

CITY OF DURHAM

COUNCIL
7 NOVEMBER 2006

REPORT OF THE DIRECTOR OF LEGAL AND ADMINISTRATION SERVICES

1. SCHEDULE OF MEETINGS 2007/2008

Attached at Appendix 'A' for Members information is the Schedule of Meetings for the Municipal Year 2007/2008.

Background Papers:

- *None*

2. ALLOCATION OF SEATS TO POLITICAL GROUPS

I have been advised by Councillor Cummings of his resignation from the Labour group. In the light of this resignation I have recast the allocation of seats to political groups on the various committees of the Council.

Councillor Cummings is a member of Scrutiny Committee and Standards Committee at the present time. He is entitled to 2% of seats on the Council, now that he is no longer a member of the Labour group. That group who, with 17 seats were entitled to 34% of the total allocation are now entitled to 32%.

There seems no particular problem in leaving Councillor Cummings on the Scrutiny Committee. This reduces the labour group's entitlement from 3 seats to 2 (which equates to 16.67% overall) but there are checks and balances with other committees which would raise the overall percentage.

So far as the Standards Committee is concerned, Council in May 2005 determined to allocate 4 City Council members to this committee. Members will be aware that there are also independent members on the committee and parish representatives. The 4 City Council members were to be 2 Liberal Democrats, 1 Labour and 1 Independent. The Labour group continues to be the largest opposition party and as such, it is inappropriate for that group no longer to have any representative on the Standards Committee. I would suggest therefore, that to ensure political balance is maintained both overall on the City Council and in relation to individual committees, it is appropriate to remove Councillor Cummings from the Standards Committee and allocate him instead to the Economic Scrutiny Panel. The Labour group have been given 5 seats on Economic Scrutiny Panel and to reduce that allocation to 4 would not have an adverse effect on their overall percentage of seats.

It is recommended therefore:-

- i. Councillor Cummings remains a member of the Scrutiny Committee.
- ii. Councillor Cummings replaces one of the Labour group members on Economic Scrutiny Panel.
- iii. The Labour group is invited to nominate a representative to replace Councillor Cummings on the Standards Committee.

2.

3. STANDARDS COMMITTEE – APPOINTMENT OF PARISH REPRESENTATIVE

The City Council has appointed 2 parish representatives to its Standards Committee. Recently, one of those representatives, Parish Councillor Mac Williams tendered his resignation following his election to Durham County Council and appointment to that authority's Standards Committee.

The Parish Councils were invited to nominate a replacement representative and to date I have received 4 expressions of interest. These are as follows:-

1. Framwellgate Moor Parish Council – Councillor Mrs Veronica Winter – former Chair of the Parish Council and a Magistrate
2. Belmont Parish Council – Councillor Walter Miekle – Chairman of the Parish Council.
3. Witton Gilbert Parish Council – Councillor Hillary Westwell – formerly a District Councillor
4. Croxdale and Hett Parish Council – Councillor Joseph Anderson – formerly a District Councillor and currently an Honorary Alderman

The nominees were reported to the Standards Committee on 26 September 2006 and members of that Committee indicated that all of the nominations were acceptable to them and they would not wish to make any further comment in relation to the appointment.

Recommend

- (i) That Council nominate a small sub-committee to interview the candidates for appointment of parish representative on the Standards Committee; and
- (ii) that the power of making an appointment be delegated to the sub-committee.

4. PRINTING PARTNERSHIP WITH DERWENTSIDE DISTRICT COUNCIL

Cabinet at its meeting on the 1 November is to consider a report on the proposals for a printing partnership with Derwentside District Council. The report to Cabinet is attached as Appendix B.

Section 101(5) of the Local Government Act 1972 empowers two or more local authorities to discharge any of their functions jointly and to make arrangements for appropriate delegation.

The making of arrangements for the discharge of functions by a committee or by an officer is a Council function (see Constitution page 5C).

On the assumption that Cabinet approves the report on the implementation of the InPrint partnership and agrees to the City Council entering into an agreement with Derwentside District Council, Council is requested to approve the delegation of responsibility for the management of the printing function to the Strategic Board of InPrint partnership with effect from 1st December 2006.

Recommended accordingly.

3.

5. GAMBLING ACT 2005

Cabinet at its meeting on 1 November is to consider a report on the implications of the implementation of the Gambling Act 2005. The report to Cabinet is attached as Appendix C.

