



## **FULL COUNCIL REPORT**

Date Written	3 <sup>rd</sup> July 2017
Report Author	Paul Davies
Service Area	Procurement
Exempt/Non Exempt	Non Exempt
Committee Date	26 <sup>th</sup> July 2017

*To: Mayor, Ladies and Gentlemen*

### **2017 Procurement Rules Update**

#### **1.0 SUMMARY OF THE REPORT**

- 1.1 Procurement rules are essential to enable Council staff to procure goods, services and works in an effective manner.
- 1.2 The current procurement rules were approved in January 2016.
- 1.3 The rules are required to be reviewed on an annual basis to ensure they remain fit for purpose.
- 1.4 Following review and some changes in governance that were implemented during 2016, the rules have been amended.
- 1.5 A summary of the main changes are included in Appendix 1.

#### **2.0 RECOMMENDATIONS that**

- 2.1 The revised rules, effective from 1<sup>st</sup> August 2017, be approved.

#### **3.0 INTRODUCTION AND BACKGROUND**

- 3.1 The procurement rules govern the way that the Council spends revenue, capital and grant money.
- 3.2 The rules are drafted to ensure that all staff follow a compliant framework of instructions and guidance.

- 3.3 These instructions are constantly monitored and updated on an annual basis and form part of the Council's constitution.
- 3.4 The rules have been updated following changes that occurred during 2016.
- 3.5 The primary changes include, incorporating Procurement Board governance and Contract formation procedures.
- 3.6 A copy of the updated rules are available via the background papers link.
- 3.7 The summary of main changes can be found at Appendix 1.
- 3.8 To support ongoing developments in procurement governance, activity and contract management, a copy of the Procurement Toolkit is available via the background papers link. The toolkit is intended as operational guidance and is not a policy document. It is intended that this document be a live document that can be updated as necessary to promote best practice. The toolkit is designed to help staff through the gateway process and the full procurement cycle.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications associated with the updated rules.

#### **5.0 EQUALITY IMPACT ASSESSMENT**

- 5.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

**ELLIS COOPER**  
**DEPUTY CHIEF EXECUTIVE**

**COUNCILLOR ANDREW BARRY**  
**CABINET MEMBER FOR GOVERNANCE**  
**AND CORPORATE SERVICES**

<b>BACKGROUND PAPERS</b>		
<b>Title of Document(s)</b>	<b>Document(s) Date</b>	<b>Document Location</b>
Procurement Rules	June 2017	
Procurement Toolkit	June 2017	
<b>Does the report contain any issue that may impact the Council's Constitution?</b>		<b>Yes</b>

***Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.***

## Summary of Changes in 2017 Rules

Section	Revision
Definitions	Added Procurement Board. Added Procurement Toolkit.
Section 4	Added Procurement Board process.
5.2	Pre-tender form requirements changed to works only due to Procurement Board process.
6.1	Added procurement board process for goods and services over £75,000.
6.2	Added gateway process for works above £1million.
Section 11 & 23	Increased public liability insurance level to £10million.
Section 16	Electronic tendering – re-focussed.
Section 17	Re-written to focus only on e-sourcing processes.
Section 18	Manual tender processes revised – only to be used in exceptional circumstances. Opening procedure revised to include Procurement and independent officer only – to avoid unwanted influence of pricing on technical evaluations.
Section 23	Added 23.5 to cover new contract formation procedures.
Section 25	Refers to Contract Management Framework (which forms part of the procurement toolkit).
Appendix A - Procedures	Changed award of £75k to EU (goods and services) to chief officer and chief finance officer. Changed award of £75k to £1million (works) to chief officer and chief finance officer. Changed the award to Director and Head of Finance (£1million to EU – works) with the option of reporting to Cabinet (in order to streamline the process and to reflect that Procurement Board would have given prior approval to tender).
Appendix E – works flowchart	Changed flowchart to reflect Appendix A.
Appendix G&H – Contract formation procedures	Added two new flowcharts to highlight common contractual process – this has been added to remove process variations that are operating across the Council.
Appendix J – pre-tender form	Changed the pre-tender form layout to reflect works only.
Appendix M – tender report	Minor revisions to layout – added prompt for evaluation criteria and added chief officer to award section.