

BUSINESS MANAGEMENT GROUP

PROCUREMENT RULES

Paper from Veronica Daly

For the meeting on 24 February 2015

Purpose

1. To inform BMG of changes to the Procurement Rules and to invite comment prior to implementation on 1 April.

Action for the Board

2. BMG is asked to provide comment and to take note of the anticipated changes and date for implementation ensuring dissemination to relevant employees in their business areas.

Consultation and equality analysis

3. The House of Lords Management Board approved the Rules at their meeting on 6 February. The changes to the Rules in respect of the House of Commons does not indicate a need to perform another equality analysis—one having been conducted when the Rules were drafted in 2011/2.

Main Body

4. At present, the House of Commons refers to Chapter 9 of the Finance and Procurement Rules for information about the internal and external regime governing the procurement process. Since April 2014, the House of Commons share a procurement service with the House of Lords and it was decided to apply the same set of Rules to each House. The attached document sets out a set of bicameral rules which are intended to govern the procurement process for each House and PICT.

The new bicameral rules are based on the existing rules in Chapter 9 but make the following significant change which business areas should note. Low value procurements conducted by way of quotes rather than formal advertisement (this covers expenditure between £10k and £50k) will need to be managed by PPCS who will communicate with the selected bidders using their electronic portal. At present, business areas contact potential suppliers with requests for quotes and only involve PPCS to put a contract in place. The new process will better ensure compliance with the procurement rules, reduce the risk of fraud and allow PPCS better visibility of low value spend.

The new rules also contain process maps and other diagrams to better explain the procurement process and the different procedures that should be used depending on the value and nature of the procurement.

PPCS recruited a Governance Manager in August and have been working intensely to put in place much better guidance in relation to the procurement lifecycle and the Rules have links to that also.

Financial and procurement implications

5. There are no direct financial implications associated with this change. It is hoped that one set of rules will reduce administrative costs and deliver efficiencies through better procurement practice.

Risk management

6. The Rules will contribute to managing the corporate risk of non-compliance and poor value for money by having one set of rules, processes and procedures for Parliament. This spreads best practice while reducing confusion and the likelihood of mistake.

House of Lords implications

7. The House of Lords Management Board have been consulted and have passed the Rules.

Legal Issues

8. New legislation in the form of the Public Contracts Regulations 2015 have been introduced and come into force on 26 February 2015. We need to consider the implications of this new legislation to our current processes and it may be

necessary to amend some of the attached rules. If that is this case, we anticipate the amendments being minor and we will update BMG as necessary.

Veronica Daly
Director of Parliamentary Procurement and Commercial Service

10 February 2015