

# ***Report to the Council***

**Report of:**     **Constitution Working Group  
(Councillor M. McEwen)**

**Date:** 22 February 2018

**Subject:**       **Procurement Rules - Review**

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## **Recommending:**

**That the Council's updated Procurement Rules, attached as Appendix 1 to this report, be adopted.**

1.     The new Procurement Rules were adopted by the Council in April 2016 and replaced the authority's former Contract Standing Orders. At our meeting on 25 January 2018, we considered the findings of a review of the Procurement Rules that had been undertaken in accordance with good practice, after twelve months of operation.

2.     Whilst we consider that the introduction of the new Procurement Rules has been very successful and has resulted in fewer breaches of the Council's procurement procedures than the previous Contract Standing Orders, we have considered a number minor changes to further improve their effectiveness, including:

- the inclusion of a requirement for Spending Control Officers to consult the Council's Legal Team on the use of all Framework Agreements, to ensure that Spending Control Officers do not by-pass the Legal Team before using Framework Agreements and issue purchase orders instead of contracts;
- the inclusion of a requirement for reports to the Cabinet and Portfolio Holders in relation to the award of tenders to include details within the recommendations about any proposed contract extensions and for officers to consult the relevant Portfolio Holder with regard to proposed extensions of contracts with values over £1m, before contracts are extended;
- the removal of the requirement for Performance Bonds or Parent Company Guarantees, with a proviso that Spending Control Officers may consider it appropriate to use one of these arrangements for certain types of contracts where they are considered to be both appropriate and beneficial for the Council;
- the inclusion of a requirement for Spending Control Officers to calculate the appropriate level of damage using standard spreadsheets, without reference to the Finance Team; and
- the removal of the requirement for the Corporate Procurement Manager to obtain the procurement information required by Part 2.1 of the Local Government Transparency Code from Spending Control Officers every three months.

3. As part of our review of the Procurement Rules, we also considered whether the thresholds for the total contract values within the various contract categories should be amended. However, we concluded that no changes to the total contract values were necessary at this stage.
4. The proposed draft revised Procurement Rules, incorporating the changes we have considered, are attached as an appendix to this report. We understand that, once the new Procurement Rules have been adopted, further training sessions will be held for relevant staff to provide a refresher and to advise them of the changes.
5. We recommend as set out at the commencement of this report.