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| <b>Subject:</b>               | <b>REVISION TO CONTRACT STANDING ORDERS</b>   |
| <b>Meeting and Date:</b>      | <b>Governance Committee – 18 June 2015</b><br><b>Council – 22 July 2015</b>                                 |
| <b>Report of:</b>             | <b>Director of Governance and Monitoring Officer</b>  |
| <b>Portfolio Holder:</b>      | <b>Councillor Conolly, Corporate Resources &amp; Performance</b>  |
| <b>Decision Type:</b>         | <b>Non- Executive</b>   |
| <b>Classification:</b>        | <b>Unrestricted</b>   |
| <b>Purpose of the report:</b> | The purpose of this report is to propose revisions to Contract Standing Orders to the Council for adoption. |

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| <b>Recommendation:</b> | Governance Committee:-<br><br>That the Governance Committee recommends to Council that the revised Contract Standing Orders appended to this report adopted<br><br>Council:-<br><br>That the Council, acting on the recommendation of the Governance Committee and the Monitoring Officer, adopts the revised Contract Standing Orders appended to this report. |
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## 1. Summary

- 1.1 A requirement of the existing Contract Standing Orders (CSO's) is that they are reviewed and updated on a regular basis with any such recommendations made by the Monitoring Officer being agreed and adopted by the Council (after consideration by the Governance Committee).

## 2. Introduction and Background

- 2.1 Further to the New Public Contracts Regulations 2015 which largely came into place 26<sup>th</sup> February 15. The Council's Contract Standing Orders have been reviewed in the light of the new regulations. At the same time the opportunity has been taken to suggest further minor changes to tighten the controls operating over the Council's procurement processes and to support the government's objectives in relation to the electronic delivery of services..

Whilst there are a number of subtle amendments, the main changes of significance are:-

- Implementation of e-tendering - advertising opportunities, tender opening etc. (11. of CSO's)
- Changes in advertising requirements - derived from the new Public Contracts Regulations 2015 (7.4 of CSO's)

- Roles & responsibilities - requirement for quotations and tenders in excess of £10K to be undertaken in partnership with the Procurement Manager (5.4.6 of CSO's),
- Consultation with the Procurement Manager - contract extensions, variations etc. (3.7, 14.2, 15.2 of CSO's)

2.2 **E-Tendering** - The implementation of e-tendering not only supports the Governments overarching recommendations for electronic delivery of services and information (mandatory under the EU Regulations by 2018) but also provides the following benefits for the Council and Suppliers: -

**Council Benefits: -**

- Fully automates the quotation/tender process including, advertising opportunities, issuing and receiving quotation and tender responses, central contract store functionality (internally & externally facing) – ensuring all information is quickly/easily available/transmitted to Suppliers
- Opportunity to respond quickly to any Suppliers questions and points of clarification
- Can notify Suppliers in a standardised manner, ensuring there is no bias to any one Supplier
- Responses from Suppliers remain secure and privileged until the closing date (providing greater probity) and are opened 'electronically'
- All communications are tracked and recorded in the system to create a clear audit trail

**Suppliers Benefits: -**

- Reduced costs associated with, printing, copying, postage, administration etc. associated with a manual process
- Automatically notifies Suppliers electronically of future ITQ/ITT opportunities for all participating authorities negating the need for suppliers to continually monitor & search for future business opportunities across various council/authority websites etc.
- Ability to continually review/update their submission documentation right up to deadline
- Free of charge – web based, only requires internet access

2.3 Following a review of other South Eastern and neighbouring authorities DDC has implemented the Pro Contract e-Tendering Suite (in addition to utilising the Kent Business Portal for advertising future ITQ/ITT opportunities).

2.4 The CSO's have been reviewed to support the use of the e-tendering system for advertising, issuing and receiving quotations and tenders to the Council.

2.5 **Changes in Advertising Contract Opportunities** - As part of the Government's commitment to transparency the new Public Contracts Regulations 2015 now places

additional advertising requirements on contracting authorities in relation to upcoming contract opportunities (and contract award notices).

- 2.6 Where the Council publically advertises any contract opportunities (or award notices) (over £25K) there is also a requirement now to advertise the opportunities via the Governments centralised Procurement Portal – ‘Contracts Finder’.
- 2.7 The Councils e-tendering system and Procurement Portal (Kent Business Portal) outlined at 2.2 above links directly to the Governments mandatory system and automatically populates the necessary advertisements etc. ensuring compliance with the new legislation.
- 2.8 The impact of this legislation (and Government initiative to increase opportunities across the wider SME sector) will be reviewed in a future Procurement Strategy Report that will consider (amongst other key areas) how DDC can encourage and support the local economy.
- 2.9 **Roles & Responsibilities** – Part of the new Procurement Managers role is to build upon existing working practices and provide for a more robust, effective and accountable delivery of procurement.
- 2.10 This future approach to procurement would seek to ensure the benefits of existing local knowledge and service delivery/expertise is complimented by consistent, proportionate controls, processes and procedures.
- 2.11 The CSO’s have been reviewed to ensure that Officers work in partnership with the Procurement Manager which in essence maintain Services as the delivery experts, whilst Procurement (& Legal) ensure that all procurement activity is effective, legal and not open to challenge.
- 2.12 The Service and Procurement would however be jointly accountable for the successful delivery and improvement of the goods, services and works procured.

### **3 Corporate Implications**

- 3.1 Comment from the Director of Finance: The Director of Finance has been consulted in the preparation of this report and has no further comments to make.
- 3.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

### **4 Appendices**

Appendix 1 – Revised Contract Standing Orders

### **5 Background Papers**

None

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