

CHANGES TO THE CONTRACT PROCEDURE RULES

To: **Constitution and Ethics Committee**

Meeting Date: **14th January 2020**

From: **Head of Procurement**

Purpose: The Committee is asked to consider an update to the Council's Contract Procedure Rules. This report details proposed changes to the Contract Procedure Rules (CPR). The Council's CPR form the procedural rules for buying goods, services and works from external suppliers and providers. Complying with the CPR helps the Council to procure and contract in accordance with Legislation and the Law.

The Council's CPR's should be kept under continuous review to ensure they reflect changes in the law and changes required that result from internal reviews on how the Council operates, as well as good public procurement best practice.

Recommendation: **The Committee is asked to recommend the amended Contract Procedure Rules, as set out in Appendix 1, to Full Council for approval.**

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|--------------------------------|----------------------------------|-------------------------------|--|
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1. BACKGROUND

1.1 The Council's Contract Procedure Rules (CPR) form the procedural rules for buying goods, services and works for the Council. The aims of the CPR are:

- To achieve value for money for the Council in the market by ensuring competition at appropriate levels of expenditure whilst avoiding disproportionate or bureaucratic costs.
- Accountability at all levels whilst ensuring an adequate audit of who did what, how and when.
- Officers follow proper and fair procedures for the selection of contractors.
- Compliance with EU Procurement Directives and UK Public Contract Regulations 2015.

1.2 The current CPR were adopted on 29th October 2012 with small minor updates thereafter.

The Council's CPR must be kept under continuous review to ensure they reflect changes in the Law and changes required that result from internal reviews on how the Council operates. In some instances failure to follow the CPR leaves an organisation open to legal challenge. Being the subject of a legal challenge can, in some instances, be costly and it can also adversely affect an organisations reputation. The current CPR were adopted on 29th October 2012.

1.3 Procurement for wider public sector bodies, such as local government, health and education are subject to the Public Contracts Regulations. These UK regulations include specific rules to provide suppliers' access to public contract opportunities and strict procedures at certain spend thresholds. The latest Public Contracts Regulations were introduced as law in 2015. These regulations contained a number of new practices and processes which were reflected in the procedure rules adopted by the Council at the time. The full impact of the 2015 regulations has recently been clarified following several case laws and evidence of collaborative best procurement practice. Furthermore, a number of audits of the Council's procedures have identified some minor issues concerning the wording of the CPR. Addressing these issues will enable the Council to further improve its procurement processes.

1.4 It was requested by the chair of the audit committee that the Cambridgeshire contract procedure rules be reviewed and updated where necessary. This task has been given to procurement but has been shared at commercial board and to service area representatives as well as business support functions such as Finance and Audit.

1.5 The current CPR were originally introduced as a joint document for Cambridgeshire County Council and Northamptonshire County Council. This arrangement supported a shared approach to procurement and related functions. Over time, changes to the governance systems in place at both authorities have resulted in differing approaches to governance and procedures. In order to support the effective governance of the Council's procurement arrangements going forward, the new proposed CPR has been drafted for Cambridgeshire County Council only. However various paragraphs have been written to recognise working in partnership with other organisations such as CCGs and shared working with Peterborough City Council or Health bodies or district authorities.

1.6 In order to deliver the savings required as a result of the Council's evolution since

2012, smarter methods of procurement and commissioning have been developed. The proposed CPR take account of these developments and reflect more accurately the flexibilities offered by the Public Contract Regulations 2015. Wording has been improved to make clearer who is accountable for what and what is to be expected.

2. MAIN ISSUES

2.1 The Contract Procedure Rules was tasked to Procurement to update but has gone through various updates throughout 2019 having been shared for input with the following officer groups.

- Commercial Board
- The Monitoring Officer (Fiona McMillan and Amy Brown)
- Audit
- The Central Legal Services team
- Finance
- Comms
- Front Line Service Area Heads.
- Joint Management Team
- Peter Carpenter and Procurement Serco (Peterborough).

The Council could choose to continue with the current CPR. The implications of doing this will mean no change to the rules but the opportunity would be missed to introduce best practice and improved control where appropriate. There will always be a need to further review and change the council rules in response to legislative changes and key procurement best practice.

2.2 The proposed CPR is included as **Appendix 1** with a summary of the key changes also included in **Appendix 2**.

| Source Documents | Location |
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| Current Contract Procedure Rules, Part 4.5 Annex 2 of the Constitution | https://cambridgeshire.cmis.uk.com/ccclive/Documents/PublicDocuments.aspx |