

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Executive Committee
<b>Date of Meeting:</b>	13 January 2016
<b>Subject:</b>	Contract Procedure Rules
<b>Report of:</b>	Simon Dix, Finance and Asset Management Group Manager
<b>Corporate Lead:</b>	Rachel North, Deputy Chief Executive
<b>Lead Member:</b>	Councillor D J Waters
<b>Number of Appendices:</b>	One

## **Executive Summary:**

The Contract Procedure Rules (CPRs) were last fully updated in December 2006. Although delegated authority was given to the Borough Solicitor to approve minor amendments, the CPRs are now nearly ten years old and in need of revision to reflect the latest EU Directive and Public Contracts Regulations 2015 as well as the increased value of purchases.

## **Recommendation:**

**That it be RECOMMENDED TO COUNCIL that the updated Contract Procedure Rules as appended to this report be APPROVED.**

## **Reasons for Recommendation:**

The CPRs are important in ensuring Officers with delegated powers to purchase goods, services and works enter into contracts within a framework which promotes probity and transparency. The updated CPRs reflect this requirement and modern procurement practices.

## **Resource Implications:**

None directly arising from the report.

## **Legal Implications:**

The Council is required to adopt contract rules in order to comply with s135 of the Local Government Act 1972 which requires all local authorities to make standing orders with respect to the making of contracts by them or their behalf. The coming into force of the new Public Contracts Regulations in February 2015 gives the Council a good opportunity to update the current CPRs.

## **Risk Management Implications:**

None.

## **Performance Management Follow-up:**

Ensuring compliance with the CPRs is the duty of senior managers. The Procurement Working Group oversees procurement practice throughout the organisation and offers support to

services to ensure value for money is obtained within the contractual and procurement activities of the Council. The Contracts Register of the Council is subject to transparency requirements and is published on a quarterly basis.

**Environmental Implications:**

None.

## **1.0 INTRODUCTION/BACKGROUND**

- 1.1** The Council is required to approve Contract Procedure Rules to govern the way Officers manage the procurement activities of the Council and the relationship with and appointment of contractors. The CPRs form an integral part of the Constitution of the Council.
- 1.2** The current CPRs being used by Officers of the Council were last fully approved by Members in December 2006. Although some minor revisions have taken place, the current CPRs are essentially those approved nearly ten years ago.
- 1.3** The recently reformed Procurement Working Group undertook to review the current CPRs with the intention of revising them to meet updated legal requirements. This is part of the work activity of the group in order to ensure the Procurement Strategy action plan is being discharged and that the procurement activities of the Council are robust and transparent and deliver value for money.
- 1.4** It has been decided to bring forward the updated CPRs in advance of the Constitution being updated as the current CPRs do not comply with new legislation.

## **2.0 REVISED CONTRACT PROCEDURE RULES**

- 2.1** The revised CPRs are contained at Appendix A. In establishing the revised CPRs, best practice has been sought in order to inform their development. The new CPRs also reflect the latest procurement legislation. The main changes recommended against the current CPRs include:
- Increased thresholds for low, intermediate and high value procurement.
  - A legal requirement for any contract with a value in excess of £25,000 to be advertised on the government's Contract Finder website.
  - Requirement to keep contracts register of all contracts over £5,000 in line with the Local Authorities Transparency Code 2015.
  - Legal requirement for electronic tendering.
  - An open tender process must be used for all procurements under the EU threshold (£164,176.00 from 1 January 2016).
- 2.2** If the revised CPRs are approved by Council on January 26 2016, it is the intention that they become active for all procurement activities with effect from 1 February 2016. A revised procurement toolkit will be issued to Officers and training will also be provided.

**3.0 OTHER OPTIONS CONSIDERED**

3.1 None.

**4.0 CONSULTATION**

4.1 The Procurement Working Group, chaired by the s151 officer, was consulted during the drafting of the revised Rules. The Borough Solicitor was also consulted.

**5.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

5.1 Financial Procedure Rules last approved by Council in November 2011.

**6.0 RELEVANT GOVERNMENT POLICIES**

6.1 None.

**7.0 RESOURCE IMPLICATIONS (Human/Property)**

7.1 None.

**8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

8.1 None.

**9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

9.1 The Contract Procedure Rules help the council to demonstrate value for money in its procurement activities.

**10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

10.1 Approval of Contract Procedure Rules – Council on 19 December 2006.

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**Background Papers:** None.

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**Appendices:** A – Contract Procedure Rules.