

CONSTITUTIONAL CHANGES IN RELATION TO CONTRACT STANDING ORDERS AND FINANCIAL REGULATIONS



City Council: 21 September 2015

CONSTITUTIONAL REVIEW GROUP MINUTE (7 September 2015)

The Constitution Review Group received the report entitled 'Constitutional Changes' considered by the Audit Committee on 25 June 2015, together with the minute from that meeting.

Agreed to -

- (1) support the recommendations made by the Audit Committee;
- (2) attach only the amended version of the Contract Standing Orders (Part H) and the amended section of the Financial Regulations (Part H) to the report to be considered by Council.

AUDIT COMMITTEE MINUTE 12 (25 June 2015)

Nicola Allen (Senior Category and Contract Manager) presented the report on Constitutional Changes in relation to Contract Standing Orders and Financial Regulations.

Members were advised that –

- (a) on 17 April 2014, a new EU procurement directive had been adopted by the European Commission; all EU member states were required to implement the directive into national Law within two years of the adoption date; the Directive had been transposed into UK law (Public Contracts Regulations) which came into force on 26 February 2015;
- (b) the main purpose of the EU public procurement regime was to open up the public procurement market to competition and ensure the free movement of supplies, services and works within the EU; the EU rules reflect and reinforce the value for money focus of the UK government's public procurement policy;
- (c) in addition the Lord Young Reform had been introduced to create a small and medium enterprises (SMEs) friendly market for public procurement by removing the barriers to entry through a standardised Pre- Qualification questionnaire (PQQ) and a single website, Contracts Finder, to source advertised opportunities;
- (e) taking into account all of the changes the Council's Contract Standing Orders and Financial Regulations had been updated to cover the following -

- changes to legislation;
 - increase to the Council's low value procurement thresholds from £100k to £150k for goods and services from £200k to £2m for works to ensure that suppliers are sourced locally where possible via an RFQ process rather than nationally advertised opportunities on Contracts Finder;
 - tender opportunities advertised on Contracts Finder as well as the Council's procurement portal, supplying the south west;
 - purchasing card limits had been updated in line with the purchasing card policy and practice;
 - purchase order authorisation limits had been increased;
 - enhancement of contract management;
- (f) by increasing the Council's low value procurement thresholds it would be able to target local suppliers and micro, small and medium enterprises (SMEs). This would enable delivery of the Council's pledges as well as supporting the objectives of the Fairness Commission.

The committee agreed to recommend to the City Council that the –

- (1) Contract Standing orders which form Part H of the Constitution are updated in line with the Public Contracts Regulations 2015 and in support of the Council's localism agenda;
- (2) Financial Regulations which form Part H of the Constitution are updated in line with the purchase order authorisation and purchase card limits.