

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB COMMITTEE		Subject: PROCURING CHANGE – AMMENDMENTS TO GENERAL CONTRACT STANDING ORDERS
From: HEAD OF REVENUE SERVICES		
Date: 16 AUGUST 2012	Ref: BC	

1. Purpose of the Report

- 1.1 To seek committee approval for proposed amendments to the content of General Contract Standing Orders.

2. Background

- 2.1 The General Contract Standing Orders for the supply of goods or materials, which have been previously approved by Policy and Resources Committee, require to be revised to take account of recent changes in legislation.
- 2.2 The Public Contracts (Scotland) Regulations 2012 (“the Regulations”) have now been published and came into force on 1 May 2012.

The Regulations consolidate the 2006 Regulations and a number of amendments that have been made since then. There are some important changes:

- new bribery offences under the Bribery Act 2010 are now included in a list of criminal offences for which a contracting authority is entitled to reject a tender;
- the general time limit within which an action must be commenced against a contracting authority for breaching the procurement rules is now reduced to 30 days from when the supplier first new or ought to have known about the grounds for raising an action – although this may be extended up to 3 months if there are good reasons for doing so

As a result of the introduction of the new legislation all references in General Contract Standing Orders to the 2006 Regulations have now been replaced with reference to the new 2012 Regulations.

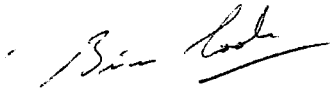
- 2.3 The threshold values that apply to the Regulations are revalued every two years by the European Commission. Annex A provides a summary of the main threshold values which will apply under existing public procurement legislation in the UK from 1 January 2012. Due to exchange rate fluctuations, the revised threshold values show an increase to that of the current threshold values. General Contract Standing Order 9.1 will be updated to reflect the new threshold values, the revised wording is provided at Annex B.
- 2.4 A review of General Contract Standing Orders is being undertaken through the Corporate Procurement Working Group and will be subject to a future report to

committee. The review looks to further enhance governance and risk management arrangements and to encourage procurement best practice in all Council procurement arrangements.

3 Recommendations

The committee is invited to:-

- 3.1 Approve the adoption of the amendments to General Contract Standing Orders with immediate effect; and
- 3.2 Note the arrangements for a general review of General Contract Standing Orders.

A handwritten signature in black ink, appearing to read "Brian Cook", with a horizontal line underneath.

Head of Revenue Services

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Tel:- 01698 - 40 3929.

ANNEX A

Summary of thresholds from 1st January 2012 (net of VAT)

	Supplies	Services	Works
Contracting Authorities	£173,934	£173,934	£4,348,350
Prior Information Notices	£652,253	£652,253	£4,348,350
Small Lots	£69,574	£69,574	£869,670

ANNEX B

9. PUBLIC CONTRACTS REGULATIONS

Tendering Procedures

- 9.1 Under the EU Procedure, the appropriate Committee may approve the open, restricted, competitive dialogue or negotiated procedures for the purpose of seeking offers to enter into contracts as prescribed by the Public Contracts (Scotland) Regulations 2012, ("The Public Contracts Regulations"). As from 1st January 2012, the EU thresholds relating to Public Sector procurement obligations are;
- (a) services and supplies estimated to cost in excess of £173,934 and
 - (b) works estimated to cost in excess of £4,348,350.