

Contract Procedure Rules

To: Constitution and Ethics Committee

Meeting Date: 26th April 2022

From: Director of Resources & Chief Finance Officer

Outcome: The Committee is asked to consider the amended Contract Procedure Rules to determine if they can be recommended to Full Council for approval.

Recommendation: The Committee is asked to recommend to Full Council that the amended Contract Procedure Rules, set out in Appendix 1 of this report, be approved for inclusion in the Constitution.

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1. Background

- 1.1 The Council's Contract Procedure Rules (Rules) form part of the Constitution and govern the way in which the Council buys goods, services and works. They must operate in compliance with Public Contract Regulations (2015) which contain rules to ensure that public sector procurements operate in a fair, proportionate, transparent and non-discriminatory manner.
- 1.2 The current Rules were adopted in February 2020 and updated in May 2021. It is essential that the Rules are kept under continuous review to ensure that they reflect changes in law (including case law), best practice and information from internal reviews/audits. Used properly the Rules provide the Council with protection against legal challenge; accountability at all levels and enable the Council to achieve value for money through its purchasing activities.
- 1.3 Recent feedback on the operation of the Rules has highlighted areas of internal practice which could be improved to enable officers to conduct procurement activity in a timely, efficient and effective manner.

2. Main Issues

- 2.1 It is important that the Rules set out the rules which must be followed by those involved in procurement activity at the Council. Additional guidance and support is available from the Central Procurement Team, but that guidance does not need to be included in the Rules.
- 2.2 It is equally as important that the Rules operate in a way that promotes good working practice; that they facilitate procurements rather than hinder them.
- 2.3 In order to ensure that these two objectives are met, the following changes have been included in the amended Rules:
 - i. Procurement guidance has been removed to ensure that the remaining rules are clear and can be easily followed. The Procurement Guide contains all supporting procurement guidance and template procurement documents are available on the Intranet.
 - ii. There is an increase in the value at which contracts need sealing, from £100,000 to £500,000, except for construction contracts. The only benefit to sealing a contract is to increase the defects liability period from six (6) to twelve (12) years which is not a benefit to most contracts and adds time and money to the procurement process.
 - iii. The concept of the Responsible Officer has been introduced with a clear list of responsibilities set out within the Rules.
 - iv. There is a new requirement that where a contract is valued over £100,000, a signed PDF copy of that contract must be sent to the Central Procurement Team for secure filing. This ensures that there is a central record of all significant contracts and enables the Central Procurement Team to spot check that the relevant Rules have been followed in the creation of that contract. Audits have previously identified that

the Council has sometimes been unable to quickly locate these records when needed.

- v. There is an amendment to the waiver requirement to remove the need for a waiver when a competitive process (for example a framework agreement further competition or tender) yields less than three quotes.
- vi. There is a new requirement that all procurements valued over £100,000 must have a procurement plan and award report to support thorough planning and compliance through the procurement process. These documents will be signed off in compliance with the Delegated Authorities Matrix set out in Appendix 2 of the amended Rules.
- vii. The removal of the requirement for the Monitoring Officer to approve contracts that are longer than four years, however, the Monitoring Officer will still have to approve contracts valued over the key decision threshold.

3. Appendices

3.1 Appendix 1 – amended Rules

4. Source documents

4.1 [UK Public Contract Regulations 2015](#)

4.2 Procurement Guide: contact Clare Ellis (Head of Procurement)