

Updated Procurement Policy

Purpose:	For review
Author:	Director of Finance and Operations
Approver:	Chief Executive

Summary

The Current Procurement policy was approved by Council in October 2020.

In October 2022 a paper was submitted to ARC to discuss and recommend the various policies and principles that should appear in a redrafted procurement policy. Based on that discussion, the policy has now been completely redrafted and takes into account the recommendations of ARC as well as current operating practices.

This paper was reviewed by the ARC on 23 January 2024 and it was agreed to recommend the policy to Council for approval subject to the following updates which have been included in the policy (changes made are showing as tracked changes):

- To include specific limits when rolled over contracts should be reallocated to different lead teams.
- Provide further examples of core contracts and how they are agreed.
- Incorporate an annual supplier review report backs to ARC.

We have spoken to several other regulators and where possible looked at their policies. There is a noticeable move towards less prescription in policies, largely driven by the practical difficulties that defining the policy too tightly can bring. We have tried to apply this principle in this policy and defined the principles to be followed rather than the specific processes which will be captured in our Standard Operating Procedures.

There is recognition that certain expert services are currently difficult to procure e.g. accountancy and audit services, and that these difficulties are exacerbated for the lower the proposed contract value. Because of the difficulty in procuring these types of services, the CLC is prepared to consider entering into collaborative tenders in appropriate cases.

A further consequence of such market impact is that more weight is being placed on regular reviews to ensure value for money, quality of delivery etc rather than having firm periods for when a contract can no longer be renewed. Any potential capture that could result from an extended contract term can be mitigated by changing the

responsible team in the supplier organisation rather than necessarily having to find a wholly different supplier.

We have reflected this in the drafting.

Recommendations

It is recommended that Council review and approve the attached procurement policy.

Risk management

Inappropriate procurement decisions may result in financial and reputational risk to the CLC.

Regulatory Objectives

The following regulatory objectives are served by the decisions requested in the paper:

RO8 - promote and maintain adherence to the professional principles.

Financial impact

Inappropriate procurement decisions may result in financial loss to the CLC.

Diversity and inclusion impact

This policy includes an obligation to review EDI considerations when selecting suppliers.

Communications requirements

This report is not for publication, as it relates to a draft policy. A summary of the CLC's approach to procurement will be published [here](#).

Background

none

Annexes

A - Draft procurement policy

B – Delegation of Financial Authority