

# Chichester District Council

## CORPORATE GOVERNANCE AND AUDIT COMMITTEE 24<sup>th</sup> November 2020

### Corporate Contract Procedure Rules

#### 1. Contacts

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#### 2. Recommendation

**2.1 That the Committee considers and notes the updating of the Councils Contract Procedure Rules.**

**2.2 That the amended Contract Procedure Rules be recommended to Full Council.**

#### 3. Background

3.1. The Council is under an obligation to follow various statutory and administrative law duties to properly manage its procurement of goods and services. The Council has taken advice from the Hampshire County Council strategic procurement service to update procedures to current best practice and a copy of their recommended processes for Chichester District Council are attached to this report.

#### 4. Outcomes to be achieved

4.1. To ensure that the Council has a robust procurement process, straightforward and transparent, properly balancing duties and updated to cover legal requirements.

4.2. To ensure that the Council is assessing its purchasing performance adequately and concentrating its purchasing resources in the correct areas to make

#### 5. Main Changes

5.1 The main changes are that the new processes are clearer, and that there will be fewer price bands to improve understanding and facilitate better contract management. Essentially contracts will be low value with associated lower administrative burden or higher value with greater burden commensurate with the costs. This is similar to the previous processes, but has been simplified.

5.2 Some technical changes are now referred to such as the new Government post Brexit procurement portal, and the use of a type of framework that did not exist

at the time of the previous processes being drafted, Dynamic Purchasing systems.

- 5.3 Finally, additional clarity has been given that grading mechanisms can include aspects such as environmental factors to facilitate the requirements of other policies of the Council. Whilst best value remains the focus for procurement, that value is now expressly capable of being judged against such factors and not exclusively by cost alone.

## 6. Resource and legal implications

- 7.1 There could be legal implications of not having a robust contract and procurement management system. If the Council is not adequately capable of carrying out procurement then some of its statutory functions may not be capable of being performed.
- 7.2 There are legal implications of not complying with Procurement legislation, i.e. imprisonment of individuals, fines for the organisation and/or individuals.

## 7. Community impact and corporate risks

- 8.1 There is a corporate risk of not having a robust procurement management system as there would be financial, reputational and legal implications of not being capable of continuing to provide a service to the public within those legal requirements.
- 8.2 There is corporate risk of not complying with procurement legislation due to a risk of legal action against the Council. This is a financial risk to the Council through potential prosecution, fines, increase in civil claims, increased insurance premiums, risk of personal and/or corporate liability and reputational damage. Such risks can never be entirely removed, but this procedure is a way of minimising and managing those risks.

## 8. Other Implications

	Yes	No
<b>Crime &amp; Disorder:</b>		✓
<b>Climate Change and Biodiversity:</b>	✓	
<b>Human Rights and Equality Impact:</b>		✓
<b>Safeguarding and Early Help:</b>		✓
<b>General Data Protection Regulations (GDPR):</b>		✓
<b>Health and Wellbeing</b>		✓

## 9. Appendices

Draft Contract Procedure Rules

## 10. Background Papers

None