

## **Audit and Standards Committee - 26 June 2017 Revision of Procurement Regulations**

### **Recommendation/s**

1. To recommend the County Council to approve revised Procurement Regulations for inclusion within the Constitution.
2. To authorise the Director of Finance and Director of Law and Democracy to make any (minor) changes to the wording of both documents prior to submission to the County Council to ensure they can carry the Plain English Crystal Mark.

### **Report of the Director of Finance and Resources**

## **Report**

### **Background**

3. A set of clear and precise rules and instructions are required to ensure that the Council is compliant with public contract regulations whilst allowing the organisation to work innovatively at the right pace to deliver services to our communities at the right cost and quality.
4. The procurement regulations were last considered by this committee on 24th March 2011 and subsequently the constitution was updated with revised regulations.
5. The following things have led to a review of the regulations,
  - The enactment of the Public Contract Regulations 2015
  - A number of audit report observations
  - The imminent introduction of a new financial management system
  - In addition it is good practice to periodically review such regulations
6. A number of system and process improvements have been implemented since the creation of a corporate commercial unit within the Council and these improvements are formalised in these regulations.
7. These changes are designed to give a better corporate view of the Council's contracted spend and to facilitate easier and more robust audit of contracts and payments.

8. The proposed regulations are attached to this report along with a presentation for officers explaining the changes.
9. These changes have been prepared by procurement officers with regular consultation with specialist officer groups including legal and audit specialists.

### **Key Changes**

10. The level at which a full public tender is required has been reduced from £100k to £25k contract value. This is facilitated by the now universal use of electronic tendering systems for public tenders.
11. This value has been selected based on national guidance and a review of other similar authorities.
12. The level at which officers should consult a procurement adviser remains the same at £100k but a sourcing strategy is required for all spend above £25k.
13. All contracts over the EU procurement threshold to be approved by an SLT member.
14. The addition of procurement instructions giving advice and guidance on
  - Sourcing strategies
  - Procurement processes
  - Tendering and Contract Award
  - Contract Management
  - Performance management
  - Quality management
15. It is acknowledged that the existence of procurement instructions as well as regulations could lead to having to consult two sets of documents but it isn't possible to include sufficient detail in the regulations. Therefore the instructions are written to ensure compliance with regulations if they are followed.
16. Delegations to officers are included in the body of the regulations rather than as a separate appendix for ease of reference.
17. There is also a requirement to ensure that all contracts above £25k are formally recorded on a corporate contracts register.
18. The contracts register will be linked with the new finance management system creating a direct link with payments making it easier to ensure compliance with procurement regulations.

### **Other Issues**

19. There has also been a review of contract terms and conditions to bring them up to date with current legislation and to introduce more consistency in to Council contracts.

20. In addition to the guidance available via procurement instructions, training and awareness will be delivered through the Council's GO training and development platform as well as face to face sessions.

**Contact Officer**

Name and Job Title: Ian Turner – Head of Commercial

Telephone No.: 01785 277228

Address/e-mail: [ian.turner@staffordshire.gov.uk](mailto:ian.turner@staffordshire.gov.uk)

**Appendices/Background papers**

Existing Procurement Regulations