

Rhondda Cynon Taf C.B.C.

Contract Procedure Rules

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Today's Presentation

Overview of:

- CPR requirements & functionality
- Aims & key messages
- Key processes & procedures
- Governance & monitoring arrangements.



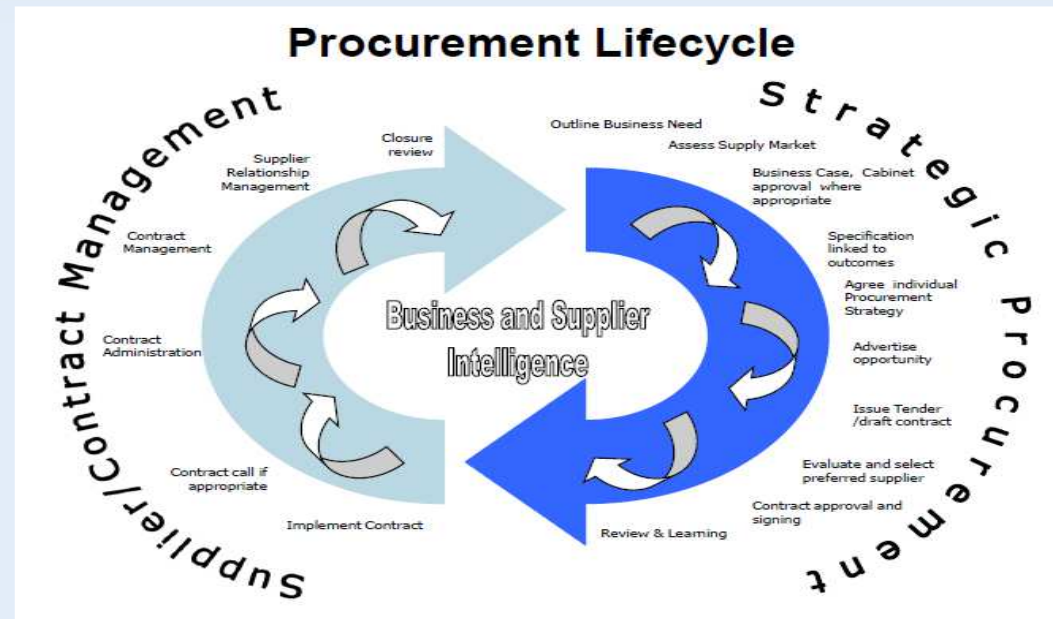
What is Procurement?

RCT CBC spends over **£187m** on goods, services & works with over 5,000 suppliers.

The Procurement process spans the whole life cycle from **identification of needs, acquiring goods/services** through to the **end of a contract**.

All service areas depend on external orgs. The Council has a duty to ensure:

- This spending represents VFM.
- The best possible services have been procured on most economically advantageous terms.
- External orgs are selected in a way that ensures **accountability & compliance with legislation**.
- **Economic, social, environmental & cultural wellbeing opportunities** are delivered.



What is Procurement?

It involves **specifying needs & requirements, seeking competition, options appraisal** and some of the following activities:

Obtaining **tenders / quotations**



Entering into **contracts**



Placing official **orders**



Managing **supplier relationships**



What are Contract Procedure Rules?

- They are the Council's procedural **rules for buying goods and services** for the Council.
- Form part of the Council's Constitution.
- Section 135 of the Local Government Act 1972 requires **formal procedures** to be made by every Local Authority.
- The rules set a framework for **ensuring competitiveness and achieving value for money**.
- They set out governance arrangements for the way procurement should be performed.

CPR Aims

- To **achieve VFM** for the Council in the market.
- To demonstrate **accountability** at all levels.
- To ensure **proper and fair procedures** are followed for the involvement and selection of contractors.
- To ensure **compliance** with EU Procurement Directives and Public Contract Regulations.
- To ensure robust, adequate and **effective contracts** are established that meet Council priorities and objectives.

What are the Legal requirements?

