

REPORT TO: Cabinet

MEETING DATE: 25 May 2021

BY: Executive Director for Council Resources

SUBJECT: Revisions to Corporate Procurement Procedures

1 PURPOSE

- 1.1 The purpose of this report is to consider and approve proposed amendments to the Corporate Procurement Procedures relating to the existing procurement thresholds details of which are set out in Section 3.

2 RECOMMENDATIONS

- 2.1 Cabinet is recommended to approve the proposed amendments to the Corporate Procurement Procedures.

3 BACKGROUND

- 3.1 The Corporate Procurement Procedures are set out in the Council's Standing Orders (Supporting Document B). These set out the means whereby the Council controls and regularises the manner in which it contracts with third parties. It is an essential core Corporate Governance document and reflects both legal and best value requirements.
- 3.2 East Lothian Council spends approximately £140 million every year on goods, services and works, which represents a substantial opportunity to deliver additional social, environmental and economic benefits to East Lothian through its procurement exercises if resources are allocated proportionately in line with these opportunities.
- 3.3 The Corporate Procurement Procedures were last renewed in 2014, with current proposed amendments detailed in Section 3.4. These amendments have been revised collaboratively following stakeholder consultation across the organisation and specifically with the Procurement Improvement Panel, Corporate Management Team, Legal Services and

Internal Audit, and are in line with the Procurement Reform (Scotland) Act 2014, and all consequent Scottish Procurement Policy Notes.

Corporate Procurement Procedures – Key Changes

3.4 A summary of the main changes are set out below. Officers are required to obtain authority to initiate a procurement process, in accordance with the Council’s Scheme of Delegation and up to the following limits:

Existing Threshold	Proposed Threshold	Authorisation Required	Procurement authorisation	Reason for Change
Goods, Services and Works				
Up to £5k	Up to £15k	Any officer	No, Guidance available	The changes are reflective of general cost inflation as well as maturity of buying behaviour and increased awareness of public procurement requirements. Increasing this threshold to £15,000 allows the majority of low value and risk purchasing activity to be efficiently and effectively administered by officers while retaining the oversight that the quarterly Spike Cavell spend report provides. This increase allows officers to focus on local suppliers, in particular micro companies who would not be registered on public procurement platforms.
Works only				
£5k-£250k	£15k-£500k	Budget Holder	Yes, PID form to be completed	Increasing this threshold will allow the use of Quick Quote – a light-touch, accessible process for lower value opportunities, with a particular focus on the local supply chain. The COVID-19 pandemic has accelerated a number of opportunities for economic development. The Council can further now embed the use of public procurement as an enabler of economic development.
N/A	up to £1m	Budget Holder, Commercial Programme Manager, Service Manager - Legal	Yes, PID and Exemption form to be completed	Adding an increased threshold tier for exceptional circumstances like grant opportunities, very limited contractor availability, or specialist services will allow the use of Quick Quote – a light-touch, accessible process for lower value opportunities. It would also allow for council resources to focus on opportunities elsewhere in the supply chain and inject some flexibility into the procurement process without compromising compliance.

3.5 All proposed changes are in line and within Scottish Government Regulated Procurement Thresholds, and remain aligned with the wider objectives of the Council Plan 2017-22, Corporate Procurement Strategy 2017-22, and Procurement Sustainability Policy.

4 POLICY IMPLICATIONS

- 4.1 Changes to the Corporate Procurement Procedures, as set out in Section 3.4.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - None
6.2 Personnel - None
6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 Previous version of Corporate Procurement Procedures – [Buying Goods | East Lothian Intranet](#)

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