

# Report

Report to:	<b>Community Wealth Building Commission</b>
Date of Meeting:	<b>27 October 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Community Wealth Building – Quick Quotes</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ Update the Commission on the changes to Quick Quote procurement arrangements and outline the potential benefits for Community Wealth Building.

## 2. Recommendation(s)

2.1. The Community Wealth Building Commission is asked to approve the following recommendations: -

- (1) note the changes made to the councils Quick Quote process and the anticipated benefits for Community Wealth Building

## 3. Background

- 3.1. Five pillars support the delivery of the Community Wealth Building Strategy with the spend pillar focussing on how more can be spent locally to support wealth creation and employment. One of the actions within the supporting action plan specifically refers to the review of council procurement practices.
- 3.2. The Council's Standing Orders on Contracts set out the requirements for tendering and contract award covering areas such as advertising and reporting, authorisation and use of various procurement routes. The requirements can vary depending on the type of contract (i.e., service, supply or works) and the value.
- 3.3. Quick Quote is a simplified quotation process, used by the Council for procuring works, supplies and services up to a value of £50,000.

## 4. Changes to Quick Quote

- 4.1. Amendments to the Council's Standing Orders on Contracts for Quick Quotes were approved at the Council meeting of 22 September 2021.
- 4.2. The changes to Standing Orders on Contracts focussed on increasing the current limit for procuring works contracts using the Quick Quote process from £50,000 to £2m to allow for simplified procurement exercises and to give greater scope to award higher value contracts locally.
- 4.3. Other procurement routes will also continue to be used, as appropriate, including call offs from existing frameworks. The choice of procurement route will be guided by the availability of suitable suppliers and the timescales for delivering projects.

- 4.4. A change was also agreed to increase the requirement to seek quotes from local small and medium sized enterprises (SMEs) to 4 out of 5 potential bidders (previously 2 out of 5) for all Quick Quotes, including works to £2m and goods and services to £50,000.

#### **4. Anticipated benefits and impact on Community Wealth Building**

- 4.1. The increased threshold for procuring work contracts should allow for a greater number of works contracts to be put to the market in a shorter period with a quicker turnaround for subsequent evaluation and award. This approach should enable higher value tender opportunities to be available to South Lanarkshire businesses, where available.
- 4.2. To give an indication on the potential volume of contracts that could fall within the increased Quick Quote limit, there were 10 construction contract awards during 2020/2021 that were within the range £50,000 to £2 million. A total of 38 contracts below £2 million were awarded through collaborative frameworks. It is anticipated that framework opportunities will continue to be accessed, however the change will allow greater scope for increased levels of local spend.
- 4.3. The increase in the minimum number of quotes from local SMEs should allow more local companies to be invited to bid for contracts with the Council. To give an indication of the potential volume of contracts that could fall within the new requirement for 4 local suppliers, in 2020/2021 there were 64 Quick Quote awards for values up to £50,000.
- 4.4. The positive impact of these changes on local companies will be dependent on local SMEs being available and having the capacity to quote. Economic Development, supported by Supplier Development Programme, is working with local SMEs, and particularly the construction sector, to increase awareness of contract opportunities and capacity. This includes the issuing of a questionnaire to South Lanarkshire construction companies to help shape the support that can be provided to the sector to increase participation in tendering opportunities. In addition, the Meet the Real Buyer event scheduled for 30 November 2021 will provide an opportunity to promote future construction contracts and the changes to the Quick Quote process.
- 4.5. Both changes will support one of the main aims of the Community Wealth Building Strategy in developing the local supply base and growing the local economy.

#### **5. Employee Implications**

- 5.1. Employees who engage in the procurement activity referenced in the report will receive awareness training on the new arrangements. Employee implications will be managed through existing resources.

#### **6. Financial Implications**

- 6.1. None anticipated. The current requirement to seek at least 5 competitive quotes should ensure sufficient competition is generated to deliver best value.

#### **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. An increase in local procurement should support the Council's sustainability aims.

#### **8. Other Implications**

- 8.1. The main risk associated with the changes are insufficient quotes are obtained from local SMEs. As noted at 4.5, support for local SMEs to engage in the quotation

process from Economic Development and the Supplier Development Programme should reduce this risk.

- 8.2. The number of contract awards are determined by the procurement requirements from the Council's Resources and vary from year to year.

**9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. There are no Equality Impact Assessment or consultation arrangement implications associated with this report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**  
**South Lanarkshire Council**

8 October 2021

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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