Officer's Scheme of Management.

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		<ul style="list-style-type: none"> • Added a text to require changes made to the Scheme of Management to be provided within 7 days from the date the changes were made. • New text added about declaration of interest for those involved in the drafting of the tender documentation and evaluation. <i>(Note further guidance will be provided by Head of Procurement)</i>
SO 5	Annual Plan & List of Contracts	<ul style="list-style-type: none"> • New text added making the completion of the procurement forward plan an annual exercise. • Replaced the Chief Executive with the Director of Finance to collate the information into an annual corporate procurement forward plan. Deleted the requirement to submit this to Cabinet. • Deleted the requirement for the Chief Executive to produce each month, a list of contracts which are shown in the Forward plan to be let or renewed in the next 4 months • Removed the requirement that cabinet or cabinet committee may direct that they, not the Chief Officer, may determine the evaluation criteria, appropriate quality, performance and safety and other characteristics required of the procurement.
SO 6	Key Decision	<p>All the text in the older version deleted. Now replaced with:</p> <p>6.1 Chief Officers must comply with the rules relating to Key Decisions in the Constitution.</p> <p>6.2 The Key Decision Appendix is found in Part 4 of the Constitution - Rules of Procedure; Section D - Access to Information Procedures</p>
SO 7	Waiver	<ul style="list-style-type: none"> • The word ‘exemption’ replaced with ‘Waiver’ • Waiver for Standing Order 7 can only be granted by Cabinet and Leader; the Chief Executive is deleted • Waivers can be approved/authorised by the Cabinet, the Leader, or any Chief Officer.

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		<ul style="list-style-type: none"> • New text added to provide clarity that all Waivers report should have comments from Director of Finance, Legal and Head of Procurement • Responsibility for keeping register of Waivers reported to Cabinet and Overview and Scrutiny Committee now lies with the Chief Officer, not the Chief Executive. The reporting cycle is change from quarterly (3 months) to bi-annual (6 months) <i>NB: in practice the information is collated by Strategic Procurement and the report is presented by the Director of Finance</i>
SO 8	Contract Value & Eval. criteria	<ul style="list-style-type: none"> • Text added to explain how the value of a contract is determined. <i>(NB: further guidance will be provided by Head of Strategic Procurement)</i> • New text added to require Chief Officer seek finance approval for all their upcoming procurement exercise prior to commencement. This approval is to be sought during the competition of the annual procurement forward plan process. A Project Initiation Proposal form (PIP form) will only be required if the project is not in the procurement forward plan. • A business case will be required for Service/Supplies contracts valued over £500k and £1m and over for Works contract and it should be submitted to corporate procurement board. The Director of Finance or their nominated officer can sign in the case of urgency. • Deleted reference to contract being awarded to lowest price; and deleted the word 'economically' from the term 'most economically advantageous tender' <i>(In other words replaced the principles of Most economically advantageous Tender with Most Advantageous Tender)</i>

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		<ul style="list-style-type: none"> • New text added to help the Chief Officer determine the outcomes required for tender when starting a project. • Please note: it is proposed that the new requirement to produce a business case as set out in this standing order, should replace the current requirement to produce business case for the use of a framework.
SO 9	Consultation	<ul style="list-style-type: none"> • Reference to Head of Corporate procurement replaced with 'Head of Strategic Procurement' • Reference to Head of Corporate personnel replaced with 'Head of Human Resources'. • The requirement to consult the Chief Executive when undertaking a Negotiated procedure or Competitive Dialogue procedure is now delegated to the Director of Finance and Head of Strategic Procurement.
SO 10	Pre-tender/ market testing/quotatio n enquiries	<ul style="list-style-type: none"> • Added 'market testing' in the heading • Originally there was no threshold for this standing order to apply. The revised version added a threshold of £25k • Deleted the requirement to prepare '<i>tender documents, price estimates and contracts</i>' as this is stated elsewhere in the CSO document
CSO 11	Requirement to consider Social Value	New Standing Order added.
CSO 12	Competition is not required	<ul style="list-style-type: none"> • New text added to provide a list of the reasons for direct award. • It raises the threshold to National Thresholds to award contracts in the following areas without competition: <ul style="list-style-type: none"> a. registered providers of social services and health services for individual clients or groups of clients.

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		<p>b. for contracts valued below National Light Touch threshold with registered providers of education for individual pupils with special educational needs</p> <p>Removed Chief Executive as the person to consult when seeking these exemptions and replace with Director of Finance, Legal and Head of Procurement</p>
CSO 13	Contracts valued below the relevant National Threshold	<ul style="list-style-type: none"> • Restated the requirement to produce business case for Service/Supplies contracts value £500,000 and above and Works contracts valued £1m and over. • Raised the threshold for seeking quotes to the following: <ul style="list-style-type: none"> ✓ 0- £15k ✓ £15k - £25k ✓ 25 – National threshold (for services/supplies contract and < £500k for works) • Changed the requirement to obtain x quotes to invited x quotes • Promotes buy local policy by requiring some of the supplies invited to be local. • Added new text to mandate the use of the corporate e-procurement portal to promote transparency, accountability etc.
CSO 14	Contracts valued above the relevant National Threshold	<ul style="list-style-type: none"> • New text added to include new procurement procedures listed under the Public Contract Regulations 2015 • New text added requiring the Head of Procurement to develop the relevant guidance
CSO 15	Tendering from the Approved List	Reference to EU remove and replace with “national threshold for services, supplies and works.”
CSO 16	Framework agreement and call off contracts	New standing order

