

Audit Committee – 22nd August 2013

## 8. Exemptions from Procurement Procedure Rules

*Strategic Director:* Mark Williams, Chief Executive  
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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 freedoms in terms of financial limits under which officers can place business. As per previous formats I have attempted to give a further summary on any procurement issues that may have required the awarding officers to seek clarification from me. I have only included commentary on the significant ones in this report but many other smaller items do get discussed with me in the course of my day to day activities.

### Recommendation

1. 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

- Members of the committee may be aware that we have a software application referred to as Trent; this application manages SSDC payroll and Human Resources functions. This application was acquired many years ago via a joint procurement via Somerset County Council. The system in its current form has come to the end of its operating life and needs a major upgrade. The HR manager assessed that upgrading the system would be preferable to trying to acquire and install a completely new system. Effectively nothing significant was wrong with the current application, however a number of new features and enhancements were to be deployed in the upgrade that SSDC consider now to be worthwhile pursuing. One such upgrade is to the payment slips meaning SSDC will no longer need to print and send out paper based payment information as the new system will do all this electronically.

Response to request - Procurement manager considers that an exemption is allowable under section 3.3 item ( ii) (iii) (iv)

- Need to expedite an urgent selection of a consultancy house to help in providing a response to the Inspector findings of the local plan.

Response to request - Given the urgency of the matter and the high level of importance of the matter. I agreed to a shortened competitive quote process from an approved list of consultancy houses. Selection was made on the basis of positive feedback from reference sites. Suppliers were specifically asked to respond to the Inspectors finding and assessments were made on these specific submissions. The ability of the consultants to engage in the process with a suitable start and to complete the work in a time is of the essence criterion were also considerations.

- Request from Community Regeneration Officer Sports to directly engage a local artist to produce art works and a film in connection with the [Portas](#) Pilots funding via DCLG.

Response to Request - Given that this was externally funded (£10K) and that the artistic element is so subjective and hard to compare I considered that an exemption from 3 quotations was perfectly in order.

A considerable amount 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

In accord with members wishes SSDC procurement actively seeks out opportunities to collaborate with others to save money, effort and time and to gain from others experiences. To this end management have agreed that we consider and actively pursue a collaborative procurement for public convenience and office cleaning contracts with Yeovil College. It is hoped that by combining both contracts we may establish better pricing from a larger group of companies, always keeping in mind the benefit of local supply of course.

Further we will be tendering for a whole range of services over the next year and accessing existing frameworks to facilitate better pricing and a wider pool of suppliers, examples are, cash collection and car park cash collection, banking services, printer and copier supply, plus vehicle purchase and leasing.

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 and this will be combined with:

- 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

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