Council is requested to approve the delegation to the Licensing Committee of the responsibility for deciding fees and small society lottery registrations.

Recommended accordingly.



SCHEDULE OF MEETINGS - 2007/2008

Appendix 'A'

Committee	Time	<u>2007</u>								<u>2008</u>				
		May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May
Development Control Committee	5.30 pm	31	21	19	2/30	19	10/31	21	12	9/30	20	12	2/23	-
Cabinet	2.00 pm	-	6	18	-	5	17	28	-	16	-	5	16	-
Standards Committee	5.30 pm	-	12	31	-	25	-	20	-	15	-	11	-	-
Scrutiny Committee	5.30 pm	-	7	-	7	10	22	-	3	21	-	10	21	-
Policy Scrutiny Panel	5.30 pm	-	19	17	-	11	9	6	4	29	-	4/25	22	-
Community Services Scrutiny Panel	5.30 pm	-	5	3	28	26	23	22	-	16	12	13	8	-
Environment Scrutiny Panel	5.30 pm	-	26	-	9	20	16	14	11	-	5	5	1/29	-
Economic Scrutiny Panel	5.30 pm	-	13	10	-	4	2/30	27	-	22	19	18	15	-
Licensing Panel	9.30 am	-	13	-	-	19	-	-	19	-	-	19	-	-
Audit Overview Committee	5.30 pm	-	27 *** 9.30 am	12	-	-	4	-	-	17	-	-	17	-
Council	5.30 pm	-	28 ***	24	-	18 & 27 ***	-	13	-	8 *	26 **	-	-	-
Annual Council	12 noon	23												6

* (Tax Base)
 ** (Council Tax)
 *** (Statement of Accounts)

May Day
 Spring Bank Holiday
 Summer Bank Holiday
 Christmas Holidays

7 May 2007
 28 May 2007
 27 August 2007
 25 – 31 December 2007

New Year's Holidays
 Good Friday
 Easter Monday
 May Day

1 January 2008
 21 March 2008
 24 March 2008
 5 May 2008

Report with Recommendations

Agenda Item

STATUS PUBLIC

<p>Portfolio Member/Director/Head of Service Cllr. Jackson Director of Legal & Administration Services</p>	<p>Portfolio Corporate Affairs & Procurement</p>
<p>Subject Printing Partnership with Derwentside District Council</p>	<p>Date 25th September 2006</p>
	<p>Forward Plan Yes</p>
<p>Contact Officer Clare Greenlay Tel: 0191 3018880; email: cgreemlay@durhamcity.gov.uk</p>	<p>Previous Minutes 493</p>
<p>Purpose of Report To advise Cabinet of the governance arrangements for the Partnership prior to the approval of Council being sought to implement the agreement.</p>	
<p>Executive Summary</p> <p>1.1 This Summary updates members with work undertaken between City of Durham Council (CODC) and Derwentside District Council (DDC) to develop and strengthen existing arrangements for printing services.</p> <p>1.2 Proposals are presented for member's consideration.</p> <p>2 BACKGROUND</p> <p>2.1 DDC currently, together with other suppliers, provide printing and mailing services to CODC. On 22nd February 2006, Cabinet gave agreement in principle to the setting up of a printing partnership between DDC and CODC – the Project (minute number 493).</p> <p>2.2 The Project has received a grant from the North East Regional Centre of Excellence (NECE) in the sum of £100,000 to assist in the setting up of the Project. NECE have also requested that 4P's assist CODC and DDC in determining a route-map for the project, and also in the determination of the most appropriate governance structure for the partnership.</p> <p>2.3 To further to project, it is necessary to develop a formal framework for the future operation of the partnership. In order to assess the different options available, 4P's provided a workshop for DDC and CODC on 6th September 2006 which covered:-</p> <ul style="list-style-type: none"> - Objectives and Project Overview - Business case and risk 	

- service delivery options
- governance structure
- transition and business planning
- action planning

