

Update on changes to contract Standing Orders

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Wards affected: None

PROPOSED DECISION

Members are invited to note the updates within this paper and endorse the proposed next steps.

Corporate Implications

- 1 The Local Government Act 2000 requires all local authorities in England and Wales to have in place a Constitution which establishes the framework within which they operate and this must be regularly reviewed. Contract Standing Orders form part of WDC's Constitution. This report is submitted in response to a request from Regulatory and Appeals Committee for an update on changes to Contract Standing Orders which were authorised and applied during 2016 so, in the main, it has no new corporate implications however Appendix 2 does discuss process changes intended to improve efficiency and reduce risk and cost.
- 2 There are no direct financial or equalities implications arising from this report.

Executive Summary

- 3 During the latter half of 2015 and early 2016 a team of Officers led by the then Head of Finance and Commercial Services conducted a review of Contract Standing Orders and developed a series of recommended changes which were subsequently approved by Regulatory and Appeals Committee and later full Council. Regulatory and Appeals Committee have now requested an update on the agreed changes. Members are invited to note the updates within this paper and endorse the proposed next steps.

Sustainable Community Strategy/Council Priorities – Implications

- 4 This paper supports the Council's "Pounds" priority, in ensuring that the Contract Standing Orders and processes it discusses seek to maximise potential economic savings according to best value principles required by the various Local Government Acts.

Background and Issues

- 5 During the latter half of 2015 and early 2016 a team of Officers led by the Head of Finance and Commercial Services conducted a review of Contract Standing Orders and developed a series of recommended changes.

The changes were submitted to the Regulatory and Appeals Committee for consideration at the 2nd March 2016 committee meeting. Subsequently one revision to the proposed changes was agreed with Regulatory and Appeals Committee Members. The revised recommendations were submitted to full Council on 11 April 2016 and agreed. Following Council approval, the text of Contract Standing Orders was amended to reflect the changes. The Procurement Manager attended the Regulatory and Appeals Committee of 8th June 2016 to outline the agreed changes and afford Members the opportunity to ask any questions.

Regulatory and Appeals Committee have requested this update on the agreed changes. As a reminder the full list of changes is attached at Appendix 1 to this information paper. Members are invited to note the updates within this paper and endorse the proposed next steps.

Update on changes.

Change 1: Increased the limit at which competition is required from £250 to £500 with the intention of saving officer time, as any saving achieved was likely to be outweighed by the cost of achieving it. No further action is proposed.

Change 2: Recommended competitive award for requirements between £500 and £5,000 but acknowledged that it may be sufficient to obtain a single quote with written confirmation, in which case the Officer should retain written explanation of how value for money has been obtained. The number of orders below £,5000 looks to have remained constant between the 15/16 and 16/17 financial years suggesting that there has not been excessive use of the exemption, however Officers will be reminded of procurement process requirements.

Change 3: Increased the threshold at which a Head of Service should be present when a paper tender is opened, from £25,000 to £100,000. Usually tenders are received electronically, at the time of writing no paper tenders have fallen into this category since March 2016. No further action is proposed.

Change 4: Addresses a previous anomaly whereby Head of Service authorisation for paper legal commitments was lower than that of electronic legal commitments, £5,000 for the former and £ 25,000 for the latter. The level was aligned at £25,000. No further action is proposed.

Change 5: Removed the need for Officers to raise orders for individual purchases below £500.00. The Head of Finance and Commercial Services considered that the disadvantages of losing sight of accruals below this sum was counterbalanced by the saving in officer time. The number of orders created below £500 fell by around 45% in 2016/17 compared to 2015/16.

Change 6: Added a clarification that electronic purchase orders at WDC may have one or two functions: to enable payment, and possibly also to form a legal commitment.

Change 7: Was consequential to Change 2 above and increased the threshold at which authority for a non-competitive award is required to £5000.00.

Change 8: Clarified the wording of the circumstances under which non-competitive awards are permitted.

Change 9: Gave the Corporate Director authority to authorise a second repeat non-competitive award of previously competitively placed contract under item 3.5.1. Before the change the Chief Executive only, had this responsibility.

No further action is proposed for Changes 6 to 9.

Change 10: Advertising - Before the introduction of these changes there had been no obligation to advertise beyond the requirements of the Public Contracts Regulations. These changes made advertising mandatory above £10,000 (at the least on the Council's web site) the change was intended to ensure that all potential suppliers including SMES and local businesses are able to see opportunities to sell to the Council. There has been no noticeable increase in number of local companies submitting tenders on the Council's eTendering system. In recent weeks the Council has introduced a facility through which interested parties can register to receive an email "eNewsletter" notification when a new opportunity is advertised. We have publicised the eNewsletter facility in the Talking Business pages of the Bucks Free Press. Officers will monitor interest and issue further publicity in the autumn if necessary.

Spend Analysis - An initial spend analysis conducted during the 16/17 financial year indicated that some Facilities Management works (repairs and maintenance to the Council's buildings and infrastructure), were being procured ad hoc. In parallel the incoming replacement Facilities Management Partner has identified possible improvements with the FM works procurement process. Attached at Appendix 2 is a proposal to address this matter.

Changes 11 and 12: Introduced a series changes to wording driven by the introduction of the Public Contract Regulations 2015 and the Construction (Design and Management) Regulations 2016, no further action is proposed.

Next Steps

- 6 Officer training on procurement processes will continue. Officers will monitor the number of registrations for the eNewsletter notification system and issue further publicity in the autumn if necessary. Officers will progress with the procurement activities discussed in Appendix 2

Background Papers

- 7 Regulatory and Appeals Committee, Public Document Pack, 2nd March 2016, Agenda item 5.

Regulatory and Appeals Committee, Public Document Pack, 8th June 2016, Agenda item 4.