

COUNCIL	AGENDA ITEM No. 13(a)
9 OCTOBER 2013	PUBLIC REPORT

REVISED CONTRACT REGULATIONS

R E C O M M E N D A T I O N S
FROM : Audit Committee
That Council: Agrees to include the Contract Rules within the Constitution to replace the current Contract Regulations.

1. PURPOSE AND REASON FOR REPORT

This report is recommended to Council from the Audit Committee that met on 23 September 2013.

2. BACKGROUND (& CONSULTATION)

- 2.1 The Audit Committee met on 23 September 2013 and considered changes that were necessary to the Contract Regulations to bring them up to date.
- 2.2 An extract from the draft minutes of the Audit Committee is contained below:

The Head of Legal Services introduced a report to the Committee on the revised Contract Regulations. Members were also informed that the existing Contract Regulations set out under Part 4, Section 11 of the Constitution were last reviewed in 2007 and needed to be reviewed. There had also been some developments around procurement law, changes in the way the Council had contracted with, and through strategic partners and suggestions made by Officers to improve service delivery. The result was that Legal Services revised the Contract Regulations to improve Council processes for its purchasing, so that procurement was more efficient and effective. Furthermore, this would assist the Council to meet the current challenges and its corporate priorities.

The Head of Legal Services and Head of Corporate Services responded to comments and questions raised by Members. In summary responses included:

- The decision making powers and financial limits had not changed within the revised Contract Regulations and was intended to explain in a much easier way for Officers to follow, what the Council's procurement requirements were;
- Researching the market for framework agreements to provide a specific service should involve the procurer identifying the best level of framework required. There was a question for the Council over whether it wanted to use frameworks at all and that would be covered by the overarching Procurement Strategy;
- A nine month procurement process would take up time and involve substantial costs involving a team of Officers, whereas a framework solution would take considerably less time and costs as the procurement function had been conducted;

- The Council utilised framework agreements that were free and not sold them;
- There were procurement costs that would be built into the framework bid; however, the difference was that the company offering the frameworks would attract more than one client, meaning that the procurement costs would be shared;
- There were elements of competition within framework offers and generally further discounts would be sought by the Council;
- The 'Ready Reckoner' within the Contract Regulations was used to calculate a contract cost, which had been intended to provide Officers with a ball park figure and understand what procurement procedure should be followed;
- There had been no differential between whether a project was funded by revenue or capital expenditure. The works value contract thresholds would be considerably higher than a service contract; and
- It was a Cabinet matter to decide the Procurement Strategy of the Council as it was an Executive function.

Councillor Lee commented that revised Contract Regulations were very easy and clear to understand.

AGREE ACTION:

The Committee

1. Noted the contents of the report relating to the revised Contract Rules; and
2. Recommended that Council agrees to include the Contract Rules within the Constitution to replace the current Contract Regulations

3. IMPLICATIONS

See attached Audit committee report.

4. BACKGROUND DOCUMENTS

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

Audit Committee report of 23 September 2013 – attached.

Revised Contract Rules – attached.