3. PROGRESS TO DATE

- 3.1 It is proposed that CODC and DDC set up a partnership to provide a comprehensive printing, design and mailing service to both Councils and other external clients. The partnership will be known as InPrint Partnership and will retain the ability to brand products from either Council if required.
- 3.2 As a result of the workshop hosted by 4P's, it was proposed that the most suitable service delivery model for the Partnership would be a joint delivery arrangement by means of Joint Administration. Full details of all of the options considered can be seen at Appendix A. Each option was considered with regard to the structural, financial, legal and employment requirements it imposed. Full details of the appraisal of each service type can be found at Appendix B.
- 3.3 Following the workshop, further meetings were held to confirm the basis of the Joint Administration. This resulted in the drafting of an Agreement to record the agreement of the parties as to the future management of InPrint Partnership (Annexed as Appendix C).
- 3.4 The Agreement sets out the legal relationship between CODC and DDC in respect of InPrint Partnership and identifies the method of governance which will be through a Strategic Board (comprising two elected members and two officers of each Council) meeting on a quarterly basis and a Management Board (comprising two officers of each Council plus the print room manager) meeting on a monthly basis. The Agreement also sets out the Business Plan, a Service Level Agreement and the financial provisions governing InPrint Partnership. Liability for InPrint Partnership will be joint, as will the share of any profits, though all contracts will be entered into by DDC as the lead authority.
- 3.5 For InPrint Partnership to succeed, it is vital that CODC support InPrint Partnership by ensuring that all printing, mailing and associated functions are performed through InPrint Partnership. In the event that InPrint Partnership are unable to provide a specific printing function, InPrint Partnership will manage the sub-contracting of the function to ensure that the best price is obtained for the job. The management of printing and associated functions should therefore be in accordance with the Printing Protocol annexed at Appendix D.
- 3.5 A Business Plan has been developed for InPrint Partnership (annexed as part of the proposed governance document) which details the following:-
- Aims
 - Stakeholders, Customers and Partners
 - Structure
 - Assessment (SWOT, Market and PEST analysis)
 - Objectives and Targets
 - Action Plan
 - Budgets
 - Capital Programme

- Risk Assessment
- Performance monitoring
- Action Plan 2006 – 2008

In view of the comprehensive nature of the Business Plan, it is not proposed that the above be rehearsed within the body of this document.

Portfolio Member Recommendations or items Requiring a Cabinet Decision

1. That the Council enter into an Agreement in the form annexed with Derwentside District Council to set up InPrint Partnership. (Subject to minor amendments being agreed between the parties respective head of Legal Services and Portfolio Holder Members).
2. That the Council nominate Councillors Jackson and Holland to represent the Council on the Strategic Board of InPrint Partnership.
3. That the Chief Executive nominate two officers to represent the Council on the Strategic Board of InPrint Partnership, and two (different) officers to represent the Council on the Management Board of InPrint Partnership.
4. That the Council delegate responsibility for the management of the printing function to the Strategic Board of InPrint Partnership.
5. That from 1st December 2006 all printing and associated functions be carried out by InPrint Partnership.
6. That the Council abide by the Printing Protocol.

Reasons for Recommendations

The InPrint Partnership will provide the most efficient and effective use of resources in the provision of printing and associated functions, as confirmed by the options appraisal carried out in respect of printing services and attached at Appendix E.

Alternative Options to be Considered

The options appraisal carried out identified in full all of the options open to the Council, which included the use of external commercial providers, investment in a Council print room or the setting up of either a public/ public or public / private partnership.

Consultation

Consultation has been undertaken with members of staff who may be affected as a result of the options appraisal.

Financial, Legal and Risk Implications

Financial

In the event that the Council continues to dis-invest in the print room, and supply printing to the private sector, the Council will not be making best use of the resources available to it. It is estimated that printing currently costs the Council in excess of £200,000 per annum, plus the cost of maintaining the current print room. This cost is incurred in ad hoc contracts entered into by individual departments and by the limited functionality of the print room. Entering into a partnership to provide print services will allow the Council to minimise costs and maximise the benefits achievable when the printing function is actively managed as a corporate function. Entry into the Partnership does involve a financial risk to the Council however this will be minimised by the terms of agreement governing the Partnership. There will be minimal capital investment into the Partnership due to a grant from NECE and the ongoing financial should not exceed the current financial exposure risk.

Legal

In failing to ensure that a formal procedure is in place for the commissioning of printing for the Council there are a number of risks to the Council. Ad hoc contracts are not competitively priced and fall foul of the Contract Procedure Rules. The contracts are not usually approved and do not tend to protect the intellectual property rights of the Council, as well as being more expensive than jobs carried out by Derwentside District Council. Entering into a formal partnership will reduce risk to the Council and ensure that the performance of printing services is provided and managed by one party.

