

## CCC Contract Award Systems

1. The systems for awarding contracts to third parties have developed over a number of years in the CCC.
2. CCC adopted the Contract Procedure Rules (“CPR”) on the 29 October, 2012 (revised on 1 October, 2015). The CPR applies to all Officers of the CCC. (See Exhibit 7/K/9).
3. The CPR classifies Procurement Thresholds for contracts for Goods, Services and Works into the following categories of :
  - Up to £2,000
  - £2000 to £25,000
  - £25,000 to £100,000
  - £100,000 to the EU Threshold
  - The EU Threshold and over
  - Goods, Services and Works using a Framework Agreement
4. The EU Threshold means the Total Value threshold at which EU public procurement Directives must be applied (refer to website: <http://www.ojeu/thresholds.aspx>). At the 24 February 2017 the EU Threshold for Services was £164,176 (Euro 209,000) according to the LGSS publication “Procurement Best Practice Documentation For Cambridgeshire Staff” (see Exhibit 7/K/7). However see our comments at Paragraph 9 below.
5. Appendix 2 of the CPR sets out the procedures for contracts as regards Purchase Decision, Advertising, Procurement Process and Approval/Signature of contract. In respect of advertising and the quotation process the following applies:

Category	Advertising Mandatory (note 1)	Process
Up to £2,000	No	Multiple quotes not needed - obtain Best Value
£2000 to £25,000	Yes if > £10,000	3 written quotes (2 local)
£25,000 to £100,000	Yes	3 written quotes (2 local) and follow the RFQ process (note 2)
£100,000 to the EU Threshold	Yes	Obtain at least 3 tenders using the Formal Tender Process (notes 2 and 3)

Notes:

- (1) Advertising on the Council's Tender Advertising Portal.
- (2) As set out in the CPR.
- (3) Mandatory to consult with the Central Procurement Team.

6. The Purchase Decision and Approval/Signature of contract processes can be summarised as:

Category	Purchase Decision (note 1)		Approval/Signature of contract	
	Officer	Central Procurement Team	Purchase Order (note 2)	Written contract
Up to £2,000	✓		✓	
£2000 to £25,000	✓		✓	
£25,000 to £100,000	✓			✓ (notes 3 and 4)
£100,000 to the EU Threshold	✓	✓		✓ (note 3)

Notes:

- (1) If it is "Key Decision" then relevant Committee approval (CCC) or Cabinet approval (NCC) needed.
- (2) Written contract only required where there are complex requirements.
- (3) Signed by the Chief Officer or Officer with relevant authority.
- (4) Standard Terms to be used as approved by the Central Legal Team
- (5) Central Legal Team provide bespoke terms.

- 7. Key Decisions are defined in the Constitution of the CCC (see Exhibit MKM 51(1) para 12.3.2).
- 8. Council Officers should also refer for Guidance to the LGSS "Procurement Best Practice Document for Cambridgeshire Staff" dated 24 February 2017 (Exhibit DH 33(2)) which is reviewed annually.
- 9. The Tendering Rules and Procedures note taken from the EU website (see Exhibit MKM 51(2)), states that for tenders below the Thresholds national rules apply, but they must respect the general principles of EU law. In particular in respect of all tenders the requests

for tender cannot refer to a specific brand, trademark or patent and they cannot discriminate against businesses from another EU country. The Thresholds triggering EU wide rules as at 17 May 2017 were:

Other public authorities	
≥ Eur 209,000	All supplies and service contracts
≥ Eur 418,000	Supplies and service contracts for water, energy, transport and postal services

Note: categories are Central government and other public authorities and therefore CCC falls into the latter.

10. EU Light Touch Services are subject to the EU Directive concerned with locally provided services and therefore do not have an effect on EU cross border competition. Until 2015 services such as this were classified under Part B (see Exhibit MKM 51(3)). From 26 February 2015 this Directive has been revised and all services are now classified as Part A with a small classification of services that are entitled to the Light Touch process (see Exhibit MKM 51 (4)). The EU regulations do not apply to small services at monetary levels below Euro 589,000.
11. LGSS Procurement is the shared service for CCC, Northamptonshire County Council (NCC) and Northampton Borough Council (NBC). The service provides best practice, support and aims to achieve cash savings. As outlined above they must be engaged above EU Thresholds. (See Exhibit MKM 51 (5)).

#### Exemptions to the Rules (CPR)

12. Exemptions to the CPR are set out at Sections 3 and 4 of the CPR. Specifically the exemption in the case of Emergencies states (see Exhibit 7/K/9):

*“3.1.3 ...services procured in a genuine Emergency....because of a need to respond to events that were beyond the control of the Council. Any Emergency procurement must be reported to Head of the Central Procurement Team as soon as practical. Any such Contract entered into by the Council must not be for a term of more than six months. Please note that not allowing enough time to go to Tender is not an emergency.”*

13. Requests for exemptions are classified into the following categories:

*4.3 Total Value up to £25,000 - Authorised by the relevant Chief Officer and must ensure it is Value for Money and in the best interests of the Council*

*4.4 Total Value £25,000 to £100,000 - Exemption Request Form prepared and authorised by the Chief Officer and the Head of the Central Procurement Team*

*4.5 Total Value above £100,000 up to the EU Threshold - Exemption Request Form prepared and authorised by the Chief Officer, the Monitoring Officer and the Section 151 Officer (Director of Finance)*

*4.7 Exemptions over the Council's Key Decision Threshold - exemptions cannot be requested for contracts equal to or above the Council's Key Decision Threshold.*

*4.8 Repeat Exemptions - the Total Value of the requested exemption will be added to previous exemptions and the rules in this Section applied.*

14. Total Value is defined in Part 2 Section 2 of the CPR and is the "total estimated value of orders for a given type ...of services". If the contract is for greater than one year then the total amount should be included, and contracts should not extend beyond 4 years.

15. The Officer must ensure all Contracts with a value between £25,000 and £100,000 are entered on the Central Contract Register. The Central Procurement Team enters Contracts equal to or over £100,000 on the Register. (See 7/K/9, Part 3 para 13.2 of the CPR).