



## **North Devon Council**

Report Date: Wednesday, 17 January 2024

Topic: Update to Part 4 of the Constitution

Report by: Simon Fuller, Senior Solicitor and Monitoring Officer

### **1. INTRODUCTION**

1.1. Following the departure of the Council's Procurement Officer at the end of December 2023, it is proposed that the Council reviews and updates its Contract Procedure Rules to streamline procurement and bring these rules up to date.

### **2. RECOMMENDATIONS**

2.1. The Council varies the Contract Procedure Rules in Part 4 of the Constitution as at Appendix 1 to this report

### **3. REASONS FOR RECOMMENDATIONS**

3.1. Given changes in prices and market rates the financial thresholds for quotes and tenders are out of date and should be updated to be in keeping with other Devon local authorities.

3.2. To provide a more efficient means of procuring lower value contracts and provide for potential joint working on procurement in the future.

### **4. REPORT**

4.1. The Council's Contract Procedure Rules in the Constitution sets out the rules pursuant to which the Council procures contracts for the goods, works and services that it enters into.

4.2. The departure of the Council's Procurement Officer at the end of December 2023 has demanded that the Council reconsider the methods by which it procures such contracts. The Council is currently considering joint working with another local authority for procurement and so rationalising its procurement rules at this point is an appropriate move.

4.3. Included with this report is Appendix 1 which shows the Contract Procedure Rules with all changes incorporated for the Council to adopt in line with the recommendation at 2.1 above and Appendix 2 which shows a tracked changes version of the Contract Procedure Rules to allow councillors to see the proposed changes from the version of the Constitution as currently published.

4.4. The changes proposed are as follows:

4.4.1. Procurement thresholds are increased so that officers must:

4.4.1.1. seek at least three quotes before awarding a contract where the value of the contract is estimated to be equal to or more than £12,000 (inc VAT) (this was formerly £5,000 (ex VAT));

- 4.4.1.2. run an open tendering process before awarding a contract where the value of the contract is estimated to be equal to or more than £120,000 (inc VAT) (this was formerly £75,000 (ex VAT)); Councillors will note that values are now inclusive of VAT, this is in line with how the Cabinet Office values contracts at a national level and sets financial thresholds in procurement law since leaving the European Union.
- 4.4.2. A general requirement to ensure compliance with the Best Value duty has been added in to acknowledge that this is taken into account given the higher value needed before quotes are sought.
- 4.4.3. The requirement to run quotes via the Council's online procurement portal has been removed. This is to reduce workload on staff involved with procurement and enable officers to receive quotes via correspondence (e.g. email or letter) albeit with the requirement remaining that an appropriate contract is still entered into and the reports continue to be made to Legal Services to ensure that details of contracts are uploaded onto the Council's Contract Register in line with the Local Government Transparency Code 2015.
- 4.4.4. The contract awarded pursuant to quotes no longer needs to be awarded to the lowest value supplier and other quality aspects can be considered provided quotes are considered on a like for like basis on an evaluation criteria set before quotes are requested.
- 4.4.5. Typographical errors corrected and new defined terms added to improve how the document is drafted.

## 5. RESOURCE IMPLICATIONS

5.1. None

## 6. EQUALITIES ASSESSMENT

6.1. There are no equalities implications anticipated as a result of this report.

## 7. ENVIRONMENTAL ASSESSMENT

7.1. There are no environmental implications arising from the proposals in this report.

## 8. CORPORATE PRIORITIES

8.1. What impact, positive or negative, does the subject of this report have on:

8.1.1. The commercialisation agenda: None

8.1.2. Improving customer focus: Updates to the Contract Procedure Rules should allow efficiencies in procurement and provide for an improved process for officers and prospective suppliers while still maintaining compliance.

8.1.3. Regeneration or economic development: None



## 9. CONSTITUTIONAL CONTEXT

9.1. The decision in respect of the recommendations in this report can be made pursuant to Article 4.5.1 of the Constitution.

## 10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

## 11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report:  
The Constitution and Contract Procedure Rules of neighbouring local authorities  
(The background papers are available for inspection and kept by the author of the report).

## 12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers: Simon Fuller, Senior Solicitor and Monitoring Officer