

6. Waiving of Standing Orders

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Purpose of the Report

To provide members of the Audit Committee with a summary of the waivers given since the last report issued by the Procurement Manager in June 2007.

Recommendation

That the Audit Committee note the report and comment as appropriate.

Standing Orders for Contracts

As you will recall a review of the existing Standing Orders for Contracts and the elements of financial regulations that impacted upon procurement or contracting was to be undertaken by the Head of ICT and Procurement.

I am pleased to report that this significant item of work has now been completed and is presented to the Audit Committee under item 5 on this agenda. The new Procurement Procedure Rules will now go through the council's formal approval process, with a view to obtaining ratification as soon as possible.

Once adopted a series of familiarisation and training workshops will be provided to ensure a greater degree of understanding. Further, the new rules will be published on the procurement pages of Insite and will form the backbone of any procurement training provided in the future.

In summary, the new Procurement Procedure Rules will allow the council to act in a modern efficient way with "Best Value" and transparency being the watch words of good practice. I believe the new rules and procedures strike the correct balance between risk and "common sense", a virtue often it appears missing from life these days.

Waiving of Financial Procedure Rules.

For orders below £50,000, the Head of ICT and Procurement exercised exemption to Financial Procedure Rules on behalf of the Head of Finance. In the period May 2007 to the end of June 2008 the following exemptions were given:-

Reason	Total no. of Exemptions
1. Use of specialist supplier (with either clear commercial benefits or some degree of competition)	8
2. Continuity from a previous supplier	2
3. Insufficient time	4
4. Contract extension	1

Waiving of Standing Orders for Contracts

In accordance with Audit Committee views expressed at the meeting when waivers to financial regulations in relation to procurement were last reviewed, I have confined this report to only dealing with the instances under which I have jurisdiction to exempt the officer from following financial regulations. Members may recall that these are often regarded as financially immaterial to the Council as a whole, and in most cases related to me proffering advice on taking a "Best Value" view of the situation. None of the instances brought to my attention gave me any concern and in every case I was able to assist the officer in moving forward and save the public purse the cost involved in unnecessary process.

However, one significant exemption was made under Standing Orders for Contracts namely - exemption clause 48.3 section 48

This standing order (the requirement to invite tenders) shall not apply to the following, but wherever possible alternative quotations shall be obtained:-

Clause C Contracts for works, services or the supply of goods involving special technical, scientific or artistic knowledge.

I allowed and agreed with the officer that an exemption from Standing Orders could be allowed under the above for the following procurement activity.

Leachate Pumping Station – Birchfield, Yeovil

With regard to the above, the civils side of the construction of the pumping station is now complete and the Specification and Contract Documentation for the pump installation and controls has been determined and was due to be sent out shortly for competitive tender. The two elements of work were tendered separately to achieve best value and utilise individual specialists in each activity. However, what has become apparent is the complexity of the station with regards to the design.

Due to the nature of the controls etc. being of a bespoke nature to specifically manage the control of leachate from a disused landfill site and mitigate the risk of pollution to the River Yeo as required by the Environment Agency, I am of the opinion that this should appropriately be described as "special technical...knowledge" and therefore removes the requirement to invite tenders to achieve best value.

Background Papers: Report to Audit Committee – 26th July 2007
