

COMMITTEE:	SCRUTINY
DATE:	24 FEBRUARY 2003
SUBJECT:	TENDER PROCEDURES
REPORT OF:	SUE MCHUGH, DIRECTOR OF FINANCE AND CORPORATE SERVICES
Ward(s):	All
Purpose:	To report to Scrutiny on progress in reviewing the Council's Contract Procedure Rules together with work carried out in preparing a Procurement Code of Practice.
Contact:	Martin Freeman, Head of Audit, Telephone 01323 415136 or internally on extension 5136. Diane Linsdell, Financial Strategy Accountant, Telephone 01323 415143 or internally on extension 5143.
Recommendations:	Scrutiny notes the contents of this report.

1.0	<u>Background</u>
1.1	At its meeting on 24 April 2002, the Full Council formally adopted the revised Constitution. However, part 4 of the Constitution containing the Contract Procedure Rules (the Rules) requires further revision and was submitted in an interim format for adoption by Council.

1.2	In response to the need to revise the Rules, provision was made in the Finance Best Value Review Improvement Plan for a complete overhaul. Responsibility for this work has been delegated to the Head of Audit and Financial Strategy Accountant.
1.3	As a supplement to the Rules and in response to officer requests for comprehensive procurement guidance, a Service Action for developing a Procurement Code of Practice has also been included in the 2003-04 Service and Financial Plan for the Finance and Corporate Services Department.
1.4	The work on revising the Contract Procedure Rules and preparing a Procurement Code of Practice will compliment the Corporate Governance Review that will be started shortly in preparation for the Council's Comprehensive Performance Assessment. Clearly the Rules and Policy will form an integral part of the Council's library of Corporate Governance documents and must reflect best practice and be up to date.
2.0	<u>Introduction</u>
2.1	At 11 November 2002 Scrutiny Committee it was resolved that a Task Group be established to review the tender procedures of the Council. It was agreed that the Task Group would comprise Councillors Lacey and Skilton together with the Head of Audit as Lead Officer.
2.2	At the same Committee it was resolved that the Tender Procedure Task Group be asked to review the arrangements for the opening and witnessing of negotiated tenders.

2.0	<u>Contract Procedure Rules</u>
2.1	The Council's Rules apply to work to be executed or goods and materials or services to be supplied to the Council, by way of contract. The objective of the Rules is to ensure transparency, fairness, propriety, and Best Value in respect of all contracts entered into by the Council.
2.2	A review of the Rules is currently being carried out by the Head of Audit and Financial Strategy Accountant to ensure that they meet the objectives of transparency, fairness, propriety and Best Value in respect of Council contracts. In light of the Scrutiny Committee resolution concerning the opening and witnessing of negotiated tenders, it is proposed to set out explicit guidance to Members and officers of the Council on this aspect of tender opening.
2.3	A meeting of the Tender Procedure Task Group has been arranged for 14 February 2003 to review progress in revising the Rules.
3.0	<u>Procurement Code of Practice</u>
3.1	The Council's Financial Strategy Accountant has prepared a draft Procurement Code of Practice for the Council in consultation with Internal Audit and Legal Services. The Code has been prepared to provide officers responsible for procuring or letting contracts with all the information that they need to do so in one concise, comprehensive document. It also applies to all persons who commission contracts on behalf of the Council, such as external consultants.

3.2	Progress in preparing the Policy will be reviewed by the Tender Procedure Task Group on 14 February 2003.
4.0	<u>Consultations</u>
4.1	In view of the importance of the Rules and Policy, it is recommended that a widespread consultation exercise with key officers be carried out during the remainder of February and the first part of March 2003.

5.0	<u>Human Resource, Environmental, Financial, Youth and Anti-Poverty Implications</u>
5.1	There are no specific human resource, environmental, financial, youth or anti-poverty implications arising from this report. However, the Contract Procedure Rules and Procurement Code of Practice will set out the Council's rules, standards and practices in relation to contracts and procurement and therefore have the potential for far reaching implications.
6.0	<u>Conclusion</u>
6.1	Work on reviewing the Council's Contract Procedure Rules and preparing a Procurement Code of Practice is underway. A meeting of the Tender Procedure Task Group has been arranged for 14 February 2003 to review progress. The timetable for completing the review and preparing the Policy will be discussed at the meeting of the Task Group.

<p>Martin Freeman</p> <p>Head of Audit</p>	
<p>Background Papers:</p> <p>The Background Papers used in compiling this report were as follows:</p> <p>Eastbourne Borough Council Contract Procedure Rules</p> <p>Best Value Review of Finance Improvement Plan</p> <p>Finance and Corporate Services – Service and Financial Plan 2003-04</p> <p>Minutes of 11 November 2002 Scrutiny Committee</p> <p>To inspect or obtain copies of background papers please refer to the contact officer listed above.</p>	
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