

## Regulatory and Audit Committee 27 June 2013

### Updated Version of papers for Agenda Item 8

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8 <b>SUMMARY OF EXEMPTIONS SOUGHT TO CONTRACTS STANDING ORDERS (EVERY SIX MONTHS)</b> Rose Younger, Commercial Manager, Procurement	1 - 14



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# Regulatory & Audit Committee

<b>Title:</b>	<b>Standing Orders relating to Contracts – Exemptions Report</b>
<b>Date:</b>	27 <sup>th</sup> June 2013
<b>Author:</b>	Rose Younger, Commercial Manager
<b>Contact officer:</b>	
<b>Local members affected:</b>	N/A

## Summary

This report provides a summary as to compliance with the Council's Standing Orders relating to Contracts. The reporting period covers 1<sup>st</sup> January to 31<sup>st</sup> March 2013.

## Recommendation

Members are asked to note this report.

## Summary

### 1. Exemptions

Standing Orders relating to Contracts stipulate that a register of all exemptions applied for by Service Areas be maintained by Commercial Services on behalf of the S151 Officer.

For the three month period 1<sup>st</sup> January to 31<sup>st</sup> March 2013 24 exemptions were registered (compared to 16 for the three month period 1<sup>st</sup> October to 31<sup>st</sup> December 2012).

Of the 24 exemptions registered:

Total no. of exemptions registered	24
Total no. of exemptions cancelled during process	1
Total no. of exemptions recommended on behalf of S151 Officer	14
Total value of exemptions recommended on behalf of S151 Officer	£5,064,227



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Total no. of exemptions not recommended on behalf of S151 Officer	3
Total value of exemptions not recommended on behalf of S151 Officer	£142,250

Total no. of exemptions that are currently under review	3
Total value of exemptions that are currently under review	£280,000

Lowest value exemption	£12,500
Highest value exemption	£1,912,302

Total no. of exemptions raised retrospectively	4
Total value of retrospective exemptions	£744,866

#### Conclusion:

20.8% (5) of exemptions were sought on the basis of extending an existing contract to allow service provisions to become co-terminus with similar service provisions in order to merge multiple contracts into one contract or to carry out one tender exercise for multiple contracts.

8.3% (2) of exemptions were sought on the basis that there was insufficient time to undertake competitive tendering. Rationale includes that due to the existence of multiple contracts over the organisation of low value, and when amalgamated together exceeded EU thresholds, an exemption was needed to cover activity retrospectively and going forward until a competitive tender process has been complete.

16.7% (4) of exemptions were sought on the basis of it would not be appropriate use of public money to launch a full tender. In most instances the rationale has been made on the basis that the activity represents value for money or builds on work already undertaken, for example a continuation of a pilot to understand if the service and support delivers what the council needs it to and achieves value for money.

In two instances, Commercial Services challenged exemptions. Firstly, rationale included the lack of evidence to suggest that the provider was the only viable option for this service in the market and secondly the rationale included concerns on the provider delivering the service and whether this offer value for money against what could be delivered internally.

50% (12) of exemptions were sought on the basis that there was no viable alternative. Rationale includes the activity represents value for money and that a particular provider has either the expertise or opportunity to deliver the requirement quickly and without BCC incurring additional costs. In one instance, the goods were so unique; the provider was the only viable option in the market.

Commercial Services challenged one exemption due to the reason that the service areas had sought a previous exemption the year before and that exemption was supported on the basis that a competitive tender be conducted in good time.

4.2% (1) of exemptions of were sought on the basis of specialist expertise. In this instance the activity could not be performed by Ringway Jacobs which resulted in BCC commissioning the services directly.

It continues to be a priority for Commercial Services to assess and update the exemption process. Through identifying the non-value adding activity within the process and testing the draft process and form with service users, Commercial Service hope to be in a position within the Quarter 2 to be able to deliver a more efficient process.

Please see **Appendix 1** for further information about exemptions registered during the reporting period.

## **2. Use of eSourcing**

The volume of activity through the corporate eSourcing portal is lower than expected but is increasing year on year.

Service Directors were asked to provide a statement of compliance in respect of using the portal for sourcing and to provide a copy of their contracts registers so that assumptions could be tested. Where returns were not received Service Directors were called in by cabinet to explain the reasons for non compliance.