Resource Implications

As indicated above, there should be no resource implications over and above the burden currently on the Council for purchasing printing and associated functions. The resource implications are fully addressed by the Options Appraisal attached as Appendix E.

Timescale for Action

It is anticipated that, this matter will be considered by Cabinet on 1st November 2006 and approved at Council on 7th November 2006. The Agreement should come into effect on 1st December 2006. If approved, the Partnership will be reviewed every three years, with monitoring information being reported to the Strategic Board on a quarterly basis.

Associated Policies and Plans

N/a

Supporting Documents

Appendix A – Service Delivery Options
Appendix B – Service Delivery Appraisal
Appendix C – Draft Partnership Agreement
Appendix D – Draft Printing Protocol
Appendix E – Options Appraisal of the Print Room

Background Papers

Governance Workshop – Participant Pack for 4P's workshop

Report with Recommendations

Agenda Item

STATUS PUBLIC

Portfolio Member/Director/Head of Service Councillor Woods/Director of Legal & Admin Services	Portfolio Environment & Leisure
Subject Licensing Policy – Gambling Act 2005	Date 1 November 2006
	Forward Plan Yes
Contact Officer – Licensing Manager – Jane Kevan Tel: 0191 3018786; email: jkevan@durhamcity.gov.uk	Previous Minutes
Purpose of Report – To consider the adoption of a Policy on licensing under the Gambling Act 2005	
<p>Executive Summary</p> <p>The Gambling Act 2005 requires all licensing authorities to prepare, consult on and publish a statement of principles they propose to apply in exercising their functions under the Act. Under Section 154(2)(c) of the Act this licensing policy must be made by the Full Council.</p> <p>The policy must come into force on 31st January 2007. As the authority must advertise at least 28 days before that date that the policy is coming into force, the policy must be approved at a meeting of the Full Council no later than December 2006.</p> <p>The Act also gives the Full Council the responsibility for deciding fees (within the bands to be set by the Department for Culture, Media and Sport). This responsibility can then be delegated to the Licensing Committee, other committee or an officer.</p> <p>Finally, Regulations to inform licensing authorities on whether small society lottery registrations will fall to the Executive or Full Council are pending so this issue needs to be considered too.</p> <p>The Act requires a licensing authority to prepare and publish a statement of its licensing policy every three years. During the three year period, the policy may be reviewed and revised by the authority at any time.</p> <p>Earlier this year a draft licensing policy was prepared with regard to the licensing objectives of the Act and the guidance issued by the Gambling Commission.</p> <p>Licensing law is part of a holistic approach to the management of the City of Durham district. Licensing policies must be integrated with local crime prevention, planning, transport, tourism, race equality schemes and cultural strategies. This new policy, as stated earlier, is also determined by the legislation and guidance from the Gambling Commission.</p> <p>This policy must promote the three licensing objectives set by the Act:</p>	

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
- Ensuring that gambling is conducted in a fair and open way, and
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

Portfolio Member Recommendations or items Requiring a Cabinet Decision

The proposed licensing policy for the City of Durham as required by the Gambling Act 2005 is attached as appendix B. It is recommended that this be approved.

It is also recommended that the responsibility for deciding fees and small society lottery registrations are delegated to the Licensing Committee.

Reasons for Recommendations

To publish a Statement of Licensing Policy and decide on fees, necessary to undertake the licensing authority's responsibilities imposed by the Gambling Act 2005.

Alternative Options to be Considered – N/A

Consultation

Consultation responses on the draft licensing policy were invited from 4 July 2006. Responses were requested to be submitted by 29 September 2006. In addition to the statutory consultees, other people and organisations that may have been interested in responding to the consultation were identified and a copy of the consultation document was sent to each Council Member.

The draft policy and consultation paper are also on the Council's website and featured in the August/September 2006 edition of Durham City News.

The consultation exercise has been conducted in accordance with the Cabinet Code of Practice on Written Consultation, allowing a minimum of 12 weeks for responses.

The authority has to be able to accept applications under the new Act from 30 April 2007 and the Act comes fully into force on 1 September 2007.

Responses

Four responses were received during the consultation period. The schedule of responses, attached as appendix A, includes an appraisal of each response, with reference to the licensing objectives, legislation and Gambling Commission guidance.

