



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	CABINET – 28 JANUARY 2021
Report Number	AGENDA ITEM 9
Subject	UPDATE TO COUNCIL CONTRACT RULES
Wards affected	All
Accountable member	Cllr. Mike Evely Deputy Leader and Cabinet Member for Finance
Accountable officer	Jenny Poole, Chief Finance Officer Jenny.Poole@cotswold.gov.uk 01285 623313
Summary/Purpose	For Members to receive a proposed update to the Council's Contract Rules.
Annexes	Annex A – Update to the Contract Rules – with track changes Annex B – Update to the Contract Rules – clean copy with track changes accepted.
Recommendation/s	<i>That the Cabinet discuss the draft Contract Rules and recommends the updated Contract Rules to Council.</i>
Corporate priorities	Ensure that all services delivered by the Council are delivered to the highest standard.
Key Decision	No
Exempt	No
Consultees/ Consultation	The draft Contract Rules have been subject to consultation with the finance, legal and counter fraud teams, the Council Management Team and the Audit Committee.

1. BACKGROUND

- 1.1. The current Council Contract Rules were last updated 2015. The Procurement Team have carried out a review of the Rules to ensure that they comply with latest legislation and reflect the UK departure from the European Union.
- 1.2. The Audit Committee considered the amendments to the Contract Rules on 28 January 2021 and were supportive of the amended rules. A few typo-graphical corrections were identified and these will be amended

2. MAIN POINTS

- 2.1. An update to the Contract Rules with track changes showing proposed updates is attached at **Annex A**. A version of the updated Contract Rules, with track changes accepted, is also attached at **Annex B**. **Annex B** is the version of the Contract Rules which the Cabinet will consider on 8th February 2021.
- 2.2. Under the current Rules the purchase of supplies, services and works with a value below £10,000 require a best value process. The contract is by way of a set of terms and conditions. There is a link to those terms in the purchase order.
- 2.3. Over £10,000, a competitive process is required through the procurement e-portal via Publica Procurement and a formal contract is prepared by Legal Services..
- 2.4. These existing threshold values are deemed to be no longer commercially fit for purpose. The financial limits have been in place for approximately 20 years and during this time, inflation has reduced the buying power of the existing £10,000 threshold. It is considered that the requirement to conduct a full competitive procurement process for purchases above £10,000 has a negative impact on the Council's ability to do business in a timely and cost effective manner to deliver best value.
- 2.5. Accordingly, the the following thresholds are proposed:
 - **£0-£10,000**; no change except that if quotes are sought, they should be obtained through the Council's self-service e-portal.
 - **Above £10,000 to £25,000**; 3 written quotes via the self-service e-portal.
- 2.6. There will no longer be a requirement for a formal contract to be prepared by Legal Services; instead the standard terms and conditions currently applicable for purchases below £10,000 will be used.
 - **Above £25,000**; A full competitive tender through Publica Procurement and the e-portal will be required.
- 2.7. Officers have made other changes to the Contract Rules which are summarised below:
 - The deletion of the 'bulk purchasing' waiver which is no longer required.
 - The introduction of a new circumstance in which a waiver may be granted to allow for the novation/assignment of contracts relating to a building being acquired by the Council or a service being brought back in house.

- Updated provisions about the use of the e-portal.
- Amendments required due to the UK's withdrawal from the European Union.

3. FINANCIAL IMPLICATIONS

- 3.1.** There are no financial implications from this report. However, compliance with the Council's Contract Rules will support the Council in achieving best value from taxpayers' money.

4. LEGAL IMPLICATIONS

There are no legal implications from this report.

5. RISK ASSESSMENT

- 5.1.** There are no risks associated with this report.

6. ALTERNATIVE OPTIONS

- 6.1.** The Cabinet could decide to leave the Contract Rules unchanged or may propose alternative thresholds to the Council.