

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 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

That members note the report.

Background

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.

- **New sound system for Octagon circa £50K**
The purchase of a new sound system for the Octagon Theatre required an exemption because a small but experienced company was chosen but the purchase of the equipment would have adversely affected their cash flow. I was able to work with the officers to find a suitable way forward in sharing the risk with the provider.
- **Contaminated land reclamation circa £70K**
Continuing to work with Environmental Health on a contaminated land issue at a private residence in Langport. The Environment Agency's approved contractor listing and framework agreement was used to run a mini tender. This resulted in only one contractor being prepared to submit a proposal, all 5 other contractors refused to bid. I approved the process as being compliant with our PPRs. We currently await external funding from the EA to complete the works.
- **Using Council web site to generate advertising revenue**
Worked with a single supplier to supply advertising revenue from the council web site. This is a new venture for councils in England and as far as we were able to ascertain only one supplier currently offers this type of solution. I concluded that this solution did conform to an exemption as stated within the current PPRs. The council now earns income from advertisers on our web site.
- **Replacement Windows Lufton Depot Circa £8K**
Use of single supplier to replace some failed double glazed window units at Lufton. This required a degree of design work and innovative thinking on the part of the supplier so as to be able to match the exterior panels on the building. Only one local company came forward with a design solution that worked and looked acceptable. Single supplier due to technical needs complied with PPRs.
- **Bus shelter replacement £5,300**
Single supplier chosen to ensure all of the bus shelters across Yeovil are the same.
- **Replacement pump set at Birchfield land fill site circa £30K**
SSDC use a specialist contractor to service, maintain, and monitor the leachate and gas waste coming from the Birchfield site. This company designed the current plant set up and maintain it for us. We have used the contractor to design and source a replacement drop in

pump set for the plant. We therefore used a single tender solution in compliance with PPRs. As per section 3.3 (a) (i) & (iv).

- **Retain Marketing consultant (area North) £10K**

Area North had used a local Marketing Consultant to promote local business after the flooding in 2014. The consultant did an excellent piece of work and I was asked if I would approve the reengagement of the same consultant to do some additional work up to the £10K limit as an extension of the earlier engagement. I approved this as the knowledge now held by the consultant and the service we had already received indicated that Best Value would be best served by using the same contractor.

In Summary

This is a summary of the more significant issues I have dealt with 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 on.

In accordance 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 during the research work undertaken with Sedgemoor District Council we have compared pricing over a range of services and products. This in the main has supported the view that both councils enjoy largely comparative pricing for similar services and or products. SSDC were significantly better in terms of the price it was paying for energy via our agreement details of which have been passed on to SDC.

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
