

Report

5(b)

Report to: **South Lanarkshire Council**
Date of Meeting: **22 September 2021**
Report by: **Chief Executive**

Subject: **Recommendation Referred by Executive Committee - Standing Orders on Contracts – Amendments in Relation to Use of Quick Quote**

1. Purpose of Report

1.1. The purpose of the report is to: -

- ◆ request approval of the following recommendation referred to the Council by the Executive Committee of 22 September 2021:-
 - ◆ that the proposed revisions to the Council's Standing Orders on Contracts in relation to the use of the quick quote process be approved

2. Recommendation(s)

2.1. The Council is asked to approve the following recommendation(s): -

- (1) that the recommendation of the Executive Committee of 22 September 2021 in relation to the following revisions to the Council's Standing Orders on Contracts, as detailed in Appendix 1 of the report, be approved:-
 - ◆ an increase in the current limit for procuring works contracts using the quick quote process from £50,000 to £2million to allow for quicker and more simplified procurement exercises and to give greater scope to award higher value contracts locally; and
 - ◆ an increase in the requirement to seek quotes from local small and medium sized enterprises (SMEs) – 4 (previously 2) from 5, if such SMEs are available, to give greater scope to award more contracts locally

3. Recommendation Referred by the Executive Committee - Standing Orders on Contracts - Amendments in Relation to Use of Quick Quote

3.1. At its meeting held earlier today, the Executive Committee considered a report by the Executive Director (Finance and Corporate Resources) to amend Standing Orders on Contracts in relation to the use of the quick quote process which would 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 will also allow more higher value tender opportunities to be available to South Lanarkshire businesses where they exist.

The Executive Committee recommended to the Council:

- ◆ that the following revisions to the Standing Orders on Contracts, as detailed in Appendix 1 of the report, be approved:-
 - ◆ an increase in the current limit for procuring works contracts using the quick quote process from £50,000 to £2million to allow for quicker and more simplified procurement exercises and to give greater scope to award higher value contracts locally and
 - ◆ an increase in the requirement to seek quotes from local small and medium sized enterprises (SMEs) – 4 (previously 2) from 5, if such SMEs are available, to give greater scope to award more contracts locally

3.2. A link to the full report, as submitted to the Executive Committee, is given below:-

[Standing Orders on Contracts - Amendments in Relation to Use of Quick Quote](#)

4. Employee Implications

4.1. Any employee implications were highlighted as part of the original report to the Executive Committee.

5. Financial Implications

5.1. Any financial implications were highlighted as part of the original report to the Executive Committee.

6. Climate Change, Sustainability and Environmental Implications

6.1. Any climate change, sustainability or environmental implications were highlighted as part of the original report to the Executive Committee.

9. Other Implications

10.1. Any risks or other implications have been highlighted as part of the original report to the Executive Committee.

11. Equalities Impact Assessment and Consultation Arrangements

11.1. Any equalities impact assessment and consultation arrangements have been highlighted as part of the original report to the Executive Committee.

Cleland Sneddon
Chief Executive

22 September 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, effective, efficient and transparent
- ◆ Ambitious, self-aware and improving

Previous References

- ◆ South Lanarkshire Council of 13 February 2020

List of Background Papers

- ◆ Construction Policy Note (CPN) 9/2020

Contact for Further Information

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

Susan Somerville, Administration Manager

Ext: 4197 (Tel: 01698 454197)

E-mail: susan.somerville@southlanarkshire.gov.uk

Standing Orders on Contracts
Summary of proposed changes for procurement of works contracts

Standing Order	Summary of Proposed Change
3. Exempt and Partially Exempt Contracts	
3.2 Estimated value between £5,000 and £50,000 for Provision of Supplies or Services and between £5,000 and £2million for execution of works	
3.2(a)	<p>Amend to increase upper financial threshold at which quotation procedure (Quick Quote) may be used for works contracts from £50,000 to £2million.</p> <p>Amend to clarify:</p> <ul style="list-style-type: none"> • SO19 (selection of tenderers) applies to the award of works contracts where the estimated value exceeds £50,000; • SO20 (checking of pre-qualification responses/tenders and reporting) applies to the award of works contracts where the estimated value exceeds £50,000; and • SO21 (acceptance of tenders) applies to the award of works contracts where estimated value exceeds £200,000.
3.2(b)	<p>Amend to increase a minimum of quotes/bids from SMEs having their place of business within local government area of South Lanarkshire from 2 to 4 (if such SMEs are available).</p> <p>Amend to clarify place of business for a SME does not require it to be their registered or principal office.</p>
3.2 (d)	<p>New to ensure that the persons invited to submit quotations are selected on a fair, transparent and non-discriminatory basis, and in a manner at all times compliant with the EU Treaty Principles using a selection process approved by the Head of Administration and Legal Services.</p>
4. Pre-Tender Requirements	
4.3 Sourcing Strategy	<p>Amend to remove requirement for creation of Sourcing Strategy for procurement of works contract where value is less than £2million unless in the opinion of the appropriate Executive Director the contract is high risk and/or there are special circumstances.</p> <p>Amend to clarify sourcing strategy can be created for contract for goods or services where value is less than £50,000 for goods and services where in the opinion of</p>

	the appropriate Executive Director the contract is high risk and/or there are special circumstances
4.14 Community Benefit Requirement	Amend to clarify that Council's community benefit requirements will not apply to contracts for execution of works where the value is below £2million and the award is being made on basis of lowest price
5. Competition Requirement	
5.1 Contracts over £50,000 for goods and services and £2million for works subject to competition	Amend to increase the financial threshold for works contracts to allow the procurement of works contracts where value is between £50,000 and £2million to be conducted using quick quote process
5.2 Exceptions to the competition requirement	Delete the use of Constructionline as a route for selecting tenderers.