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Report by: Heidi Parker, Strategic Procurement Officer

Relevant scrutiny committee: Civic Affairs 28/6/2017 Committee

Wards affected: Abbey Arbury Castle Cherry Hinton Coleridge East Chesterton King's Hedges Market Newnham Petersfield Queen Edith's Romsey Trumpington West Chesterton

UPDATE OF THE COUNCIL'S CONTRACT PROCEDURE RULES

Key Decision

1. Executive summary

- a) The Current Contract Procedure Rules need to be amended to reflect current legislation and facilitate compliance.

The proposed document

- b) Is in a revised format to distinguish legislation and council requirements, define the process in concise steps and create a clear list of do's and don'ts
- c) Separates out values into appendices to facilitate legislation amendments
- d) Seeks to amend the Key Decision requirement, (regarding permission to procure) to £1m
- e) Includes a strategy of Corporate Contracting, frameworks & DPSs
- f)

This is supported by a new suite of templates, agreed with SCDC, designed to facilitate accessibility to opportunities to SMEs.

2. Recommendations

The Committee is asked to recommend to Council:

- a) To agree the adoption of the new procedures
- b) To confirm the change to the Key Decision threshold
- c) To agree a corporate contracting strategy

- d) To agree a shared documentation approach
- e) To agree the new procedures will take effect as of 01.08.17
- f) To mandate ALL staff and managers responsible for procurement attend a Contract Procedure Rules Update Briefing session.

3. Background

a) Relevant Legislation

The Local Government Act 1972 requires the Council to have Standing Orders for how it enters into Contracts, as part of the Constitution. The Standing Orders must comply with other Legislations.

The Public Contracts Directive (2014/24/EU), which came into force in February 2015, as the revised Public Contract Procedures 2015 (PCR2015) requires us to update and incorporate the amended requirements into our Standings Orders.

The current Contract Procedures Rules were last updated in 2013 with regards to process and legislation. The EU threshold information was updated in 2016.

b) Legislation Mandated Changes

The new Contract Procedure Rules include the following:

- The legal requirement to advertise all procurement requirements over £25,000 on Contracts Finder
- The requirement to manage all procurements electronically (e-tendering, Due North)
- The requirement to operate and maintain an electronic Contracts Register for all contracts over £5,000. (Due North)
- The removal of the old Pre-Qualification Questionnaire (PQQ) on all below EU value tenders
- The requirement to look at the aggregated spend with suppliers, across the whole council's, for any given requirement (category) over a practical period of time.
- The requirement for formal Tender Reports to be completed and stored.

c) Procurement Proposed Changes

In addition to legislation changes the following amendments are proposed:

- The use of the term 'Levels' to identify the various procurement thresholds and the relevant process requirements around advertising, contracts and authorities to award
- The Levels to be aligned with SCDC & HDC to facilitate collaborative working
- Financial values associated with Levels to be as an appendix to facilitate legislative updates by the Monitoring Officer – Appendix 2
- Simplified, single set of procurement documents (shared with SCDC and including both logos) to streamline process, reduce time and costs associated with procurement, ensure accessibility to Small & Medium size Enterprises (SMEs) and facilitate compliance with these procedures.
- The increased use of Corporate Contracts, frameworks and Dynamic Purchasing Systems to facilitate more efficient and compliant procurement processes, without risk of disaggregation.
- Consider whole life costings and best practice, particularly regarding contract length and consolidation of spend.
- Revised responsibilities and signatory requirements as per the attached Summary Table, Appendix 1.
- The amendment of the Key-Decision requirement regarding permission to procure, to facilitate corporate arrangements and a streamline process. Monitoring to be via the Budget setting process and Capital Programme Board, with the option to call-in any projects identified to be of interest.

4. Implications

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| (a) | Financial Implications | none |
| (b) | Staffing Implications (if not covered in Consultations Section) | none |
| (c) | Equality and Poverty Implications | No impact |
| (d) | Environmental Implications | Nil climate change impact |
| (e) | Procurement | This report addresses a change in procurement requirements. |
| (f) | Consultation and communication | |

The proposed version of this document has been reviewed by Audit, Legal, Finance and the Head of Commercial services

Discussions re significant changes (below) have been had with the Strategic Director and the Executive Councillor

The new templates have been agreed with SCDC, legal, audit and corporate branding

(g) **Community Safety** none

5. Background papers

Contract Procedure Rules 2013

Public Contract Regulations 2015

Concession Regulations 2016

Social Value Act 2012

Localism Act 2011

6. Appendices

Contract Procedure Rules 2017 final draft

Appendix 1 – Summary table

Appendix 2 – Financial levels

Appendix 3 – Portal details

Appendix 4 – List of relevant legislation

Appendix 5 – procurement timetable

Appendix 6 – standard documents list

EQIA

Climate Change assessment

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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