

 <b>Executive 3 December 2014</b>		<b>Agenda Item No.</b> <b>6</b>
<b>Title</b>	Code of Procurement Practice	
<b>For further information about this report please contact</b>	<a href="mailto:Mike.snow@warwickdc.gov.uk">Mike.snow@warwickdc.gov.uk</a> Susan.simmonds @warwickdc.gov.uk	
<b>Wards of the District directly affected</b>		
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Executive March 2013	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	Yes/No (If No state why below)

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	17 <sup>th</sup> Nov 2014	Chris Elliott
Head of Service	17 <sup>th</sup> Nov 2014	Mike Snow
CMT	17 <sup>th</sup> Nov 2014	
Section 151 Officer	17 <sup>th</sup> Nov 2014	Mike Snow
Monitoring Officer	17 <sup>th</sup> Nov 2014	Andrew Jones
Finance	17 <sup>th</sup> Nov 2014	Susan Simmonds
Portfolio Holder(s)	17 <sup>th</sup> Nov 2014	Cllr Stephen Cross
Consultation & Community Engagement		
October 2014 Senior Management Team November 2014 Procurement Champions		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## 1. **SUMMARY**

- 1.1 This report presents proposed amendments to the Code of Procurement Practice.

## 2. **RECOMMENDATION**

- 2.1 That the Executive recommend that the Council adopt the updated Code of Procurement Practice as detailed in the attached Appendix 1.

## 3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Council's Code of Procurement Practice was last formally reviewed and amended in March 2013, however with changes to Procurement Legislation and to the procurement processes, a full review of the Code was required.
- 3.2 The Code is being revised to reflect changes to the current Public Contract Regulations 2006, EU Procurement Regulations, the Public Services (Social Value) Act 2012 and the Local Government Transparency Code 2014 and to align the policy to the Code of Financial Practice.
- 3.3 The current Code is written with the expectation of a devolved approach to procurement across the Council. In view of some of the problems that have been encountered, changes to the Code are proposed that will ensure the Procurement team is involved in all procurement activity across the Council above £10k.

## 4. **POLICY FRAMEWORK**

### 4.1 **Code of Procurement Practice**

The Codes of Procurement Practice is a fundamental element of the Council's policy framework. Its purpose is to ensure that appropriate contracts are procured to meet the service requirements and are subsequently properly managed. The Code of Procurement Practice also supports the ability of the Council to demonstrate that it is achieving value for money from its expenditure and that its contracts and services are being managed in an open and transparent manner, in line with the Council's Core Values.

### 4.2 **Fit for the Future**

As part of the Council's policy framework, the Code of Procurement Practice underlines how the Council acts in securing and managing its procurement requirements to meet the aspirations as part of 'Fit for the Future'.

## 5. **BUDGETARY FRAMEWORK**

- 5.1 The Code of Financial Practice sets out the Council's budget framework.
- 5.2 The Code of Procurement Practice complements the Code of Financial Practice in ensuring that financial best practice is applied to the procurement of goods, services or works. Compliance helps protect the Council by minimising procurement risks, whilst ensuring best value is obtained.

## **6. RISKS**

- 6.1 It is important that all procurement exercises across the Council comply with the relevant procurement regulations and directives and also the Council's Code of Procurement Practice. By following this approach the Council will reduce the risk of challenge. It should ensure that the Council obtains Value for Money by apply procurement 'best practice'.
- 6.2 Procurement exercises are managed in line with all Procurement legislation. By implementing the changes expenditure by the Council teams will be managed and controlled to ensure compliance.
- 6.3 Clear and robust contracts will ensure delivery of the required business needs in line with the obligations set out in the contract documentation. Failure to have in place clear contract arrangements increases the risk to manage the expectation of the service from the provider due to a
- Lack of clarity in the requirements
  - No price control
  - No clear ownership of tasks / obligations
  - No contract management performance targets

## **7. ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 The amended document sets out how the District Council's procurement arrangements should operate so as to comply with best practice and current legislation. The updated Code should therefore be accepted in its entirety.

## **8. BACKGROUND**

- 8.1 It was revealed during a recent investigation that there were a number of short-comings with the procurement practices adopted by the Council. The current code of procurement practice focused on devolved procurement and that if the procurement process is not managed in a timely and efficiently leads itself to a greater risk of challenge. These past practises identified a number of weaknesses in processes that needed to be redressed and therefore a review of the policy was required.
- 8.2 The new procurement team was fully established in August 2013 and have been operating a more 'hands on approach' to all procurement activity. The team work closely with end users to ensure delivery of all requested procurement activity to an agreed timetable and in line with all procurement legal obligations.
- 8.3 In October 2014 the new Local Transparency Code came into force. The revised code has placed greater emphasis on publishing procurement spend activity. It states the following:
- That local Authorities must advertise every invitation to tender or invitation to quote for contracts to provide goods and / or services with a value that exceeds £10,000.
  - That Local Authorities must also publish details of any contracts, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £10,000

- 8.4 To implement the above changes into Procurement activity the threshold levels needed to be revised. This will drive the need to encourage the use of the e-tendering portal to advertise procurement opportunities.
- 8.5 To ensure that opportunities include consideration for inclusion of the Social Value act into the procurement 'life cycle' process for service contracts.