

REPORT TO	ON
Governance Committee	26 November 2019



TITLE	REPORT OF
Constitution - Contract Procedure Rules	Interim Monitoring Officer

PURPOSE OF THE REPORT

1. This report provides Committee the opportunity to consider the proposals to amend the Council's Contract Procedure Rules. The Contract Procedure Rules are part of the council's Constitution – ultimately it will be for Full Council to authorise any changes.

RECOMMENDATIONS

2. The Committee consider and amend (if they deem it appropriate) those provisions of the Council's Contract Procedure Rules prior to submission to full Council for final authorisation.

CORPORATE OUTCOMES

3. The report relates to the following corporate priorities:

Excellence, Investment and Financial Sustainability	X
Health, Wellbeing and Safety	
Place, Homes and Environment	

Projects relating to People in the Corporate Plan:

Our People and Communities	
----------------------------	--

BACKGROUND TO THE REPORT

4. All Councils are required to have a written Constitution which sets out the Council's internal governance arrangements, approved procedures and protocols. Work on keeping the Constitution up to date is very much on going.
5. The Council's Contract Procedure Rules are a key part of the Council's Constitution and deal with the rules, processes and procedures for the procurement of contracts on behalf of the Council with a diverse range of suppliers and contractors. The rules are designed to protect the public purse by demonstrating value for money together with appropriate safeguards to ensure objectivity in the award of contracts and compliance with any EU procurement requirements. A copy of the proposed amended rules is to be found in Appendix 1 and the existing rules are to be found in Appendix 2.
6. Generally, this has been a light touch review. The Rules were reviewed and updated both in 2015 and 2017 – hence in the main they were robust and fit for purpose. Some of the changes are minor and ancillary and in part are designed to pick up on some recent changes made to Chorley's CPRs – as we have a shared procurement team it is helpful to keep the two documents as similar as possible.
7. The main changes are set out in the table below but members are asked to note in particular the proposed change to the procurement thresholds. The current thresholds are as follows: ***less than £20,000 – low value procurement; between £20,000 to £100,000 – intermediate value; Over £100,000 – high value.*** The principal change recommended is that the low value threshold should be increased to £25,000.
8. Where a proposed procurement/contract fits in on the above scale has implications for what sort of procurement exercise is required and also who would be authorised to make the contract award decision. For example, under the current CPRs all contract awards for high value procurement must be made by Cabinet.
9. These threshold figures were updated in 2017. More recently Chorley have increased their low value threshold to £25,000. The reason for this change is that where a procurement above £25,000 in value is openly advertised the 2015 Public Contracts Regulations require that the opportunity is also advertised on the Government one stop shop "Contracts Finder." It was considered that to avoid any confusion – and to make it as simple as possible for officers – it would be beneficial that the low value threshold was the same as this figure.
10. Members should note that CPR's will need to be updated again on the 1st of January 2020 when the EU thresholds are updated and/ or when Brexit is implemented. In the event of Brexit being implemented we will be required to use a new UK e-notification service as opposed to OJEU. These will be minor amendments that officers will attend to at the time. In the context of Shared Services for Legal there may subsequently be a need to amend references to certain job titles – again this is a minor issue that officers will attend to at the relevant time.

DETAILS OF PROPOSED AMENDMENTS

11. The amended **Contract Procedure Rules at Appendix 1** now provide as set out in the table below.

New Rule	Content	Former Rule & Justification
2.1 Compliance (para b)	Some ancillary changes to wording to bring things up to date	Updates current wording
4.1 Procurement Plan	Increases figure from £20,000 to £25,000 to reflect new proposed threshold figure	Change to be consistent with changes suggested elsewhere
7.2 Pre – procurement procedure	Removal of sentence	Wording considered unnecessary
8 Calculating the Contract figure – para 8.3.1 b	Increases figure from £20,000 to £25,000 to reflect new proposed threshold figure	Change to be consistent with changes suggested elsewhere
8 Calculating the Contract Value -para 8.6	Updated wording to reflect the new proposed threshold of £25,000 and the use of the new electronic waiver system	New wording by way of an update
8 Calculating the Contract Value -para 8.7	Some additional wording added for greater clarity	Clarification
9.1 Low Value Procurement	Change to threshold of £25,000	Simple numerical change
10 Intermediate Value Procurement	Updated wording to reflect the new proposed start value of £25,000 and the removal of some unnecessary wording	Update and greater clarity
15 Submission	Some new wording to deal with situation of where there is a technical failure to submit a bid on time	New words added to introduce greater fairness

New Rule	Content	Former Rule & Justification
17 Evaluation	Very minor change of wording	The changes are for the purposes of greater clarity
26 Contract Terms and Conditions	A new para (26.2) designed to emphasise to officers that they must have in place proper authorisation and that they fully understand the contract they are entering into	New Wording to advise officers of their duties in this regard - This is intended to strengthen our current arrangements
28 Records of Tenders and Contracts/Contracts Register	A new para (28.5) designed to emphasise the need to include all relevant contracts on the Transparency Register	This is intended to strengthen our current arrangements by emphasising this requirement
34 Contract Extension	A very minor change of wording	The change is for the purposes of greater clarity
39 Waivers	New wording to refer to the electronic waiver system and the requirements to advertise on Contracts Finder	This is new wording to reflect the updated situation and to get the message across to officers what our duties are in this regard
41 Change of Authorised Officer	A minor change of wording	For the purposes of greater clarity
Definitions	A couple of new definitions and some amended wording	For the purposes of greater clarity

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

12. Members will recall that the proposed changes were considered in a meeting of the Governance Committee Working Group on the 14th of October.

AIR QUALITY IMPLICATIONS

13. There are no air quality implications.

COMMENTS OF THE STATUTORY FINANCE OFFICER

14. There are no direct financial implications arising from this report as such. The Principal Procurement Officer is one of the team of officers involved in the review of the CPRs.

COMMENTS OF THE MONITORING OFFICER

15. All local authorities are required to have a written Constitution which must be kept under regular review and publicised. Any amendments to the constitution require the approval of full Council.

OTHER IMPLICATIONS:

<p>▶ Risk</p> <p>▶ Equality & Diversity</p>	<p>The CPRs are designed to protect the public purse and ensure value for money</p> <p>It is not considered that there will be any adverse effects on equality issues</p>
---	---

There are no background papers to this report

APPENDICES

Appendix 1 - Proposed new Contract Procedure Rules

Appendix 2 – Existing Contract Procedure Rules

LT Member's Name: David Whelan
Job Title: Interim Monitoring Officer

Report Author:	Telephone:	Date:
Dave Whelan, Legal Services Manager/Interim Monitoring Officer	01772 625247	7/11/19