

Committee(s): Operational Property & Projects Sub Committee	Dated: 14/12/2022
Subject: Technical Clarifications to the Procurement Code	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	4, 5, 6,11
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Emma Moore, Chief Operating Officer	For Decision
Report author: Genine Whitehorne, Commercial Director	

Summary

The **Procurement Code** is the policy which underpins all procurement and purchasing activity across the City Corporation including our institutional departments. Procurement policies are reviewed annually to ensure they are up to date and still operationally viable. Following a consultation process, the most recent set of revisions to the Procurement Code were approved by Operational Property and Projects Sub-Committee, Finance Committee and Court of Common Council in September, November and December 2022 respectively. These revisions support the efficiency principles under the Target Operating Model (TOM) specifically to align activity and resources to our corporate outcomes; increase the pace of decision making; and achieve cost savings to resolve budget deficit.

In accordance with Standing Order 51, approval is being sought to make technical clarifications to Procurement Code in order to provide further clarification to procurement processes. This is not a request for a policy change.

Recommendations

Members are asked to:

- Approve two technical clarifications to the procurement processes contained in rule 15 of the revised Procurement Code effective from **3 January 2023**.

Main Report

Background

1. The Procurement Code is the policy which underpins all procurement and purchasing activity across the City Corporation and the institutional departments. Part 1 of the Procurement Code is the framework of overarching rules to be followed by any officer when purchasing goods, services or works and has been developed in line with UK Public Contracts Regulations 2015. Part 2 of the Procurement Code is the guidance document which provides context, processes, and further information relevant to compliance with the rules outlined in Part 1.
2. Procurement policies are reviewed regularly to ensure they are up-to-date and still operationally viable. Following a consultation process, the proposed revisions support the efficiency principles under the TOM specifically to align activity and resources to our corporate outcomes; increase the pace of decision making; achieve cost savings to resolve budget deficit.
3. Following a consultation process, the most recent set of revisions to the Procurement Code were approved by Operational Property and Projects Sub-Committee, Finance Committee and Court of Common Council in September, November and December 2022 respectively.

Current Position

4. Standing Order 51 provides that Finance Committee is responsible for authorising any technical adjustments to the Procurement Code and only significant changes need approval by Court of Common Council.
5. It is requested that Members of the Operational Projects and Projects Sub-Committee approve two minor clarifications to the procurement processes in the table in rule 15 of the Procurement Code on behalf of Finance Committee.
6. This is not a request for approval for a policy change. Rather, approval is sought to make technical adjustments to clarify that procurements for goods and services over £100,000 and works contracts at £400,000 or more will be subject to an options appraisal by the Commercial Service. This is in line with current policy.
7. The technical adjustments to the table in rule 15 of the Procurement Code are highlighted below:

Table 1 Procurement Thresholds and Procedures

Type of Procurement	Goods & Services	Works	Guidance
Operational Purchasing	Up to £100,000	Up to £100,000	Officers may seek quotations directly from suppliers in accordance with the process outlined in Part 2. Once a quotation has been obtained, a requisition must be created on iProcurement and submitted to the Commercial Service who will issue a Purchase Order to the selected supplier. Where a Corporate Contract exists, it must be used.
One-off Purchasing	More than £100,000, but less than FTS threshold for goods and services	More than £100,000 but less than £400,000	Request for Quotation must be undertaken by the Commercial Service through the eTendering portal. A minimum of three firms to be invited to submit written quotations one of which should be a local firm, SME, or a Social Enterprise.
Strategic Purchasing	FTS threshold for goods and services or more More than £100,000	£400,000 or more	Options Appraisal must be undertaken by the Commercial Service. Any resulting procurement must go through the tendering portal.

Corporate & Strategic Implications

There are none.

Conclusion

8. The Commercial Service recommend the approval of two technical clarifications to rule 15 of the Procurement Code as outlined in this report to be effective from **3 January 2023**.

Appendices

There are none.

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