

Appendix 1

London Borough of Harrow

Strategic Procurement Board & Directorate Contracts
Boards

Terms of Reference

1. Background

The Strategic Procurement Board and the Contract Director Boards will provide strategic guidance to the procurement community and assess major procurement projects that are ongoing within the Council. The goal of the SPB is to ensure shared ownership for the realisation of desired outcomes and efficiencies across the Council and to ensure that Procurement becomes an enabling function within the Council to deliver the following benefits:

- **Deliver Greater efficiencies** and value for money on a sustainable basis
- **Professionalise the procurement function** and empower directorates to help deliver better service outcomes
- **Introduce a new flexible model** for the Council that is robust, and has the people, capabilities and skills in place to support organisational needs.
- **Create a governance framework** that is robust, fair, open and transparent
- **Position Harrow** as a leading procurement body across London

The key focus of the SPB and DCB will ensure that the procurement function supports Harrow's Corporate and Strategic goals. They will also provide technical support and recommendations to the Corporate Leadership Group and Corporate Strategic Board, where required, around complex procurement decisions or any related decisions that require Member agreement.

2. Purpose

The Strategic Procurement Board (SPB) and Directorate Contracts Boards (DCB's) are Officer Boards which:

- provide oversight and scrutiny of the Council's commercial activities, primarily commissioning and procurement
- review and approve commercial activities at key stages of the commissioning and procurement lifecycle
- ensure alignment with corporate priorities, corporate objectives and ensure value for money
- provide commercial expertise offering advice and support
- inform best practice in the Council's commercial activities and ensure continuous development

The DCB will also:

- ensure procurement activity or contracts not performing against agreed standards are escalated to SPB
- ensure appropriate Contract Management resources are allocated
- ensure declarations of interest are completed prior to tender evaluation
- ensure adherence to constitutional requirements for all commercial activities including activity which falls below thresholds for submission to DCB

3. Objectives

The SPB will focus on the Strategic direction of the procurement function, and aim to ensure that the procurement of goods and services achieve value for money and meets the Council's Strategic and Corporate objectives.

The main objectives of the SPB will be to:

- Drive and monitor delivery of the strategies through;
 - Monitoring the achievement of savings targets
 - Overseeing strategic sourcing reviews
 - Monitor compliance of procurement policies and procedures, EU Directives and address any non compliance.
- Provide robust internal challenge to major procurement projects
- Inform Member decision making
- Resolve any problems or debates around the Council's procurement strategy and process through open discussion with key stakeholders.
- Monitor and endorse waiver logs, consultant engagement, and high value spot purchases ie: social care
- Review the Council's and Joint WLA procurement forward plan and the resources identified. Prioritizing projects.
- Re-scope / Re- bundling services from service reviews where there is a procurement need identified - the board will challenge and approve the procurement process - throughout the four Key stages of procurement
 - a. identification of need,
 - b. Tender process - resources, risk
 - c. Recommendation, Approval & Award
 - d. Implementation and review.
- Business cases raised from transformation programmes that have an identified procurement need should be presented to the board to be included in the forward plan - which will be tracked).

This board will not approve any funding; it will ensure that the council has a robust, open and transparent procurement process in compliance with regulations.

4. Relationship to other Harrow Governance

The Capital Projects Forum is responsible for reviewing all Capital Projects. It review overall direction of capital programmes, sign off or quality assure new projects and scrutinise projects not delivering expected outputs. Capital contracts are included in the scope of the SPB and DCB's up to the point of contract award only.

Harrow Grant applications are not included in the scope of SPB and DCB's and are evaluated by the CDF.

The criteria for submission of capital projects to be used to determine submission of Capital and Works commercial activity to SPB and DCB's as defined at Appendix A.

Governance of the Council's Transformation Programme is provided by the Transformation Board and CSB. Contracts that form part of the Transformation Portfolio are included in the scope of the SPB and DCB's but up to the point of award only. The Transformation Board supported by the Programme management office should oversee the realisation of transformation projects.

The Boards do not alter Constitution governance and **do not replace the requirement for formal contract approvals and signatures** in accordance with the Procurement and Contract Procedure Rules.

- The SPB will report on a six monthly basis to CSB and on an annual basis to Executive; and
- Respond to any procurement issues identified by Internal or External Audit.