Assessments of the returns were undertaken using spend data but this proved more difficult than anticipated due to how the data is configured in SAP. This has highlighted that we need to capture the right information at the right time in the purchasing process to monitor compliance. This is currently being addressed under P2P Project and is high priority for Commercial Services.

Increasing the use the portal continues to be a priority for Commercial Services.

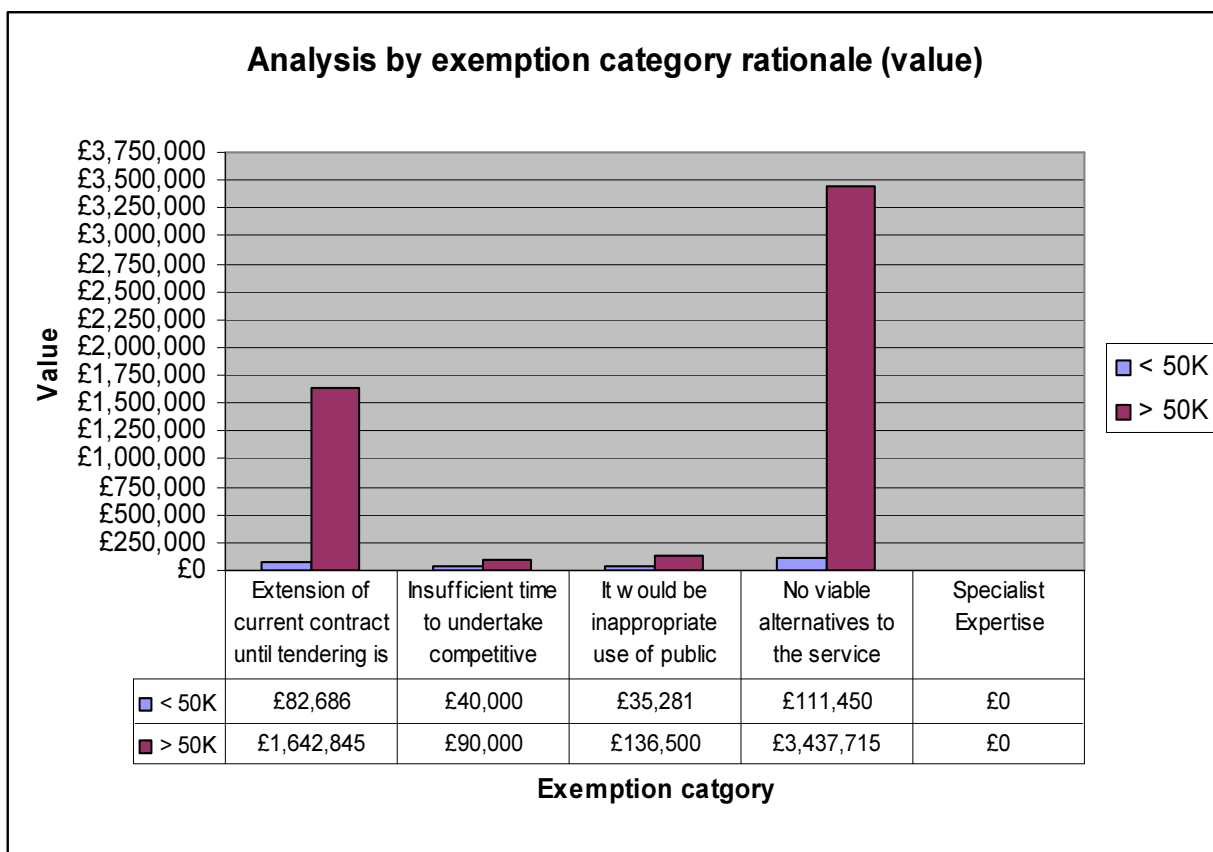
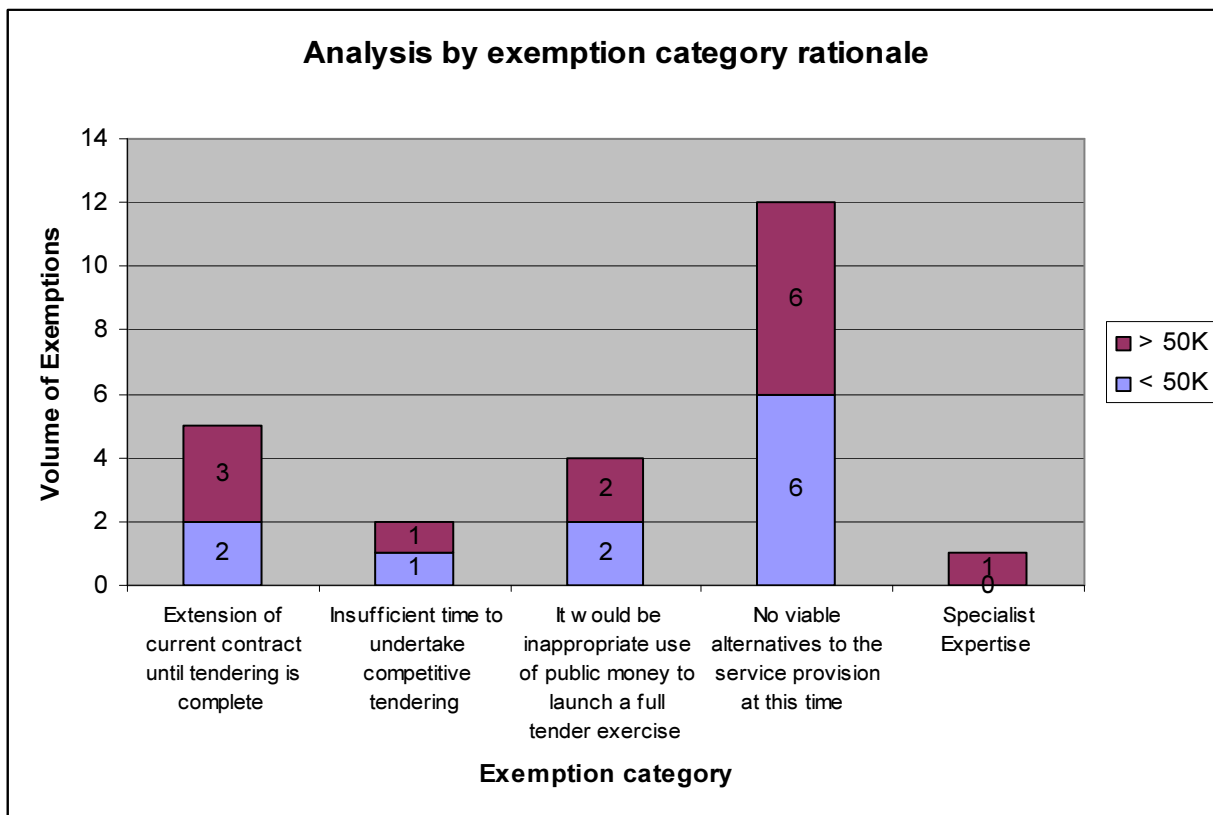
Please see **Appendix 2** for further information about eSourcing use during the reporting period.



