

## CSO Submission July 2020

The CSO document has been widely amended both in structure and minor rewording or editing to ensure that the content is compliant and up to date.

The structure has been amended with the addition of Procedural notes for specific points of interest that we feel need more guidance but not necessary to flood the main constitutional document. These procedural notes will provide support and be approved documents listed within the constitution.

The change in structure is to increase the compliance to the rules and make them more accessible to the service users. By utilising the Procedural Notes it will allow easier access to the specific information the service user is seeking.

The main two changes to the Contract Standing orders are as follows:

### Quotation and Tendering Threshold (Table 1)

Currently the rules are unclear to service users and the requirement is for 5 quotations for:

£100,001 - £150,000 (Supplies/Services)

£200,001 - £2,000,000 (Works)

#### 18. Summary Table of procurement routes dependent upon value

| Type                     |                            | Value range   | Department                     | Activity                          |
|--------------------------|----------------------------|---|--------------------------------|-----------------------------------|
| Low Value/Low Risk       | Requisitioner standard RFQ | up to £5000   | Self Service within Department | One written quotation             |
|                          | Requisitioner standard RFQ | between £5,001 and £25,000  | Self Service within Department | Three written quotations          |
| Medium Value/Medium Risk | Procurement standard RFQ   | £25,001 - £100,000 (goods / services)<br>£25,001 - £200,000 (works)           | Procurement Services Function  | Three written quotations          |
|                          | Procurement technical RFQ  | £100,001 - £150,000 (goods/services)<br>£200,001 - £2,000,000 (works)         | Procurement Services Function  | Five written quotations           |
| High Value/High Risk     | Below EU Threshold         | £150,0001- EU Threshold (goods/services)<br>£2,000,001 – EU Threshold (works) | Procurement Services Function  | Tender advertised /Framework used |
|                          | Above EU Threshold         | See OJEU  | Procurement Services Function  | Tender advertised /Framework used |

The proposed updated CSO proposes changing this to the below:

**Key Thresholds Table I – Quotation and Tendering Thresholds**

| ACTIVITY  | Up to £5k  | Over £5k to £25k   | Over £25k - relevant OJEU Thresholds   | Over Relevant OJEU Threshold                               |
|---|--|--|--|--|
| <b>Quotation / Tenders Minimum Requirements</b> <sup>-1</sup> | <b>Source</b> One formal Quotation (non-verbal) / tender from PL Postcode where possible | <b>Seek</b> Three formal Quotations (non-verbal) / tenders; Two from PL Postcodes where possible | <b>Seek</b> Three formal Quotations (non-verbal) / tenders; Two from PL Postcodes where possible | Formal Tender Procedure (See Public Contracts Regulations) |
| Business Case Required?                                       | No   | No   | Yes  | Yes  |
| Formal Advertisement of Opportunity?                          | Optional   | Optional   | Optional (If Advertised Contracts Finder utilised)   | OJEU & Contracts Finder                                    |
| Formal Publication of Award?                                  | Optional   | Optional   | Contracts Finder   | OJEU & Contracts Finder                                    |
| Contract Published on Contract Register?                      | Not required   | Yes  | Yes  | Yes  |
| Use of Electronic Tendering System?                           | Optional   | Yes  | Yes  | Yes  |
| Procurement Service Responsible? <sup>-2</sup>                | Yes (except in case of Self-Serve: Please refer to Self Service Procedure)               | Yes (except in case of Self-Serve: Please refer to Self Service Procedure)                       | Yes  | Yes  |

<sup>-1</sup> Sought quotation minimum requirements are to be proportional. For example; it may be assessed that a particular procurement requires more than the minimum requirement of quotations or tender responses, in these cases the number of responses sought from suppliers within the PL postcode will be proportional.

<sup>-2</sup> Procurement Service defined as both the core Procurement Service team and / or Strategic Commissioning

This creates a more streamlined and realistic approach to the thresholds.

Additionally we have added a request that a minimum requirement for the quotations obtained are from the PL Postcode (where possible).

It is our aim that this will assist in increasing the value that is spent locally. Please note that this is not mandatory and only a preferable option to aide in commitment to the local spend. However, in line with our Resurgam commitments we will now be requiring appropriate signoff where the minimum requirement in regards to PL spend has not been met.

### Exemption Process

As a service we do not think the current Exemption process and statement within the CSO is fit for purpose or allows us to suitably challenge service users of the decisions they have made resulting in the exemption request.

Currently the Exemption point reads:

- 11.2 Exempt contracts: The following contracts are exempt from the requirements to obtain tenders provided that quotations are sought.
- contracts relating solely to disposal or acquisition of an interest in land, provided that the contract is not deemed to be a works contract in which case the contract shall be procured in accordance with these rules as a works contract;
  - contracts for individual personal care services;
  - transactions conducted by the Chief Finance Officer in respect of dealing in the money market or obtaining finance for the council;
  - contracts offered by the Head of Legal Services for the appointment of counsel;
  - contracts where a sole supplier has exclusive rights (e.g. alterations to statutory undertakers apparatus).
- 11.3 Where there is a written waiver: In cases where the EU regulations do not apply, the Head of the relevant service area, Head of Legal Services and the Procurement Services Manager can waive the requirements of any of the contract rules. All waivers and the reasons for them must be recorded using the designated form which can be found on the document library. The waiver form must be approved by the Head of the relevant service area, Head of Legal Services and the Procurement Services Manager.

