

THE HIGHLAND COUNCIL

Resources Committee

15th April 2009

Agenda Item	
Report No	

Highland Council Contract Standing Orders

Report by Depute Chief Executive

Summary

This report revises risk management provisions set out within the Orders.

1. Introduction

1.1 In light of the requirement for consistency of provide additional guarantees of objectivity in respect of the financial assessments of potential bidders, amendments are required to the prescribed sums relating to Public Liability insurance cover and performance bonds; and to the methodology employed in assessing financial standing.

1.2 Part 2.10. (ii) b states:-

(b) Public Liability and All Risks/Professional Indemnity: The levels of insurance cover required in respect of each project should be set by the Council in the context of the contract and reflecting the level of risk involved to members of the public, the Council's staff, its operational effectiveness, and its financial liabilities. In respect of Works contracts it, Public Liability insurance shall be not less than the Prescribed Sum.

and requires amendment to:-

(b) Public Liability and All Risks/Professional Indemnity: The levels of insurance cover required in respect of each project should be set by the Council in the context of the contract and reflecting the level of risk involved to members of the public, the Council's staff, its operational effectiveness, and its financial liabilities. Public Liability insurance shall be not less than the Prescribed Sum in respect of any contract.

1.3 Appendix 1 Prescribed sums currently states:

Minimum value for public liability insurance (Works contracts)

and requires amendment to:-

Minimum value for public liability insurance

1.4 Part 2.10. (iii) b states:-

Financial Vetting: In respect of Contract with a value in excess of the prescribed sum, or in respect of contracts which the Sponsor views as exposing the Council to excessive risk, a formal financial assessment of the potential tenderers' financial standing shall be undertaken prior to shortlisting of tenderers or at pre-qualification stage, depending upon the procedure used.

And requires amendment as follows:-

Financial Vetting: In respect of Contract with a value in excess of the prescribed sum, or in respect of contracts which the Sponsor views as exposing the Council to excessive risk, a formal financial assessment of the potential tenderers' financial standing shall be undertaken prior to award of contract of tenderers or at pre-qualification stage, depending upon the procedure used. This shall be obtained from independent financial assessments based upon the most current information available to the assessing body and extracted from a potential bidders own financial statements. For the avoidance of doubt, potential bidders must be informed of the means by which this information is to be obtained and analysed at the commencement of the competitive process.

Recommendations

Members **approve** the above amendments to Contract Standing Orders.

Signature:

Designation: Depute Chief Executive

Date: 17th March 2009

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