

## Constitution – Proposed Changes

## Appendix A

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p style="text-align: center;"><b>Contract Standing Orders</b> <b>Section 8</b></p>	<p><b>Contract Thresholds and Tendering Procedures (see also Contract Standing Order 9)</b></p> <p>(1) For contracts valued at up to £10,000, the Head of Service concerned may invite one quotation. However, more may be invited at the Head of Service's discretion. A standard template as determined by the Principal Procurement Client Officer must be used for such quotations. Every effort must be made to obtain quotations in writing, or through the Council's electronic contract management system, although it is appreciated that this may not be practical for some procurement at the lower end of this threshold. In all events, however, the Head of Service should proceed in a manner most appropriate to the efficient management of the service, having kept a record of the reason for doing so. Where there is an approved framework agreement in existence then that agreement must be used as the source</p>	<p><b>Contract Thresholds and Tendering Procedures (see also Contract Standing Order 9)</b></p> <p>(1) For contracts valued at up to <del>£10,000</del>, <b>£5,000</b>, the Head of Service concerned may invite one quotation. However, more may be invited at the Head of Service's discretion. A standard template as determined by the Principal Procurement Client Officer must be used for such quotations. Every effort must be made to obtain quotations in writing, or through the <del>Council's</del> <b>Authority's</b> electronic contract management system, although it is appreciated that this may not be practical for some procurement at the lower end of this threshold. In all events, however, the Head of Service should proceed in a manner most appropriate to the efficient management of the service, having kept a record of the reason for doing so. Where there is an approved framework agreement in existence then that agreement must be used as the source of providing the names of contractors</p>

	<p>of providing the names of contractors from whom quotations are sought. This will be subject to periodic checks as part of the internal audit process.</p> <p>(2) The appropriate Head of Service must invite a minimum of five written quotations of which a minimum of three must be returned for a proposed contract with an estimated value of over £10,000 and up to £50,000. Quotations within this threshold must be returned to the Procurement Unit and opened by a representative of the Principal Procurement Client Officer in conjunction with a representative of the appropriate Head of Service. A standard template as determined by the Principal Procurement Client Officer must be used for such quotations. If three quotations cannot be obtained due to lack of suitable organisations prepared to quote, then the approval of the Deputy Chief Executive in consultation with the Principal Procurement Client Officer must be obtained for the waiving of this requirement.</p>	<p>from whom quotations are sought. <b><u>Details of Framework Agreements can be obtained from the Authority's Procurement Team. This is a responsibility of the relevant Head of Service,</u></b> and will be subject to periodic checks as part of the internal audit process.</p> <p>(2) <del>The appropriate Head of Service must invite a minimum of five written quotations of which a minimum of three must be returned for a proposed contract with an estimated value of over £10,000 and up to £50,000. Quotations within this threshold must be returned to the Procurement Unit and opened by a representative of the Principal Procurement Client Officer in conjunction with a representative of the appropriate Head of Service.</del> <b><u>For contracts valued from £5,000 up to £20,000, the Head of Service concerned will invite three quotations, at least one response of which must be returned. More quotations may be invited at the Head of Service's discretion.</u></b> A standard template as determined by the Principal Procurement Client Officer must be used for such quotations. <del>If three quotations cannot be obtained due to lack of suitable organisations prepared to quote, then the approval of the Deputy Chief Executive in consultation with the Principal Procurement</del></p>
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	All quotations for a proposed contract with	<p>Client Officer must be obtained for the waiving of this requirement.</p> <p><b><u>Heads of Service must obtain quotations in writing, or through the Authority's electronic contract management system. In all events, however, the Head of Service should proceed in a manner most appropriate to the efficient management of the service, having kept a record of the reason for doing so. Where there is an approved framework agreement in existence then that agreement must be used as the source of providing the names of contractors from whom quotations are sought. Details of Framework Agreements can be obtained from the Authority's Procurement Team. This is a responsibility of the relevant Head of Service. This will be subject to periodic checks as part of the internal audit process.</u></b></p> <p>(3) <b><u>For contracts valued from £20,000 up to £50,000, the appropriate Head of Service must invite a minimum of five written quotations of which a minimum of three must be returned. More quotations may be invited at the Head of Service's discretion. A standard template as determined by the Principal Procurement Client Officer must be used for such quotations.</u></b> All quotations for a proposed</p>
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	<p>an estimated value of over £10,000 and up to £50,000 must be invited and received through the Council's electronic contract management system, unless the Head of Law and Governance approves the use of an alternative method.</p> <p>The Head of Service may, depending on the nature and/or evaluated risk of the contract, wish to invite tenders rather than written quotations. In such instances the Head of Service must consult with the Principal Procurement Client Officer on the most appropriate option.</p>	<p>contract with an estimated value of over <del>£10,000</del> <b>£20,000</b> and up to £50,000 must be invited and received through the Council's electronic contract management system, unless the Head of Law and Governance approves the use of an alternative method.</p> <p><b><u>Quotations within this threshold must be returned to the Procurement Team and opened by a representative of the Principal Procurement Client Officer in conjunction with a representative of the appropriate Head of Service. If three quotations cannot be obtained due to lack of suitable organisations prepared to quote, then the approval of the Deputy Chief Executive in consultation with the Principal Procurement Client Officer must be obtained for the waiving of this requirement.</u></b></p> <p>The Head of Service may, depending on the nature and/or evaluated risk of the contract, wish to invite tenders rather than written quotations. In such instances the Head of Service must consult with the Principal Procurement Client Officer on the most appropriate option.</p> <p><i>[Renumber remaining paragraphs]</i></p>
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**Reason for proposed change:**

The Constitution Task Group has looked into ways to potentially gain greater value for money when procuring low value goods and services. It was felt that the current thresholds could be amended to promote greater competition and therefore potentially secure better prices.

**Implications of proposed change:**

- **Finance and other resource implications:**

There are no direct financial implications to these changes. The impact of the changes, both in terms of value for money in procurement activity and in any administrative consequences, will be assessed at regular intervals by the Procurement Team.

- **Legal implications:**

There are no legal implications to these changes

- **Consultation/Engagement undertaken (internal and external):**

Consultation has taken place with the Constitution Task Group.

- **Human Rights implications:**

There are no human rights implications to these changes

- **Equalities and Diversity implications:**

There are no equalities and diversity implications to these changes

- **Risk Management implications:**

The likely impact of the changes has been assessed in consultation with the Constitution Task Group, and on the basis of previous data on the value and volume of procurement activity, has been assessed as likely to have a low impact on service areas in terms of additional administrative processing. There are other options around the methodology to be employed for seeking and retaining evidence of quotations sought, which require further evaluation for impact on service administration. These options will be assessed further in conjunction with service areas to understand the full impact and if required, additional changes may be recommended and decisions around these progressed through the appropriate routes.

- **Crime and Disorder implications:**

There are no crime and disorder implications to these changes

- **Environment and Sustainability implications:**

There are no environment and sustainability implications to these changes

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**Service Area: Audit Risk and Procurement**

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**Head of Service sign-off:**

(please insert a cross in the box)

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