Financial, Legal and Risk Implications

It is important that the licensing policy is right. If an appeal concludes it is deficient, Magistrates can declare it illegal. Matters already concluded or ongoing will be lost as the decisions were based on a defective document. And a licensing policy can also be subject to a judicial review.

Resource Implications

As it is not yet known how long it will take to process an application, how many representations may be received, and how many hearings or appeals there may be, fees should be adopted at the statutory maximum. A review of the fees should then take place a year after the Act becomes effective when the costs incurred are known.

Timescale for Action – Policy must come into force on 31 January 2007. Report to be submitted to Council on 7 November 2006

Associated Policies and Plans – N/A

Supporting Documents – Schedule of responses to policy consultation – Appendix A Draft Statement of licensing policy. Appendix B

Background Papers

Draft Statement of Licensing Policy – City of Durham
Gambling Act 2005

Guidance to Licensing Authorities Consultation Document December 2005 –
Gambling Commission

CITY OF DURHAM COUNCIL

C O U N C I L

7TH NOVEMBER, 2006

REPORT OF DIRECTOR OF STRATEGIC RESOURCES

1. CONTRACT AND PROCUREMENT RULES

Officers of the Council have reviewed the Council's current Contract Procedure Rules published in the Council's Constitution. They have considered current best practice and have produced the revised Contract and Procurement Rules (Attached at Appendix A.

Recommended

Council is asked to approve the Contract and Procurement Rules and make the appropriate amendments to the Constitution.

CITY OF DURHAM COUNCIL

CONTRACT AND PROCUREMENT RULES

INTRODUCTION

City of Durham Council will conduct its business and operations in accordance with the highest professional and ethical standards. All business conducted by the Council will be in an open, transparent and accountable fashion to ensure that the probity and transparency of the process is beyond reproach.

The purpose of the Contract and Procurement Rules is to ensure that competition and propriety are present in the tendering and the award of contracts for the procurement of all supplies, services and the execution of works, or in the sale of any asset or service by the Council. The principles of Best Value should be applied to all such transactions. The Rules cover the thresholds and level of authority applicable and the procedures for enabling competition and regulating the manner in which quotations and tenders are invited and evaluated and contracts awarded. There is a need to ensure compliance with the Council's Executive Decision making procedures.

These Contracts and Procurement Rules need to be applied to all procurements, including those where third parties are involved in spending Public Monies on behalf of the Authority, and where the Council is acting as an accountable body for partnership arrangements.

Officers are responsible for ensuring that sufficient time is allowed to provide for all the various elements for the fulfilment of the procurement process.

Any information received during the course of business, and in particular the quotations or tendering procedure must not be used for personal advantage nor disclosed to a third party except for anti-fraud purposes or in accordance with the provisions of the Freedom of Information Act 2000 or other relevant legislation. In cases where there is uncertainty as to whether a particular course of action complies with the ethical standards of the Council, the advice of the Director of Legal & Administration Services should be sought.

INTERPRETATION

Where the context so admits and requires, reference to the masculine shall include all other genders and references to the singular shall include the plural and vice versa.

For the avoidance of doubt it is hereby declared that where any Rule conflicts with a statutory provision, the statutory provision shall prevail.

In those cases where reference is made to legislation which has been amended, extended or substituted by subsequent legislation which repeats earlier legislation, the reference shall be taken to refer to the subsequent or previous legislation as the case may be. The Director of Legal & Administration shall be responsible for updating the Rules as required, and reviewing them in any event every three years. Any dispute or difference as to the interpretation of the Rules and or any related Codes of Practice shall be resolved by the Director of Legal & Administration Services.

Reference to statutes shall be deemed to include reference to any regulations made thereunder.

The “Chief Executive” means the Chief Executive or an Officer designated by him/her. The “Director of Strategic Resources” means the Director of Strategic Resources or an Officer designated by him/her. The “relevant Director/Head of Service” means the Director or Director/Head of Service of the particular service concerned or an officer designated by them.

Rule One

1. Compliance

- 1.1 These Rules **MUST** be followed every time the Council procures work, materials or services and it is the responsibility of each Head of Service to ensure the compliance of their department.
- 1.2 Outside consultants and technical officers appointed to supervise contracts must follow these Rules (and the Financial Procedure Rules) as if they were officers of the Council.
- 1.3 Failure to comply with the Rules will be considered a disciplinary issue and appropriate action will be taken.

