

AUDIT COMMITTEE	AGENDA ITEM No. 6
23 SEPTEMBER 2013	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Seaton, Cabinet Member for Resources	
Contact Officer(s):	Kim Sawyer, Head of Legal Services	Tel: 452361

REVISED CONTRACT REGULATIONS

R E C O M M E N D A T I O N S	
FROM: Kim Sawyer, Head of Legal Services	Deadline date : Not applicable.
Audit Committee is recommended to:	
<ol style="list-style-type: none"> 1. note the contents of the report relating to the revised Contract Rules; and 2. recommend that Council agrees to include the Contract Rules within the Constitution to replace the current Contract Regulations 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to Audit Committee as part of the Head of Legal Services responsibility under Article 13 of the Constitution to monitor and review the Constitution. The report sets out the proposals to replace the existing Contract Regulations with a revised set of Contract Rules which are set out at Appendix 1 to this report.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to provide the Committee with an overview of the changes which are necessary to the Contract Regulations at the present time to bring these up to date.
- 2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.1.11. To maintain an overview of the Council's constitution in respect of contract procedure rules, and Financial Regulations.

3. TIMESCALE *(If this is not a Major Policy item, answer NO and delete second line of boxes).*

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
Date for relevant Council meeting	9 October 2013	Date for submission to Government Dept <i>(please specify which Government Dept)</i>	N/A

4. MAIN BODY OF REPORT

- 4.1 The existing Contract Regulations set out under Part 4, Section 11 of the Constitution were last reviewed in 2007 and need to be reviewed. There have been some developments around procurement law, changes in the way the Council has contracted with and through strategic partners and suggestions made by officers to improve service delivery. This has resulted in Legal Services revising the Contract Regulations to improve Council processes for its purchasing, so that procurement is more efficient and effective. Furthermore, this will assist the Council to meet the current challenges and its corporate priorities.

- 4.2 The revised Contract Rules (which will replace the existing Contract Regulations) have been based on the fundamental principles of the existing Contract Regulations with some formatting changes and legal updates. The Regulations have been renamed the Contract Rules so they are not confused with the Public Contracts Regulations 2006.
- 4.3 The revised Contract Rules will address some of the issues and recommendations made by officers during the consultation process, take into account recent procurement developments and ensure that the Rules can be easily be followed by officers so any procurement activity is carried out efficiently and effectively.
- 4.4 It is important for members to note that no changes have been made in respect of delegations on contracting matters to member's or officer's. The same financial limits apply and the same approval process exists as under the current Contract Regulations.
- 4.4. Appendix 1 to this report sets out the revised Contract Rules.

5. CONSULTATION

- 5.1 Officers received training on the draft Contract Rules and part of that process involved officers making recommendations on further changes which were considered and subsequently some of these have been incorporated into the Contract Rules.
- 5.2 Colleagues in procurement and legal services were also fully engaged in the process and internal audit were consulted prior to the first draft of the new Rules.
- 5.3 Once the new rules are implemented there will be a roll out to all directorates and lawyers will provide training to officers relating to the revised rules.

6. ANTICIPATED OUTCOMES

The implementation of the recommendations set out in the report will ensure that Council's processes relating to procurement are robust and reduce the likelihood of challenges being made to Council decisions in respect of procurement.

7. REASONS FOR RECOMMENDATIONS

To provide the Committee with reasoning for the review of the Contract Regulations as part of their overview function.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 Do nothing. This was rejected for the reasons set out in the report.
- 8.2 Draft a new set of rules. This was rejected on the basis that the rules requiring modifying and a completely new set or rules may have created difficulties for officers involved in procurement and impact on maintaining service delivery.

9. IMPLICATIONS

The implications of the revised Contract Rules are set out within the report.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

Contract Regulations set out in Part 4, Section 11 of the Constitution

11. APPENDICES

Appendix 1 – Peterborough City Council Contract Rules