

# TEIGNBRIDGE DISTRICT COUNCIL

## AUDIT SCRUTINY COMMITTEE

26<sup>TH</sup> AUGUST 2020

<b>Report Title</b>	<b>Review of The Contract Procedure Rules</b>
<b>Purpose of Report</b>	To consider the 2020 review of the Contract Procedure Rules and recommend it to full Council for approval.
<b>Recommendation(s)</b>	<b>The Committee RECOMMENDS to Council that the revision of the Contract Procedure Rules replaces the 2015 Contract Procedure Rules.</b>
<b>Financial Implications</b>	The financial implications may result in additional tender costs if smaller local supplier's tenders are higher. The impact will ultimately be defined by relative weightings for price/quality etc. in choosing the appropriate supplier
<b>Legal Implications</b>	To follow
<b>Risk Assessment</b>	Not applicable.
<b>Environmental Implications</b>	There are no significant environmental or climate change related impacts associated with the updated Contract Procedure Rules. Appendix A of the report contains the "Sustainable Procurement Policy and Procedure", which assists officers in identifying and considering opportunities to mitigate the impacts of procurement on the environment.
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### 1. Background

- 1.1 The Contract Procedure Rules were previously updated in 2015. A review of these Contract Procedure Rules has been conducted by The Corporate Procurement Officer.

1.2 The Contract Procedure Rules document is being presented to the committee using “tracked changes” to better demonstrate to the committee the changes that have been made.

## 2. Review of the Contract Procedure Rules

2.1 The main changes are set out below.

2.2 For purchases under £10,000 to consider local suppliers in the first instance and for purchases using the RFQ procedure, consider using competition between local suppliers where possible.

2.3 A further option of “continuity and compatibility” added to the waiver.

2.4 A change to the thresholds. We have now segregated the threshold levels into goods/services and works. Table 1 shows the old thresholds and Table 2 shows the recommended new thresholds.

**Table 1: Old 2015 Thresholds**

Total Value (excl. VAT)	Award Procedure
Up to £7,500	A minimum of one <i>Quotation</i> , but good practice to seek most favourable prices and terms, having regard to the Council’s Procurement Strategy.
£7,501 - £50,000	A minimum of three written <i>Quotations</i> .
£50,001 – EU Threshold	<i>Invitation to Tender</i> by advertisement.

**Table 2: New Proposed Thresholds**

### *Goods and Services*

Total Value (excl. VAT)	Award Procedure
<b>Up to £10,000</b>	A minimum of one written <i>Quotation</i> e.g. via email, but good practice to seek most favourable prices and terms, having regard to the Council’s Procurement Strategy.

<b>£10,001 - £50,000</b>	A minimum of three written <i>Quotations</i> via the Procurement Portal
<b>£50,001 – EU Threshold</b>	<i>Invitation to Tender</i> by advertisement.

*Works*

<b>Total Value (excl. VAT)</b>	<b>Award Procedure</b>
<b>Up to £15,000</b>	A minimum of one written <i>Quotation</i> e.g. via email, but good practice to seek most favourable prices and terms, having regard to the Council's Procurement Strategy.
<b>£15,001 - £100,000</b>	A minimum of three written <i>Quotations</i> via the Procurement Portal
<b>£100,001 – EU Threshold</b>	<i>Invitation to Tender</i> by advertisement.

2.5 The general layout of the Contract Procedure Rules has changed to help officers better understand the document

2.6 Appendices have been added to the end of the document to help officers find documents and provide them with a helpful flowchart of the procurement process.

2.7. References to The EU have been removed in preparation for the new national Find a Tender Service being released on 1<sup>st</sup> January 2021.

## **2. Conclusion**

3.1 The Contract Procedure Rules are attached as Appendix I. Members are asked to recommend the revision of the Contract Procedure Rules to Council for approval.