
Revision to Procurement & Contract Standing Orders

Report by Executive Director, Finance & Regulatory

SCOTTISH BORDERS COUNCIL

17 December 2020

1 PURPOSE AND SUMMARY

1.1 The existing Standing Orders relating to Procurement and Contract activities have been reviewed and updated. A number of changes are proposed, namely;

- a)** To amend the existing procurement thresholds considering appropriateness and opportunity
- b)** To include positive direction in connection with the Council's Living Wage Accreditation
- c)** To deliver Internal Audit recommendations relating Contracting & Procurement
- d)** To reflect the revised public procurement legislation following the Brexit transition period
- e)** To enhance officer obligations relating to Contract & Supplier Management

2 RECOMMENDATION

2.1 It is recommended that Council;

- a) Approves for the proposed changes to Procurement & Contract Standing Orders be implemented from 1st January 2021.**

3 BACKGROUND

- 3.1 Standing Orders Relating to Procurement and Contracts (the Orders) are the means whereby the Council controls and regularises the manner in which the Council contracts with third parties. It is one of the core Corporate Governance documents and reflects both legal and best value requirements.
- 3.2 The current Orders were substantially renewed in June 2017.
- 3.3 The proposed revisions are to take account of a number of strategic and operational requirements.
- 3.4 The draft attached has been revised collaboratively following stakeholder consultation across the organisation and specifically with the Corporate Management Team and the Head of Legal Services.
- 3.5 The draft Orders (attached as Appendix 1) contains revisions to the current Orders. Those most notable are highlighted in Section 4.

4 PROCUREMENT & CONTRACT STANDING ORDERS – KEY CHANGES

- 4.1 It is good practice to review the procurement threshold levels for each type of procurement on a regular basis.
- 4.2 The table provided at 4.3 noted a number of proposed revisions.
- 4.3

Existing Threshold	Proposed Threshold	Reason for Change
Goods & Services Contracts		
£1,000	Increase to £5,000	<p>Business World has provided an opportunity to embed a controlled approach to managing expenditure across the organisation. This approach has created a change in culture and a maturity in user behaviour which has created a positive awareness of public sector purchasing requirements.</p> <p>Accordingly, increasing this threshold to £5,000 allows the majority of low value and risk purchasing activity to be efficiently and effectively administered by officers while retaining the oversight that the combined controls of the Orders and Business World processes provide.</p>
Works Contracts		
Up to £250,000	Increase to £500,000	<p>The Council can, through the procurement process, support supply chains in public contracts. Increasing this threshold allow the use of Quick Quote – a light-touch, accessible process for lower value opportunities, with a particular focus on the</p>
Up to £500,000	Increase to £2,000,000	

		<p>local supply chain.</p> <p>The COVID-19 pandemic has accelerated a number of opportunities for economic development. The Council can further now embed the use of public procurement as an enabler of economic development.</p>
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- 4.4 The Orders have been further revised to encourage fair working practices and payment of the Living Wage across those relevant contracts.
- 4.5 The Orders have been amended to recognise an Internal Audit recommendation to undertake a review of the waiver process including the level of approvals delegated to the Procurement Business Partners, to ensure efficient operation of controls.
- 4.6 The Orders have been adjusted to reflect the updated public procurement legislation following the Brexit transition period.
- 4.7 The final substantive change to the existing Orders is to enhance Officer requirements for Contract and Supplier Management. New processes and procedures for Contract and will be implemented during 2021 to which the revisions will apply.

5 IMPLICATIONS

5.1 Financial

- (a) There are no financial implications contained in the report.

5.2 Risk and Mitigations

- (a) An Internal Audit report made recommendations that are reflected in the revised Orders.

5.3 Integrated Impact Assessment

- (a) This is a routine report for good governance and statutory purposes, not a new or revised strategy or policy for decision and, as a result, completion of an integrated impact assessment is not an applicable consideration.

5.4 Acting Sustainably

- (a) Effective procurement delivers best value as well as local economic, social and environmental benefits supporting a prosperous, fair and sustainable community.

5.5 Carbon Management

- (a) There are no direct carbon emissions impacts as a result of this report.

5.6 Rural Proofing

- (a) Not applicable

5.7 Changes to Scheme of Administration or Scheme of Delegation

- (a) There are no changes to the Schemes of Administration or Delegation as a result of this report.

6 CONSULTATION

- 6.1 The Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted with comments received incorporated into the report.

Approved by

David Robertson
Executive Director – Finance & Regulatory Services

Signature

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Background Papers:

Previous Minute Reference:

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