

**Meeting: AUDIT COMMITTEE**

**Agenda Item: 4**

Portfolio Area: Resources

**Date: 9<sup>th</sup> November 2016**

## **REVISION TO CONTRACT STANDING ORDERS 2016**

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### **1. PURPOSE**

1.1. To update Members on the revision to the Council's Contract Standing Orders.

### **2. RECOMMENDATIONS**

2.1. That revised Contract Standing Orders be recommended to Council for approval.

### **3. BACKGROUND**

3.1. Contract Standing Orders form an essential part of the control framework within which the Council operates.

3.2. Contract Standing Orders (CSO's) are a collection of rules, which must be adhered to when officers purchase goods, works or services or dispose of Council plant and equipment. They have been designed to ensure that the Council is compliant with UK legislation, follows best practice and achieves value for money in all its procurement activities.

3.3. A review of the Council's Contract Standing Orders was last undertaken in September 2015 and this report updates Members on the proposed updates to the CSO's. Changes have been made to reflect organisational changes, legislative changes and to clarify policies.

### **4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

4.1. The Contract Standing Orders have been updated as at October 2016 and the changes are detailed in Appendix B attached to this report, the main changes relate to:

- Reinforcing where the responsibility lies for compliance with the CSO's

- For quotations, the CSO's now say that the members of Stevenage Borough Council support the use of local suppliers and that staff may wish to consider inviting them to quote for opportunities.
- For quotations make the electronic tendering system the only option for conducting the process, to enable a full audit trail of all communications and to make data transparency a simpler process.
- The EU Procurement Directive thresholds to be updated in line with the latest published thresholds from 1<sup>st</sup> January 2016
- The section on the engagement of consultants has been enhanced

## **5. IMPLICATIONS**

### **5.1. Financial Implications**

It is anticipated that the revised Contract Standing Orders will improve the Council's financial standing through the following of best practice, the achievement of value for money and the mitigation of risk.

### **5.2. Legal Implications**

The updated CSO's include any legal implications within the regulations.

### **5.3. Policy Implications**

Contract Standing Orders are in themselves a policy change.

## **6. BACKGROUND DOCUMENTS**

Contract Standing Orders version 7 dated October 2015

## **7. APPENDICES**

Appendix A – Revised Contract Standing Orders

Appendix B – Table of Changes with proposed changes for 2016