

# Report

## 5(b)

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| Report to:       | <b>South Lanarkshire Council</b> |
| Date of Meeting: | <b>22 September 2021</b>         |
| Report by:       | <b>Chief Executive</b>           |

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| Subject: | <b>Recommendation Referred by Executive Committee - Standing Orders on Contracts – Amendments in Relation to Use of Quick Quote</b> |
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### 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: -

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

| Standing Order  | Summary of Proposed Change  |
|---|---|
| <b>3. Exempt and Partially Exempt Contracts</b>   |   |
| <b>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</b> |   |
| 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"> <li>• SO19 (selection of tenderers) applies to the award of works contracts where the estimated value exceeds £50,000;</li> <li>• SO20 (checking of pre-qualification responses/tenders and reporting) applies to the award of works contracts where the estimated value exceeds £50,000; and</li> <li>• SO21 (acceptance of tenders) applies to the award of works contracts where estimated value exceeds £200,000.</li> </ul> |
| 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>  |
| <b>4. Pre-Tender Requirements</b>   |   |
| 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>   |

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|  | 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 |
| <b>5. Competition Requirement</b>  |   |
| 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.  |