5. Board Membership and Structure

Directorate Contracts Boards

- There are four Community & Environment, Adults and Housing, Children's and a Corporate Services (all cross cutting) DCR Boards
- DCB's are Chaired by a senior representative of the respective Directorate and supported by the Directorates Board Secretary and Secretariat
- Membership includes senior representatives of each Service area within the Directorate, a Procurement, Transformation programme officer, Finance and Legal representative and where agenda items require, an HR representative
- The Directorates Board members are authorised to act on behalf of their Head of Service in all commercial issues (notwithstanding constitutional requirements)
- Directorate Boards determine their own minimum criteria for Board submissions and may delegate authorities to sub-boards as outlined in item 8 below

Procurement Strategic Board

- The SPB is Chaired by a member of CSB, the Corporate Finance Director and supported by the Board Secretary and Secretariat
- Membership is determined by the Corporate Director of Finance and Deputy Chief Executive and includes senior representatives from Adults & Housing, Community & Environment, Children's Services, and programme management Office, HR as well as the Heads of Procurement, Legal Services and Information Services. Board members are authorised to act on behalf of their Corporate Directors in all commercial issues (notwithstanding constitutional requirements)

Board members are required to attend meetings regularly for continuity and consistency but may nominate deputies to attend by exception. Decisions will be taken by attendees of the meeting without referral to absentees wherever possible.

6. The Role of the Secretariat

Each Board has a Secretariat who acts as a filter to the respective Board and is responsible for:

- Development of the Forward Plan.

- ensuring that the Corporate Contracts Register (Bravo Portal) is completed and maintained (all contracts with a total value of £50,000.00 or above to be recorded)
- initial assessment and acceptance or rejection of all submissions from the commercial lead
- selection and submission of items for the Board agenda (in consultation with the Chair)
- providing commercial advice and guidance for papers/commercial issues which do not get included on the Board agenda
- reviewing and providing quality assurance for waiver requests prior to submission to Procurement Services
- providing feedback to the commercial lead on outcomes and issues discussed by the Board (using the standard template at Appendix C)
- supporting the standardisation and continuous improvement of SPB and DCB processes
- dissemination of information and guidance to officers involved in commercial activities
- ensuring that Capital and Works commercial activity is **correctly scored using the CDF matrix**

Board Secretariats meet on a two monthly basis to share best practise and work towards corporate standards where possible. These meetings are known as the Secretariat Forum. Notes of these meetings are submitted to the SPB for information.

7. Submission Process

All pre-contract activity (such as initial plans for commercial activity and sourcing strategies), contract award recommendations and all variations to contracts subject to the criteria outlined at Appendix A must be submitted to the Boards for review and approval to proceed.

The commercial lead must submit a report to the Board Secretariat in advance of the meeting (timing and process as defined by each Secretariat). For submission of proposed commercial activities, contract renewals and awards or variations to existing contracts, a copy of the completed Transformation and Capital Projects and business cases must be appended to the report.

The Board Chair and Secretariat will review their Contracts Register and Forward Plan at or before each meeting and may also request progress reports or information on any of the commercial activities identified.

8. Meeting Arrangements and Frequency

The SPB meets every month for 90 minutes. DCB's are held every two months; duration as defined by the DCB Secretariat in consultation with the Chair.

DCB's may delegate authority to 'Sub-boards' to scrutinise and take decision upon commercial activity subject to the following:

Strategic Procurement Board and Directorate Contracts Boards

Appendix A - Criteria for submission to DCB and SPB

The delegated 'decision points' and submission criteria for **pre-contract** activity is outlined in table 1 below, **post contract** activity is outlined in table 2.

Table 1

SPB	DCB May be delegated to sub-boards
Works above EU Threshold (currently contracts with a total value of £3.9m)	Works below EU Threshold
Supplies and Services above EU Threshold (currently contracts with a total value of £156,000.00)	Supplies and Services below EU Threshold
Capital and Works projects	Capital and Works
All third party grant funding awards >£100,000.00	All third party grant funding awards
All Very High Risk Contracts	All Medium to High Risk Contracts
All 'Significant' Commercial Activity (after initial approval by the relevant DCB ¹)	All 'Significant' Commercial Activity
All Consultancy contracts with a total value of £300,000.00 or above	All Consultancy contracts up to £300,000.00

Table 2

SPB	DCB May NOT be delegated to sub-boards except for quality assurance and SPB submission approval
Contract extensions or variations to contracts per values in Table 1	Contract extensions or variations to contracts per values in Table 1
Extensions to contracts subject to the Public Contracts Regulations (Part A and B)	Extensions to contracts where the contract has already been extended on one or more occasions
Contract extensions where the extension accounts for an additional 10% or more of the total contract value (after initial approval by the relevant DCB ¹)	Contract extensions where the extension accounts for an additional 10% or more of the total contract value
All contract overspends (including frameworks or call-offs where spend is greater than anticipated contract value) where the overspend accounts for an additional 10% of the original contract value	All contract overspends (including frameworks or call-offs where spend is greater than anticipated contract value)
All non budgeted contract variations (after initial approval by the relevant DCB ¹)	All non budgeted contract variations
All claims, disputes or settlements in excess of £150,000.00 or in relation to Public Contract Regulations	All claims, disputes or settlements
Application or negotiation of Indexation clauses (after initial approval by the relevant DCB ¹)	Application or negotiation of Indexation clauses

¹ In exceptional circumstances and where timescales do not permit, initial DCB approval may be given on behalf of the DCB by the Executive Director or Chair of the Board.