

SUBJECT: UPDATED CONTRACT PROCEDURE RULES

MEETING: GOVERNANCE & AUDIT COMMITTEE

DATE: 20th FEBRUARY 2025

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

- 1.1 This report has been prepared to provide Governance and Audit Committee with an opportunity to consider proposed changes to the Council's Contract Procedure Rules (CPR's). Such updates have been made to incorporate the requirements of the following forthcoming legislation:
- The new Procurement Act 2023 and the Procurement (Wales) Regulations due to come into force on 24 February 2025 and
 - The Social Partnership and Public Procurement (Wales) Act due to come into force late 2025

2. RECOMMENDATIONS:

- 2.1 Committee to note and consider the draft Contract Procedure Rules, and to raise relevant comments or queries during the Committee meeting.
- 2.2 Committee note that the CPR's are subject to subsequent approval by full Council at its meeting on 6th March 2025.

3. KEY ISSUES:

- 3.1 The CPR's provide a corporate framework for the procurement of all Goods, Services and Works for the Council, including concession contracts.
- 3.2 The purpose of the CPR's is to ensure that the Council:
- Obtains value for money and conducts its procurement activity openly and transparently.
 - Complies with all, English and Welsh law that governs and/ or relates to the procurement of goods, services and works and the letting of contracts.
 - Supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015).
 - Has procurement procedures which, when followed, protect members and officers of the Council from any allegation of acting unfairly or unlawfully in connection with any procurement by the Council.

3.3 The CPR's have required an update to align to the legislation referred to in paragraph 1.1. The rules provide guidance on the transparency requirements under the legislation and introduce amendments to the thresholds, procedures and procurement routes for quotations and tenders. These changes have been subject to internal audit, legal services and Senior Leadership Team (SLT) engagement and review. There have also been a series of knowledge drop sessions with officers across the Council to raise awareness of the new legislation and requirements.

3.4 Following discussions between the Procurement Team, Internal Audit and Legal Services the key changes to the CPRs include:

- Amended procurement thresholds and procurement routes to comply with legislation and to standardise across Ardal partners and align tender thresholds with Councils across Wales which will provide consistency to our suppliers and contractors.
- The Thresholds and requirements for each Procurement Route set out in the table below are included in the Updated CPR's (Appendix 1), which in summary include:

Value (*excluding VAT)	Route	Recommended	Minimum Requirements	Notice Publication Requirement (PA2023)	Management of the Process
£0-£25K*	1 – Written Quotes	3 written quotations	1 written quotation where value for money can be demonstrated	None	Managed by the Service Area. With the support of Buying Responsibly Guidance & Training aids
£25K-£75K*	2 – S2W RFQ	Advertise opportunity through S2W	Invite 4 quotes through S2W	BTTN where advertised CDN for all awards including without competition	Managed by the Service Area and processed through Sell2Wales. With the support of Buying Responsibly Guidance & Training aids
£75K*-PA2023 thresholds	3 – Below Threshold Tender	Advertise through S2W	Invite 4 Tenders via Proactis	BTTN where advertised CDN for all awards including without competition	Service Area must liaise with Procurement Team

PA2023 thresholds and above	4 – Above Threshold Tender	Preliminary Market Engagement encouraged	Advertise through S2W	Various in accordance with PA2023	Service Area must liaise with Procurement Team
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BTTN Below Threshold Tender Notice
CDN Contract Details Notice
S2W Sell2Wales

3.5 In addition and as part of the legislative requirements:

- More detailed publication of notices has been mandated at key stages through the procurement process in an attempt to generate greater transparency.
- This point has been further reinforced with the requirement to publish a Contracts Register and Contract Forward Plan and the additional process being developed to reflect the changes required when modifying Public Contracts (formerly referred to as Contract Variations).
- Strengthened guidance has also been added to reflect the changes in the requirements with regards to Conflicts of Interest.
- As well as clarification around the CPR's being exclusive of VAT, unless the procurement is above *Procurement Act Thresholds* (PAT).

3.6 To ensure the Council has the required audit trail throughout the procurement process, the following four key governance documents will be introduced:

Doc No.	Name	Value	Purpose
1	Procurement Quotation Record (PQR)	£10K - £75K	This will capture the contract details, value, procedure followed and evidence of value for money. Due diligence checks such as Health & Safety, technical capacity etc and must be signed by appropriate officer within the Service Area. (This form will be new to Council staff)
2	Pre-Tender Report (PTR)	£75K+	This must be completed for all procurements above £75K including direct awards. There is a section contained within the PTR 'Exceptions' which must capture the detail and rationale for the Direct Award in accordance with CPR guidelines. (Already being used across the Council)
3	Contract Award Report (CAR)	£75K+	Report produced to capture the outcome of the procurement exercise and recommendation for award. (Already being used across the Council)

4	Contract Modification Form (CMF)	£75K+	This form captures: Contract extension – allowed for within the scope of the contract. Contract extension – outside of the scope of the contract Variation to scope of service – in accordance with CPRs (This form will be new to Council staff)
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3.7 These Forms will be completed digitally to provide improved quality and management information for the Procurement Team and improved assurance to Internal Audit. The Council's other procurement processes, procedures and guidance will also be updated to reflect the requirements of the new legislation and the CPRs.

3.8 Once the rules are approved, there will be a clear communication strategy and a programme of training and support will be established for officers to access, including:

- The publication of staff information articles.
- Refreshed buying responsibly training and guidance.
- Support for Sell2Wales and guidance
- Targeted training sessions
- Short animation videos

4 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 The updated Contract Procedure Rules have been developed to align with the Procurement Act 2023 and the Procurement (Wales) Regulations as well as The Social Partnership and Public Procurement (Wales) Act, which builds upon the "Well Being of Future Generations Wales Act" and the "Code of Practice – Ethical employment in supply chains"

5 OPTIONS APPRAISAL

5.1 No options were available due to changes required in accordance with UK and WG legislative updates.

6 EVALUATION CRITERIA

6.1 The CPR's provide a corporate framework for the procurement of all Goods, Services and Works for the Council, including concession contracts. The role of procurement in local government remains pivotal in addressing the economic, social and environmental pressures that we face. A series of training materials are in the process of being developed and will be rolled out to compliment the launch of the updated CPR's.

6.2 A requirement of the Social Partnership and Public Procurement (Wales) Act 2023 is the publication of an annual report to demonstrate how the Council is meeting its " Socially Responsible Procurement objectives"

7 REASONS:

7.1 To comply with legislation.

8 RESOURCE IMPLICATIONS:

8.1 No additional resource implications, changes will be managed by existing Ardal procurement resource and devolved functions.

9 CONSULTEES:

- Senior Leadership Team (SLT)
- Internal Audit
- Legal Services

10 BACKGROUND PAPERS:

Appendix 1 – Updated Contract Procedure Rules

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