



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 1ST OCTOBER 2013**

**SUBJECT: AMENDMENTS TO COUNCILS STANDING ORDERS FOR CONTRACTS,  
ADOPTION OF CAERPHILLY COUNTY BOROUGH COUNCIL  
PROCUREMENT POLICY AND STRATEGY AND WELSH  
GOVERNMENT PROCUREMENT POLICY**

**REPORT BY: HEAD OF LEGAL & DEMOCRATIC SERVICES**

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### **1. PURPOSE OF REPORT**

- 1.1 To advise Members of the proposed amendments to the Authority's Standing Orders for Contracts which will be presented to Cabinet and Council.
- 1.2 To advise Members of the development of Caerphilly County Borough Council Procurement Policy and Strategy which will be presented to Cabinet and Council for adoption.
- 1.3 To advise Members of the WG Procurement Policy which, will be recommended for adoption by the Authority.

### **2. SUMMARY**

- 2.1 Standing Orders for Contracts is an element of the Authority's Constitution which details how decisions are made and the procedures which are followed when contracting with third party providers.
- 2.2 The current Standing Orders for Contracts were approved in April 2010. Since the review, procurement has continued to evolve including the launch of the WG Procurement Policy in December 2012 and WLGA Standard Framework for Contract Procedure Rules.
- 2.3 The following report details a number of proposals to update the current standing orders for contracts.
- 2.4 Procurement in Wales has been subject to a number of high profile reviews over the past two years. These include, "Buying Smarter in tougher times", and the McClelland Procurement Report. As a result of these reviews Welsh Government issued a Procurement Policy for Wales in December 2012.
- 2.5 Procurement in Caerphilly has always been conducted in line with key policies and legislative requirements. To address recent changes it is proposed that the Authority adopts a Procurement Policy and Strategy which supports recommendations from WG but also builds on our success to date in terms of social and economical regeneration and community benefits.

### 3. LINKS TO STRATEGY

- 3.1 The Council is under a duty to keep under review its constitution arrangements. Members will be aware that a thorough review of the Constitution is underway. The Standing Orders for Contracts forms part of the Authority's Constitution and therefore the recommendations in this report supports the review..

### 4. THE REPORT

- 4.1 The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decision making is efficient, transparent and accountable to local people.
- 4.2 The current Standing Orders for Contracts are generally considered to be effective; however, there are a number of minor amendments required in order to ensure practical operation when contracting with third party providers.
- 4.3 In 2010, the Head of Legal Services, Head of Corporate Finance and Head of Procurement completed a review of Standing Orders, after extensive consultation, the revision were presented and approved by Council on 27<sup>th</sup> April 2010.
- 4.4 Following approval, Officers from Legal, Finance and Procurement undertook group training of all Authorised Officers. (This phrase refers to those Officers named in the Central Register held by the Head of Procurement. These officers are authorised to lead a given procurement process on behalf of the Council but have no delegated powers).

Names of Officers receiving the training are maintained on the 'Standing Orders – Authorised Officers' list by the Head of Procurement.

All Officers signed to confirm receipt of the training and the Authority's 'Procurement Code of Practice'

- 4.5 The proposed amendments are summarised in **Appendix A** together with Standing Orders as amended. The amendments are minor in detail but will allow a secure operational guide to procuring in an open, fair and transparent manner whilst maintaining all the principals of the EU Procurement Legislation.
- 4.6 In December 2012, Welsh Government concluded its review of procurement by the publication of WG Procurement Policy.
- 4.7 The Authority currently operates with a Corporate Procurement Team; resources within the team are all qualified procurement professionals.
- Appendix B** sets out the WG Policy to Procurement. Much of the WG policy is already embedded as operational working practices within the Authority.
- 4.8 In addition to the proposed amendments to standing orders, Members are asked to endorse the WG Procurement Policy, **Appendix B**.
- 4.9 To address the working practices set out within the WG Procurement Policy, the Authority will need a clear vision and strategy on how it will conduct procurement in the coming years.
- 4.10 **Appendix C** details a Procurement Policy and Strategy for Caerphilly. The Authority has been seen as a leader on Procurement since Local Government reorganisation, the polices being proposed will build on our success to date.
- 4.11 Currently the EU Procurement Legislation is under review. The current draft amendments are yet to be approved by the European Parliament.

- 4.12 Key elements for change going forward are timescales, electronic procurement and the possibility of new rules for the Procurement of Social Services and Education.
- 4.13 Members will receive an update and report with recommendations on the EU Procurement changes at an appropriate time.

## 5. EQUALITIES IMPLICATIONS

- 5.1 An **EqlA screening** has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EqlA has not been carried out.

## 6. FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications associated with the amendments to Standing Orders for Contracts, or the adoption of the WG Procurement Policy, CCBC Procurement Policy and Strategy.

## 7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications

## 8. CONSULTATIONS

- 8.1 Consultations on report and its proposals have taken place, comments and views are reflected within the report.

## 9. RECOMMENDATIONS

- 9.1 It is recommended that Standing Orders for Contracts be amended in line with proposals set out within **Appendix A**.
- 9.2 That all Heads of Service and Authorised Officers receive a copy of the full amendments via email. Detailed training from the Procurement team will be available upon request. All revised documentation to be available via the Intranet and Internet.
- 9.3 No Officer is allowed to conduct or form part of any procurement without formal training.
- 9.4 That Members recommend the adoption of the WG Procurement Policy, **Appendix B** to Council.
- 9.5 That Members recommend the adoption of Caerphilly County Borough Council Procurement Policy and Strategy as set out in **Appendix C** to Council.
- 9.6 That Members note that the EU Procurement Legislation will change within the next 2 years and will receive the necessary report at the appropriate time.
- 9.7 That any further changes to Standing Order for Contracts must be subject to Council approval.

## 10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To ensure that the Authority's rules on the procurement of goods, works and services remain fit for purpose.
- 10.2 To ensure our policies are in line with WG Procurement Policy and EU Procurement Legislation.

## 11. STATUTORY POWER

- 11.1 Local Government Act 1972, The European Union Treaty & Directive made thereunder, Public Contract Regulations 2006

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Background Papers:

Council Report – 27<sup>th</sup> April 2010

Procurement Training Central Register

Appendices:

Appendix A: Proposed Amendments and Standing Orders for Contracts

Appendix B: WG Procurement Policy

Appendix C: Caerphilly CBC Procurement Strategy & Procurement Policy