

Audit Committee – 28th July 2011

7. Exemptions from Procurement Procedure Rules

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Purpose of the Report

This report updates members of the Audit Committee on any requested exemptions from the Procurement Procedure Rules (PPR) during the last financial year. Under the revised rules officers are required to advise the Procurement and Risk Manager of the use of any exemption from those rules. The new rules gave greater freedoms in terms of financial limits under which officers can place business.

Recommendation

That members of the committee note the report.

Report

Outlined below is an overview of procurement activity as well as any exemptions that officers have used under the Procurement Procedure Rules. I have listed any exemptions, advice on procurement processes, and procurements where officers needed clarification on procedure and direction.

Exemptions

Included as part of the activity items listed below. The major exemption from PPR and OJEU (official journal of the European Union) rules this year has been the development and regeneration of the Chard ACI site.

Activity

- Yeovil athletics Arena, re-texturing of the running track surface, advised on the procurement process £14K spend;
- Advised on use of framework agreements for building works at the Innovations Centre, lighting, heating, air conditioning etc;
- Advised on Procurement Procedure Rules and best value in the application and spending of a £30K Arts Council grant;
- Advised on the procurement of a Microsoft Enterprise Agreement and moving from Novell to Microsoft.
- Advised on the selection and best value principles in the design and selection of a training module for ICT staff at SSDC in support of the Microsoft roll out;
- Advised and assisted with guidance on the renewal of the Corporate Banking contract;

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- Advised and assisted on selection of a new contract for Occupational Health, moved from the County as a supplier to Yeovil District Hospital;
- Advised on the Young Person Homelessness Intervention Project, countywide project;
- Advised on quotation for car park resurfacing to obtain best value, by combining a number of jobs together;
- Advised on selection process for external advice and guidance in relation to Castle Cary Market House. Extension of phases of works;
- Advised on the winter maintenance contract extension;
- Advised on selection of the contractors for the Data cooling project via competitive tender;
- Selection and advised on the appointment of commercial property agents;
- Advised on the extension of the waste collection contract.

This is not the complete list of advice but in the main the areas outlined represent the most significant by value.

The following is an extract from the new Procurement Procedure Rules, as can be seen from the above officers are in the main seeking my advice and input into the procurement decisions they are making. This is a positive improvement – the new rule is outlined below:

Officers claiming exemption from the rules under any clause under section 3, must ensure that they have obtained clarification and agreement from the Procurement and Risk Manager prior to proceeding. Failure to do so will be deemed to be a breach of these rules. The exemptions given will be evidenced to Audit Committee and they will act as advisors in this regard and advise the Procurement Manager if any actions taken concern them.

In Summary

I believe the changes we have made to the Procurement Procedure Rules are effective and officers are now actively seeking my advice on a regular basis. However, I will be carrying out some further awareness training this year to ensure officers continue to seek my involvement in the process.

Background Papers: *Audit Committee – 23rd September 2010 – Procurement Procedure Rules/Amendments.*
