
CONTRACT PROCEDURE RULES

Committee: Resources and Finance Committee

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[S115]

1. **ISSUE**

- 1.1 The existing Contract Procedure Rules included in Part 4 of the Rules of Procedure in the Council's Constitution documentation require amendment due to recent changes to EU and UK procurement regulations and also contract law judgements.
- 1.2 As part of the Constitution, Council needs to approve the revised Contract Procedures Rules reflecting changes in legislation, to thus ensure that the Council and its officers are aware of their responsibilities, and to help protect them when carrying out procurement activities on behalf of the Council.

2. **RECOMMENDATION**

- 2.1 To recommend to Council, to approve the revised Contract Procedure Rules as attached as Appendix 1, and for these to be incorporated into the Council's Constitution.

3. **BACKGROUND / DETAIL OF AMENDMENTS**

- 3.1 The EU Public Contract Directives 2014 and the UK Public Contracts Regulations 2015 have placed compliance requirements on local authorities. The main points to be addressed are:
- The use of e-tendering by April 2017
 - Contracts with a total value of £25,000 or over are required to be advertised and award notifications placed on the Government's Contracts Finder portal.
- 3.2 The Council is now utilising the LGSS Procurement Portal to satisfy the e-tendering requirements and to-date three full tender processes have been carried out through the portal but no formal guidance for officers is documented.
- 3.3 The Council has utilised Contracts Finder to advertise some contract opportunities where the total contract value exceeds £25,000 but no formal guidance for officers has been documented.

- 3.4 The revised Contract Procedure Rules aim to provide formal guidance to the following amongst others:
- A robust exemptions process
 - Officer and senior officer responsibilities
 - Pre-procurement planning
 - Soft market testing
 - Collaboration with other public bodies
 - Use of consultants
 - Use of framework agreements
 - Requirements at specified contract value thresholds
 - Advertising contract opportunities
 - E-tendering procedures
 - Contracts Register
- 3.5 In addition to providing guidance on the above, the most significant amendments are to the contract value thresholds which determine the procurement processes required. In particular, the requirement for officers to “just do it” providing best value can be demonstrated increases from £1,000 to £5,000. There is also the addition of a formal Request for Quotation (RFQ) process between £25,000 and £75,000 to address the requirement to advertise on Contracts Finder.
- 3.6 Additional amendments include:
- the requirement to publish awarded contracts on the Council’s contract register rise from the current value of £500 to £5,000 in line with the Local Government Transparency Code requirement. The requirement to publish award notices on Contracts Finder is £25,000, so we will adopt the lower limit of the Transparency Code in this instance; and
 - The requirement for sealing of contracts rises from £5,000 to £75,000.
- 3.7 Briefing sessions for officers on the new Contract Procedure Rules and general procurement will be arranged and delivered by LGSS Procurement.

4. CONCLUSIONS

- 4.1 The revised contract procedure rules should apply to all officers of the Council, they are part of the Council’s Constitution and therefore officers have a duty to ensure they fully understand them prior to commencing any procurement or contracting activity.
- 4.2 Officers must also ensure that any persons and or organisations acting on behalf of the Council fully comply with the contract procedure rules.
- 4.3 The aim of the rules is to assist officers in achieving good procurement and the benefits that it brings.

5. APPENDICES

5.1 Appendix 1 – Contract Procedure Rules (revised June 2017)

Background Documents

Location

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