Commercial Services

Performance Enhancement

Appendix 1 – Exemption Analysis and Data Extract



**Exemptions received and registered retrospectively**

**Exemptions registered and then subsequently cancelled**

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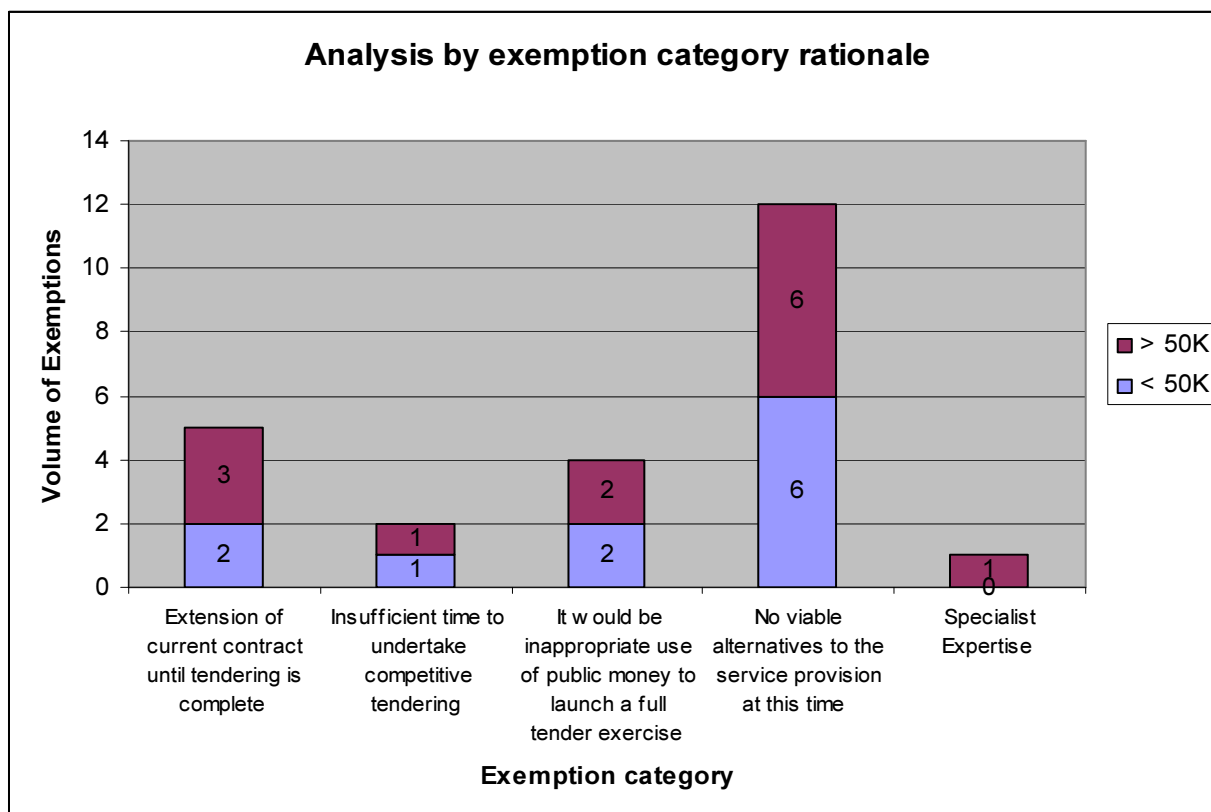


