

REPORT FOR LEADER OF THE COUNCIL AND PORTFOLIO HOLDER FOR FINANCE AND GOVERNANCE

26 February 2026

JOINT REPORT OF CORPORATE DIRECTOR FINANCE & IT AND CORPORATE DIRECTOR LAW AND GOVERNANCE

EXEMPTION FROM THE COUNCIL’S PROCURMENT PROCEDURE RULES FOR INTERIM ARRANGEMENTS WITH HIGHER THRESHOLDS FOR REQUESTS FOR QUOTES

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To seek approval from the Leader of the Council and Portfolio Holder for Finance and Governance, exemption from the Council's Procurement Procedure Rules to provide interim arrangements in respect of procurements with the value of £50,000 - £100,00, to reflect to increase costs, resources and capacity. The proposals are to follow the Council's Request for Quotation Rules for procurements of £50,000 - £100,000, as an exemption in the interim whilst formal amendments to the Procurement Procedure Rules are being considered up until the period of 31 Mar 2028.
EXECUTIVE SUMMARY
Tendring District Council (TDC) forms part of the Essex Procurement Partnership (EPP) (Cabinet 21 February 2025 minute no. 128 refers) to provide a procurement function for tenders over the value of £50,000 (Part 5 Rules of Procedure – Procurement Procedure Rules 4.3 Tenders). Full Council on 25 March 2025 (minute no. 132) adopted the Procurement Strategy. At the time of writing, EPP currently has twenty-four procurements over the value of £50,000 that are requiring resource for tenders to progress. This has resulted in capacity reaching its maximum, resulting in an unsustainable pressure, without securing further resources especially for urgent and reactive procurement exercises. The impact is also delaying more strategic priorities, such as category spend management and attention to the Local Government Reorganisation procurement workstream, along with day-to-day operational requirements for those procurements contained within the procurement pipeline. A review of the Procurement Procedure Rules has commenced within EPP, and revised draft rules are due to be presented to Cabinet shortly for recommendation onto full Council for adoption. One of the revisions proposed is to increase the Request for Quote (RFQ) process from £50,000 to £100,000, other partners within EPP will also be suggesting the increase in values. The values for RFQ have not been reviewed for at least 15 years and are therefore disproportionate to the increase in costs for purchasing goods and services, and the Council's resources are being impacted, due to increase in procurement activity by undertaking a full tender process. General inflationary uplifts for the last 15 years would approximately equate to £50,000 being the value of £80,000 in present terms.

Whilst the revisions to the Procurement Procedure Rules are formally considered, it is recommended that an interim exemption is sought to enable the resources of the Council to be more effectively and efficiently allocated for an interim period but ensuring that the Council's requirements to establish and demonstrate Value for Money are not reduced.

An exemption from the Council's Procurement Procedure Rules for procurement requirements between £50,000 - £100,000, following the adopted procedure for Request for Quotations (£10,000 - £50,000) would allow resource to be more effectively directed to procurement requirements over £100,000 and more strategic workstreams. Established documentation, guidance and control measures applicable to the Request for Quotation process would be applicable, including the requirement for the Council's Standard Contract for Services for procurements exceeding £25,000.

Following the Request for Quotation procedure would also allow for greater flexibility in utilising the Council's Social Value Policy, which otherwise would not need to be considered for procurements under £100,000.

RECOMMENDATION(S)

It is recommended that

The Leader of the Council and Portfolio Holder for Finance and Governance, in consultation with the Section 151 Officer and Monitoring Officer:

(a) following consideration of the impact of the current levels for tender exercises on the Council's resources and capacity and being potentially disproportionate to increased costs for purchasing goods and services, agrees to grant an exemption for an interim period;

(b) the exemption will apply to all procurements with the value of £50,000 to £100,000 to follow the Council's Request for Quotation Rules as set out in the Council's Procurement Procedure Rules; and

(c) the exemption will remain until the Council formally considers the revised Procurement Procedure Rules, which are currently being drafted by the Essex Procurement Partnership, in accordance with the Council's adopted Procurement Strategy and Collaboration Agreement.

REASON(S) FOR THE RECOMMENDATION(S)

The recommendation to proceed with an exemption from the Council's Procurement Procedure Rules for procurements with a value of £50,000 - £100,000 is to increase capacity within the procurement function conducted by Essex Procurement Partnership and to allow the Council's resources to proceed with the Request for Quote (RFQ) process. The exemption allows for the request for Quotation process and associated control measures, established documentation and guidance to be utilised, providing assurance to ensure the Council's requirements to demonstrate Value for Money are not compromised and to mitigate risks associated with not following the Request for Quotation process.