- **Key items of legislation** setting out how Local Authorities should procure goods, services or works.
- All Public Procurement governed by **Public Contract Regulations**.
- **Public Contract Regulations** set out procedures for ensuring public purchases are made in the most **rational, transparent and fair manner**.
- Underpinned by particular safeguards that aim to **prevent preferential treatment and facilitate competition**.
- Council has an obligation to comply with this Legal Framework.

CPRs and their functionality

- CPRs in place to help the Council and Officer's involved in procurement **comply with Legislation and best practice.**
- Help to ensure **efficient use of public funds, best value** is achieved, **competition** is kept open (locally & EU) and **Council priorities** are met.
- ***Non-discrimination, transparency*** and ***fairness*** principles should always be considered.
- Failure to comply could result in **non compliance with the Law** – potential for legal challenge if proper procedures not applied (financial & reputational damages)!
- The CPRs along with further information and guidance can be found on the 'Procurement' inform (intranet) pages.

CPRs and their functionality

- CPRs kept under continuous review to ensure they reflect changes in contracting, best practice & support the delivery of Council priorities.
- Main changes relate to the procurement centralisation initiative (+£15k). Decision endorsed by SLT and applies to all new contracting activities from 1st April 2017.
- Above this value, Officers must consult with Procurement who will advise on the process to be followed (ongoing supplier arrgts +£15k must also be notified). Intended outcomes:
 - **Increased transparency** of all procurement activity / spend.
 - All procurement undertaken by Officers that have skills & knowledge to deliver **compliant contracts**.
 - **Challenge of contract requirements** (need, necessity, compliancy, securing best value etc).
 - Strengthens the Council's ability to develop, maintain & report an **accurate Contracts Register**.
 - **Improved contract management**.

Key Messages

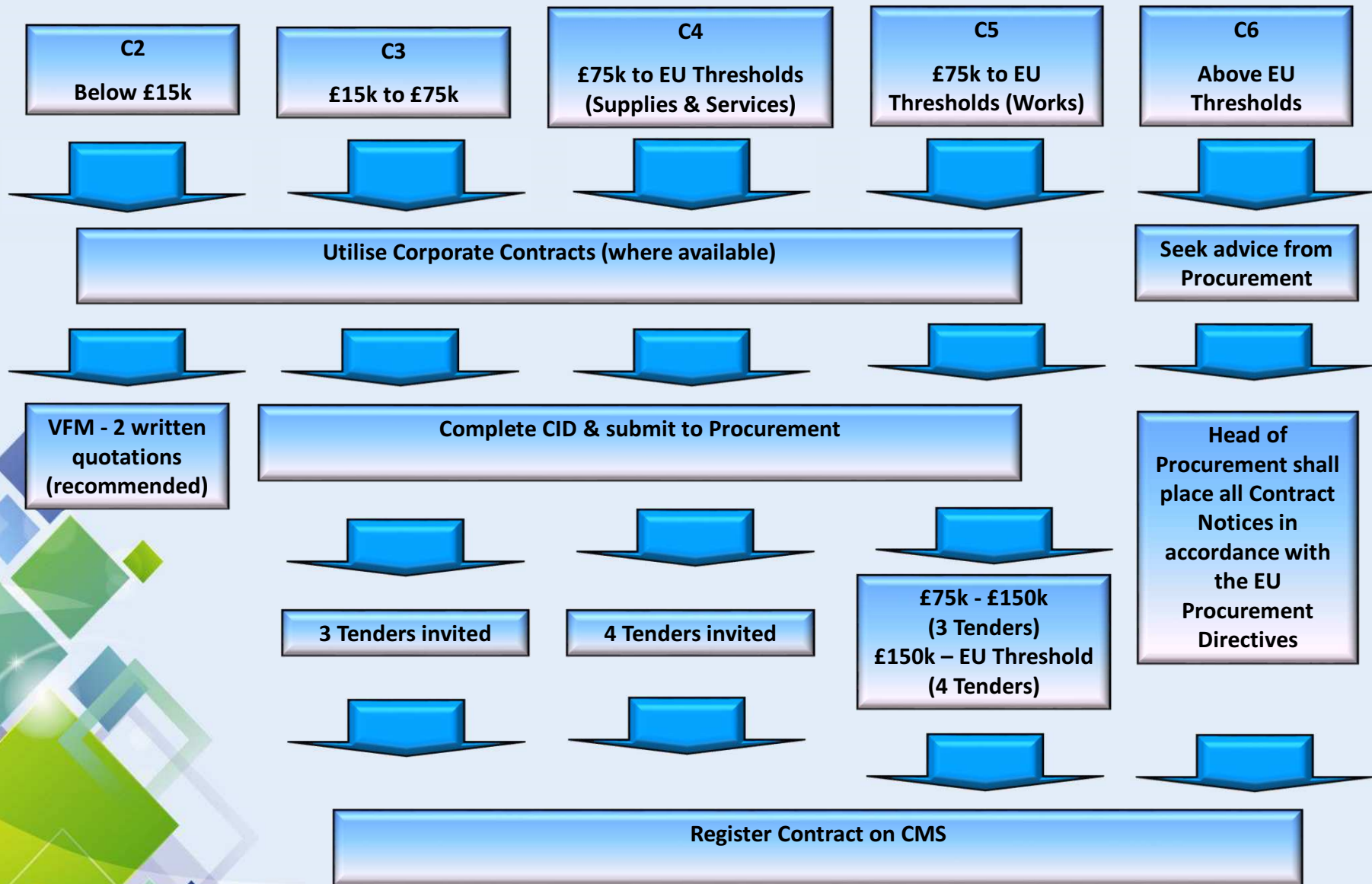
- Any Officer with **delegated responsibility** for procurement of goods / services / works are affected by the rules.
- All procurement should be **conducted in accordance with the principles of Public Procurement Law**.
- Emphasis on +£15k procurements – Officers must consult with the Procurement Service via CID process (all spend subject to monthly spend monitoring, including reporting to SLT).
- **Corporate Contracts** available for use – list available via Inform (various arrangements in place covering different needs & requirements).
 - Utilising Corporate Contracts saves time and effort in conducting a procurement process.
 - If needs not met by Corporate Contracts, other contracts / frameworks available for use (National, Regional etc).

