

Executive

Excerpt of the minutes of the meeting held on Wednesday 6 April 2016 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Chairman); Councillors Coker, Cross, Mrs Gallagher, Mrs Grainger, Shilton and Whiting.

Also present: Councillor Barrott (Chair Finance & Audit Scrutiny Committee), Councillor Boad (Chair of Overview & Scrutiny Committee & Liberal Democrat Group Observer), Councillor Mrs Falp (Whitnash Residents Association Group Observer) and Councillor Naimo (Labour Group Observer).

Apologies for absence were received from Councillor Phillips.

128. **Declarations of Interest**

There were no declarations of interest made in relation to this excerpt.

Part 1

(Items on which a decision by Council is required)

129. **Code of Procurement Practice**

The Executive considered a report from Finance that proposed amendments to the Code of Procurement Practice and the introduction of an Ethical Procurement Statement, a Sustainable Procurement Policy and a Social Value Policy.

The Council's Code of Procurement Practice was last formally reviewed and amended in 2010. It was recognised as good practice to keep this document under review and make amendments as necessary to meet the changing environment in which the authority, its services and its finances operated.

The notable changes to the Code were the thresholds for the relative tender processes, with the threshold for which three quotations to be obtained by the Head of Service being increased from £5,000 - £9,999 to £5,000 - £24,999. Contract values in the range £25,000 - £49,999 would continue to require formal quotations using the intend system. This change would put the Council's practices in line with the Government's requirements. The lower threshold of £10,000 for formal quotations applies to Central Government.

In line with current trends within Local Authorities it was proposed to adjust the contract values to ensure there was greater flexibility to support managers with low level spends whilst still maintaining the necessary level of Procurement oversight and management to ensure compliance, probity and to minimise risks.

In order to explain the workload implications, the report detailed the number of contracts issued during 2015/2016 that fell within the amended contract value range.

The Procurement Team workload capacity was limited with it only being a small team. The change in thresholds would help ensure the team was effective and efficient and was able to concentrate on contracts of medium to high level spend (above £25,000) and those of strategic and "political" importance with a high level of potential risk to the Council.

The Procurement Team had successfully implemented the use of the "quick quotes" option on the E tendering portal and it was proposed to roll this facility out to managers, whilst retaining overall procurement oversight and management to ensure compliance, probity and to minimise risks.

To promote procurement opportunities within the local economy the proposed Code had been amended to ensure that a minimum of two local suppliers must be invited to bid. Also, to increase the number of local SME's registered on the E Portal, Invitations to Participate would be circulated using the Federation of Small Businesses weekly e-newsletter.

The Code introduced the Sustainable Procurement Policy, Ethical Procurement Statement and Social Value Policy in line with current practices within Local Authorities. The Sustainable Procurement Policy and Ethical Procurement Statement was required to meet the Council's obligations in accordance with the UK Government Sustainable Development Strategy.

The updated Code referred to the need to adhere to the Guide to Tender Evaluation. The purpose of this guide was to assist members of the evaluation panel assessing tender submissions and to ensure practice and procedures employed to carry out this activity conformed to the Council's obligations of Integrity, Transparency and Accountability. The guide provided information in relation to the evaluation process and timetable of events, scoring responses and procedural fairness, and scoring sheets and a declaration of confidentiality and interest form to be completed by each panel member.

The Code sought to re-enforce the need for the Procurement Manager to be consulted ahead of proposing to extend a contract, including using an extension option within the original contract. The purpose being to ensure that value for money reviews were systematically carried out by the Heads of Service, with advice from the Procurement Manager in a timely manner. It was necessary to ensure that options to extend contracts were not committed to without due consideration of the contract performance. Where it was identified that the current contract was no longer delivering value for money and / or regularly achieving the level of service and quality levels required by the Council and / or where the requirement was no longer appropriate, suitable and timely action plans would be implemented.

Other notable updates proposed to the Code of Procurement Practice included:-

- Section 10 – 'Constructionline' shall be used as the basis for selecting contractors for works and construction related consultants to quote or tender for contracts up to the value of the EU limits for Works and Services;

- Section 11.1.1– The Procurement Manager (or nominated deputy) would be responsible for opening Tenders (Opening Ceremony) in respect of all tenders and quotations issued via the e-tendering portal;
- Section 11.8 – Clarification of “Alcatel” standstill period; and
- Section 14 – Appointment of Consultants.

The amended document set out how the District Council’s procurement arrangements should operate so as to comply with best practice and current legislation. The report recommended that the updated Code should be accepted in its entirety.

The Finance & Audit Scrutiny Committee supported the recommendation in the report subject to minor amendments to the wording in paragraphs 3.2 and 10.10.

The Overview & Scrutiny Committee suggested that a higher loading/weighting should be placed against “Social Value” when evaluating quotes and tenders.

The Overview & Scrutiny Committee intended to monitor the outcomes of the proposed changes and urged the Executive to set up a monitoring and evaluation regime that clearly stated the strategic outcomes the Council aimed to achieve, and how the achievement of these would be assessed. The Committee would be adding an action to its Work Programme to review the impact of the changes 12 months after implementation.

Revised copies of the Sustainable Procurement Policy and Social Value Policy were circulated at the meeting.

The Executive noted that the Intend system was a multi purpose system and the report should specifically refer to it as a procurement system.

The Portfolio Holder for Finance, Councillor Whiting, thanked his team for their work over recent years for ensuring there was a positive procurement culture within the Council. Whilst he recognised the comments of the Overview & Scrutiny Committee, he felt there was a need for this Council to balance social value against the guardianship of the money from our community and this balance needed to be set at the right level. He welcomed that the Overview and Scrutiny Committee would be looking at this in 12 months.

Recommended to Council they adopt the updated Code of Procurement Practice as detailed in the attached (Appendix 1) and the accompanying Ethical Procurement statement (Appendix 2), Sustainable Procurement Policy (Appendix 3) and Social Value Policy (Appendix 4).

(The Portfolio Holder for this item was Councillor Whiting)

(The meeting ended at 7.05pm)