

Committee: Performance & Audit

Agenda Item

Date: 15 May 2014

Title: Contracts Procedure Rules review

**Author: Stephen Joyce
Assistant Chief Executive – Finance
Cristine Oakey -Procurement Manager**

Item for decision

Summary

1. Contracts Procedure Rules govern the procurement of goods, services and works. They were last formally reviewed and approved in July 2011.
2. The Rules have been reviewed by Officers in order to ensure that they remain relevant and fit for purpose. A few changes are being recommended as set out below.
3. The revised Rules are attached. The Committee is requested to review and endorse the document, for approval by Full Council on 15 July.
4. The Council's policy and priorities in relation to its procurement activity are set out in a different document, the Procurement Strategy, which is reviewed and approved by the Cabinet each year. The attached Rules are for procedural purposes only.

Recommendations

5. The Committee is requested to review the revised Contracts Procedure Rules and subject to any comments approve them for recommendation to Full Council on 15 July.

Financial Implications

6. None.

Background Papers

7. None.

Impact

Communication/Consultation	CMT and Internal Audit have been consulted.
Community Safety	None
Equalities	None
Health and Safety	None
Human Rights/Legal Implications	None

Sustainability	None
Ward-specific impacts	None
Workforce/Workplace	None

Review of Contracts Procedure Rules

8. The following are the changes made:

- Clarification that services may be commissioned from Essex County Council without the requirement to conduct a competitive procurement process, if there are no other suppliers of the service in question (e.g. highways assessments) (Section 11)
- As recommended by Internal Audit, a clause which states that purchasing officers should give consideration to contract exit strategy arrangements (Section 10)
- Clarification that the Procurement Manager may nominate a substitute to participate in tender opening procedures (Section 8).

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
Contracts Procedure Rules are not complied with, leading to breach of procurement rules and/or reduced value for money	2 (the Council has a culture of sound financial control)	2 (a serious breach could have financial and/or disciplinary implications)	Training and guidance for officers. Internal Audit programme. Monitoring by CFO. Oversight by Members.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.