Threshold Values

- Different rules of procedure apply at different levels of contract value / thresholds (**Section 3 of rules – Procedures**).
- **Council Threshold Values:**
 - **Below £15k:** Lowest threshold value changed (from £25k) – **2 written quotations**.
 - **£15k - £75k:** 3 tenders required (CID process before any competitive procurement process takes place).
 - **£75k - Thresholds:** 3/4 tenders – additional threshold for Works contracts.
 - **Above Procurement Thresholds.** Tender must be published via the 'Find a Tender' system:

» Works	£4,733,252
» Supplies & Services	£189,330
» Social & Other specific services	£663,540

Overview



Contract Management System

- Primary place for undertaking tenders & recording **all contracts over £15k** (Council's central Contracts Register).
- A secure & controlled environment for issuing, receipting, opening & evaluating tenders (complete audit trail).
- Used to manage contract **before** (tender / RFQ process etc) and **after** contract award (contract reviews, contract management processes etc).
- Transparency of all procurement activity + robust contract register + better forward planning.

Info requirements

- Info to be captured on Contract Management System:
 - Details of any **planned procurement activities over £15k** = early engagement + better decision making + better forward planning.
 - Details of **all current contracts valued over £15k** (new purchases / contracts + ongoing supplier arrgts).
- Tenders should normally be processed using the Contract Management System.
- Retain complete and accurate records of quotations, tenders and contract documentation (add to CMS).
- Timescales: Allow sufficient time for the process to be conducted (lead in times, specification options, tender development, legal timescales etc).

Governance arrangements

- **Category Management** approach (strategic management of key areas of Council spend).
- **Spend analytics** – monthly monitoring of Council wide spend (trend / compliance monitoring / +£15k spend / SLT escalation).
- **E-procurement tools** – CMS, e-Proc System, Pcards (use of compliant contracts, catalogues, efficient tendering & purchasing processes).
- **Creditor creation** monitoring & challenge.
- **Standardised documentation** and best practice guidance available via Intranet.

Thank you for your time

Any questions?

