

## REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

### A. PROPOSED CHANGES TO THE CONTRACT PROCEDURE RULES

#### Introduction

1. This report concerns a review of the operation of the Contract Procedure Rules and recommended revisions to those rules.

#### Background

2. Article 15 of the County Council's Constitution gives the Chief Executive a duty to monitor and review the operation of the Constitution to ensure the aims and principles of the Constitution are given full effect.
3. Rule 8 (Annual Reporting) of the Constitution's Contract Procedure Rules stipulates that the Director of Corporate Resources, in consultation with the Director of Law and Governance, shall at least once in each financial year submit a report to the Corporate Governance Committee in relation to the operation of these Rules. This includes amongst other things any departures from or proposed revisions to the Rules and/or changes required to accommodate the requirements of UK and EU procurement law as may be necessary from time to time.
4. The Constitution requires that changes to these Rules must be approved by the Council after consideration of recommendations of the Corporate Governance Committee.

#### Proposed Revisions to the Rules

4. Changes to the Rules are proposed for the following reasons:
  - a. to clarify their meaning further;
  - b. to reference the Council's Strategic Plan 2018-2022;
  - c. to take account of the General Data Protection Regulations (GDPR) that came into force on 25 May 2018;
  - d. to take account of the Council's Supplier Code of Conduct (2018);
  - e. to take account of the Council's Social Value Policy (2018);
  - f. to ensure that the most favourable terms and conditions are negotiated for the Council, when contracts are being extended.
5. The proposed revisions are:
  - a. to clarify, under Rule 1, that the sale of Council assets are not covered by these rules but are instead covered by Rule 25 (Purchasing and income collections) and Rule 26 (Inventories and assets) of the Financial Procedure Rules (Part 4F of the Constitution);
  - b. to clarify, under Rule 1, that where a decision is taken under these rules that involves a key decision this must be taken by the Executive

- (i.e. the Cabinet). Key decisions are defined in Rule 8 of the Executive Procedure Rules (Part 4D of the Constitution);
- c. to change Rule 5 (b) so that Social Value is embedded in any contract equal to or over £50,000, in line with the policy agreed by the Cabinet at its meeting on 16 October 2018;
  - d. to add a new bullet point (c) to Rule 9 to take account of the Council's Supplier Code of Conduct (2018);
  - e. to add a new bullet point (f) to Rule 25 to take account of GDPR requirements;
  - f. to change Rule 25A (c) (v) so that the relevant Commercial Specialist is engaged in contract extensions to ensure that the most favourable terms and conditions are negotiated prior to a contract extension being awarded.
6. The proposed revisions to the Rules have been drafted and these are set out in Appendix A attached to this report. The revisions to the Rules are supported by the Director of Law and Governance and the Director of Corporate Resources. The Corporate Governance Committee considered this matter at its meeting on 24<sup>th</sup> October 2018 and its recommendation is set out in the motion which appears below.
  7. Should the County Council approve the draft revised Contract Procedure Rules the new Rules will come into force on 1 January 2019 and will be published on the Council's internet and intranet sites, and communicated to all relevant managers and staff within the Council, including via newsletters and presentations.

### **Equality and Human Rights Implications**

8. The Rules ensure that all potential suppliers and suppliers receive equal treatment when bidding for contracts.

**(Motion to be moved:-**

**That the proposed amendments to the Contract Procedure Rules, set out in Appendix 1 to the report of the Corporate Governance Committee, be approved.)**

**24<sup>th</sup> October 2018**

**P. Bedford  
Chairman**

### **Background Papers**

Joint report of the Director of Corporate Resources and Director of Law and Governance to the meeting of the Corporate Governance Committee on 24<sup>th</sup> October 2018 - Proposed Changes to the Contract Procedure Rules.

### **Appendix**

Appendix 1 - Proposed amendments to the Contract Procedure Rule