**Analysis of exemptions applied for under Standing Orders relating to Contracts**

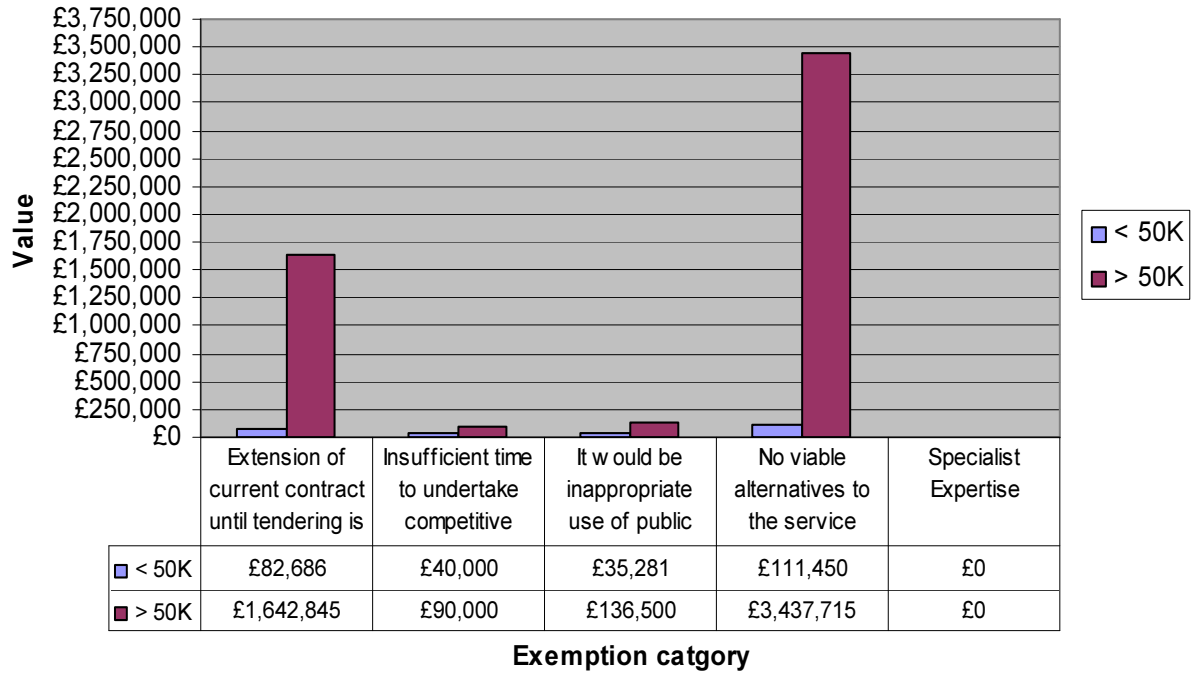
**Fiscal Year 2012/13 – Quarter 4**

**Summary**

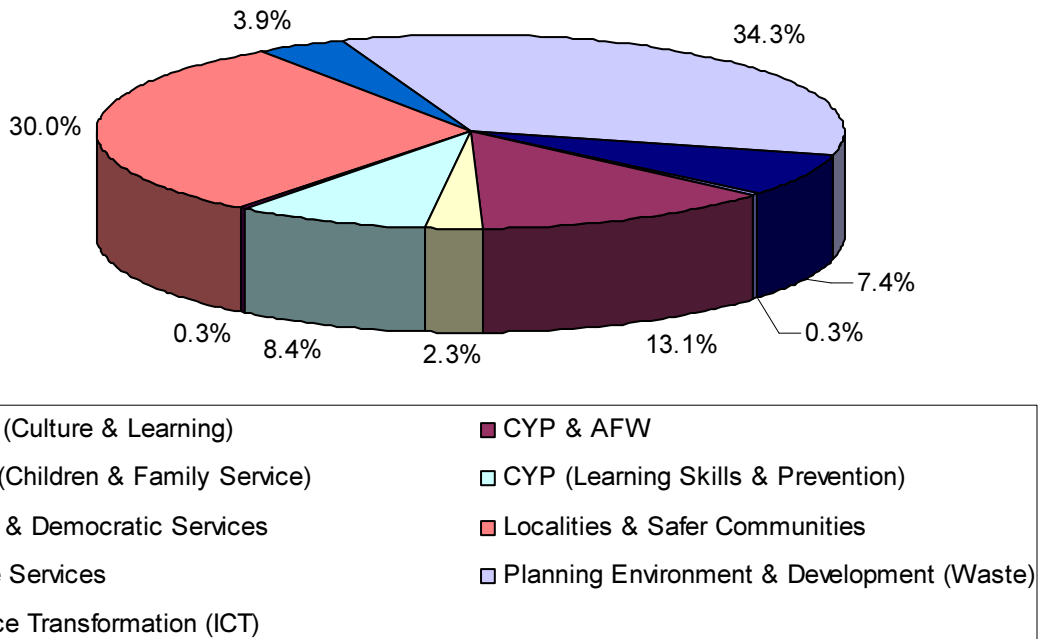
	Qtr4	FY12/13
Total no. of exemptions registered	24	93
Total no. of exemptions cancelled during process	1	11
Total no. of exemptions recommended on behalf of S151 Officer	17	79
Total value of exemptions recommended on behalf of S151 Officer	£5,064,227	£22,461,836
Total no. of exemptions not recommended on behalf of S151 Officer	3	4
Total value of exemptions not recommended on behalf of S151 Officer	£142,250	
Total no. of exemptions raised retrospectively	4	18
Total value of retrospective exemptions	£744,866	£3,822,231



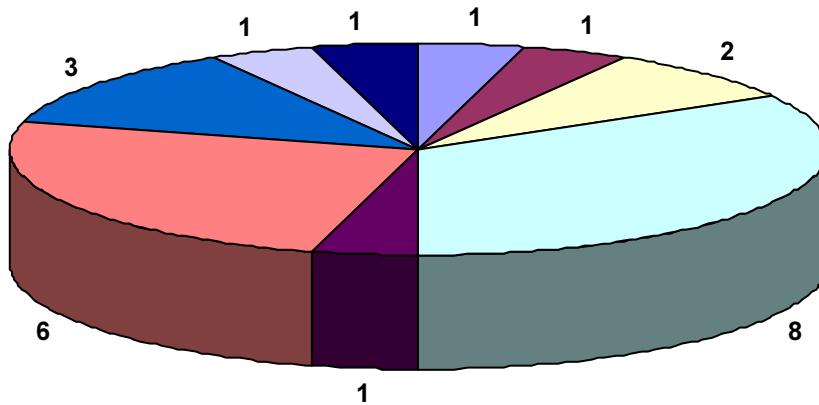
**Analysis by exemption category rationale (value)**



