

Meeting of the Full Council
Meeting to be held on 21 July 2016
Report submitted by: Head of Procurement

Part A

Electoral Division affected:
None

Revised Procurement Rules and Scheme of Delegation to Cabinet Members
(Appendix 'A' refers)

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Executive Summary

The report sets out proposals to update the County Council's Procurement Rules.

The report also proposes an amendment to the approval process for tender exercises which are deemed to be Key Decisions, in order to enhance the efficiency of decision making.

Recommendation

The Full Council is asked to:

1. Approve the revised Procurement Rules set out at Appendix 'A'.
2. Agree that, subject to the approval of 1 above, the Rules be reviewed by the Procurement Board each year, and that the Director of Financial Resources be authorised to update the thresholds as required in line with changes to EU thresholds.
3. Agree that, where approval has been received from the Cabinet Member to undertake a tender process which is deemed to be a Key Decision, the subsequent award of the Contract on the satisfactory completion of the tender exercise shall not be deemed a Key Decision and can be approved by the relevant Head of Service or Director.
4. Authorise the Director of Governance, Finance and Public Services to make consequential amendments to the Constitution as required.

Background and Advice

The Procurement Rules (Rules) provide a framework for the procurement of all goods, services and works for the Council. The Rules are designed to ensure that the Council obtains the best value for money for the procurement of all goods, services and works and the Council complies with both English and European Law.

Full Council last approved the Procurement Rules in December 2008. Since then changes have been made to legislation with the introduction of The Public Contract Regulations 2015. The purpose of this report is to recommend appropriate amendments to the Council's Procurement Rules to take account of this change in legislation.

Specific changes brought in by the 2015 Regulations which are reflected in the proposed amendments include:

- the introduction of a regime for social and other services set out in Schedule 3 to the 2015 Regulations, which have a higher EU threshold of £590,000 and a lighter touch for procurement arrangements;
- the introduction of new thresholds for all goods, services and works;
- new arrangements for the use of pre-qualification questionnaires in the procurement process; and
- the requirement to ensure that all procurement arrangements are lotted where appropriate so as to attract the interest of SME and VCFS organisations.

This process has also provided an opportunity to review the relevance of the current Procurement Rules with a view to ensuring that they support the smooth running of the organisation and are more closely aligned to the revised Scheme of Delegations to Heads of Service and Cabinet Members. This wider review of the Rules has identified the need for clarification over a number of the procedures which are included in the amended document including:

- requirements relating to framework agreements;
- requirements relating to grants;
- circumstances in which waivers to these rules can be requested; and
- circumstances appropriate to seal contracts.

In addition, amendments are proposed to reflect a more pragmatic approach to contract modifications, short term extensions which are in line with the 2015 Regulations and the approval process for awarding contracts. The revised Procurement Rules are set out at Appendix 'A'.

In particular, it is proposed that where approval has been received from the Cabinet Member to undertake a tender process, which is deemed to be a Key Decision, the subsequent award of the Contract on the satisfactory completion of the tender exercise shall not be deemed a Key Decision and can be approved by the relevant Head of Service or Director. It is proposed to introduce this amendment to the approval process from the date of approval of the revised Procurement Rules for all new procurement exercises going forward, the existing Cabinet Member approval arrangements at contract award stage will remain for procurement exercises which are currently ongoing.

It is also proposed that the Procurement Rules be reviewed by the Procurement Board each year with any changes being recommended to Full Council for approval. In addition, it is suggested that the Director of Financial Resources be authorised to update the financial thresholds as required in line with changes to EU thresholds. Such changes would not need the approval of Full Council.

It will be necessary to amend the current Scheme of Delegation to Heads of Service and Cabinet Members to reflect the above-mentioned position.

Consultations

The review of the Procurement Rules has been undertaken in conjunction with Legal and Democratic Services.

Implications:

Risk management

Failure to adopt the revised Rules will result in the County Council breaching Public Contract Regulations.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
The Public Contract Regulations 2015		Rachel Tanner/ 01772 534904

Reason for inclusion in Part II, if appropriate

N/A