Rule Two

2. Declarations, Conflicts of Interest and Corruption

- 2.1 All Council employees and firms engaged on the Council’s behalf must ensure that any conflicts of interest are avoided.
- 2.2 In the event that there may be a conflict of interest, the circumstances of the same shall be reported to the Director of Legal and Administration Services and the Head of Service by the employee or firm concerned to determine what course of action should be followed.
- 2.3 Any serious concerns that any officer has about any aspect of service provision or the conduct of officers or members of the Council or others acting on behalf of the Council can be reported under the Confidential Reporting Policy.
- 2.4 The Council reserves the right to cancel any contract in the event that rule 6.7 is not complied with.

Rule Three

3. Authority and Procedure for Procurements

- 3.1 Every procurement on behalf of the Council must have the appropriate level of consent, and follow the procedure appropriate to its value, as outlined in the table below.

Value of Contract	Procedure	Number of Suppliers (minimum)	Authority
Under £5,000	Most efficient method	N/A	Head of Service
£5,001 - £50,000	Quotes	4	Portfolio Holder
£50,0001 - £100,000	Tender	6	Portfolio Holder
£100,001 - £140,000	Tender	6	Cabinet
£140,001* – £1,000,000	OJEU	6	Cabinet
Over £1,000,000	OJEU	6	Council

** This figure is subject to variation dependant upon exchange rates – please check with the Director of Legal and Administration Services*

Rule Four

4. Quotes

- 4.1 Where a contract has a value of less than £5,000, it is recommended that four written quotes are obtained. However, the Head of Service (or responsible officer to whom the matter has been formally delegated) may proceed in the most efficient manner, provided that a written record of the reasons for proceeding as chosen is maintained.
- 4.2 Written quotations must be sought from four suppliers for a proposed contract with a value of between £5,001 and £50,000. If four quotations can not be obtained due to lack of suitable firms prepared to quote, or where a quote other than that which is most economically advantageous is recommended for acceptance, a written record of the reasons must be maintained. No quotation should be accepted without the written consent of the relevant portfolio holder.
- 4.3 All quotations must be accepted on the Council's terms and conditions – not the Suppliers.

Rule Five

5. Tenders

- 5.1 Where a contract has a value of between £50,001 and £140,000, (£1,000,000 where OJEU notification not required) public notice shall be given in one or more local newspapers and in one or more newspapers or journals circulating among such persons as undertake such contracts of the nature of the contract and invite those interested to apply within a period, being not less than ten days, as may be specified, for permission to tender, stating the last date when applications will be accepted.
- 5.2 Invitations to tender for the contract shall be sent to not less than six of the persons who applied for permission to tender in the event of a restricted tender, or all those who respond, provided they are of established financial standing, skill, integrity, responsibility and competence for work of the character and size contemplated.
- 5.3 Written records of applications to tender, the reasons for the choice of those invited to Tender (if restricted), and of responses to invitations to tender, shall be kept in a form agreed with the Director of Strategic Resources.
- 5.4 All those invited to tender will be sent a tender pack which shall include at the least details of the Councils standard terms and conditions of business and instructions for the return of the tender, including a label to affix to the tender being returned.
- 5.5 All tenders shall be required to be returned to the Council at 17 Claypath, Durham, DH1 1RH (or such other address designated by the Director of Legal and Administration Services) bearing the provided label and showing no other mark capable of identifying the tender save for post marks or those required by postal or courier services.
- 5.6 The date and time of receipt of all tenders shall be recorded and each submission given a reference number. The returned tenders shall then be retained until the tender opening by the Director of Legal & Administration Services.

- 5.7 The received tenders shall be opened at one time and only in the presence of the relevant Portfolio Holder, Chief Executive and the Director of Strategic Resources or any Officers designated by them. The Chief Executive shall keep a register of tenders opened. The register, the initial page of the tender, and every page containing an alteration shall be initialled by the Member and Officers in whose presence tenders are opened.
- 5.8 A Director/Head of Service may, with consent of the relevant Portfolio Member, accept a tender up to a value of £100,000 where it is the most economically advantageous. Where a Director wishes to accept a tender which is not the most economically advantageous, he/she shall submit a written report to Cabinet for a decision.
- 5.9 Any contract with a value between £100,000 and £1,000,000 may only be accepted by Cabinet.
- 5.10 Any contract with a value exceeding £1,000,000 may only be accepted by Full Council.