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CSO 17	Dynamic Purchasing System	New standing order
CSO 18	Open tendering	<ul style="list-style-type: none"> • Amended to reflect the practices and principles promoted by Public Contract Regulation 2015 (NB: the existing CSO were based on Public Contract Regulation 2006) • Deleted reference to EU and OJEU and replaced with National and FTS
CSO 19	Restricted tendering	Same as above
CSO 20	Competitive procedure with negotiation	Same as above
CSO 21	Competitive dialogue	Same as above
CSO 22	Innovation partnership	Same as above
CSO 23	Negotiated procedure without prior publication (Direct Award)	Same as above
CSO 24	Selecting tenderers	<ul style="list-style-type: none"> • The following text added among the list of criteria for not inviting a firm to tender: <i>“it may otherwise be excluded from tendering in accordance with National Law”</i> • New text added to allow social value consideration as a non-commercial consideration to be considered in inviting a firm to tender • Deleted reference to EU contracts and rules and replaced with requirement to comply with the relevant National provisions
CSO 25	Inviting tenders	<ul style="list-style-type: none"> • Deleted sentences referring to paper base process and replaced with the use of electronic tendering process

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		<ul style="list-style-type: none"> Deleted the text requiring the Chief Officer to list the award criteria in 'descending order of importance'
CSO 26	Opening tenders	<ul style="list-style-type: none"> For tenders received outside the e-procurement portal, Deleted Chief Officer and replaced with Head of Procurement or an officer designated by him or her to be present in exercising the opening of tender Added new text stating where e-procurement portal is used, matters relating to recording of tender closing date, opening, number of receipts etc; will be dealt with by the e-tendering procedures and recorded electronically.
CSO 27	Evaluating tenders	<ul style="list-style-type: none"> Deleted the wording 'where possible in descending order of importance' relating to the requirement to list the award criteria in the tender document Amended the text around evaluation of contracts valued above £500k or contracts considered to be critical to allow for the option to use/involve internal finance officer or seek external appraisal or consultant to assist with financial appraisal or evaluation. Deleted the requirement for Director of Finance providing both internal or external references where it applies. Added new text to provide clarity that Chief Officer can authorise contact with a tenderer to seek clarification. Added new text relating to abnormally low tender; basically advise should be sought from Director of Finance, Legal and Head of Procurement.
CSO 28	Accepting tenders	Amended the text to align the authority to accept tenders with the Scheme of Delegation <i>(NB – it is expected that Chief Officer delegate the authority to accept tenders in line with their Scheme of Management)</i>

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CSO 29	Contract execution	<ul style="list-style-type: none"> • The threshold for Sealing of contracts amended/ changed from £50k to £100k • Additional text included to provide clarity relating to contract which are under the sealing threshold. For these, subject to approval by Director of Legal, they must be signed by the Chief Officer or their nominated Officer
SO 30	Contract conditions	All contracts above the £100k, requires terms and conditions approved by the Director of Legal Services
SO 31	Contract specifications	Reference to European deleted and replaced with National. A couple of other words were changed too.
SO 32	Contract performance, monitoring and management	<ul style="list-style-type: none"> • The words ‘monitoring and management’ added to the heading • New text added to provide example of criteria required to measure contract performance • A new requirement added for a summary of contract performance report to be produced every six months or more frequently if appropriate to the Director of Finance. <i>(NB: Strategic Procurement will develop relevant template)</i> • New text added requiring Chief Officers to comply with any guidance issued by the Director of Finance and Head of Strategic Procurement relating to performance management of contractors
SO 33	Contract variation during the life of the contract	<p>Amended text as to allow the following contracts without the requirement to produce a report:</p> <ul style="list-style-type: none"> • service/supplies contract - 50% of the contract period or 4 months whichever is lesser for services/supplies contracts and works contracts respectively. • works contract valued - follow the contract process for a period not more than 12months. <p>A formal written report will be required where:</p>

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		<ul style="list-style-type: none">• For service/supplies contract if the value of the variation is more than 10% of above national threshold value contract• For works contracts if the value of the variation is more than £1m.
SO 34	Nominating products/contractors/suppliers	No changes

Further Guidance

Further practice guidance information and templates will be provided by the Head of Strategic Procurement on the following:

- Declarations of Interest for Officers involved in drafting and evaluation of tenders
- How to determine the value of a contract
- Measurement and reporting of social value
- Templates for monitoring contract performance
- Practice guide for procurements of contracts over the National threshold i.e. FTS process