This will allow for capacity and resource to be redirected as previously detailed within the report. This exemption represents a pragmatic approach balancing associated risks, enabling the Council and EPP to conduct a more robust and detailed service.

ALTERNATIVE OPTIONS CONSIDERED

The following options were considered:

1. Continue with the Council's current Procurement Procedure Rules Request for Quotation value of procurements £10,000 - £50,000, with the associated impacts to resource as detailed within this report.
2. Continue with the Council's current Procurement Procedure Rules for Tenders of procurements with a value above £50,000, with the associated impacts to resource as detailed within this report.
3. Additional resource to the Essex Procurement Partnership, which is not currently viable within associated budgets and would not alleviate the same quantity of pressure as the recommendation within this report would.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The existence of sound governance, internal control and financial management practices and procedures are essential to the delivery of Corporate priorities supported by effective management and forward planning within the Council's Procurement Procedure Rules.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Part 5 – Rules of Procedure Procurement Procedure Rules

4.2.2 Procurement over £10,000, but not expected to exceed £50,000 (excluding VAT)

A minimum of three quotations should be sought by the department in addition to the production of a documented specification to include:

- (i) Identification of the procurement of goods, works or services required.
- (ii) Identification of any periods over which the goods, works or services are to be provided. In appropriate cases, provide for the payment of liquidated damages by a contractor where there is a failure to complete the contract within the period(s) specified.
- (iii) Provision for the retention of stated sums/percentages and the retention period to be applied where appropriate.
- (iv) Provision for the contractor to provide a performance bond, or parent company guarantee where appropriate.
- (v) Unless an exemption is obtained from the Corporate Director – Law and Governance, the Council Standard Contract for Services must be used when seeking quotations for £25,000 and above. When seeking an exemption, the relevant department will identify why any additional or replacement terms and conditions are necessary for the service being sought.
- (vi) All contractors or suppliers asked to provide a quotation must be advised that the quotation must be sent to a specified e-mail address, and that quotations e-mailed to any other Council e-mail address will be disqualified.

4.2.3 All quotations shall be sought electronically

The responsible Corporate Director/Head of Department shall arrange for a secure e-mail address to be set up on the Council's e-mail system. Access to this e-mail address must not be available until the time of quotation opening. Access to the secure e-mail address shall be controlled by an independent senior member of staff not involved with the project or tender process or a member of the Procurement Service.

Where the lowest quotation received exceeds £50,000 (excluding VAT), Tender Rules shall be followed from that stage as if tenders had been sought.

If the value of the lowest quotation received exceeds the limit of the quotation category applied, then the Corporate Director/Head of Department must seek sufficient further quotations applicable to the level of the value of that lowest quotation.

4.2.4 The Corporate Director/Head of Department is under no obligation to accept any of the quotations. However where they are prepared to accept a quotation, the most financially advantageous quotation should be accepted unless other factors such as quality, local supply, performance and deliverability are also considered as part of the selection process. In accordance with the Council's overall requirements to demonstrate Value for Money. Evidence is expected to be retained and recorded in an Officer Decision to support such decisions where procurement exceeds £10,000.

4.3 Tenders (*Procurement greater than £50,000 excluding VAT*)

After the appropriate procurement route has been identified by following the framework set out in 3.1. Section 3 – The Procurement Framework

3.1 All procurement is expected to follow the following process/framework taking each step in sequence noting that the overall value of procurement is not the initial consideration. Governance Services should be consulted at the relevant stage of the process as necessary.

SECTION 2 – EXEMPTION FROM PROCUREMENT RULES

2.2 Further exemption from Procurement Procedure Rules may be sought where a Head of Department can demonstrate that exemption is justified by special circumstances.

(a) Where no specific exemption is provided:

- Where the value of the contract or procurement is estimated to be less than £50,000 exemption may be granted by the Chief Financial Officer in consultation with the Corporate Finance & Governance Portfolio Holder.
- Where the total value of the contract, or procurement, is estimated to be between £50,000 and £250,000 the Corporate Finance & Governance Portfolio Holder may, on the recommendation of the Chief Financial Officer, grant exemption. In such cases a formal Portfolio Holder decision must be made.
- Where the total contract, or procurement, is estimated to exceed £250,000, the Cabinet, or a Committee may, on the recommendation of the Chief Financial Officer, grant exemption. In such cases a record of the exemption must be made in the minutes of the Cabinet, or Committee.

FINANCE AND OTHER RESOURCE IMPLICATIONS

Finance and other resources

There are no significant financial or resource implications associated with this report as the recommended exemption negates these implications in order for resource to be redirected to other procurement activities and requirements.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The Council's Rules of Procedure Procurement Procedure Rules are reflected throughout the report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	

MILESTONES AND DELIVERY

The delivery of procurements of £50,000 - £100,000 in an efficient and controlled process resulting in redirecting resource to procurements posing more of a financial and governance risk, along with the strategic work of category spend management and Local Government Reorganisation workstreams.

