

REPORT OF THE STANDARDS COMMITTEE No. 2, 2016/17 COUNCIL 21 NOVEMBER 2016

Chair: Councillor Amin

INTRODUCTION

- 1.1 This report to Full Council recommends changes to the Constitution to accommodate changes to the Council's Contract Standing Orders.

SUMMARY

- 2.1 The Standards Committee considered the attached report on 13 October 2016, and agreed its recommendations. Some further points are made below where the Committee sought further actions, which did not affect our agreement to the recommendations presented to us.
- 2.2 The Committee encouraged engagement between officers and Homes for Haringey in developing the new procurement processes.
- 2.3 Noting an assertion that Small and Medium Sized Enterprises were expected to benefit from the new procurement processes, such as the Dynamic Purchasing Systems, and the increased vendor information offered by the new processes, the Committee asked that participation by SMEs in the Council's procurement be monitored upon introduction of these new processes. Officers suggested that, given historic information would not offer the same level of detail, a trend analysis could be prepared after the system had been operational for two years or more to identify whether there was a change in the profile in bidders and vendors.
- 2.4 The Committee were keen that the introduction of these new processes should be accompanied by appropriate democratic oversight to ensure the Council's resources were effectively monitored by the Cabinet and non-executive Members. Officers noted that the contract management and oversight of the procurement system would be possible and a regular part of officers' dialogue with Cabinet Members and lead committees, and the new processes would be able to provide a greater level of information to support such discussions. The Committee were keen for there to be further thought in this area, aside from the recommendations before it, and for there to be a clear presentation of accountability arrangements under the proposed system.

WE RECOMMEND

That Council make the following amendments to Contract Standing Orders, Part Four of the Constitution, Section J Contract Procedure Rules:

1. Amendments to support the new Procurement Target Operating Model:
 - 1.1. Increase the threshold of delegated powers for Directors to act in the most expedient and efficient manner from £5,000 to £10,000 (CSO 8.02);
 - 1.2. Increase the values for the procurement process requesting at least 3 competitive quotes from between £5,000 and £100,000 to between £10,000 and £160,000 (CSO 8.03);

- 1.3. Increase the threshold of goods and services contracts requiring advertisement (tender) with an estimated value of £100,000 to a new threshold of £160,000 (CSO 9.01.1);
- 1.4. Increase the threshold of Works contracts requiring advertisement (tender) with an estimated value of £25,000 to a new threshold of £500,000 (CSO 9.01);
- 1.5. Introduce a threshold of £500,000 or more for contracts subject to the Light Touch Regime (social care related) requiring advertisement (tender) (CSO 9.01);
- 1.6. Increase the threshold for the commencement of works, goods or services under a Letter of Intent from £50,000 to £100,000 or 10% of the total contract value, whichever is the higher (CSO 9.07.3); and
- 1.7. Require approval from the Chief Operating Officer before entering into any joint procurement activity with other contracting authorities (CSO 7.04).

2. Amendments relating to the introduction of new Procurement related technology platforms:

- 2.1. Mandate the use of Corporate Procurement related systems to include corporate sourcing and contract management systems (defined in CSO 2.02 c);
- 2.2. Mandate contracts are stored in the Councils Contract Repository (CSO 3.02 h);
- 2.3. The threshold requiring all contracts valued at £5,000 or more to be entered onto the corporate contracts register, is increased to a new threshold of £10,000 or more and is now required to be recorded in the Corporate Contracts repository (CSO 3.02 m); and
- 2.4. Amendments to include provision for sealing, award and signing of contracts by electronic means as provided within the Corporate Procurement Systems (CSO 9.02.4 and 9.08.9).

3. Amendments relating to the use of a Dynamic Procurement System:

- 3.1. Incorporate amendments to facilitate the use of a Dynamic Purchasing System (CSO 9.04).

4. Amendments to support the introduction of new or updated regulations:

- 4.1. Incorporate amendments to support statutory changes to the Public Contracts Regulations 2015 (as amended) (the "Regulations") (multiple references throughout the document have been added); and
- 4.2. Incorporate amendments to support introduction of the Concession Contracts Regulations 2016 (the "Regulations") (multiple references throughout the document have been added).

5. Amendments to address inconsistencies relating to thresholds and Key Decisions
 - 5.1. Increase the threshold for waivers requiring Cabinet approval above £250,000 to a revised threshold of £500,000 or more (CSO 10.01.1 a); and
 - 5.2. Increase the threshold for waivers requiring Director approval below £250,000 to below a revised threshold of below £500,000 (CSO 10.01.1 b).
6. Additional minor drafting amendments to the Contract Standing Orders as required to support the above changes.
7. Extension to the current Consortia drafting (CSO 7.04 d) to make provision for on-going shared services arrangements, whereby procurements may be undertaken by one of the other members of the Consortia on behalf of the Council.