



**ESPO MANAGEMENT COMMITTEE – 4 DECEMBER 2014**

**AGENDA ITEM NO. 7**

**PROPOSED CHANGES TO THE CONTRACT PROCEDURE RULES**

**REPORT OF THE DIRECTOR**

**Purpose of Report**

1. The purpose of this report is to inform the Management Committee of the operation of the Contract Procedure Rules between 1 July 2013 and 30 June 2014 and to seek approval of the proposed amendments to the Contract Procedure Rules for 2014/15.

**Background**

2. Rule 7 (Annual Reporting) of ESPO's Contract Procedure Rules stipulates that the Director of ESPO, in consultation with the County Solicitor, shall at least once in each financial year submit a report to the Management Committee in relation to the operation of these Rules. This includes (amongst other things) details of the approved exceptions to these Rules and approved extensions to contract where this has not been provided for in the contract, and proposed revisions to these Rules and/or changes required to accommodate the requirements of UK and EU procurement law, as may be necessary from time to time.
3. Officers of Leicestershire County Council and ESPO work together on an annual basis to review the Contract Procedure Rules and agree on any draft revisions and amendments to be proposed for approval.

**Approved Exceptions to the Rules**

3. There were no exceptions to the Rules between 1 July 2013 and 30 June 2014.

**Approved Contract Extensions where no provision in the Contract the Rules**

4. Between 1 July 2013 and 30 June 2014, in compliance with Rule 30 (iv), 2 contract extensions were approved (see Appendix A). The main reason for extending these contracts was to ensure a contract was in place while the tender of the contracts was completed.

### **Proposed Revisions to the Rules**

5. In January 2014, the European Parliament passed a new set of procurement directives to be enacted into law by member states within 2 years. It is expected that the EU Directive 2014/24/EU on public procurement when passed into UK law will introduce substantial changes to the practice of public procurement. For this reason a comprehensive review of ESPO's Contract Procedure Rules will be conducted after the new Public Contracts Regulations have been passed in the UK.
5. Pending the review referred to above, a few minor changes to the operation of the Contract Procedure Rules have been supported by the following officers:

#### Leicestershire County Council

- Head of Procurement and Resilience
- Head of Legal Services
- Head of Democratic Services and Administration
- Head of Internal Audit Service
- Assistant Director (Strategic Finance and Procurement)

#### ESPO

- Director
- Assistant Director (Procurement and Compliance)

Appendix B documents the changes proposed to the Contract Procedure Rules.

6. A copy of the draft amended Contract Procedure Rules 2014-15 is set out at Appendix C, reflecting the proposed changes.
7. The proposed amendments to Leicestershire County Council's Contract Procedure Rules were agreed by the Corporate Governance Committee on 23 September 2014. A report on the review of the Contract Procedure Rules for 2014-15 will be taken to Leicestershire County Council's full council meeting on 3 December 2014 for approval.
8. Should the Management Committee approve the draft revised Contract Procedure Rules, they will be published on ESPO's intranet and internet and communicated to all relevant managers and staff within ESPO.

### **Resources Implications**

9. None.

**Recommendation**

10. Members are asked to note/approve the changes to the Contract Procedure Rules for ESPO.

**Equal Opportunities Implications**

11. ESPO must follow relevant laws and Council policies on equal opportunities. This includes making sure contracts are appointed fairly and equally.

**Risk Assessment**

12. The purpose of this report is to support ESPO's approach to the management of risk.

**Background Papers**

13. None.

**Officer to Contact**

John Doherty, Director  
[J.Doherty@espo.org](mailto:J.Doherty@espo.org), 0116 265 7931

**Appendices**

Appendix A: Approved contract extensions 2013-14

Appendix B: Proposed amendments to the Contract Procedure Rules 2013-14 (origin of table – Leicestershire County Council)

Appendix C: Draft revised Contract Procedure Rules 2014-15

This page is intentionally left blank