**Comparison by Service Area (Value)**



Comparison by Service Area (Volume)



- AFW (Culture & Learning)
- CYP (Children & Family Service)
- Legal & Democratic Services
- Place Services
- Service Transformation (ICT)
- CYP & AFW
- CYP (Learning Skills & Prevention)
- Localities & Safer Communities
- Planning Environment & Development (Waste)

**Exemptions not recommended by delegated S151 Officer role**

Ref	Date	Status	Title	Value	Service Area	Reason for Exemption
12/13 117	30/01/13	<b>Not Approved</b>	Support to develop a final business case for Buckinghamshire Learning Trust (2)	£18,250	CYP (Learning Skills & Prevention)	It would be inappropriate use of public money to launch a full tender exercise
12/13 119	08/02/13	<b>Not Approved</b>	Systemic Practice Training	£84,000	CYP (Children & Family Service)	It would be inappropriate use of public money to launch a full tender exercise
12/13 126	01/03/13	<b>Not Approved</b>	Information system for Buckinghamshire Family Information Service (BFIS)	£40,000	CYP (Learning Skills & Prevention)	No viable alternatives to the service provision at this time

**Exemptions received and registered retrospectively**

Ref	Date	Status	Title	Value	Service Area	Reason for Exemption	Consent Granted by Commercial Services?
12/13 111	02/01/13	<b>Completed</b>	Webcasting	£17,031	Legal & Democratic Services	It would be inappropriate use of public money to launch a full tender exercise	Yes

## Commercial Services

### Performance Enhancement

12/13 119	08/02/13	<b>Not Approved</b>	Systemic Practice Training	£84,000	CYP (Children & Family Service)	It would be inappropriate use of public money to launch a full tender exercise	No
12/13 123	18/02/13	<b>Completed</b>	Supply & maintenance of e-commerce solution	£410,000	Service Transformation (ICT)	Insufficient time to undertake competitive tendering	Yes
12/13 132	12/03/13	<b>Completed</b>	Provision of support to CYP relating to Domestic Violence & Abuse	£233,835	CYP (Learning Skills & Prevention)	Extension of current contract until tendering is complete	Yes



## Commercial Services

### Performance Enhancement

#### Appendix 2 - ProContract Stats Jan 12 – March 13 (Qtr 4)

<b>Tenders &gt; £100k</b>	<b>Jan 12 –Mar 13</b>	<b>Est Value</b>
Finance & Commercial Services	3	8,710,128
Localities (DAAT)	1	150,000
	<b>4</b>	<b>8,860,128</b>

<b>Tenders £50k up to £100k</b>	<b>Jan 12 –Mar 13</b>	<b>Est Value</b>
	<b>0</b>	<b>0</b>

<b>Quick Quotes £10k up to £50k</b>	<b>Jan 12 –Mar 13</b>	<b>Est Value</b>
CYP	1	12,000
Place (Black Park/Property)	3	75,000
Human Resources	1	22,000
		<b>109,000</b>

# Commercial Services

## Performance Enhancement

### Appendix 2 - ProContract Stats April 12 – March 13

<b>Tenders &gt; £100k</b>	<b>Apr 12 –Mar 13</b>	<b>Est Value</b>
Finance & Commercial Services	25	36,962,967
Localities (DAAT)	1	150,000
Place (Transport)	1	300,000
	<b>27</b>	<b>37,412,967</b>

No. of Suppliers Registered as at 31/03/13	2,789
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<b>Tenders £50k up to £100k</b>	<b>Apr 12 –Mar 13</b>	<b>Est Value</b>
AFW	1	90,000
Finance & Commercial Services	1	86,000
	<b>2</b>	<b>176,000</b>

<b>Quick Quotes £10k up to £50k</b>	<b>Apr 12 –Mar 13</b>	<b>Est Value</b>
CYP	3	37,600
Policy, Performance & Comms	2	60,000
Place (Black Park/Waste/ Transport)	15	405,500
Localities (DAAT)	2	80,000
Finance & Commercial Services	1	45,000
Service Transformation	1	48,000
	<b>24</b>	<b>676,100</b>