

Audit Committee – 26th July 2012

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 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 freedom 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 on procurements where officers needed clarification on procedure and direction.

Exemptions

- The Council has received funding from a developer (assumed section 106 funding) to enhance the play area at Westend View, South Petherton by extending the existing climbing frame. To do this I need to use the original manufacturer so the bespoke components match.

I advised that this was perfectly in order and that an exemption existed within the PPR that covered this very subject.

- Castle Cary Market House have retained an architect and consultant to advise on the very difficult building and planning issues with alterations to this building. Appointment was to be made at each stage of the project.

This in real terms ended up being more procurement advice rather than any PPR exemption, in that correct procedure was followed. However, we then sought to retain the contractor who had completed stage one of the scope of works. I advised that in future we should consider advertising the whole contract with phases or programme break points if we felt unsafe about awarding the whole contract at once.

Occupational Health Service Specifications permission was sought to use a limited field for submission of proposals. In effect Somerset County Council requested we signed up to the existing agreement for another 2 years in a very tight time scale.

Human Resources had, at that time, an approach from Yeovil District Hospital so we worked with them under the “Partnering Ethos” and delivered a better and cheaper Occupational Health Service. I worked with HR and considered this a good solution that fitted with our exemptions under Best Value within the PPR rules.

- The Housing team at Petters had some static caravans to dispose of and sought my advice as they are required to do for disposal of assets. Initial response from the housing team was to seek sealed bids from local traders.

I advised against this and recommended that they be placed in an auction suggesting Husseys in Exeter who we have used in the past. Each van sold first time around and each made well in excess of the reserve.

Considerable amounts of procurement advice was provided during the year.

The following is an extract from the current 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 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. This will take the form of two training subjects as detailed below:-

- What is a Contract and why should I have one?
- The community right to challenge what does it mean for YOU!

Background Papers: *Procurement Procedure Rules*
