

Committee: Council

Date:

Title: Contract Procedure Rules

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Summary

1. The Procurement Manager retired from her role in April 2021 and the Council entered into a shared service agreement with Chelmsford City Council.
2. The shared service has provided the Council with access to a large, multi-skilled team, joint procurement opportunities leading to economies of scale, a service budget saving and this has removed the risk of a single point of failure within the service.
3. The Contract Procedure Rules sets the Council's processes and procedures for all contractual commitments for goods and services, these form part of the Financial Regulations.
4. As part of the new service agreement Chelmsford's Chief Procurement and Risk Officer, with the Assistant Director of Resources, has reviewed the current Contract Procedure Rules and this report sets out the proposed amendments.
5. The amended rules include reducing the administrative input required by Chief and Deputy Chief Officers for low value goods and services, simplifying procedures and modernising the language to promote understanding and engagement of the requirements.
6. This report and the updated Contract Procedure Rules were presented to the Governance, Audit and Performance Committee on the 30 June 2021. The Committee reviewed these and endorsed the recommendation to submit the report to Council for approval.

Recommendations

7. The Council is recommended to approve the Contract Procedure Rules as set out in this report and Appendix 1.

Financial Implications

8. No direct financial implications, but the correct procurement process ensures that goods and services are procured at best value, balancing the appropriate ratio of quality vs price.

Background Papers

9. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Impact

10.

Communication/Consultation	Corporate Management Team and Joint Executive Team
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Situation

11. The amended Contract Procedure Rules are attached as Appendix 1 and the proposed changes are summarised below.

- Proposed new limits of delegation as set out in table on the following page
- Streamlined process for exceptions – under £50k requiring Procurement Team approval only – to ensure professional skills are being utilised not only seniority of officers
- Updated compliant methods of procurement - reflected through the use of frameworks, DPS and eAuctions – these do not require a tender or advertisements
- References to EU removed and updates with PCR 2015 terminology
- Modern and easier to understand language, with simplified procedures
- Updated Bribery and Corruption statement
- Any spend over £100k to be published as a key decision

12. The following table sets out the current and proposed arrangements, showing each of the four spending categories.

Contract Spend	Current Arrangements			Proposed Arrangements		
	Method	Authority	Exemptions	Method	Authority	Exemptions
PCR and above (£189k)				PCR Process	CO or DCO - CMT	PCR 2015 Only
£50,001 to £189k	Sealed Bid Tender	CO or DCO	CFO	Compliant Process with Procurement Team	Procurement Team Approval	CO or DCO
£10,001 to £50k	3 Quotes required	Any Officer gaining quotes		3 Quotes advisable	Service Managers	Procurement Notification
£0 - £10K Total	2 Quotes advisable			Best Value Principles	Officers	

Risk Analysis

13.

Risk	Likelihood	Impact	Mitigating actions
Non-compliance with the Contract Procedures Rules.	2. Some risk on low level spend.	2. Best value is not achieved, disaggregation of goods and possible legal challenges for high level goods/services not procured in line with legislation	<p>Monitoring of goods and services via the purchase order system by the Procurement Team and analyse of spend through budget monitoring.</p> <p>All purchases need to be authorised by a Budget Manager.</p> <p>High level spend requires Chief/Deputy Chief Officer authorisation.</p>

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.