

Bolsover District Council

Council

Wednesday 22nd July 2020

Amendments to Council's Contract Procedure Rules

Report of the Chair of Standards Committee

This report is public

Purpose of the Report

- To seek approval to amendments to the Contract Procurement Rules.

1 Report Details

- 1.1 Following a recent internal audit recommendation an officer review has taken place of the Contract Procedure.
- 1.2 As a result of the review a number of changes are suggested mainly for clarification purposes and to ensure that the rules do not conflict with the Council's Procurement Policy. The proposed changes are shown as tracked changes on the attached appendix. A number of changes do however require further explanation:
- All contracts should follow the procurement route as set out in the rules unless one of the exemptions in paragraph 4.8.4. It is expected that an exemption should apply only in exceptional circumstances and officers consider that approval to use all the exemption needs to be approved by senior officers and recorded appropriately. The proposed changes now require that if the Council wishes to utilise an exemption a senior officer must approve it by way of a formal Delegated Decision.
 - An additional paragraph to clause 4.8.10 clarifies the approval route for contract. All contracts with a value above the key decision limit is an Executive decision. Any other contract can be approved by delegated decision.
 - Paragraph 4.8.17(4) requires completed contracts to be kept in Legal Services. Until recently there has been no safe central storage area at the Arc for signed contracts and these are sent to the relevant department for safe keeping. A deeds store room has however been created on the top floor of the Arc and so all completed contracts will now be kept in one place.
- 1.3 The proposed changes have been discussed at Standards Committee on 6th July 2020 and were approved subject to the additional change that will require a published delegated decision to include details of the procurement process as well as the results of the procurement. It is proposed that the following additional clause is added to give effect to Standard Committee's recommendation

“4.8.11 Any DD that authorises the approval of a contract shall set out the procurement process that was undertaken”.

- 1.4 A further change not recommended to Standards Committee is proposed. Paragraphs 4.8.17(1) and (2) requires all contracts above £50,000 be executed as deed. The subsequent paragraph 4.8.17 (3) states that the threshold is £75,000. It is recommended that the threshold in 4.17 (1) and (2) is increased to £75,000 in line with sub paragraph (3). Standards Committee were aware of the £75,000 limit.

2 Conclusions and Reasons for Recommendation

- 2.1 The proposed changes will result in clearer procurement rules and ensure that all the exemptions are approved at a high level

3 Consultation and Equality Impact

- 3.1 Procurement, Finance, the Monitoring Officer and Director have been consulted

4 Alternative Options and Reasons for Rejection

- 4.1 To not amend the Rules. This will result in differences between the Procurement Rules and Procurement Policy

5 Implications

5.1 Finance and Risk Implications

- 5.1.1 Failure to have clear and robust procurement rules in place could result in a failure to obtain best value.

5.2 Legal Implications including Data Protection

- 5.2.1 Failure to have clear and robust procurement rules in place could result in a challenge from unsuccessful contract bidders.

5.3 Human Resources Implications

- 5.3.1 None

6 Recommendations

- 6.1 That Council approve the proposed changes to the Council's Procurement Rules

7 Decision Information

<p>Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i></p>	No
<p>Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)</p>	No
<p>Has the relevant Portfolio Holder been informed</p>	Yes
<p>District Wards Affected</p>	All indirectly
<p>Links to Corporate Plan priorities or Policy Framework</p>	All

8 Document Information

Appendix No	Title
A	Contract Procedure Rules
<p>Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)</p>	
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