ASSOCIATED RISKS AND MITIGATION

There is a risk of disaggregation of services potentially circumnavigating the Procurement Procedure Rules to avoid a full tender process. This will be mitigated by following the Request for Quotation process and control measures, with all Request for Quotation exercises requiring a request through the online portal managed by EPP and TDC Procurement Officers. This will enable the relevant officers to identify any risk of disaggregation and provide intervention/escalation if required.

In line with the Procurement Procedure Rules, Services will still be required to consult with the relevant Portfolio Holder or Committee Chairman in relation to the procurement spend and therefore Member oversight is retained.

4.3.8 Acceptance of Tenders

(a) Unless the requirements of Procurement Procedure Rules 4.3.5 (v) have been applied, the most financially advantageous tender to the Council shall be accepted by the Corporate Director/Head of Department (in consultation with the relevant Portfolio Holder or Committee Chairman).

(b) Where Procurement Procedure Rule 4.3.5 (v) applies, the tenders must be evaluated in accordance with the agreed evaluation process/criteria, and evidence retained to demonstrate this. The tender identified as most advantageous to the Council shall be accepted by the Corporate Director/Head of Department (in consultation with the relevant Portfolio Holder or Committee Chairman).

Value for money and Social Value considerations will still be relevant as the Request for Quotation process requires the seeking of a minimum of three quotations and is further detailed within this report.

The following elements of the Procurement Procedure Rule 4.3 Tenders will be applicable, albeit in line with the Procurement Procedure Rule 4.2 Quotations, which broadly align:

4.3.2 Open Competitive Tenders

4.3.3 Selective Tendering

4.3.4 The Number of Suppliers Invited to Tender

- 4.3.5 Going out to Tender
- 4.3.6 Receipt of Tenders
- 4.3.7 Opening of Tenders
- 4.3.8 Acceptance of Tenders

OUTCOME OF CONSULTATION AND ENGAGEMENT

The Internal Audit Manager has had sight of this report and has provided the following:

It is understood that costs have increased over a number of years, which has increased the need for additional resource to undertake tender exercises as more procurements reach the current thresholds due to the increase in costs.

Increasing the limits for RFQ is a practical approach to reduce the administrative burden, however it is very important that quotation rules under the new limits are followed to ensure that the Council can continue to evidence value for money and prevent fraud through disaggregation and management override.

Cllr P Kotz, Portfolio Holder for Assets and Community Safety, has been appraised of this report in his capacity as the Portfolio Holder for the Council's Procurement function, and has received adequate assurance to support the recommendations contained within the report.

EQUALITIES

There are no direct implications associated with this report.

SOCIAL VALUE CONSIDERATIONS

The Social Value Policy does not require consideration for procurements under the value of £100,000. However, by implementing the Request for Quotation procedure this will enhance Social Value considerations, as services will be able to include local suppliers on a larger scale than the current process of tender exercises. Thus providing local suppliers with a fair basis to compete for the provision of goods, works and services required by the Council.

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

This report reflects the approach of Local Government Reorganisation as demonstrated within the Essex Procurement Partnership collaboration, with a current review of the Procurement Procedure Rules being conducted by EPP with strong support and involvement from Tendring District Council, including the Council's Monitoring Officer, to have this process as a common practice in order to redirect resource to more intensive procurement requirements and activities.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050

There are no direct implications associated within this report.

OTHER RELEVANT IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below:

Crime and Disorder	Not applicable
Health Inequalities	Not applicable

Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	Not applicable
Area or Ward affected	All Wards could be affected
ANY OTHER RELEVANT INFORMATION	
None	

PART 3 – SUPPORTING INFORMATION

BACKGROUND
PREVIOUS RELEVANT DECISIONS TAKEN BY COUNCIL/CABINET/COMMITTEE ETC.
Detailed within the main body of the report.
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
Detailed within the main body of the report.

APPENDICES
Part 5 Rules of Procedure Procurement Procedure Rules Procurement Strategy 2025 Social Value Policy 2024

REPORT CONTACT OFFICER(S)	
Name	Richard Barrett
Job Title	Corporate Director – Finance & IT
Email/Telephone	rbarrett@tendringdc.gov.uk
Name	Lisa Hastings
Job Title	Corporate Director – Law & Governance and Monitoring Officer
Email/Telephone	lhastings@tendringdc.gov.uk
Name	Karen Hayes
Job Title	Corporate Governance, Performance & Procurement Manager
Email/Telephone	khayes@tendringdc.gov.uk