

EAST RENFREWSHIRE COUNCIL30 June 2021Report by Chief ExecutiveUPDATE ON TEMPORARY WORKS QUICK QUOTE THRESHOLD TO SUPPORT
COVID-19 CONSTRUCTION RECOVERY**PURPOSE OF REPORT**

1. The purpose of this report is to provide Council with an update on the temporary amendment to Standing Orders Relating to Contracts to support the council's response to COVID-19 construction recovery by increasing the works Quick Quote threshold from £150,000 to £500,000 which can be seen at Appendix 1.
2. Following a review of the temporary amendment this report also seeks Council permission to permanently increase the threshold to £500,000 for works contracts awarded through Quick Quote which will continue to accelerate small works contracts and is in line with Procurement Reform Scotland Act 2014 and the Construction Procurement Handbook 2018.

RECOMMENDATION

3. Council is asked to:-
 - a) approve the permanent increase of the works Quick Quote threshold from £150,000 to £500,000; and
 - b) note works activity undertaken from June 2020 to the current date using the increased threshold, as detailed in Appendix 1.

BACKGROUND

4. The Public Contracts Scotland Portal provides a national advertising website for all Scottish public bodies and must be used for all regulated procurements which are those with a value of over £50K for goods and services and £2m for works contracts. The Public Contracts Scotland Portal also has an online quotation facility called Quick Quote which allows contracting authorities to obtain competitive quotes electronically for lower value, non-regulated procurement. Quick Quote allows the council to select a number of suppliers to respond to projects considered to be lower in risk and value compared to an open tendering activity where supplier response is unlimited.
5. Quick Quote is a formal procedure with minimum timescales for response, a detailed specification, terms of contract and bill for pricing included. Current practice at the council is to ask for quotes from a minimum of 5 suppliers, (1 of which should be local where possible), with an approximate timescale for issue, receipt and award of 15 working days compared to tender timescale of around 60 working days.
6. In June 2020, in line with best practice models to support economic recovery Council approved a temporary amendment to the Councils Quick Quote threshold from £150,000 to £500,000 for works contracts. This amendment was for a period of 12 months and reflected the following Construction Handbook and Scottish Procurement Policy Notes:

- [SPPN 4/2020 Coronavirus \(COVID-19\): procurement regulations for public bodies](#)
- [SPPN 5/2020 Coronavirus \(COVID-19\): supplier relief](#)
- [CPN 1/2020 Coronavirus \(COVID-19\): impact on construction contracts](#)
- [CPN 3/2020: Coronavirus \(COVID-19\) - preparations for contracting authorities to restart the procurement and management of construction contracts](#)
- [CPN 4/2020: Coronavirus \(COVID-19\) - managing disputes and cashflow](#)
- [Construction Procurement Handbook](#)

7. Contract Standing Orders were immediately amended to state that where a contract for works was for a total value above £20,000 but under £500,000 then a Quick Quote procedure should be used.

REPORT

8. In the last 12 months the temporary threshold increase has allowed 7 works projects over £150,000 that were impacted by COVID-19 to be issued by means of the Quick Quote procedure using the reduced timescales which would have otherwise been full tender activities. The list of projects is included in appendix A.

9. The Procurement Reform (Scotland) Act 2014 and the Construction Procurement Handbook 2018 support the use of Quick Quote for works contracts below £2m which are low and medium risk and therefore consideration has been given to whether the threshold should be maintained at £500K or reduced back to £150K or increased to the £2m threshold used by some public bodies.

10. Local authorities with thresholds of £500,000 and above include Argyll & Bute, Borders, Dumfries & Galloway, Edinburgh, Fife, Glasgow City, Highland, North Lanarkshire and Orkney.

11. Over the last year the ability to issue Quick Quotes up to £500,000 has proven effective in awarding works contracts efficiently through a proportionate process which has been to the benefit of both suppliers and the Council in achieving best value. This approach has expedited contract delivery for our lower value, lower risk works contracts, and minimised resources required in the procurement process for both the Council and suppliers. There has been no negative impact on our processes and successful application of national guidelines in construction has been demonstrated.

12. Therefore it is recommended that the threshold is maintained at £500,000. Increasing the threshold permanently will mean that the council can continue to allow the number of bidders for construction work to be restricted to a manageable number, support the local supplier agenda where possible and negate the need for a full lengthy tender process for relatively small works contracts whilst still allowing the market to be tested albeit on a more limited basis. It will continue to demonstrate a clear audit trail to contract award ensuring transparency and accountability.

13. To ensure there are no negative impacts of this change, all Quick Quotes over £50,000 will be reviewed by the Procurement team at pre award stage which will include obtaining Head of Service or equivalent approval for contract award. This ensures that all award recommendations over £50,000 are subject to scrutiny.

FINANCE AND EFFICIENCY

14. No financial implications.

CONSULTATION

15. Increase of the Quick Quote threshold for works from £150,000 to £500,000 is supported by the Chief Officer Legal and Procurement.

IMPLICATIONS OF THE PROPOSALS

16. There will be no additional risk to the Council from increasing the works quick quote threshold which will accelerate the delivery process for works contracts.

CONCLUSIONS

17. The permanent amendment to the works Quick Quote threshold to £500,000 is in line with The Procurement Reform (Scotland) Act 2014 and the Construction Procurement Handbook 2018 to support the construction industry to support stimulation and recovery of the local economy and recovery of Council priority delivery plans.

RECOMMENDATION

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REPORT AUTHOR

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APPENDIX 1

WORKS QUICK QUOTE ACTIVITY - £150,000 AND ABOVE FROM JUNE 2020

QQ 20 21 022	Groundworks Contract for Neighbourhood Services	£180,000
QQ 20 21 041	HEEPS ABS 2020-21 External Wall Insulation	£249,999
QQ 20 21 050	Duff Memorial Hall & Busby Library – Internal Alterations and Heating Upgrades	£349,999
QQ 21 22 002	Eastwood High School – Changing Village Refurbishment and Alterations 2021	£450,000
QQ 21 22 003	St Joseph's Toilets, LED Lighting and Water works	£375,000
QQ 21 22 006	Spaces for People: Light Segregation Cycle Lane: A77 Ayr Road	£500,000
QQ 21 22 008	Muirend Games Court	£150,000

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