

CONTRACT SCRUTINY PANEL

MINUTES AND DECISION RECORD

3 December 2007

The meeting commenced at 10.00 a.m. in the Civic Centre, Hartlepool

PRESENT: Cllr Flintoff (In the Chair);
Councillors Gibbon, Simmons, Sutheran, Worthy

OFFICERS: Tony Brown, Chief Solicitor
Jo Wilson, Democratic Services Officer
Sarah Bird, Democratic Services Officer

81 APOLOGIES FOR ABSENCE

None.

82 DECLARATIONS OF INTEREST

None.

83 MINUTES OF THE MEETING HELD ON 7 NOVEMBER 2007

Confirmed.

84 PURPOSE OF CONTRACT SCRUTINY PANEL – *Chief Solicitor*

The Chief Solicitor outlined the adoption of the current Contract Scrutiny Panel arrangements in 2002 at the time of the introduction of the executive management structure. The letting of contracts was an executive function and could potentially involve a single Member having immediate control over a number of issues including:

- the decision to undertake a project involving the letting of a contract
- the determination of the specification and budget
- the receipt of tenders
- the selection of the successful tenderer
- the monitoring of the contract

However, it was felt that these responsibilities would make a single Member unduly vulnerable and that although non executive Members could not be involved in any decision making capacity, their involvement in a monitoring role would go a significant way in maintaining the transparency and integrity of the contracting process. Involvement in this way would give non executive Members an opportunity to examine and raise issues and act as a deterrent to corruption or departure from the

Council Procedure Rules (CPR). It was therefore in the public, Council and Members' interest that a degree of monitoring be ensured in the interest of integrity. Any departures from the CPR were always referred to the Panel for example:-

- Rule 1(iii) – where the Chief Solicitor has exercised his delegated power to approve a departure from the Council Procedure Rules (CPR) as a matter of urgency.
- Rule 9 – acceptance of a best price tender other than the lowest
- Rule 10(1)(b) – selected tenders list compiled by officer
- Rule 23 (ii) – reasons for not inviting tenders in respect of nominated sub-contractor work

The Chief Solicitor had the power to act in cases of urgency such as time constraints and Members would always be made aware that these instances had occurred. Concern was raised that if, as at present the panel was made up of a temporary pool of Members, it could be unaware of scope for misuse of power in any department. The Chief Solicitor suggested that there could be more permanency of Members with perhaps a single member attendance for the opening of tenders, and a quarterly meeting of the Panel as a whole at which monitoring and other reports would be submitted. Members expressed their preference for a Panel rather than a single Member being responsible.

Other matters raised included a need to issue guidance for tenderers so that tenders were submitted on time and to the correct address. One suggestion was that an address label be sent to tenderers and that they should be informed that the first page of their submission must advise of the total tendered price, for ease of reference to the Panel. Another suggestion was that when envelopes were received, they were stamped with the time and date both at reception for hand delivered items and in the Post room to ensure that any late arrivals were highlighted and therefore discounted. It was further suggested that greater consistency in the interview process should be achieved and should be based on objective rather than subjective criteria.

The Chief Solicitor informed Members that the Head of Procurement was currently looking to develop an e-contracting system which would generate many issues of procedure – but this would be in the future. Procedure rules were currently being reviewed by the Principal Procurement Officer and these would be discussed by the executive and the Panel. It was stressed that the Panel should continue to meet on a fortnightly basis in order to ensure timely opening of tenders. Members considered that there should be some overlapping of Members in order to achieve continuity. Two of the Members, Cllrs Sutheran and Simmons expressed an interest in continuing to serve on the Panel.

Members commented that given the high disparity between the price of some quotes it might be pertinent to report breaches of contract such as overspending or missed deadlines for completion of work back to the Panel in order that Members were made aware of such matters. . It was

pointed out that contracting was the 2nd highest spending of the Council after personnel.

It was suggested that there should be a Members' Seminar or discussion panel regarding Contract Scrutiny in order to make Members aware of their responsibilities in regard to this.

The Chief Solicitor accepted that there should be a review of the remit of this Panel to accommodate factors such as those discussed and would submit a report on this issue within the next four weeks with an interim progress report at the next meeting.

R FLINTOFF

CHAIRMAN