Rule Six

6. Contracts

- 6.1 Every procurement shall be subject to the Council's standard terms and conditions.
- 6.2 Every contract in writing should be in a form approved by the Director of Legal and Administration Services, although individual approval shall not be required when the Council's unaltered standard order form or standard terms and conditions are used. In the event an amended standard order form or standard terms and conditions are proposed, the Director of Legal and Administration Services must approve the amendments.
- 6.3 Subject to 6.6, every contract in writing which does not exceed £200,000 shall be signed by the Chief Executive and the Director of Legal and Administration Services on behalf of the Council. Contracts in excess of £200,000 shall be entered into under the Common Seal of the Council.
- 6.4 Every contract in writing shall specify:-
- (a) the work, materials, matters or things to be furnished had or done;
 - (b) the price to be paid, with a statement of discounts or other deductions; and
 - (c) the time or times within which the contract is to be performed.
- 6.5 Every contract for productions, hiring of facilities and the organisation of events and the hiring of films at the Gala, provided the total cost thereof does not exceed £10,000 shall be signed by the Theatre Director and the Programmer. Such contracts which exceed £10,000 but do not exceed £200,000 shall be signed by the Theatre Director and the Director of Legal and Administration Services. Contracts in excess of £200,000 shall be entered into under the Common Seal of the Council.
- 6.6 The Council shall be entitled to cancel any contract and recover from the Supplier the amount of any loss resulting from cancellation if the supplier, or any person acting on his behalf, shall have offered, paid or given, directly or indirectly, and gift in money or any other form to any member, employee or agent of the Council as an inducement or regard, or committed any offence under the Prevention of corruption Acts 1889 to 1916, or paid or offered any fee or reward contrary to section 117(2) of the Local Government Act 1972.

Rule Seven

7. Variations and Extensions of Contracts

- 7.1 The only variations permitted shall be in accordance with the original contract and must be recorded in writing.
- 7.2 Extensions to contracts shall only be permitted provided that the new total value of the contract (original value plus the value of the extension) is within the procedures set out herein.

Rule Eight

8. Exceptions to Contract and Procurement Rules

- 8.1 Waivers from these Rules must be obtained in advance and shall only be granted when one of the grounds identified at 8.2 is satisfied.
- 8.2 If the Procurement Value falls under the OJEU limits, a waiver to compliance with Rules 4 and 5 may be granted in respect of:-
- (a) purchase by auction
 - (b) the execution of works or services or the purchase of goods or materials, involving special scientific or artistic knowledge
 - (c) the execution of mandatory works by statutory undertakers
 - (d) the execution of works in which the personal skill or knowledge of the person or organisation carrying out the works is of primary importance
 - (e) purchase of goods or materials through a national contract organised by DTLR or any other nominated purchasing organisation
 - (f) procurements made through or on behalf of any consortium, association or similar body, or through a partnership or another public body which is subject to procedures which are equivalent to these rules and also comply with any national or EU legislation.
 - (g) the execution of works or services, or the purchase of goods or materials, which are a matter of urgency provided that a written record is kept documenting the reasons for urgency

provided always that if the contract involved exceeds £100,000 in value or amount then in respect of paragraphs (a) to (f) the prior approval of Cabinet must be obtained and in respect of paragraph (g) a report must be submitted to the next appropriate meeting of the Cabinet. If the contract involved is less than £100,000 the prior approval of the relevant Portfolio Member, in writing, must be obtained.

Rule Nine

9. E-Procurement

- 9.1 Acknowledged Electronic Procurement methods should be used in preference to paper transactions.
- 9.2 Quotation Documentation may be distributed to any prospective Supplier by electronic means, though a paper copy shall be provided if requested.

- 9.3 Any Supplier may submit quotations electronically to the Council and Heads of Service shall ensure that quotations so received will be handled in accordance with these rules.

