

**CONTRACT PROCEDURE RULES**

**To:** Constitution & Ethics Committee

**Meeting Date:** 15<sup>th</sup> September 2015

**From:** LGSS Director Law, Property and Governance

**Electoral division(s):** All

**Forward Plan ref:** **Key decision:** No

**Purpose:** To invite the Committee to consider a variation of the Contract Procedure Rules to amend the value limit at which procurement opportunities must be published.

**Recommendation:** That the Committee recommend to Full Council that:

1. Amendments be made to the Contract Procedure Rules, as set out in Appendix A, in order to reflect the requirements of the Public Contracts Regulations 2015.
2. The Monitoring Officer, in consultation with the Chairwoman of the Constitution and Ethics Committee, be authorised to make any other minor or consequential amendments to the Constitution necessary for, or incidental to, the implementation of these proposals.

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## 1. BACKGROUND

- 1.1 Recent changes to the Public Contracts Regulations 2015 will result in changes to contracting and procurement practices in the public sector. With effect from September 2015, Public Sector bodies will be required to advertise all procurement opportunities where the anticipated total value is above £25,000 and to publish contract award notices above this level once the procurement exercise has concluded.
- 1.2 The Council's Contract Procedure Rules already require Officers to advertise contract opportunities at this level, however there is no such requirement to publish contract award notices within the current Contract Procedure Rules.
- 1.3 The County Council currently requires Officers to advertise contracts above £10,000 on [www.sourcecambridgeshire.co.uk](http://www.sourcecambridgeshire.co.uk) in order to support the local economy. However, the new regulations require the Council to advertise on a national portal called Contracts Finder. Given the investment in promoting sourcecambridgeshire it is proposed that the Council should continue to use this site at least in the interim and investigate the feasibility of a simple interface of Cambridgeshire's adverts to Contracts Finder.

## 2. PROPOSED WAY FORWARD

- 2.1 Whilst it would be possible to retain the requirement to advertise contracts above £10,000 and to amend the Contract Procedure Rules to also require publication of award notices above £10,000, this would place an additional burden on staff over and above the new requirement to advertise and publish contract notices above £25,000.
- 2.2 An alternative approach would be to amend the threshold for contracts to be advertised and for award notices to be published to over £25,000. This would lessen the burden on staff and would be compliant with the new regulations. It is acknowledged that a disadvantage of this option is that it may be perceived as reducing support for local small and medium size enterprises (SMEs) although this could be offset by increasing the number of local quotes required from one to two. Research indicates that, in any event, very few contracts below £25,000 are currently advertised.
- 2.3 The Strategic Management Team (SMT) has considered the options in paragraphs 2.1 and 2.2 above and recommended the latter as the most appropriate way forward. SMT also recommends that:-
  - the limit for locally authorised exemptions should be varied from £30,000 to £25,000 to simplify the number of limits in operation; and
  - the number of local quotes required for contracts below £25,000 should be increased from one to two.
- 2.4 The Contract Procedure Rules, amended to reflect the variations proposed above, are attached at Appendix A.

Source Documents	Location
The Public Contracts Regulations 2015	<a href="http://www.legislation.gov.uk/ukSI/2015/102/contents/made">http://www.legislation.gov.uk/ukSI/2015/102/contents/made</a>