



REPORT of DIRECTOR OF RESOURCES

**to
STRATEGY AND RESOURCES COMMITTEE
28 JANUARY 2021**

CONTRACT PROCEDURE RULES REVIEW AND UPDATE

1. PURPOSE OF THE REPORT

- 1.1 The Contract Procedure Rules (CPRs) are reviewed every three years and are now due a review. To implement the revisions will support the Councils new structure and ways of working.
- 1.2 The 2019 / 20 audit identified recommendations and the revised CPRs addresses some of these.

2. RECOMMENDATIONS

To the Council:

- (i) That the revised Contract Procedure Rules at **APPENDIX 1** are approved.
- (ii) That the Director of Resources is authorised to make minor changes to the Contract Procedure Rules; minor changes are defined as:
 - Changes in statutory framework, such as references to new or updated legislation;
 - Changes in titles, names or terminology;
 - Changes consequential to other constitutional changes already made.

3. SUMMARY OF KEY ISSUES

- 3.1 Following an update to the CPRs in 2017 the “quote” threshold was lowered from £50,000 to £24,999 in response to the requirement to publish contracts at £25,000 on Contracts Finder. The requirement as of the ‘Guidance on transparency requirements for Contracts finder’ states that if the contracting authority has a higher threshold for going to “quote” then there is no legal obligation to publish below that threshold on Contracts Finder. In returning the threshold to £50,000 this would remove risks of challenge, have less impact on resources and align more with neighbouring authorities.

- 3.2 Additionally, increasing the requirement for a full tender process to £50,000 increases the opportunity for local businesses to bid, who may otherwise be put off by the process and not as experience in writing tender applications.
- 3.3 There is no reference to SME's (Small Medium Enterprises) The regulations contain new reforms to make Public Sector Procurement more accessible to SME's. The recently updated Quote Procedure in line with the Audit recommendations now asks that at least one SME is invited to quote where possible.
- 3.4 The Audit report identified the total value of £25,000 over which no exemption can be used was quite low. The legal threshold at which there is no delegated authority unless in extreme circumstances is the EU threshold. To be consistent with the tender threshold this has been increased to £50,000. The use of exemptions should be the exception not the rule although there are times of urgency or to ensure compliance that the exemption process is required. The exemption process will be monitored and controlled to ensure accountability and transparency.
- 3.5 Hard copy tenders are no longer required to be submitted in line with the government requirement to move to electronic tendering. All tender submissions are now via the Councils e-tendering solution.
- 3.6 Consideration of the Public Services Social Value Act (2012), which the Council has a legislative duty to consider in services contracts, has now been specifically referenced in the CPRs.
- 3.7 That the Director of Resources has the discretion to agree other methods of disposal of the Councils Assets up to a value of £5,000 in consultation with the relevant Director.
- 3.8 Legal Services are included as a relevant contract, as these services sit within the requirement under the Public Contracts Regulations to carry out a procurement exercise to appoint. There are a number of Legal Panels and Frameworks for these services, including CCS (Crown Commercial Services) that are open for the Council to use.
- 3.9 The retention of Legal Counsel or expert witnesses in legal proceedings to be removed as a relevant contract.
- 3.10 That the engagement of Professional Consultants follow a number of requirements, including suitable Terms of Reference (ToRs), evidence of relevant work carried out previously and they have the relevant specialist knowledge for the project and levels of insurance.

4. CONCLUSION

- 4.1 The revision of the Contract Procedure Rules will support the current work being carried out in order to improve the efficiency and effectiveness of the Councils Procurement processes.

5. IMPACT ON STRATEGIC THEMES

5.1 Strong financial controls underpin the achievement of all strategic themes

6. IMPLICATIONS

- (i) **Impact on Customers** – None.
- (ii) **Impact on Equalities** – None.
- (iii) **Impact on Risk** – Alleviate risk in terms of non-compliance.
- (iv) **Impact on Resources (financial)** – The CPRs are intended to ensure value for money is achieved.
- (v) **Impact on Resources (human)** – Clear concise processes and less resource time.
- (vi) **Impact on the Environment** – None.
- (vii) **Impact on Strengthening Communities** – None.

Background papers: None.

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