



Updates for Contract Procedure Rules

SUMMARY

- 1.1 The current Contract Procedure Rules no longer align with the Council's Financial Regulations or fully support current strategies and charters.
- 1.2 The Contract Procedure rules (CPR) have therefore been amended to allow for quicker, efficient processes and to also encourage local companies to participate wherever possible.
- 1.3 The proposed main change affecting all Council officers procuring Goods, Services or Works is the change to the thresholds determining the process to be followed.
- 1.4 Where there is a crossover with financial regulations, rather than duplicate information, a referral to those regulations would replace the detail.

RECOMMENDATION

- 2.1 To note the content of the report and approve the amendments to the Contract Procedure rules to go forward for approval by Council.

REASONS FOR RECOMMENDATION

- 3.1 To promote compliance and support the 'Buy Local' agenda.

SUPPORTING INFORMATION

- 4.1 Public Procurement is governed by legislation to ensure that all procurement is undertaken in a non-discriminatory, fair and transparent way. These changes have been made to the processes we carry out which fall below the thresholds governed by current EU legislation. Any changes following Brexit would necessitate a further update to these rules.
- 4.2 The changes would also support the 'local agenda' through the introduction of a simpler, more efficient process for all contracts up to a value of £100,000.

- 4.3 The changes should promote better compliance and reduce the need for the number of waivers reported to the Audit and Accounts committee.

Proposed Changes

5.1 CPR clause 7 – requirement to obtain quotes or tenders

Currently the requirement for a contract value below £5,000 is that we must use an existing relevant Corporate Contract (if there is one) and if not then must get at least one quote, although it is good practice to get three quotes and include at least one local supplier if possible. This should be amended to be the process for any value below £10,000.

Currently the requirement for at least three quotes is for contracts valued between £5,000 and £24,999. This should be amended to between £10,000 and £99,999 which would remove the current need for a lengthy tender process for contracts valued between £25,000 and £99,999.

This process would be carried out through the e-tendering portal to satisfy audit and transparency requirements, and each project would, assessed in discussion with procurement, either be openly advertised or restricted to an agreed supplier shortlist to include at least one local supplier.

A tender process will be required for contracts valued over £100,000 and there are no changes to processes around contracts valued above the EU Thresholds.

5.2 CPR clause 16 – Steps prior to seeking quotations or inviting tenders

The threshold for requiring Cabinet approval for procuring a contract which is not the re-tendering of a current contract, or is already in a scheme previously approved by Cabinet should be increased from £75,000 to £100,000.

5.3 CPR clause 36 – Signing of Contracts

The value of a contract requiring legal signature should be increased from £75,000 to £100,000.

5.4 CPR clause 48 – Providing Works/Services to other Organisations

All thresholds have been removed as they do not agree with Financial Regulations and a referral to those regulations has been added.

- 5.5 All references to the Director of Legal and Democratic Services have been amended to Monitoring Officer.

- 5.6 All references to post titles have been updated throughout to reflect the new Council structure.

- 5.7 All necessary minor changes to ensure consistency have also been completed.

OTHER OPTIONS CONSIDERED

6.1 The do nothing option would not be appropriate.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Don McLure, Interim Strategic Director of Corporate Resources
For more information contact: Background papers: List of appendices:	Procurement 01332 640768 procurement@derby.gov.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The requirement to reduce the number of formal tenders by increasing the threshold to £100,000 should support the 'local agenda'.

Legal

- 2.1 The amendments to the CPRs are designed to promote compliance.

Personnel

- 3.1 There are no personnel implications.

IT

- 4.1 The Councils e-tendering system was replaced in advance of the changes to the legislation in 2015 and has the capacity and functionality to cater for all the procurement needs of the Council

Equalities Impact

- 5.1 There are no additional equalities implications resulting from the amendments.

Health and Safety

- 6.1 There are no additional H & S implications resulting from the amendments.

Environmental Sustainability

- 7.1 There are no additional environmental implications resulting from the amendments

Property and Asset Management

- 8.1 There are no specific property implications resulting from the amendments

Risk Management

- 9.1 The Procurement team have been briefed regarding the changes to the legislation and will undertake procurements in compliance with the rules to minimise the risk of challenge.

Corporate objectives and priorities for change

- 10.1 The CPRs are designed to ensure compliance with regulations whilst ensuring that good procurement practice is followed and value for money is obtained.