

Exemptions from Procurement Procedure Rules

Strategic Director: Mark Williams, Chief Executive
Assistant Director: Donna Parham, Assistant Director (Finance and Corporate Services)
Service Manager; Gary Russ, Procurement and Risk Manager
Lead Officer: Gary Russ, Procurement and Risk Manager
Contact Details: gary.russ@southsomerset.gov.uk or (01935) 462076

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 Audit Committee members note the report.

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.

(a) The following exemptions may be given with the written approval of the Procurement and Risk Manager who will record of each such approval with reasons for it being granted: -

- (i) Where a contract for the execution of works or the undertaking of services or the supply of goods involves highly specialised technical, scientific or artistic knowledge such that it is not possible to achieve competitive tenders;
- (ii) Where the work to be executed or the goods or materials to be supplied consists of repairs to or the supply of parts for existing machinery or plant or are additions to an existing style or design which would involve the council in greater cost and additional work in trying to harmonise two differing systems, designs or solutions;
- (iii) Where the purchases are of patented or proprietary items and any form of tendering would not be appropriate.
- (iv) Where best value is more likely to be achieved by approaching one contractor or consultant.

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.

Major: - Exemption request or clarification sought.

- Abris Contract, this contract refers to the software application used by Housing. It's a sophisticated choice based letting service run over the web for clients to register interest and need and post and match opportunities to swap and relocate etc. Like all software applications it has to have its licence renewed on an annual basis, this is normally done via what's called a term contract, often 5 years. This is now due for renewal. I have indicated that we are safe to proceed to renew the support contract as it is in affect a continuation of an existing application not an opportunity to award to a new supplier of product.

Note:-

Members should be aware that this is an application used by all the districts in Somerset and one of the member councils is taking a differing view to this, however they have in the past, so I am not surprised.

- Awarded a contract extension (scope to) Capita business services to run a review across the district on single persons discount claims. It was financially a low risk contract with Capita being rewarded in a share of the savings made if any. Safe guards are in place to ensure fair and correct operation of the service to protect the public. Capita are an existing contractor to SSDC.
- Market House, Castle Cary appointed single specialist contractor to install netting on the upper surfaces of the building to protect from Pigeon infestation. Given the considerable sums already spent on the building and its listed nature it was felt essential that this protective and specialist work should precede on an urgent basis. A specialist contractor from Bridgewater was appointed.
- Kennel contract for stray dogs. Awarded to single previous contractor. Despite attempting to run a competitive process we could not secure sufficient strong interest from other contractors to bid for this work. Under the circumstances I advised that negotiating with the current suitable contractor was probably the best and only option.
- Collaboration Agreement for SCC Engineering Consultancy Contract with Parsons Brinckerhoff. Agreement and support provided to SSDC officers to use and access SCC framework agreement for professional services.
- Lift (Elevator) DDA compliance alterations. Regulations come into effect that requires lifts to have adaptations. These changes are significant and expensive in the region of £15K per lift. Given this, Property Services decided to tender under open competition for the award of a contractor to do this work. This was alongside the current retain contractor who does the annual servicing and support for the lifts. The initial contract was not secured by the incumbent contractor (too expensive) and another supplier was asked as an initial project to complete upgrades to the Brympton way lift. This proved to be a mistake and considerable conflict and

additional cost were evident from this way of working. After discussion with Property Services we awarded the remaining works to the incumbent lift repair and servicing company.

- Appointment of specialist consultant to assist with office moves. A specialist sole trader with considerable experience of conducting office consolidations such as the one we were embarking on was appointed without tendering due to his unique and specialist experience. He has previously completed office moves at Weymouth and Portland and a council in Dorset.

In Summary

This is a summary of the more significant issues I have seen over the previous 12 months, many other lower scale financial examples exist, however I have tried here to appraise members of the shape, size and type of exemption opportunities officers are presenting to me for clarification.

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. This tender exercise was completed in the late spring of 2014 and was awarded to the current contractor under a competitive process. Despite our desire to try to encourage a volume related discount on the contract price, in almost every case contractors appeared to wish to bid only for the contract they had previously secured. On reflection we believe this may be largely due to securing sufficient labour locally to the contract and recruiting skilled labour into the commercial cleaning industry is currently an issue.

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 Careline provision, Central print and mail contract, 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.

Background Papers: Procurement Procedure Rules