We have suggested that this is suitably tightened up and made more robust and providing acceptable categories in which an exemption can be granted. In doing so this provides guidance to the service users as to what must be done in order to acquire an approved exemption.

### **Contract Standing Orders – Track Change**

1. When do these standing orders apply?  
**Included; this is now CSO.7**
2. Other relevant guidance, rules and law  
**Included; this is now CSO.4**
3. Responsibility to follow these standing orders and relevant law  
**Included; this is now CSO.4**
4. Interests of councillors and officers in contracts  
**Changed and reworded; now CSO.21 and PN.Breach of CSOs**
5. Gifts and hospitality  
**Changed and reworded; now CSO.48**
6. Procurement advertisements  
**Changed and reworded; now CSO.57/58 & 19 & Table 1**
7. Before a contract is procured  
**Changed and reworded; now Section 2 and Table 1 & 2**
8. Estimating the total contract value  
**Included; now Section 3**
9. Format of contracts  
**Changed and reworded; now Table 1 & Table 2**
10. Contract terms and conditions  
**Included; now CSO.74**
11. When is there no need to seek quotes or tenders?  
**Changed and reworded; now CSO.9-14 and PN.Exemptions**
12. Purchasing Card Procurement

- Removed; this is covered by the financial regulations with Part H and a Purchasing Card Policy**
13. Table of purchase card limits  
**Removed; this is covered by the financial regulations with Part H and a Purchasing Card Policy**
14. Lodge Cards  
**Removed; this is covered by the financial regulations with Part H and a Purchasing Card Policy**
15. Fuel Cards  
**Removed; this is covered by the financial regulations with Part H and a Purchasing Card Policy**
16. Contract Procurement - existing and corporate contracts  
**Changed and reworded; now Section 3 and 4**
17. General Principles of Procurement  
**Changed and reworded; now Section 3 and 4**
18. Summary table of Procurement Routes Dependent upon value  
**Changed and reworded; now Table 1 & 2**
19. Procurements below £25,000  
**Included; now Section 4**
20. Procurements £25,000 and above  
**Changed and reworded; now section 3 & 4 and Table 1 & 2**
21. Who can authorise contracts?  
**Changed and reworded; now Table 1 & 2**
22. High Value/High Risk Procurement process  
**Included; now Section 2**
23. Application of the Regulations  
**Removed; we state that we comply with the regulations. All processes are based on this but not a requirement to list within this document**
24. Restricted Procedure  
**Removed; definition. Stated method in Section 2**
25. Open Procedure  
**Removed; definition. Stated method in Section 2**
26. Competitive Procedure with Negotiation  
**Removed; definition. Stated method in Section 2**
27. Competitive Dialogue  
**Removed; definition. Stated method in Section 2**
28. Innovation Partnership  
**Removed; definition. Stated method in Section 2**
29. Negotiated procedure without prior publication  
**Removed; definition. Stated method in Section 2**
30. Predetermined Framework Agreements  
**Included; now CSO.37**
31. Concession Contracts  
**Included; now CSO.43 and PN.Concessions**
32. Pre-selection  
**Removed: This is within the Terms and Conditions**
33. The Invitation to Tender  
**Removed: This is a process based upon the regulations and the CSO**

34. Submission and Opening of Tenders  
**Changed and reworded; now CSO.63 and PN.Late Submissions and PN.Missing or Omitted information**
35. Electronic Tendering  
**Included; now CSO.56**
36. Tender Evaluation  
**Included; now CSO.61 & 62**
37. Evaluation Team  
**Included; now CSO.61 & 62**
38. Bonds, Guarantees and Insurance  
**Included; now CSO.61 & 62**
39. Award of Contract  
**Included; now CSO.67**
40. Debriefing
41. Contract Award Notice  
**Included; now CSO.67**
42. Contract Management  
**Included; now CSO.83 &84 and Table I & 2 also within the Contract Management Procedure**
43. Copies of tenders and contracts and register of contracts  
**Included; now CSO.82 and the overarching Regulations**
44. Keeping a register of contracts  
**Included; now CSO.82 and the overarching Regulations**
45. What will the register record?  
**Included; now CSO.82 and the overarching Regulations**
46. Joint Procurement  
**Covered by Table I & Table 2**
47. Consultants  
**Removed**
48. Statistical Returns  
**Removed; regulations bound to perform this action**
49. Contract Extension and Variation  
**Removed; contradicts update to the exemption process**
50. Termination of Contracts  
**Removed; covered by Table I and Table 2**
51. Review and Amendment of Contract Standing Orders  
**Removed**
52. Interpreting Contract Standing Orders  
**Removed**