



CORPORATE GOVERNANCE COMMITTEE – 24TH JANUARY 2025

CHANGES TO THE CONTRACT PROCEDURE RULES FOLLOWING THE IMPLEMENTATION OF THE PROCUREMENT ACT

JOINT REPORT OF THE DIRECTOR OF CORPORATE RESOURCES AND THE DIRECTOR OF LAW AND GOVERNANCE

Purpose of the Report

1. The purpose of this report is to provide an overview of the forthcoming changes to the Contract Procedure Rules, and to recommend that these be approved by the County Council, following the implementation of the Procurement Act on 24 February 2025.

Background

2. Rule 8 (Annual Reporting) of the Council's Contract Procedure Rules stipulates that the Director of Corporate Resources, in consultation with the Director of Law and Governance, shall submit a report to the Corporate Governance Committee to set out any 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.
3. Following consideration by the Committee, the revised Contract Procedure Rules will be submitted to the County Council on 19 February 2025 for approval.

Proposals regarding the Contract Procedure Rules

4. Leaving the EU provided the UK with the responsibility and opportunity to overhaul the public procurement regulations. The four existing sets of public regulations (The Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016, the Concession Contracts Regulations and the Defence and Security Public Contracts Regulations 2011) will be replaced by one set of regulations, namely the Procurement Act, which comes into force on 24 February 2025.
5. The Council's current Contract Procedure Rules are written based on the Public Contract Regulations 2015, and these will remain as an appendix to the new rules, which have been written to bring them in line with the new Act.

6. Contracts whose procurement commenced prior to 24 February 2025 will remain regulated by the Public Contracts Regulations 2015 and therefore will be completed and managed under the current Contract Procedure Rules. Procurements that commence on or following 24 February 2025 will be regulated by the Procurement Act.
7. The main changes under the Procurement Act are as follows:
 - a. New tender procedures and below threshold requirements.
 - b. Change to the tender evaluation criteria (MEAT (Most Economically Advantageous Tender) vs. MAT (Most Advantageous Tender)).
 - c. Transparency requirements regarding information to be published.
 - d. Standstill period timeline and scope.
 - e. Mandatory and discretionary grounds for exclusion.
 - f. Central debarment list.
8. As the guidance from Government is still being released, there may be requirements to make minor amendments before the implementation date on 24 February.
9. The changes to the Rules are supported by the Director of Law and Governance and the Director of Corporate Resources and will be presented to the County Council in February for approval, subject to this Committee's agreement.
10. Should the County Council approve the revised Contract Procedure Rules the new Rules will come into force immediately and will be published on the Council's internet and intranet sites and communicated to all relevant managers and staff within the Council as appropriate.

Future reporting arrangements

11. The Contract Procedure Rules will be reviewed annually or in line with any necessary legislation changes and will be presented to Corporate Governance Committee for approval.

Equality Implications

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

Human Rights Implications

13. The Rules will ensure that all procurements consider human right implications before commencing. There are no human rights implications associated with this report.

Recommendations

14. It is recommended that the Committee recommends the County Council:
- a) Approves the new Contract Procedure Rules, attached as an Appendix to this report; and
 - b) authorises the Director of Corporate Resources, in consultation with the Director of Law and Governance, to approve minor amendments to the Rules up to 24 February 2024.

Background Papers

The Constitution of Leicestershire County Council

<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=1187&MId=7661&Ver=4&Info=1>

Circulation under the Local Issues Alert Procedure

None

Officers to Contact

Declan Keegan
Director of Corporate Resources
Tel: 0116 305 7688
Email: declan.keegan@leics.gov.uk

Lauren Haslam
Director of Law and Governance
Tel: 0116 305 6240
Email: lauren.haslam@leics.gov.uk

Kay Springthorpe
Head of Procurement and Supply Chain Management
Tel: 0116 305 0375
E-mail: Kay.Springthorpe@leics.gov.uk

Appendices

Appendix A – New Contract Procedure Rules for the Procurement Act.

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