

Report to Constitution and Members' Services Standing Scrutiny Panel

Date of Meeting: 11 January 2010



Portfolio: Leader and Finance and Economic Development Portfolios

Report of: Assistant to the Chief Executive

Subject: Contract Standing orders - Annual Review 2009/10

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Recommendations:

- (1) That the revisions to contract standing orders set out in Appendix 1 to this report be recommended to the Overview and Scrutiny Committee and the Council for approval;**
- (2) That, once agreed, the revised contract standing orders be published in the Constitution; and**
- (3) That the Assistant to the Chief Executive be authorised to update Standing Order C33 with the revised EU thresholds after 31 January 2010 and before adoption by the Council.**

Report:

1. Introduction

1.1 Each year a cross-directorate working party of officers carries out a review of financial regulations, contract standing orders and officer delegation with a view to ensuring that these documents are up to date and reflect current statutory requirements and operational needs. This report concerns contract standing orders which have now been discussed by the Officer Working Party.

... 1.2 The proposed changes are set out in Appendix 1 in bold type. The more significant changes are outlined below. Any not listed in the covering report can be summarised as being simple changes in post titles and clerical amendments.

2. Main Changes

2.1 These are as follows:

Standing Order Reference	Proposal/Reason
C1(9) (Compliance)	Amended to refer to the term of a contract (line 2) and by the addition of EU Regulations (last line)

C1(10) (Compliance)	Last sentence has been amended to emphasise the duty of Chief Officers to monitor costs.
C4(3) (Notification of Contracts to Internal Audit), C10(1) and (2) (Contractor Selection)	References to “£20,000” have been amended to “£25,000” to rectify an error.
C6(2) (Restricted Tendering) C10(2) and (3) (Contractor Selection)	Contract Compliance Officer has changed. It is now with the Senior Finance Officer – Procurement and Administration rather than the Director of Environment and Street Scene.
C6(4) (Restricted Tendering)	“Four Contractors” amended to “Five Contractors” to comply with EU regulations.
C7(3), (4) and (5) (Restricted Tendering – EU Regulations)	No major changes have been made but the layout has been clarified.
C8(1) (Open Tendering)	Revised wording is designed to ensure that Directors are clear that open tendering is the exception rather than the rule, is only carried on the direction of the Director of Finance and ICT and that all tenders have to be assessed.
C10(2) (Contractor Selection)	Sub paragraph (ii) has been amended to tighten the rules on use of a previously successful tenderer.
C20(3) (Quality Considerations)	The existing paragraph takes no account of quality/value for money considerations, merely specifying acceptance of a lowest tender on financial grounds. The amendment seeks to bring quality considerations into the authorising Cabinet or portfolio holder decision.
C34 (EU Procurement Thresholds)	An update to the thresholds is expected on 31 January 2010. The draft contract standing order is proposed to be amended prior to final adoption by the Council on 16 February 2010.

3. Next Steps

3.1 The changes require the approval of the Overview and Scrutiny Committee and adoption by the Council. The revised contract standing orders will then be published in the Constitution.