Rule Ten

10. Reporting and Contract Monitoring

- 10.1 It is the responsibility of all Heads of Service to keep detailed written records of all stages and actions taken in reaching conclusions leading to the selection of a particular supplier or in relation to the disposal of an asset.
- 10.2 On 1st day of December, March, June and September every Head of Service shall provide to the Director of Strategic Resources in writing a list of:-
- (a) tenders and contracts to be advertised in the following three months
 - (b) tenders and contracts that have been advertised but not awarded
 - (c) tenders and contracts that have been awarded
 - (d) tenders and contracts that have been concluded
 - (e) tenders and contracts that have terminated
- 10.3 The Director of Strategic Resources shall maintain a register of all contracts entered into by the Council and it shall be the responsibility of each Head of Service to notify the Director of Strategic Resources when a contract is entered into.
- 10.4 Original signed contracts shall be forwarded to or retained by the Director of Legal and Administration Services in a secure and fireproof environment.
- 10.5 Heads of Service shall, in conjunction with an officer designated by the Director of Strategic Resources, undertake post contract monitoring and reviews of contract performance.

Rule Eleven

11. Contracts for Disposal

- 11.1 The procedure for the disposal of assets (other than those set out in 11.2) is as follows:-
- (a) Assets valued below £5,000 may be disposed of in the most economically advantageous manner
 - (b) Assets valued between £5,001 and £50,000 must be disposed of with the consent of the relevant Portfolio Holder by a method chosen by the Head of Service.
 - (c) Assets valued over £50,001 must be advertised for disposal (by sealed bids or public auction) to the public in one or more local newspaper, provided that the prior approval of the Cabinet has been obtained.
- 11.2 The Director of Legal and Administration Services will arrange for the disposal of any interest in land and property (including leases, licences and easements) in accordance with the authority delegated from the Council.
- 11.3 Leased assets (excluding land and property) must be disposed of only in accordance with the instruction of the lessor.

Rule Twelve

12. Other Contracts

- 12.1 Any contract, agreement or understanding in writing not covered elsewhere in these rules shall be approved in advance by the Director of Legal and Administration Services and signed by the Chief Executive and Director of Legal and Administration Services.

Rule Thirteen

13. Amendments and Reviews of the Rules

- 13.1 The Director of Strategic Resources will review the monetary figures set out in these Rules at least once a year and may amend these monetary figures or any of them after consultation with the Cabinet and the Audit Overview Committee.
- 13.2 The Director of Legal and Administration Services shall review and update these Rules at least every three years.

CITY OF DURHAM

COUNCIL
7 NOVEMBER 2006

REPORT OF THE HEAD OF PROPERTY SERVICES

**1. TENDER OPENING -
REWIRING OF COUNCIL PROPERTIES WITHIN THE CITY OF DURHAM AREA
2006-09 (c 200 p.a.)**

Tenders for the above Contract have been opened in accordance with Contract Procedure Rules by the Portfolio Holder for Housing.

Six tenders were received from:

Aqua Interiors
Dave Casey & Co
Delta Electrical & Security Systems Ltd
Gleeson AssetCare Ltd
Sunderland Housing Company Ltd
Vallectric

Tenders were evaluated on the basis of price. Delta Electrical & Security Systems Ltd submitted the lowest tender price.

Recommended: That the contract be awarded to Delta Electrical & Security System Ltd.

Background Papers

None

**2. TENDER OPENING -
REMOVAL AND REPLACEMENT OF BATHROOM SUITES ALONG WITH
REFUBISHMENT OF BATHROOMS TO COUNCIL PROPERTIES WITHIN THE
CITY OF DURHAM AREA 2006-09**

Tenders for the above Contract have been opened in accordance with Contract Procedure Rules by the Portfolio Holder for Housing Management and Revenues.

Ten tenders were received from:

Aqua Interiors
CLC Contractors Ltd
Darlington Borough Council
Delta Electrical & Security Systems Ltd
Gleeson AssetCare Ltd
Lovell Partnerships Ltd
Morrison Facilities Services Ltd
Sunderland Housing Company Ltd
Vallectric Limited
Whitfields Building Services Ltd

2.

Apologies were received from CJM Building/PropertyServices Ltd, Wiring Services Electrical Contractors and Mitie Property Services (UK) Ltd.

Tenders were evaluated on the basis of price. Vallectric Limited submitted the lowest tender price.

Recommended: That the Contract be awarded to Vallectric Limited with Whitfields Building Services Ltd being first reserve in the event that Vallectric Limited fails to perform in accordance with the contract.

Background Papers

None